

Managing Organisational Recovery from COVID-19 Pandemic



Understanding Organisational Risks

The current Covid-19 pandemic has exposed organisations to several risks that if not promptly and efficiently addressed are very likely to undermine organisations' operational effectiveness and strategic goals in the short, medium, and longer-term.

However, before being able to evaluate risks, it is important for organisations to identify and understand their assets. There are two main asset types:

- **Tangible** (e.g. financial resources, properties, goods, people)



- **Intangible** (e.g. brand, reputation, proprietary information, supply chain).



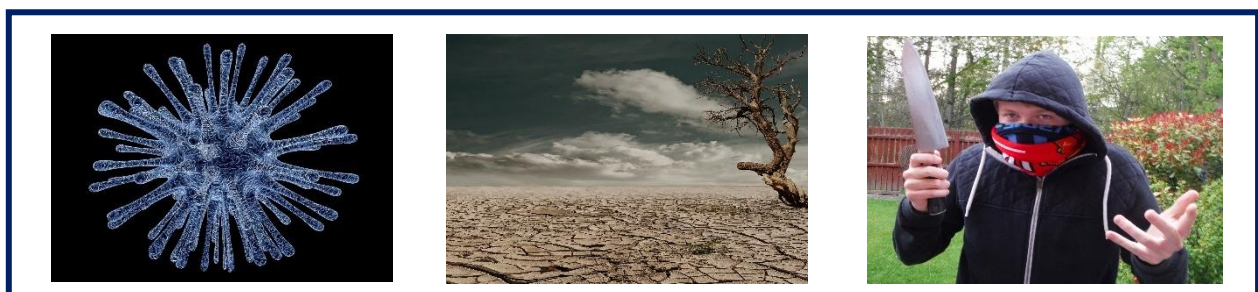
Not all assets have the same level of importance, a lot will depend on an organisation's mission, strategic goals and area of operations, some assets may be more important than others. Generally, **people** and **information** are always viewed as critical assets as the ability to operate without either will be severely impacted. However others may and will be viewed as critical.

Once an organisation knows what assets it has it should categorise them, using whatever method they choose to enable a criticality rating to be applied that supports the amount of effort used in protecting it. (An example of categorising assets is shown below.)

Rating	Asset Criticality Description
Critical	Assets that are so vital that their incapacity or destruction would severely impact upon the continued ability to operate or exist.
Important	Individual assets that if lost or destroyed would not prove critical ability to continue to operate but might create significant disruptions or localised emergencies.
Ancillary	The loss or destruction of these types of assets would not prove critical ability to continue to operate but may cause minor disruption.

Once assets have been identified, organisations should consider the threats that can affect them. By definition, a threat is ‘any factor (actions, circumstances, or events) that has the potential to cause loss, harm, or damage’. Threats (or hazards) can be compartmentalised into:

- **Generic** (e.g. pandemic, climate, crime)



- **Specific** (e.g. covid-19, flooding, theft).



The likelihood of a threat happening and its impact on assets is defined as risk. (ISO 31000: Defines risk as ‘the effect of uncertainty on objectives.’)

Risk is not tangible, is fluid in nature and specific to individuals, organisations, and operations. It is a duty of each organisation to conduct risk assessments to identify and prioritise risks before implementing treatment measures which can include, prevention, mitigation, transference, or acceptance.

All organisations should identify what their particular risk tolerance levels are and use that when creating risk evaluation matrix.

TIP: It is beneficial to document parameters in a table format so that everybody within the organisation follows the same measurements.

