The Human Side of Business Resilience

By Jennifer Gervès-Keen

What is the issue?
Accelerating, unpredictable and often unprecedented change is a hallmark of the digital age. Business leaders consistently face challenges, and these have been amplified by the global pandemic. COVID-19 has also exposed the danger of focussing only on the short-term. For many organizations, both the direction and the pathway to get there is currently unclear. Sustaining an environment of readiness will assist businesses in building their resilience, which will help them pivot, adapt quickly and manage potential risks more effectively. This in turn will allow them to succeed despite the unanticipated challenges they encounter.

Why is the issue important?
Unless businesses build resiliency into their operations, they will not be able to navigate the next challenge or realize the potential of the next opportunity. They will fall behind agile, forward-looking competitors and risk reputational damage, financial hardship and failure.

What can be done?
For the purposes of this Management Accounting Guideline (MAG), we define business resilience as it is described in the CPA Canada's RAISE philosophy "*Resilience speaks to the ability to manage risk and quickly recover from turmoil and disruption. Resilient organizations do this while maintaining continuous business operations and safeguarding people, assets and overall brand equity.*"

This guide will discuss a non-linear process on how to build organizational resilience from a leadership behavioural perspective.

Who is this guideline for and how can it be applied?
This guide is directed to chartered professional accountants (CPAs) in management working in private, not-for-profit and public organizations across industries and sectors. It provides a framework to set and maintain the foundation that will allow organizations to adapt to change. CPAs are in a unique position to be trusted advisors in designing a more resilient future. They can help senior leadership review and revise strategy, forecast different scenarios, identify risks, gaps and opportunities, strengthen relationships with customers and share their expertise to ensure their organizations are ready for whatever comes next.

Overview

Links to other CPA Canada Management Accounting Guidelines (MAGs)

This guideline can be used in conjunction with other CPA Canada guidelines that provide further information on related topics, such as:

- MAG on rethinking organizational strategy
- MAG on strategy mapping
- MAG on scenario planning
- MAG on future value drivers

What's inside?

This guide links business resilience to CPA Canada's RAISE philosophy, as well as what it takes to adapt to change and grow stronger. This guideline will provide information on how to:

1. Set a long-term vision and a short-term focus.
2. Align purpose and values with organizational priorities.
3. Build internal capacity and risk management.
4. Create opportunities for cross-collaboration and problem-solving.
5. Make trust, ethical behaviour and accountability your brand.

How emerging trends impact your business

Accelerating digital transformation; hyperconnectivity; climate change; extreme weather; cyber threats; global political unrest. These are the trends impacting organizations, industries, economies, and societies. In today's uncertain, fast-changing environment, exponential promise and large-scale failure stand side-by-side. There is no business as usual. The ability to rapidly navigate ongoing disruption is critical.

Companies need to think long-term while delivering short-term. This is what will enable them to withstand the next natural disaster, security breach, or supply-chain disruption and build back stronger. Resilience is less about bouncing back to where you were, and more about bouncing back better, integrating the learning from any given crisis to further solidify the foundations of your organization.

Overview
Process
Application
Key Learnings
Resources

A tech firm with 120 employees based across North America were just starting on a strong growth trajectory when the pandemic hit. Following the counsel of their CFO (a CPA), within a week they had shut down their one physical office, informed their non-essential external contractors that they would not be using them until further notice and terminated several employees who had not been performing as well as initially hoped.

Through some careful decisions and risk management early on, they were able to keep their workforce intact, support their employees remotely and continue to grow the business – albeit more slowly than anticipated – throughout 2020. They came into 2021 in a position of strength and have even been able to take advantage of the talent available on the marketplace to fill anticipated gaps on their team. They were not lucky or nimble because they are small. They put the work into being prepared. The leadership team have had a regular 2-hour meeting every week to cover tactical project needs and updates, and for the past three years they have spent one full day a month together, prioritizing the business and discussing employee and customer feedback. Reviewing and revising their plan, putting the spotlight on different areas of the business and learning together have built trust and a readiness to adapt supported by a "what's next?" mentality and a can-do attitude.

A key part of building resilience in any type of organization is focussing on the leadership and the employee experience. That is never truer than in our current workplace environments. We are experiencing the "great resignation," with turnover rates increasing as people decide to leave their jobs. Our societal norms are shifting, with social justice, diversity, equity and inclusion becoming mainstream considerations. We are seeing a disconnect and growing gap in the marketplace between the skills and roles companies are looking for and the talent that is available.

Introduction to the topic

What is business resilience?

Business resilience is a more holistic approach than business continuity, which is more process-centric. Business resilience is an ongoing mix of strategic, operational and human factors.

Traditional operating models and "we've always done it this way" mindsets have the capacity to sink a business during periods of stress. CPA Canada's RAISE philosophy provides an excellent foundation for business resiliency, with its focus on protecting and recovering, learning and responding and using innovation to challenge the status quo in a sustainable manner.

