



Organisational Risk and Resilience: Coping with Uncertainty

Dr Bridgette Sullivan-Taylor (Research Director)

Dr Layla Branicki (Research Fellow)

***SOLAR: Strategy, Organisational Learning and Resilience,**
Warwick Business School, University of Warwick, Coventry, CV4 7AL*

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Website: <http://www2.warwick.ac.uk/fac/soc/wbs/research/solar/security/resilience/overview/>

Email: Bridgette.Sullivan-Taylor@wbs.ac.uk; Layla.Branicki@wbs.ac.uk

Warwick Research



- **SOLAR:** Strategy, Organisational Learning and Resilience Research Unit within WBS
 - **Conducts:**
 - Cutting edge resilience research within the public and private spheres
 - SOLAR pilot study (2004-2006) examined The Strategic Management Implications of Global Terrorism. Funded by The Leverhulme Trust.
 - Involved in a series of seminars in the area of security through the *Warwick Institute of Advanced Studies*
 - One of the key strategic research areas within the University agenda
 - Linked into a global network of researchers addressing issues of resilience
 - Linked to the *Warwick International Security Initiative* - a cross-disciplinary centre in the area of international security and resilience policy and practice focusing on both public and private sectors.
 - **Support:**
 - *University Research Development Strategic Funding*
 - WISI funding
 - UK Government: *The Cabinet Office*
 - Support from *CBI, AWM, Birmingham Resilience Team, BT, ICM, Continuity Central, Continuity Forum, HSBC, Government Office for London....*
- SOLAR: <http://www2.warwick.ac.uk/fac/soc/wbs/research/solar/>

Current uncertainties which produce risks include:

- New technologies and scientific developments (such as genetic engineering or gene therapy) have been described as the 'new' risks by a number of commentators
- Advances in drug development can reveal the existence of previously unknown diseases, can give the illusion of a cure and can have unpredicted side-effects.
- Nuclear power and biotechnology provide sources of cheap energy or improved crop production, but are risky since their negative consequences are well-known.
- Terrorism, whilst not new, has adopted new forms and has increased in scale and scope
- Foot and Mouth/BSE and related scares

Jorian (2000)

UK National Security Strategy

- The National Security Strategy of the UK (2008) identifies that ‘security’ is not a narrowly defined issue that can be dealt with by organisations in isolation.
- Security instead is given a wide definition to refer to the myriad of uncertainties produced by extreme events ranging from severe flooding, to the global impact of pandemic disease to the ever present threat of terrorist attacks.
- Focus on joined-up security.

WBS SOLAR Research Focus:



Whether it is severe weather, fuel crisis, pandemic flu or terrorism unexpected and extreme events present managers of contemporary organisations with an acute and urgent picture of uncertainty which renders strategic decision making problematic.

Extreme events expose organisations to high levels of risk and uncertainty which may stretch them to (and beyond) limits. Disasters, illegality (illegal networks and transnational crime), threats and acts of terrorism are all examples of such extremes, which seem highly improbable, but still occur...

The capability to manage and to strategise for uncertainty appears to be a key factor in contemporary business success and this research aims to identify ways in which these capabilities might be embedded and enhanced in organisations.

WBS SOLAR research will:

- 1.** Reveal how managers perceive the threat of extreme events as well as how they gauge such threats in relation to other organisational uncertainties
- 2.** Reveal information on the preparedness of organisational systems and processes to cope with the uncertainties posed. As Perrow showed, factors such as the knowledge base of the organisation as well as its systems (flexible versus bureaucratic) can have an impact on preparedness and resilience
- 3.** Examine the capacity of managers to decide and act in the face of threat and will assess the implementation characteristics of decisions designed to cope with these specific uncertainties
- 4.** Ask whether perceptions, preparedness and implementation vary by organisational type, by an organisation's position in an inter organisational network, by geographical location, or by managerial practice

Engagement with practitioners, user groups and the policy environment
is a critical part of the resilience picture:

Current research activities are supported by a range of organisations:

- UK Cabinet Office
- University of Warwick Research Development Strategic Award Funding
- CBI
- Advantage West Midlands
- Birmingham Resilience Team
- Birmingham International Airport
- BT
- Institute of Continuity Management
- Continuity Central
- Continuity Forum
- Co-operative Financial Services
- HSBC
- Jermyn Consulting
- Government Office for London
- London First....

Events to date have been attended by a wide range of UK based representatives from private sector Critical National Infrastructure organisations (e.g. transport and utilities companies) and UK Local Authorities.

The focus groups have been oversubscribed given the high level of interest from a range of stakeholders in this area of emerging policy and practice.

Research Project Next Steps



- Continuation of nation-wide events
- A national survey
- Organisational Resilience Capabilities Tool Kit
- Training workshops
- Exclusive knowledge sharing roundtable dissemination workshops
- Short feedback reports for participants
- Interested in collaborating and conducting international comparative research: UK/Eu/Asia/USA
- Refer to SOLAR website:

<http://www2.warwick.ac.uk/fac/soc/wbs/research/solar/security/>

SOLAR – WISI –

Proposed integrated programme of engagement activities:

- Establish Warwick as the leader in the area of organisational resilience
- Seminars and master classes to examine:
 - *the inter-disciplinary capability within WBS in the area of resilience and then more generally the UK resilience field in the with invitations to key researchers in the UK/Eu/Asia*
 - *aimed at key Critical National Infrastructure organisations, regional and local government and policy makers (e.g. inviting senior representatives from the Cabinet Office, Regulatory Authorities, Utilities, Transport, Communications)*
 - *on “political leadership in the area of resilience” inviting a inviting speakers from the Cabinet Office and Parliament*
- Develop International/SOLAR resilience network
- Comparative international research (eg; US/Eu/Asia (Durodie))
- Resilience database and electronic newsletter, online forum & information hub in the area of resilience
- Conference tracks: Strategic Management Society 2008 & EGOS 2009