



Magus Toolbox Limited

UNIVERSITY OF  
WESTMINSTER

**Basis.**

## Organisational resilience – Research Project – Executive Summary for the Knowledge Connect Project

### Background

The concept for the resilient organisation was first developed through a research project in 1990, that was designed to identify why some organisations had a greater ability to handle change than others.

The resilient organisation is one that has a high level of capacity to adapt to a changing environment, internally or externally. A key consequence of the adoption of the management practices indicated in the 1990 research as being appropriate for a change enabled organisation is that all employees are players. Especially operational people – 'the sensors at the periphery of the organisation' – engage in sensing signals coming in from the world outside the organisation that imply the need for change; all play their part in interpreting these signals; at the very least, these people are able to get items placed on the strategic agenda. Frequently, they are able to act in accordance with their interpretation of the signals.

The original concept of the resilient organisation has developed over the 20 years since it was first articulated. It has been informed by much published work on chaos and complexity; on the inevitability of emergence and self-organising groups in organisations; on actor-network theory; and on MTL's own work with influence networks in and between organisations.

The resilient organisation model is incorporated in a software tool called Magus Indexer. This tool is used, in the first instance, to measure the degree of organisational resilience existing in individual organisations. A database is used to enable drilling down into the organisation by function, level and level within function, to identify differences in management style and practices, as they vary with organisational cultures and micro-cultures.

A Diagnostic Tool is provided to help people in the study sample to work through immediate causes, to root causes, and the developmental action required, as indicated by the analysis stage.

The current project has collected data from a variety of organisations, both in the private and public sectors, and has calculated an index of the degree of organisational resilience for each respondent organisation. Indexes were also calculated by industry sector and size of organisation. Utilising the academic, practical experience and professional background of all parties the data were reviewed, and the framework for organisational resilience is now being updated and further developed.

### Project objectives

It has long been a goal that Magus Indexer should be used to develop a 'resilience database' storing the resilience index of many organisations, with the data set able to be queried by country, size of organisation and industry sector. This would enable individual organisations to benchmark themselves against the norms in the database, and that would enable an internal search for causes, root causes and actions to raise their level of resilience and, through that, their capacity to adapt and change.

The database for the current research project is designed so that the most commonly occurring causes of lack of organisational resilience can also be identified, classifying these by probable magnitude of impact on the organisation. Linking these results with the Indexer diagnostic tool provides a ready guide to where action is needed to improve resilience in the subject organisation.

### Status

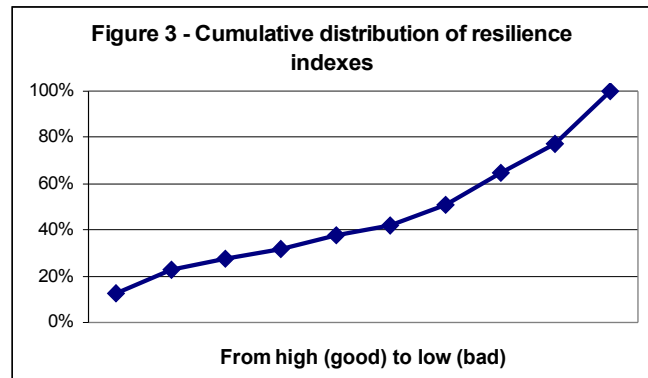
This report has been prepared using a data set that is still being extended, through practical implementation of the process rather than research. At the point of writing, data from 88 organisations has been collected and analysed. The purpose of this report is to allow a peer review of the structure and content of the report. An overall resilience index has been calculated for the total sample to date, along with indexes by size of organisation and industry sector.