As stated earlier, our workforces are complex and require constant retooling. Cultivating a learning culture where the senior leaders show their own ability and willingness to learn and adapt is critical for whatever challenge happens next. Constant and exponential change is a given in today's world. The investment and time it will take to make our organizations more resilient and business-ready, whatever curve balls are thrown at them, may seem like a lot, but focussing on a few key concepts will shift your organization into a more solid position. It is important to aim for progress, not perfection.

Resilience – not just a buzz word

In her book *Flourish or Fold: The Five Practices of Particularly Resilient People*, author Dr. Taryn Marie Stejskal defines resilience as "...the willingness to engage challenge, change and complexity actively; to allow ourselves to be enhanced by the experience, not diminished."

This very much puts the focus on the action of resilience as opposed to concentrating on resilient thinking. To successfully embed business resilience into an organization, it is essential for the senior leadership team to model the desired behaviour and demonstrate an early and highly visible openness to actively learn and adapt. People will notice how leaders are behaving which helps build trust and faith in the process.

The following example illustrates this:

A medium-sized construction business in Vancouver had gone through several years of continued growth and was starting to see some real issues with inconsistent performance and quality of delivery, which was negatively impacting their clients. It was decided that it needed to implement a more formal and objective system of project metrics across the organization.

The senior leadership team attended focus groups with their clients to understand the patterns behind the inconsistent delivery, summarizing their findings in a gap analysis. They then shared these findings with each division head, highlighting what needed to be done. Simultaneously, the quality control group created a new, more relevant list of metrics that accurately reflected their current work environment and their clients' needs.

The team took a cascading approach, embedding the new metrics into team performance incentives and continuing down into individual performance plans for their employees. They worked on providing opportunities to fill any skill or quality gap through skill-building (formal and/or informal learning) as well as better quality control initiatives. The senior leaders were visibly active during the entire process, being the first ones to identify their own skill gaps and participate in the learning opportunities provided. They also clearly aligned the new metrics – and the anticipated improvements – with the overall business strategy and used the organizational values of quality, excellence and client service to strengthen the momentum behind the quality initiatives.

Clearly stating their expectations, communicating what they wanted to accomplish, encouraging learning and feedback and directly aligning the entire initiative to long-term success ensured a high level of compliance with and respect of the new quality metrics. The real success, however, is that this has become a continuous process, with a "review, revise, repeat" mentality now being a core behaviour throughout the business. This is resilience in action.

Overview
Process
Application
Key Learnings
Resources

Adopting CPA Canada's RAISE philosophy

CPA Canada's RAISE philosophy is based on the premise that companies need to be resilient, adaptive and innovative to be sustainable enterprises.

- Resilient describes the ability of an organization to mitigate risk and quickly recover (adapt) from constant turmoil and disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity. **Resilient = protect + recover**.
- Adaptive refers to the ability to maintain a high degree of flexibility and change or adjust in almost real-time by altering routines and practices in response to internal and external changes. **Adaptive = learn + respond**.
- Innovative represents the ability to translate fresh, novel or revolutionary concepts into sustained value. **Innovative = transform + reframe**.

These are the components of resilience. Adopting the RAISE philosophy is what will allow organizations to anticipate, pivot, adapt and succeed.

How CPAs add value

CPAs are in a perfect position to be trusted advisors in designing the future. They can help the senior leadership team review and revise strategy, forecast different scenarios, identify risks, strengthen relationships with the customer base and share their expertise and familiarity with ongoing trends in the marketplace. They can assist their organization to design and deliver the organization's response to the "event" and hold them accountable to taking a continuous improvement approach.

CPAs are also key in helping their organizations identify gaps, opportunities and required investment (both time and cost) while they work their way towards greater long-term business resilience.

The CPA Canada RAISE philosophy is a cornerstone of business resilience. The MAG will focus on using a learning culture to adapt and respond and innovating through creativity and collaboration, leading to an ability to reframe and transform when required.

Process

There are five elements in the non-linear process to building organizational resilience as shown in Figure 1. These five elements can happen simultaneously; they are not to be seen as steps but as behaviours and approaches that need to be considered at all times.

FIGURE 1: FOUNDATIONAL BUILDING BLOCKS TO STRENGTHENING ORGANIZATIONAL RESILIENCE

1. **Set a long-term vision and a short-term focus.** This may sound contradictory, but it is what will allow an organization to prioritize and avoid focussing on too many things. When everything is urgent, nothing is urgent. Establishing a clear vision for the future and a primary focus for the present increases productivity and allows organizations to move much faster. This is exactly what happened with the rapid development of the COVID-19 vaccines.
2. **Align purpose and values with organizational priorities.** Highly resilient individuals have a strong sense of purpose. The same is true for organizations. It is essential for individuals and teams to know why they show up for work every day, who they serve and what impact they are making. It is essential for organizations to define and communicate a clear purpose, so their clients and employees know why the organization exists.
3. **Build internal capacity.** Knowledge of the business, how it works, where the money comes from, risk management and upskilling should be embedded in the organizational culture. This is what will provide your people with the skills to rapidly adapt and pivot.
4. **Create opportunities for cross-collaboration and problem solving.** The ability to see an issue or challenge from many points of view will help you identify and mitigate risk and seize opportunities.

