

Leading for Resilience

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When companies run into trouble the goal of every leader is to 'bounce back' rapidly and yet so often we see just the opposite. Business failure and financial ruin haunts anyone who has managerial or corporate responsibility. Surprisingly, research has shown that major crises can often result from a range of small problems coinciding, that when looked at individually, are indistinguishable from normal occurrences. This happens particularly when leaders become distracted with 'non-core' essentials or are preoccupied with past successes.

Errors can accumulate unnoticed over time and seem to have the innate ability to find the weakest parts of the system.

A natural response from many managers is to introduce policies, procedures or direct supervision as a means of control. However attractive, adding another rule or holding somebody to account often fails to solve problems in the long term. For example, the recent spate of medical errors in the NHS suggest there was neither a shortage of formal rules nor prior exemplars from which to learn. So how can leaders, particularly those charged with the heavy responsibility of achieving 'failure free' operations, design, implement and execute their activities to secure exceptional performance?

Our research has examined a large number of failures in organisations in which making errors can have catastrophic consequences. They have included nuclear facilities, high security mental health services, humanitarian aid organisations and numerous National Health Service Trusts.

We have found that effective recovery and building a reliable future requires managers to become preoccupied with four areas:

1. **Providing an exceptional quality of service**
2. **Preventing harm to people, property or the environment**
3. **Minimising the number of errors per unit of activity**
4. **Consistently meeting external social and political expectations.**

Whilst there are clear differences across organisations and sectors in almost every case, the basic approach should be the same: leaders prioritise failure avoidance and attempt to proactively design and manage the organisation to this end. This approach enables an organisation-wide emphasis on resilient performance even in the presence of a threat or continuous stress.

In contrast, organisations that are less resilient strive for peak performance, often driven by instant profits or bonuses. Short term success can breed complacency and overconfidence, often masking impending crises and can make the investment in medium term increasingly difficult to justify.

When a crisis does finally occur, the organisation can plunge into the zone of 'heroes and headlines': a descending spiral in which leadership failure leads to crisis. In these circumstances organisations can become accustomed to regular failure and attract leaders who thrive on the excitement. Such 'fire fighters', who manage/limit the damage and help the organisation 'bounce back' from adversity can become celebrated. However, the 'trial by media' that can occur in the aftermath of a major crisis could lead to the demise of the organisation. On the other hand, resilient organisations equally have their fair share of problems but tend to identify and address them quickly so as not to destabilise operations - see Figure 1.

Leaders that concentrate on building resilience, shift their focus between two intersecting dimensions: width and direction. They need to be able to see the big picture (broad) and concentrate on single operational issues (narrow). Leaders also tend to focus on the wide system and business environment (external) as well as deal with their own ideas and concerns (internal) - see Figure 2.

Perceiving

Leaders in error-critical organisations have to read and make sense of many complex situations occurring simultaneously, including those that have not occurred before and might have been thought unimaginable. As a result they take nothing for granted, purposefully seeking out and assessing anomalies, errors and impending problems, even those that are subtle or hidden.

Strategising

Having developed an information rich environment, leaders develop a good grasp of the current 'health' of the system by turning data into intelligence by identifying patterns and trends. They recognise the importance of first-hand observation.

Imagineering

Where possible, leaders create space to reflect, conceptualise and visualise the effects and consequences of their decisions first, before taking action. They know that unexpected problems will arise for which the rule book will not apply. Therefore, they involve others and share responsibility for the problem with people at all levels of the organisation.

Orchestrating

Leaders recognise the importance of making timely interventions when problems are identified. They take responsibility and encourage others to do the same – "the buck stops everywhere". They see plans through to completion. However, they realise that plans may endanger people if they are followed blindly and rigidly. They encourage adaptation, improvisation and creative solutions to unpredictable challenges.

Leaders need to encourage lessons to be learned when mistakes happen to prevent catastrophic consequences in the future. By handling the unexpected, a leader can reap the rewards not only of resilience, but can use adversity as a springboard for high performance in the future. MF

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Figure 1:
'Peak' and 'resilient' performance

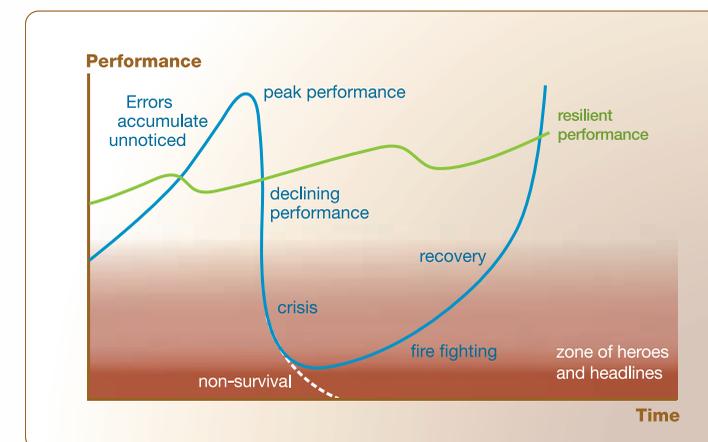


Figure 2:

This model indicates the resilience spiral and key leadership priorities, adapted from the work of Robert M Nideffer (1976)

