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HEALTH, SAFETY & SECURITY

HR Spotlight page 9

Disaster Planning As a Tool in Developing a Resilient and Viable Business

By Francine Toder and Rick Allen

HR Today page 15

Managing Death and Loss in the Workplace

By Janet Childs and Jim Holley

Focus on Global HR page 18

Global Benefits Governance Leads to Benefits All Around By Dany Mathieu

Association News 5 By Doug Dexter and Noel Perkins

California Legislative Report 19 By Ron Rose, Sean Olender and James Wolf

Advancing the HR Profession 21

In the Chapters 24

In the PEGs 25

NCHRA Membership Highlights 25

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Disaster Planning As a Tool in Developing a Resilient and Viable Business

recent survey of businesses found that 88 percent of them do not have a disaster plan.¹ When one business owner was asked what he would do in the event of a disaster he replied, "Leave town."

For most companies leaving town is not an option. Management continuity planning is designed to keep the business viable after a disaster or traumatic incident. It is not only a business necessity but a tool that can improve the hardiness of the organization on a day to day basis. It can also improve profitability.

HR Involvement

The Human Resources department is in a unique position to spearhead this activity as it already has the responsibility for monitoring the productivity and well-being of employees. HR's function also includes the safeguarding of the business' most impor-

tant asset – its people. This includes having a plan to minimize the effect of a natural or man-made disaster.

Without high-functioning personnel, business survival is at stake. If critical knowledge is lost with the death, injury, illness or defection of a key employee, then business continuity will be severely compromised. It is not necessary to preach to the choir since HR departments already know this. Rather, HR needs to get the attention of the executive team to obtain buy-in and needed resources that are critical in preventing chaos after a workplace incident or disaster.

When top management and the Board of Directors give approval to such a plan it has the best chance of development and implementation. Our reviews show that approval at this level results in proactive planning that makes a critical difference to ultimate business survivability.

Former New York City mayor Rudy Giuliani recently spoke in Northern California about his involvement in the September 11, 2001, World Trade Center tragedy. When criticized about New York City not being prepared for a disaster of such magnitude his response was that the events of 9/11 "gave us a chance to see the world as it really is. We are safer now because we faced reality ... we are not risk-free and will be attacked again."2 Here in California we would be very naïve to think that disasters will not happen - we just don't know when, where or how!

To get the buy-in needed

to develop or fine-tune a plan, the focus needs to be broader than employees' safety, morale, reduced stress or absenteeism. Of course, we know that chaotic situations following a major disruption do adversely affect an organization's workforce, but that will not necessarily be the selling point to upper management.

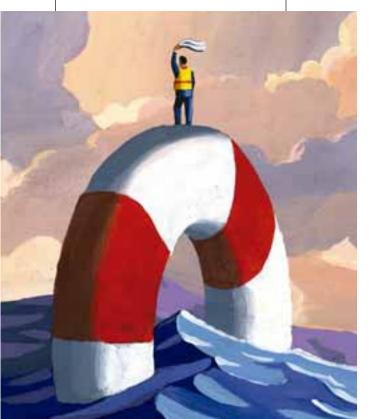
The preferred selling strategy is that coping with disruptive changes caused by an incident of any magnitude will affect the financial bottom line in lowered productivity and loss of corporate knowledge. This is also something about which the Board of Directors is concerned. Once all concerned become aware of this connection they will very likely support a management continuity plan. Of course, the Board of Directors will also need to be involved in the management continuity planning.

Morale

Morale in an organization is actually improved by a disaster, as well as the management continuity planning process that has a key goal of looking after the welfare of employees. This employee-centered process will show employees that the company is concerned about their welfare, that they are an important and integral part of the company. Staff are given the chance to appraise the value of what they do in the company. Staff will also have an opportunity to assess what would happen if they were not there. Who will do my job? What are the core components of my job that need to be maintained? This process can be framed so that staff can communicate about critical elements of their job and get acknowledgement for the important work that they do.