5. **Make trust, ethical behaviour and accountability your brand.** Today's uncertainty coupled with widespread access to data and the power of social media to disseminate information continues to demonstrate just how quickly a company's reputation can change. Leaders (and organizations) create followership by having a clear and consistent point of view that is aligned with the articulated values, behaviours and purpose of the organization.

Underlying these five foundational concepts is of course the need for speed. Even focussed, accountable leaders with a clear vision for how to move forward may miss the agility window if the decision-making process of the organization is slow.

Speed in decision making

Speed in decision making is key to ensuring that the five elements to building business resilience do not get stalled by internal organizational barriers which slow down the ability to adapt in the necessary time frame. The "how-tos" of quick decision-making are:

- **Clarify accountability.** It may sound basic but having clarity on knowing who is responsible for what, when they need to deliver and how you will know that it is done – and done well – can move things along much faster.
- **Quick access to the right data.** Look at how – and how fast – data necessary for making key decisions can be accessed and see how that process can be simplified or streamlined.
- **Use an actual decision-making or prioritization process to avoid emotional or biased decisions.** Avoid making decisions based on feelings or past experience. Check the tool bar presented later in this document for some helpful ideas.

Applying the topic to your organization

Step 1

Set a long-term vision and a short-term focus

Have a clear direction but be flexible and able to pivot quickly. Build a sustainable business that will be successful long-term and do it while driving short-term financial gains. Invest in your people but be prepared for them to leave, and ensure you have buffers in place to lessen the impact. Some boards are still asking for five-year strategic plans, but your industry can and likely will look a lot different between now and then. These are the challenges today's leaders face. Strategic planning needs to move from an annual one or two-day retreat to an ongoing, continual exercise within the organization. Review, revise, repeat. Strategic planning, clear direction on short-term focus and relevance of the long-term vision all need to become part of the day-to-day leadership behaviours.

Adopting a project mindset, where each of these needs are viewed as interlocking projects will allow you to develop a vision that prioritizes what has to happen today to realize the future you want to see. Operational planning becomes more concrete and therefore easier.

> Think of it like a flashlight pointing towards the ground. The closer to the ground, the smaller the circle of light and the brighter the light is. That is your short-term focus – clear and narrow. The higher you hold the flashlight, the wider the circle of light becomes, but it also becomes dimmer. That is your long-term focus – broader, less easy to see, but taking into consideration the complexity required when thinking long-term.

Start by having a clear understanding of what matters to your organization. The following strategic planning questions allow for continual checks and balances on the organization's vision and direction:

- Do you have quality and current data? Is this data being provided through impartial, unbiased sources?
- Is your understanding or read on current conditions (internally and externally) an accurate, correct one? How do you know it is correct?
- How have you tested the assumptions that support your decision making?
- Is your technology up-to-date and sufficient for your needs?
- Do your employees have the skill sets required to fulfill the business strategy?
- What kind of experience do you want to create for your clients? Your colleagues? Your employees? Are you delivering that experience?

Overview
Process
Application
Key Learnings
Resources

- How do you want or need to grow as a leader and professional?
- If you could change one thing tomorrow about your business, what would it be?
- What is your standard client or stakeholder relationship? Are there things you would like to change about that relationship?
- What are the ongoing and upcoming opportunities for your region?
- What are the ongoing and upcoming challenges in your business?
- What do you need to focus on to ensure that you are consistently delivering on our customer promise?

Many CPAs are familiar with the Eisenhower urgent vs. important prioritization matrix:

	URGENT	NOT URGENT
IMPORTANT	**DO** Do it now.	**DECIDE** Schedule a time to do it.
NOT IMPORTANT	**DELEGATE** Who can do it for you?	**DELETE** Eliminate it.

However, when applying a project perspective, there are some agile thinking frameworks that may be better suited to help with rapid prioritization and decision making and ensure you are moving forward at the required speed.

Overview Process Application Key Learnings Resources

TOOL

The **MoSCoW method**. Credited to pioneering data scientist Dai Clegg, the MoSCoW method has roots in agile software development. The acronym represents four criteria to effectively strategize:

- **M**ust have. If you have to cancel everything because you are missing this one element, it is a must have.
- **S**hould have. These features are important, but not absolutely vital to the success of your project or plan.
- **C**ould have. These items are wanted or desirable but are less important than should have items.
- **W**on't have. These are elements that everyone has agreed not to focus on at least for now. You may decide to focus on them later or discard them if they never become a priority for the organization.