## Summary

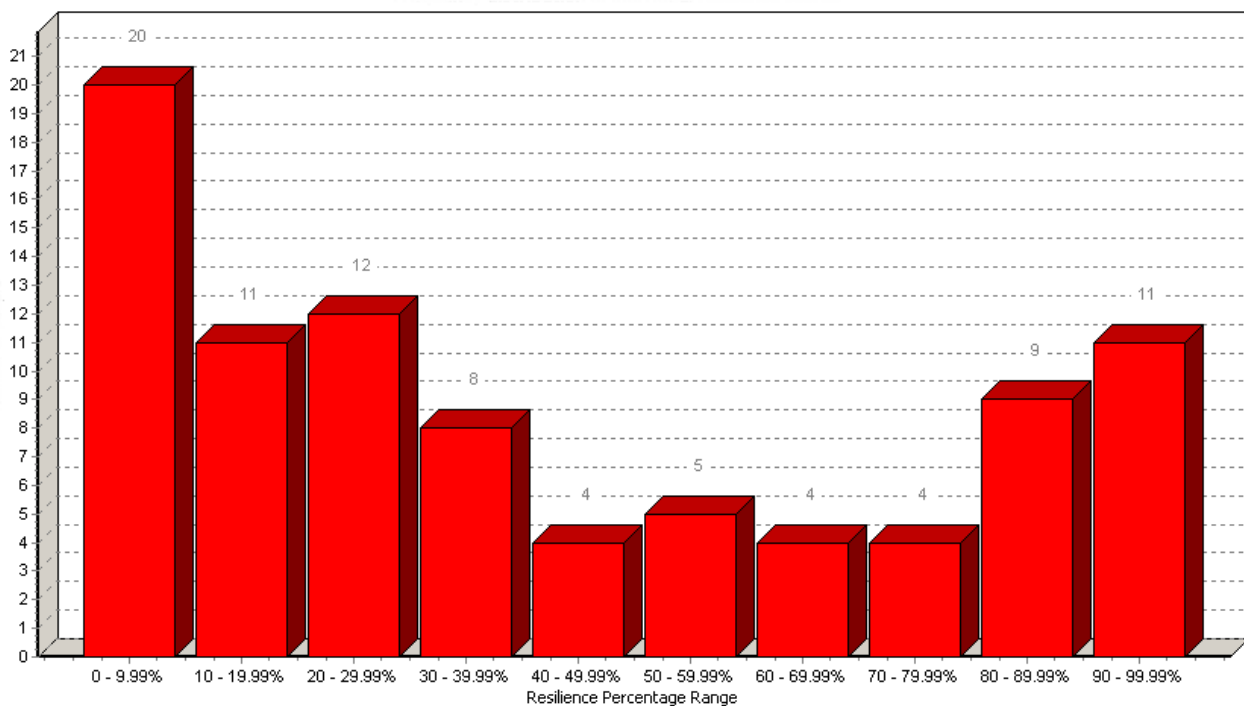
The average resilience index of the organisations in the sample is 42%. Note: high resilience indexes are good – the implication is one of an organisation that has a good capacity for adapting to a changing environment.

The small figure to the right shows the cumulative percentage of the resilience indexes. It is noteworthy that the steepest section of the line is to the right, where the lowest (poorest) resilience indexes are to be found.

The distribution of indexes for the individual organisations in the sample is shown in figure below:



**Figure 4 - Frequency distribution of individual organisation resilience indexes**



The most interesting feature of this figure is the way it is polarised towards both ends. There are 20 examples of highly resilient organisations (indexes of 80% or over) and 31 examples of those with little or no capacity to adapt to a changing environment (indexes of less than 20%). There are 20 organisations with a moderately high capacity to adapt (indexes of 20% or more but less than 40%). There are relatively few organisations in the mid-range of indexes (25 in the range from 40%).

One possible interpretation of this is that organisations either 'get it right in a big way', or the reverse. If this interpretation turns out to be true, the probable implication is that when the management of an organisation adopts an underpinning philosophy about its people, and the design and application of management processes and practices, that philosophy is likely to be applied 'across the board', and not in just some aspects of organisation management. The design of Magus Indexer, the questions used and the diagnostic tool that is used with it provide a good guide to the management philosophy being adopted.

The input questions used by Magus Indexer are indirect, observational and non-judgemental. Since they are also behavioural, they provide a first level of diagnostic information that can be used to analyse immediate causes of low resilience problems. Analysis of the high outputs produced by Indexer, in conjunction with the Indexer Diagnostic Tool, enables root causes to be identified. Both analyses lead to targeted action.