Resiliency

The development of resiliency in employees has carryover to a myriad of



non-catastrophic but stressful workplace situations. The resilient individual can remain relatively stable and show high psychological and physical functioning even under significant pressure. Resiliency however is both a personality dimension and a learned response involving behaviors, thoughts and actions. Recent research on resiliency following a traumatic experience suggests that people who are naturally resilient have "the ability to maintain a stable equilibrium" in the face of very disruptive events and

maintain "healthy levels of psychological and physical functioning."⁴

The American Psychological Association (APA) has released a video called "The Road to Resilience" based on its recent resilience campaign which was designed to teach resiliency strategies to the populace. It has produced a variety of written materials available to consumers and psychologists alike.⁵ The APA recognizes the importance of resiliency training to increase preparedness for coping with dangers and disasters of all kinds. The concept of resiliency train-

ing is endorsed and supported by experts on homeland security and terrorism.

In a recent article on corporate resiliency in the *Harvard Business Review*, the authors suggest that, "Strategic resilience is not about responding to a one-time crisis. It's not about rebounding from a setback. It's about continuously anticipating and adjusting ... It's about having the capacity to change before the case for change becomes desperately obvious."

Hardiness

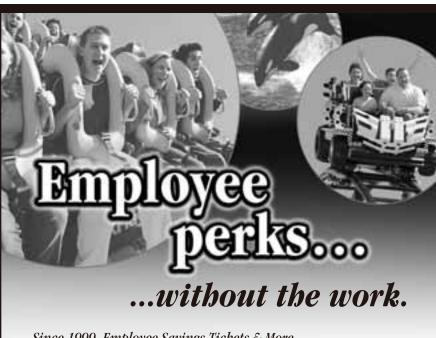
Hardiness is a characteristic of individuals and organizations that defines the degree to which they can respond to adverse situations and still continue to function and perhaps even thrive. Whether the situation relates to disappointment, injury, downturn in the market/economy, or significant business disruption, hardy and resilient people have the capacity to cope and bounce back faster. Hardiness, as described by Bonanno,7 is a personality factor that includes a person's beliefs about their ability to grow from negative as well as positive experiences; to influence "the outcome of events": and to maintain a sense of life purpose. The hardy person benefits from social support and coping strategies that are active.

In the workplace individuals who have thought about and practiced coping and recovery strategies will return to pre-incident functioning more rapidly. What this means is that a comprehensive planning process in which employees have an active role (so that they believe that they make a difference in the outcome), will facilitate individual and organizational recovery. Organizations with a high percentage of staff with such skills can adapt to adversity, challenges and changes more effectively – whether these are trauma or non-disaster situations.

Management Continuity Planning

Management continuity planning is a process that not only keeps a company organizationally afloat after a disruptive event but can actually improve day-to-day operations, help people understand the bigger picture and lay groundwork for other tasks such as improved customer relations and communication.

For example, the country of Israel has



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Human Resource professionals agree that practicing HR in California presents constant challenges to local businesses. California's employment laws are not only complicated and change rapidly, but they also differ from federal law in many instances. It is therefore critical for California practitioners to update their knowledge and expand their skills in order to serve their organizations successfully.

NCHRA's HR in California Series is designed to provide the latest information on hiring and firing, employee leaves, wage and hour laws, harassment and discrimination, and other employment issues. All of the programs feature speakers with indepth legal and practical expertise in diverse employment situations. You are invited to attend any or all of the seminars in this popular series.

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Price per seminar – Members: \$245 / Non-Members: \$295 Save on all six programs – Members: \$1,100 / Non-Members: \$1,325 Join NCHRA and save – New Membership + Six Seminars: \$1,225 been in a state of heightened alert for years but its citizenry demonstrates the capacity to function quickly following disruption. One reason is the very preparation that we in the U.S. are reluctant to embrace. There is no business too small or too large to benefit from incident planning yet few have a specific, well-rehearsed, and actionable plan in place.

Involving Stakeholders

The management continuity process assesses core business functions that would

enable critical stakeholders to continue to receive attention even when faced with a disastrous situation in the workspace. The assessment process can also be used to involve select stakeholders including customers, vendors, employees, boards or owners in the disaster planning. This is a way of reassuring them that the company has engaged in pro-active planning and has the ability to communicate with them in any event. A protocol and backup plan needs to be created to prescribe the safety of individuals, facility and critical data.



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Pre-Incident Strategies

Pre-incident planning is a process of developing strategies and resources that can be used to address specific problems likely to develop after a disaster. The process begins with an assessment of the potential hazards or disasters that could affect the community and business. This assessment should be comprehensive and generate a list of all possible disasters and traumatic incidents including possible human initiated traumatic incidents such as workplace violence. The list should include a review of potential scenarios. The pre-incident planners should look at a range of severity of events and gauge how these may cause business disruption. The range goes from a minimal of closing the business for a day up to a total cessation of work for an extended period of time. Different levels of business disruption will require different levels of planning.