Another system that can help you decide where to focus your efforts is the **RICE framework**. It is a formula that allows you to calculate the value of a particular initiative or idea.

$$\frac{\textbf{Reach} \times \textbf{Impact} \times \textbf{Confidence}}{\textbf{Effort}} = \textbf{RICE SCORE}$$

Reach = how many people (clients, employees, etc.) will be affected during a given time period?

Impact = how much will this impact people? (You can create a simple scoring system from minimal to maximum impact).

Confidence = how confident are you about the Reach and Impact scores? Do you have the data to back them up?

Effort = how much of a time investment will this require? (For example, how many hours will it take the team?)

Once you have decided on your strategic priorities, you can use the RACI methodology to decide who needs to do what in order to move the strategy forward.

Overview
Process
Application
Key Learnings
Resources

TOOL

The **RACI chart** is an implementation plan, shared among the project implementation team. It identifies key roles and responsibilities for the major tasks within a project and allows you to move forward quickly with full accountability.

- **R** = who is responsible?
- **A** = who is accountable?
- **C** = who needs to be consulted?
- **I** = who needs to be informed?

Choosing a framework to help you prioritize is one step; implementing that framework is the ultimate goal. One of the easiest ways to do that is to consider the impact of your decision by asking the following question – will this allow you to craft an appropriate implementation and communication plan for what you need to accomplish?

Principals and values: Is the decision we are making in alignment with our organizational principals and values? How will it impact our stakeholders? Can we publicly justify it and remain aligned to our core principles?

People: Who will the decision help? Who might it hurt? How will we communicate it? Can we mitigate the hurt?

Profit or benefit: What is the benefit? What will we gain? (Might not be financial).

Policy: Is it in compliance with our policies? Health & safety? Union regulations? HR policy? Etc.

Once the leadership team has alignment on their priorities, then use the RACI chart – or a similar tool – as a way of tracking and holding people responsible. Tasks are assigned to different areas of the business, individuals are identified as the ones responsible, a communications plan can be put into place as required to cover the “consulted and informed” pieces and most importantly, a cadence of results reporting, and timelines need to be decided upon so that there is ongoing accountability throughout the implementation. The more effort and thought put into the front end (priorities, associated goals and timelines), the easier the actual implementation will be.

More tools to help with strategic planning can be found here: CPA Canada MAG Resources.

Step 2

Align purpose and values with organizational priorities

According to the *2021 Deloitte Global Human Capital Trends* report, “Both workers and employers see shared purpose as the foundation of their relationship, viewing it as the most important tie that binds them together.”

Understanding the purpose and impact of the organization, of their team and of their individual role empowers individuals and leads to greater productivity.

Start by making sure leadership is clear on the purpose of the organization, understanding that it may change over time. Cascade this conversation to teams and individuals.

Then take a close look at organizational values and identify the actual behaviours that demonstrate those values. Organizational values can be used as a vehicle to make and explain decisions and communicate changes. They can also be used as a guide and metric for behavioural performance that will contribute to the overall purpose and vision of the organization. There is no better way to encourage your team to show up in a certain way than to measure their behaviour.

Clearly define the behaviours that demonstrate a specific value within your organization. Create a value-behaviour grid spelling out what you expect to see and communicate it to staff. An example is provided in Figure 2.

FIGURE 2: VALUE-BEHAVIOUR GRID

Company values	Strong	Meeting expectations	Needs improvement
Quality	Provides absolute and consistent customer satisfaction. Exceeds expectations in creating positive experiences for customers. Ensures accuracy and consistent quality in all interactions, both external and internal.	Ensures consistent and positive experiences for customers. Provides accurate information to others. Cares about being the best in the business and demonstrates it through the quality of their work.	Does not meet customer expectations on a regular basis. Does not create positive experiences for our customers consistently. Makes frequent errors.
Teamwork	Is a role model through their own behaviour on how to work as a unified team. All their behaviour shows respect and caring for the company, the customer and the other employees. Shows up as professional and is organized.	Is a positive team member, respects themselves, their fellow employees and the customers. Keeps their workspace organized and recognizes the impact it has on others.	Shows negative behaviour that can impact the rest of the team. Does not show visible respect or caring for the company, customers and other employees. Is sloppy in their work habits, appearance and workspace organization.

Now link those values and behaviours to the short-term projects you have prioritized. For example, if you urgently need to work on improving customer service and you have “excellence” or “quality” or “service delivery” as a value, task the entire organization to focus on the behaviours that demonstrate those values. Once the improvement is obvious – and you have communicated successes and learnings – choose another value to align with a different area of focus.