Risk assessment matrix

		Risk assessment matrix						
Consequence	6	6	7	8	9	10	11	<div style="background-color: red; color: white; padding: 5px; margin-bottom: 5px;">High severity risks (8 - 11)</div> <div style="background-color: yellow; color: black; padding: 5px; margin-bottom: 5px;">Medium severity risk (5 - 7)</div> <div style="background-color: green; color: black; padding: 5px;">Low severity risk (1 - 4)</div>
	5	5	6	7	8	9	10	
	4	4	5	6	7	8	9	
	3	3	4	5	6	7	8	
	2	2	3	4	5	6	7	
	1	1	2	3	4	5	6	
		1	2	3	4	5	6	
		Probability of occurrence						

Source: Compiled by authors

When considering recovery from a crisis, it is important to remember every organisation is different. There are external and internal factors that influence existing organisational risks or cause new ones to emerge, including:

- Services offered
- Location
- Staff
- Areas of operation
- Supply routes
- Access routes
- Risk tolerance and acceptance levels

Certain threats such as crime, terrorism, etc. have always existed and organisations may already have taken steps taken to protect their assets. However, there is the potential that these steps could be impacted because of the pandemic, for example:

- Increased crime due to unemployment
- Workplace violence after redundancies
- Fraudulent activities relating to supplies of PPE.



Specifically during the Covid-19 crisis, the threats to the following assets should be considered:

- 1) **Staff**
- 2) **Operations**
- 3) **Solvency**
- 4) **Reputation**
- 5) **Legal**



Unravelling Contractual Obligations in Covid-19

Among the threats that can adversely impact organisations, there are legal issues. In particular, contractual obligations may be a cause of concern, leading in some cases to legal disputes which ultimately can require a mediator to be solved. These obligations include:

- Getting paid,
- Suspending obligations,
- Terminating contracts
- Force Majeure,
- Frustration,
- Insurance,
- Supervening Illegality.



Ensuring Organisational Resilience and Robustness

In order to guarantee organisational resilience and robustness, organisations should consider the following aspects:

- **Operational practices:** ensure your practices are in line with the current covid-19 safety regulations (e.g. hand sanitizers, 2m distance, masks, etc.)
- **Production:** during the current pandemic, organisations have been forced to reduce the number their staff. This has inevitably impacted their production and financial income. What are the next steps that can be taken to overcome the situation?
- **Services:** in many cases, covid-19 has impacted organisations' capacity of delivery services. What have been the methods adopted to support the production? Are they efficient? Is there anything that can be improved or done differently?
- **Client meetings:** since the smart-working is still to be preferred, how are meetings going to be arranged with colleagues, clients, and partners? What resources are needed?
- **Travel** (nationally and abroad): travelling abroad, although possible, may cause concerns for organisation since the risk of infection is still high. What precautionary measures can be taken to protect staff's health when travelling for work?

The lessons learnt during these difficult moments can help shape the future directions and policies of organisations. These should always prioritise the welfare and mental wellbeing of employees, especially at present times of limited social interactions and smart-working.



Effective Communication and Message Delivery

During crises, effective communication at all level is paramount: among colleagues, between the management and employers, among organisations and external clients and partners.

Those organisations who fail to communicate effectively to internal and external audiences make mistakes and suffer.



Bad example of communication: EM – own goaling twice 1 for cave rescue comments – \$2 Billion off the value of company, 1/5/20 saying stock price was too high causing 12% drop before recovery.



Good example of communication: During a live interview, the Minister of New Zealand, Jacinta Ardern, commented a 5.8 magnitude earthquake ongoing at the moment with “We’re just having a bit of an earthquake here ... we’re fine”. Ardern who steered her country in the face of a massacre, an eruption, and a pandemic, showed absolute calm and steady nerves also in an emergency situation.

To achieve effective communication and message delivery, six are the steps:

- Preparation
- Timing
- Opening
- Listening
- Finding a solution
- Ending well



Continuous Review During the Recovery Stages

As the Covid-19, new and complex challenges are always behind the corner. For this reason, organisations need to constantly review:

- their policies,
- practices,
- guidelines, and
- duty of care

This would enhance organisation ability to the upcoming risks identified, limiting damage to their assets, personnel, and business. This ultimately will also play a key role in enhancing their resilience.

Contact details

For further information on any aspect contained in this handout, please do not hesitate to contact us!

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