Pre-incident planning develops strategies for business recovery that defines who is in charge and the order of succession when organizational executives are not available. It also includes a protocol to

communicate with staff about the chain of command. Decisions need to be made about how communication will take place with employees and other stakeholders. A designated and backup spokesperson needs to be selected for communicating to the media.

A variety of other issues should be attended to in the pre-incident phase. These

- Financial issues such as how will payroll and bills be paid;
- Very concrete actions such as acquiring first aid kits and first aid training for staff;
- A meeting place for staff if the building has to be evacuated;
- Relationships with post incident vendors to provide consultation about recovery;
- Psychological interventions for traumatized staff and offsite data storage,
- Protocol for dissemination of materials to staff and staff disaster drills.

When you consider the business necessity of pre-incident planning keep in mind that following a disaster, employees will be in shock, anxious, depressed, angry and more concerned with the welfare of their family than their place of employment. This explains why 30% of all businesses fail after a traumatic event.

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Post-Incident Response

The nature and severity of the incident will determine the level and type of postincident response required. Major issues to be addressed include:

- How to replace key individuals;
- How to communicate to stakeholders about what has happened, and;
- How to define the core functions to be preserved if there is a major disruption.

Post-incident response typically occurs in phases. Executives need to think long term when they are dealing with organizational recovery. In addition to the continuing personnel and financial matters there will be lingering health, psychological, production, and public perception issues that need attention over time. Remember, the better the pre-planning the less difficult the post-incident period will be.

Other Considerations

After the basic plans are in place there are other ways to think about business survival that provide additional security. One tool is called the "Professional Will" because it resembles the Wills that individuals use to give instructions to others about what and how things need to be executed in their absence. The Professional Will gives precise guidelines about job functions after an executive team member or other critical employee is no longer there, due to a variety of causes.

The Professional Will falls under the heading of succession planning but it serves a tactical function that can work separately and is useful even if the company has no succession planning process in place. Unlike succession planning it doesn't assume a "best fit" for the position but rather focuses on all the critical functions that need to be addressed in order to immediately fill a vacant key position.

Data and Physical Plant

Data storage, retrieval and methods of dissemination are aspects of planning that many businesses take very seriously. However, preparation for alternative production and service delivery are also important considerations. If the business cannot provide its product to customers, what alternatives are available? While the business rebuilds it may be necessary to help clients find products elsewhere. This is a good strategy for fostering customer loyalty.

On-line resources

Several good planning resources are available online to augment the strategies described above. These will also be invaluable to those who believe in a do-it-yourself approach to business continuity. The following sites (non-profit and profit) provide a variety of useful materials:

- www.RedCross.org
- www.Fema.gov/pdf/library/bizindst.pdf
- www.disaster-resources.com
- www.npower.org/cprquide.htm
- www.contingencyplanning.com

Although none of us wants to imagine a disaster scenario or the need for post-incident strategies, we are all better off safe than sorry. How ever unpleasant to anticipate, being prepared may make it possible for your business to survive and even thrive following a natural or manmade disaster.

¹ Tran, Tu-Yuen, "Local Businesses Fail to Prepare for Next Disaster," *Grand Forks*

- Herald, 2/12/04.
- ² Speech given by former mayor Rudy Giuliani in Cupertino, CA, 11/14/03.
- ³ Bonanno, G. "Loss, Trauma and Human Resilience: Have we underestimated the human capacity to thrive after extremely aversive events?" *American Psychologist*, January, 2004, p. 20-21.
- 4 Ibid.
- View and request materials at www.APAHelpCenter.org
- ⁶ Hamel, G & Välikangas, Liisa, "The Quest for Resilience," *Harvard Business Review*,

9/03, p.54.

⁷ Bonanno, G., op cit.

Francine Toder, Ph.D. & Rick Allen, Ph.D., co-founded Management Continuity
Planning Associates, providing businesses with pre-incident planning and post-incident services. Both are licensed psychologists and organizational consultants with expertise in workplace trauma and disaster preparedness. Francine Toder is an NCHRA member and active in the NCHRA Consultant's Forum in the South Bay.

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