Integrate the value-behaviour grid into your performance management system and use it. This allows your leaders to be able to reward technical performance as appropriate while giving them a solid platform to talk about any necessary behavioural changes that need to happen, or vice versa. Use the behavioural grid as a foundation to reward employees who demonstrate the behaviours that contribute to the organization's success. Leaders can use a value-behaviour grid to help them make decisions and ensure that they are consistently behaving in a way that aligns with organizational values. Use your values as a recruitment tool. Particularly after the pandemic, people are sensitive to, and looking for, organizations that do not just talk about but actually demonstrate what is important to them. Share them with your customers as appropriate, to show that you are committed to serving them in a meaningful and impactful way. Use your values to guide communication when shifts in the business need to happen to continue serving your customers.

Step 3

Build internal capacity and risk management

Assess your organizational readiness. When an organization does not focus on ensuring their employees are ready for what is next, it can overuse the resilience of individuals, leaving them without energy or motivation in periods where it matters the most. This includes the leadership team. In a recent survey of executives by Deloitte, 80% of respondents said that leadership readiness would be the biggest internal barrier to achieve future strategies, particularly in areas regarding talent. Ensuring that you are practising effective capacity building throughout the organization is the best way to ensure ongoing resilience in your teams.

Capacity building

Capacity building should be part of the orientation or onboarding process. Teaching staff and managers from day one how the business works, how it makes money (or is funded), who you serve and why, and what the ongoing strategic, operational and technological risks are builds a more resilient business from the inside out. For example, the more banks and financial institutions teach their people about fraud, the more employees will be able to recognize it when it happens. Not training employees for the very work they do is a missed opportunity. Creating an environment where learning is integrated into business priorities and workflow strengthens purpose and increases business intelligence and resilience across the workforce.

A global professional services firm with its head office in Montreal was experiencing ongoing issues with the non-billable to billable hours ratio of their more junior employees. The finance team also noticed an increase in the number of writeoffs that impacted client accounts and therefore the invoices being sent out to clients. Inefficiencies were high and much time seemed to be wasted on work that was not billable. The two CPAs on the finance team spent some time analyzing the past three months and took the results of their productivity vs revenue vs billable hours analysis to the leadership team. Much to their surprise, many of the managers had little or no understanding of how the financial side of the business worked, given that all of their time and energy was dedicated to their client deliverables.

The company was about to launch a company-wide leadership program, and the CPAs asked if they would be willing to add a module on the financial workings of the business. They were given the opportunity to build a four-hour workshop on the financial terminology and structure of the organization, which was quite complex as there were many subsidiaries and different countries involved. The managers found it so insightful they took the workshop back to their teams and taught their team members why it was important to work a certain way and the importance of accurate documentation (time sheets and client billing, for example). Through building the financial capacity of their employees, the organization measured a 20% increase in productivity and a 30% increase in client billing over the following six months. That financial training module has been adapted for each level of the organization and is now a key part of their employee onboarding experience.

Risk management

Risk management has historically been focused on areas such as finance, insurance, errors and omissions, and supply chain – the list goes on. In more recent years there has been a growing and necessary focus on cyber-risk, privacy and the protection of data. In 2021, we need to continue to expand our view of risk management to include the increasing power that our customers and stakeholders have in highly public forums on social media. Not a day goes by without a CEO or senior executive in the press due to comments they made (present or past), or for decisions or service their customer base doesn't agree with (the recent pressure on WestJet by the public to refund cancelled tickets for example, which led to an almost immediate change in company policy). In our current times there is not a lot that happens behind closed doors that does not eventually make it onto a public forum. Leaders and employees need to be vigilant about behaviour and communication that could detract from their reputation, motivate their stakeholders to publicly distance themselves and possibly close the doors of the organization for good.

A non-profit organization based in western Canada was highly respected for its commitment to social housing, its alliance with the marginalized communities in the city and its successful collaboration with other, like-minded organizations. The CEO was looking ahead at his retirement and working on a variety of structural changes due to the recent growth of the organization. He decided to run a cultural audit (discover how to run a cultural audit in CPA Canada's MAG, Using Humanity to Drive Organizational Change) to see how people were feeling about the recent changes and how open everyone was to more growth.

Through the cultural audit, it was discovered that a long-term, high-performing employee in the accounting department had been making frequent racist comments targeting certain individuals on the team. They had raised the issue to their manager who did not deal with it effectively, and who also did not escalate the complaints, so the CEO was completely unaware that this was happening. This was not, as the manager went on to claim, an "HR issue." This was a clear, urgent, internal organizational risk. Along with the fact that this kind of behaviour is completely unacceptable in any organization, if the situation was communicated externally, the organization could lose some of their funding, and they certainly would have lost some of their clients as they operate in a sector where diversity, inclusion and equity is a guiding principle. Their reputation, built over the past forty years would have taken a massive hit, and the CEO may have had to step down, with no succession plan in place, leaving the organization in disarray. They were fortunate as they were able to deal with the issue swiftly and decisively to the satisfaction of the impacted employees and it remained internal.

