

PREPARING FOR UNFORESEEN, HYPER- DISRUPTIVE EVENTS

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TODAY'S AGENDA

- Our goal today is to share lessons learned to help you improve your preparedness ... because:
 - The unexpected will happen ... and usually, without warning
 - CHROs play a key role in how their organization responds in these moments

DISRUPTIVE EVENTS

- Pandemics
- Social Justice Protests
- Military Actions (e.g., Afghanistan, Myanmar)
- Severe weather/nature events (e.g., tornados, hurricanes, tsunamis, winter storms/power outages, earthquakes, sinkholes, etc.)
- Cyber Security Breaches
- Data Loss
- CEO/leadership deaths
- Workplace safety event (e.g., plant spill/ contamination, employee workplace accident, injury or death)
- EHS Disaster (chemical spill, explosion etc).



- Employee losses (accidents, suicide)
- Unplanned high profile talent exit
- Workplace Active Shooter or Hostage situation
- Labor Strike
- Board issues (activist shareholder, confidentiality breach, loss or addition of a board member that has profile)
- Employee Relations (e.g., pay, working conditions, absence of diversity, anger about company product decision/offering, etc.)
- Public Sexual Harassment Claims
- Theft
- Government action (e.g., “Dawn Raid” or injunction, etc.)
- Product issues (e.g., sourcing, defects, contamination, safety recalls, etc.)

BUSINESS CONTINUITY - PREPARING FOR DISRUPTIVE EVENTS

Business Continuity Plan

- Detailed Game plan or Process prepared and approved in advance, during peace time for each potential event.

Business Continuity Planning

- Know your plan and your role, along with those of other key peers/stakeholders
- Develop contingency plans for key more likely events (e.g., unplanned succession or business issue, weather event/disaster relief protocol, employee deaths – note this roster should be targeted to your particular industry and specific company)
- Regularly review it to keep it current
- Hold simulations/test yourself and your team

Develop and maintain critical internal relationships

- Your C Suite colleagues
- Communications and/or Public Affairs Head
- Board leadership (e.g., Chair or Lead Director; other Cte chairs)
- External stakeholders (varies depending on your company)

Mitigate risks

- How do your leaders travel?
- Exit strategies for risky locations
- Actively manage Conflicts of Interest and Commitment
- Disclosures
- Mitigation strategies

Understand how to operate if ...

- No systems and/or office access
- Issue is not local (know your global levers)
- Core services are impacted (payroll, benefit continuation, etc.)

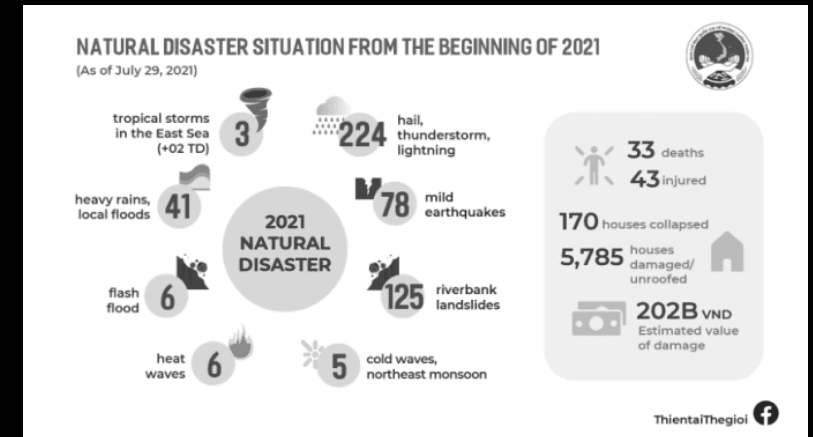
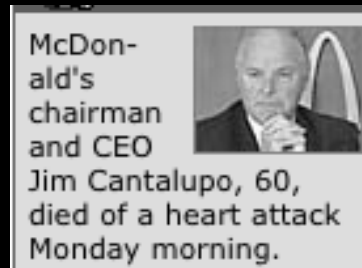


