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We wrote about Highly Reliable Organizations (HROs) in the Summer 2003 issue of Cook & Company Commentary which is available on the Cook & Company website at www.cookcompany.com/newsletters.htm. We have applied this approach with a number of our clients and we'd like to share with you our learning and progress.

Highly-Reliable Organizations: An Update from the Front

Those of you who regularly read this newsletter may recall that in the Summer 2003 issue we discussed an interesting perspective on improving organizational effectiveness:

Learning from Highly Reliable Organizations ("HROs") such as aircraft carriers, emergency rooms, and nuclear power plants and using the experiences to improve the performance of other organizations.

After a quarter of a century of watching management fads *de jour* fade into obscurity more often than not, I remain skeptical of virtually every "new" management improvement idea (curiously, one of the key behaviors identified in the HRO mindset is also a healthy skepticism about any and all supposedly first-look ideas).

The HRO concept, however, really seems to resonate with managers and leaders. In our own practice we have applied the concepts to organizations as diverse as IT organizations (particularly those in infrastructure areas), environmental health and safety groups, and large manufacturing plant settings. Our own work has, we believe, added to the original concept developed by Dr. Karl Weick in his book, *Managing the Unexpected*, Jossey-Bass, 2001, with Kathleen M. Sutcliffe. Here are some of our findings to date.

THERE ARE AT LEAST THREE OVER-ARCHING CONCEPTS IN HROS

Weick describes 18 behaviors of an effective HRO. We have further identified three concepts (some would call them "values") under which these 18 values appear to fall. They are:

A skeptical, inquiring mindset -- Probably the most valuable concept in the HRO universe, it postulates that, since effective performance is a "dynamic" event (following Weick's concept of "safety being a dynamic non-event"), one must continuously look at the glass half-empty. For those who are interested, we have added to Weick's behaviors to create a broader list (e.g., looking not just at "near-misses" and "non-conformances," but at virtually *anything* which does not "fit" on-going experience). If you wish to obtain a copy, please e-mail us at contact @cookcompany.com.

Effective communication -- This means communicating up, down, and across an organization. Again, we have added several communication-related behaviors from Weick's analysis to others that our practical experience from organizations has indicated are also important (e.g., the continuous identification and communication throughout an organization of exam-

ples of both good and bad HRO behaviors).

Ownership -- As we discussed with one client, this means continuing to be responsible for a job or role, but of equal if not greater importance, simultaneously owning the success of the *whole enterprise*. This is necessary to ensure especially that those areas which some refer to as "Whitespace" (see, e.g., "Managing in the Whitespace," *Harvard Business Review*, February 2001 by Mark C. Maletz and Nitin Nohria), receive as much ownership as individual responsibilities.

THERE ARE SOME CHALLENGING TENSIONS IN HROS:

We have also identified a preliminary list of five "tensions" that are useful to explore as one tries to create an HRO:

1. **The tension between strategy and HRO behaviors** – Weick takes a fairly dim view of strategy (see, e.g., p. 9 in *Managing the Unexpected*). But all organizations have a strategy, even if it is implicit. How do you reconcile the very real concerns that Weick raises with the need for strategic direction? Our belief is that every case is different, but there are principles that help guide the way. For example, drawing from behavioral economics, one can identify in a particular organization whether "anchoring" (wrongly associating one phenomenon with the estimate of the relevance and/or weight of another) is likely to cause an issue – and then deal with it accordingly.
2. **The tension between being a decentralized organization and decentralized decision-making** – Weick makes this distinction, but does not discuss it in detail. We have found that it is an enormously important concept, as it is critical to ensure that the HRO behavior of "deferring to expertise" does not emasculate the real need for the wisdom and judgment that only a senior leader can often lend to an important decision.
3. **The tension between respect and skeptical inquiry** – what does a manager do when her employee says, "You say you defer to expertise but yet you are always asking me questions – you don't trust me!" The truth is that in many ways a manager within an HRO event may be seen as not "trusting" anyone. It is important that managers in an HRO clearly communicate the difference between trust and the critical practice of skeptical inquiry that helps ensure that the organization performs at the optimal level.
4. **Differentiating between HRO behaviors and micro-management** – To the uninitiated, HRO organizations may look like micro-management at its worst, with apparent challenges to every fact and decision. Or in some cases, an HRO approach may be viewed by micromanagers themselves as a good a way to rationalize their behavior. The truth is quite the opposite. With its focus on deferring to expertise (often found only at the "point of attack"), HRO behavior is at the other pole from micro-management. Again, however, making the distinction clear to employees and managers is not always easy in practice.
5. **The tension between the stress that an HRO creates and the ability to handle it** – Based on what we have seen, acting like an HRO creates considerable stress. Since the pace of modern life imposes increasing burdens on many of us, and since few of us welcome more stress, adapting to an HRO culture appears to require some significant adjustments. Allowances need to be made for the "ramp up" time this entails, dealing with stress when it happens, and appropriately compensating (although not necessarily always monetarily) those who assume the HRO responsibility.

In conclusion, we are finding that applying the principles of HRO organizations to a variety of settings has stimulated discussion, helped align personnel, and given every evidence of assisting organizations to reach their effectiveness potential. But more work is needed, and we will report on our own progress in this area in these columns.

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