People can not prepare for what they have no experience in – and they certainly can not manage risk when they do not know how to identify it. Building organizational capacity in the essential areas of business – including management risk – allows you to move risk management from a "check the box" approach and integrate risk management into daily operations and practices. This also allows for more diverse problem solving and allows for rapid pivoting in operations when conditions require it.

For more information on risk management, please refer to CPA Canada's MAG, A Practical Approach to Managing Risks for Small- to Medium-Sized Organizations as well as additional CPA Canada resources on Enterprise Risk Management.

Step 4

Create opportunities for cross-collaboration and problem solving

One of the greatest advantages a business can have is diversity of thought. Being able to bring different perspectives and experiences to a project or a problem through collaboration yields better, bias-free solutions.

The path to business resilience is not a solo one. There is a proverb that states, "If you want to go fast, go alone. If you want to go far, go together." As business resilience is about taking the longer view of things, we absolutely want to go together. A proven business advantages of having diverse teams is that individuals with different perspectives will come at the same problem from different vantage points and will invariably find a better solution than one or two people working on their own. Collaboration also helps us get past our inherent organizational biases, such as the tendency to see everything from our departmental viewpoint or using the most recent data as opposed to looking for patterns over a longer period of time. There are some simple frameworks you can implement to reduce biased decision making and create opportunities for more structured collaboration within your organization.

Implementing leadership and employee pods (self-directed groups of three individuals) focussed on specific objectives across the organization represents a free and simple way to create opportunities for structured collaboration. These groups share knowledge, support and peer-coach each other, discuss and solve problems, experiment based on new learnings and hold each other accountable. This type of direct collaboration speeds up decision-making, mitigates risk and leads to innovation. Learning together increases trust and resilience as a team and allows for greater creativity and less biased decision making and problem solving.

You can set up pods very easily by adapting the "charter" below to reflect the objective of the pods in your organization. The impact of pods can be extraordinary. We formed the management team of a national organization in the hospitality and gaming sector into pods, deliberately placing individuals together who had conflict or who knew little about each other, mixing both departments and regions. In one of the pods, there was an operations manager, a member of the national total rewards HR team, and the national manager of workplace security. In one of their pod discussions, it came up that a new HR policy was creating a lot of frustration with the staff as, while it looked good on paper, the implementation of it was not well thought out and was creating time-consuming issues in a work environment that operated 24/7. Through the conversations in the pod, the HR manager was able to propose some modifications to her team, and the implementation of the policy was modified nationally. One group of three people, who were not in the C-suite of the organization, were able to enact change that impacted 10,000 employees in a positive way.

TOOL

The pod framework

Innovation pods are self-directed groups of 3 individuals who:

- Share their intellectual capital for professional and personal growth.
- Learn and practice peer coaching.
- Experiment with new learning and ideas together.
- Provide space to discuss and solve problems.
- Support and peer coach each other towards attaining goals.
- Hold each other accountable.

This is an example of a pod engagement chart (note: this can be customized to reflect the objectives of the pod)

Meeting logistics	Guidelines	Expectations	Goals	Challenges and reminders
Time Location Frequency Mode of contact (e.g., phone, in person?)	What values or principles do we wish to follow? How will we address differences or conflicts?	What do we expect of each other? What do we expect from ourselves? What organizational problems or challenges do we need to focus on?	Our individual goals are Pod member 1: ______ Pod member 2: ______ Pod member 3: ______ Our groups goals are: ______	What might be our blind spots (individual and group) or biases that may limit our innovation? How will we address these? How will we hold the focus on our goals?

Another way to fuel creativity in your organizations is to challenge people to use constraints to fuel innovation. In the book *A Beautiful Constraint* by Adam Morgan and Mark Barden, they talk about “propelling questions,” questions which take you from the “we can’t because” mentality to the “how to” mentality. This is a thought process particularly useful for not-for-profits or other organizations with continual constraints on their resources. An example they share is IKEA. “IKEA asked a propelling question: ‘How to make a durable, well-designed table for $5?’ To answer this, they had to ignore the conventions of table making and explore lateral solutions. They found the answer by sawing doors in half.”

Internal collaboration will increase innovation and employee engagement and strengthen the business from the inside out. It can also be an “early warning system” for more proactive risk management and will mitigate biased decision making.

Step 5

Make trust, ethical behaviour and accountability your brand

Trustworthy and responsible are among the top characteristics of resilient organizations, according to Deloitte's *2021 Global Resilience Report*. It is easy to understand why they identified the five characteristics that they did. The first three were prepared, adaptable, and collaborative. The remaining two were trustworthy and responsible.

This is an area that every organization can improve upon; and one that is absolutely critical for the reasons outlined below.