EXAMPLES

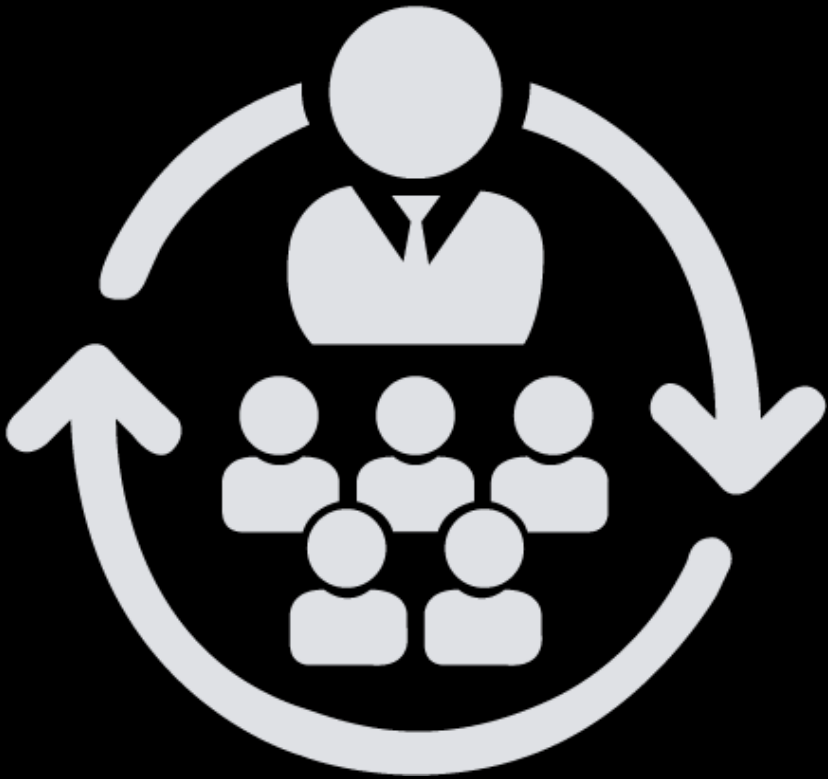
TARP
(Trouble Asset
Relief Program)

CEO/President
Death

Natural Disaster



ROLE OF CHRO/HR DURING A CRISIS



- Calm in the storm
- Health and wellbeing of employees
- Command of the data
 - Where are your people?
 - What are our risks?
- Convener
- Communicator
 - Be visible, calming, open/authentic, empathetic
 - Ensure voice of the employee is in the room on all key discussions
 - Hold the necessary conversations, even if difficult/uncomfortable

KEY TAKEAWAYS

Reputation Matters

- Be honest
- Be transparent
- Be resilient – model the way

Relationships Matter

- Stay connected – keep the crisis team together
- Clarify how Business Partner is communicating to:
 - The board
 - The workforce
 - The customers

Keep your continuity plan up-to-date

- Don't let the urgent push out the need to be sure the plan is updated
- Use tabletop exercises to prepare for different events

Take care of yourself

- Get help when you need it
- Rely on your team and your colleagues, but do appreciate that you bring a unique perspective and have a key role to play in ensuring how your company responds reflects your values and reinforces your culture

LEADERSHIP IN CRISIS : BUSINESS CONTINUITY PREPARATION

- Reliance on previously prepared plans
- Understanding leadership involvement and readiness
- Assessing organizational readiness—people, process and technology
- Developing contingency plans and addressing future “what if” scenarios (e.g., high absence planning and key person dependencies)

- What is your biggest business risk in regard to the crisis?
- What are your most critical business functions?
- Is everyone aware of priorities/do your teams understand those priorities?
- How comfortable are you with execution of critical business functions?
- What percentage of your organization can work from home? Ready now? If not, what is needed?
- Employees/functions not able to work from home—%, functions, reasoning
- Performance of systems, availability of systems, availability of hardware, special requirements onsite
- If absence gets high, are there any staff augmentation options?
- Would you be able to make dormant/reassign non-critical functions and/or people? e.g. stop certain things, redeploy resources
- Do you rely on critical third parties and have you contacted them in the context of the crisis?
- What will you do if there is a major failure?
- Do you have a dependency on a managed service provider? If so, how are they positioned to handle the crisis?
- Have you prioritized your most critical customers? Who are they? Who supports them?
- What are your expectations of your IT partners to meet your business objectives during a time of crisis?
- Do you have any special facilities, communications, HR needs should we enter a time of crisis?
- Who are your key leaders that need to be involved in crisis decisions?
- How comfortable are you that your business continuity plans are ready to be implemented and that they will deliver what you need in a crisis?
- Do you currently have multi-site capability to support your business needs? If so, all functions in your business or certain functions?

SUGGESTED RESOURCE MATERIALS

- https://www.wlrk.com/docs/NACDBRCAdaptiveGovernanceBoardOversightofDisruptiveRisks_3535500_1.PDF
- <https://hbr.org/2020/02/how-businesses-can-brace-for-catastrophe>



THANK YOU