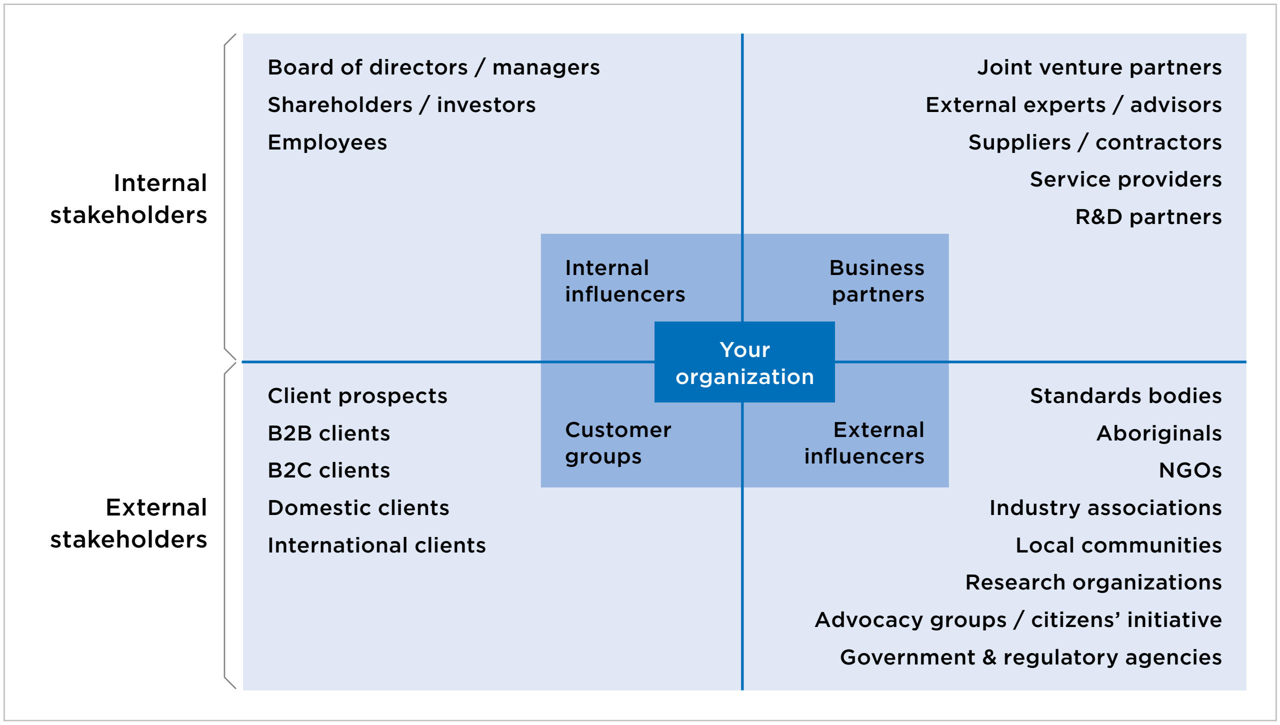
Strong relationships and goodwill. Resilient organizations require resilient suppliers, solid relationships with clients and customers, and a work environment where employees feel supported and valued. It is helpful to have a goodwill "bank" to rely on when a crisis hits. Not doing what you say you will, continually missing deadlines and payments or letting people down, even in minor ways, detracts from this goodwill bank. If your stakeholders do not trust or believe you, how can you call on their goodwill when you need flexibility to pivot during times of disruption?

Employee retention. It is challenging and complicated to build capacity and organizational readiness in a workforce when turnover is high. The workforce today, particularly our under-40s demographic, is looking for leaders who communicate, who take ownership of their errors as well as their successes. They also want to work for organizations that they can be proud of, that show responsiveness to changing social norms as well as adhering to ethical business practices. The pandemic strained the relationship between employers and their workers. Organizations may have to rebuild trust before being able to build capacity. All organizations need to review and revise (as needed) their talent strategy to see if it is realistic and sustainable.

Any organization is only as resilient as their supply chain. If you are not a good customer with strong and respectful supplier relationships, you may not be given priority when demand is high, which could impact delivery to your own clients. A trusted ethical and responsible organization may also be allowed more flexibility with governing or compliance bodies in their industry. This can allow for a heads up on any possible changes and goodwill when negotiating timelines and implementation.

Take time to review – and revise as needed – your relationships with your stakeholders using the tools provided below. This is a key part of business readiness and resilience. The first step is to identify all of your organization's possible stakeholders, as shown in Figure 4.

FIGURE 4: EXAMPLES OF POSSIBLE STAKEHOLDERS WITHIN AN ORGANIZATION



Then, draft out what your stakeholders' needs are, and discuss whether your organization is responsive to them (Figure 5). As always, identify who will be responsible for any action items, the anticipated timeline, and how they will be held accountable.

FIGURE 5: SAMPLE ANALYSIS OF STAKEHOLDERS' NEEDS AND EXPECTATIONS – WHERE DO YOU NEED TO FOCUS?

Stakeholders	Needs and expectations	Level of importance of the stakeholder (Score 1 to 4)	Possible impact on the organization (for consideration in prioritizing)
Shareholders	• maximizing profit • wants the organization to be responsive to risks, threats and opportunities • wants to see committed leadership • wants to protect investment (infrastructure, IP, etc.)	3	• may create obstacles for long-term planning if in conflict with short-term profit gains • need to keep informed and anticipate issues – how involved in the actual decision making do they need to be?

Overview
Process
Application
Key Learnings
Resources

Stakeholders	Needs and expectations	Level of importance of the stakeholder (Score 1 to 4)	Possible impact on the organization (for consideration in prioritizing)
Employees	• positive work environment (safety, salary, career opportunities, appropriate functioning tools, etc.) • job stability and business sustainability	3	• productivity levels • engagement levels • retention levels • capacity to develop to meet business needs
Clients	• creative solutions • delivery of expected quality with appropriate pricing • responsive to their demands, needs and feedback • confidence in the sustainability of the organization • positive image in the marketplace	4	• key revenue stream • feedback could lead to innovation/improvement • can be ambassadors for the organization
Suppliers	• to be treated as a partner • to be paid promptly and fairly • safe workplace for any sub-contracted staff	2	• could create supply chain issues impacting client delivery • essential to positive image in the marketplace
Society (public, government, media, etc.)	• corporate and socially responsible business • environmental protection and compliance • compliance with legal requirements • transparency and communication	3	• could add to or detract from business image and reputation • may hold business accountable re: legal, environmental, ethical compliance

You can find more on stakeholder management here: CPA Canada Stakeholder Engagement: Director Briefing.

Key Learnings

No organization can completely insulate themselves from future shocks, whether they come from changing external conditions or internal demands. They can, however, effectively plan and anticipate by expanding their readiness capacity and building resilience, one step at a time. CPAs are uniquely positioned to help organizations apply CPA Canada's RAISE philosophy to build resilient organizations that can withstand the next catastrophe and emerge stronger.

Organizations need help to set the right priorities. Time is such a constrained resource and organizations are struggling to retain their workers, let alone engage them to the point of being able to generate high productivity and creative solutions. CPAs can help organization prioritize, look realistically at their organizational capacity and how they will be able to implement their priorities. CPAs can then be a key part of the talent and momentum required to move the organization forward.

We have an urgent opportunity to build better, stronger, more inclusive and equitable organizations which are also financially stable and successful in their chosen marketplace. By integrating the five building blocks and focusing on the RAISE philosophy, CPAs can not only ensure the thriving growth of their own organization, but contribute to growing a strong economic foundation for the nations they live and work in.

Resources

CPA Canada. (2020). The Solution to Canada's Plummeting Productivity

The Conference Board of Canada. (2021). Labour Productivity Growth

Aiva Strelca. (2021). Most Productive and Unproductive Countries in 2020

Business Wire. (2020). Two-Thirds of Canadian Businesses Not Ready for Digital Transformation

Adrian Gostick & Chester Elton. (2021). *Anxiety at Work: 8 Strategies to Help Teams Build Resilience, Handle Uncertainty, and Get Stuff Done*

The Canada Press. (2021). Gen Z, Millennials Playing a Significant Part in the Great Resignation Trend

Johan Karlsson. (2018). 4 Product Backlog Prioritization Techniques That Work

Roadmunk. (2021). RICE Score: A Prioritization Framework for Estimating the Value of Ideas

Deloitte. (2021). Building the Resilient Organization

Taryn Marie Stejskal. (2021). Five Practices of Particularly Resilient People

Adam Morgan & Mark Barden. (2015). *A Beautiful Constraint: How to Transform Your Limitations into Advantages, and Why It's Everyone's Business*

Deloitte. (2021). 2021 Global Human Capital Trends: Special Report

The New York Times. (2021). How Do They Say Economic Recovery? "I Quit"

About the author

Jennifer Gervès-Keen

Ranked one of the world's top 100 outstanding consultancy experts by CEO Today magazine in 2018, 2019 and 2020, Jennifer Gervès-Keen is a master corporate executive coach and author of *Show Up Like a Coach*.

After 12 years working in France to hone her communication and business skills in French and English, Jennifer moved back to Canada in 2005. In 2008, she launched JGK Consulting with the goal of raising the bar in executive development to develop better leaders able to create and sustain great organizations.

A passionate lifelong learner, Jennifer completed her master's degree in adult learning during her time in France. She became a certified coach in 2013 and won the prestigious ICF Prism Award for excellence in organizational coaching in 2014, along with completing her foundational training in neuroleadership. In 2019, she completed her certified change management practitioner (CCMP) training.

You can learn more about Jennifer and JGK Consulting at www.jgkonline.com.

DISCLAIMER

This paper was prepared by CPA Canada as non-authoritative guidance.

CPA Canada and the author do not accept any responsibility or liability that might occur directly or indirectly as a consequence of the use or application of or reliance on this material.