**Cranfield** School of Management

## Case Study

## Leading Organizational Resilience

## "Moving away from our 'tick-box' attitude to risk management has been illuminating."

## **Peter Heasman**

Head of Business Change Hitachi Rail Europe Limited



Risk management is incredibly important for any business. A company that manages risks well is less vulnerable to threats. But traditional ways of working are not always the answer; too often, they focus attention on individual risks that can be responded to in isolation, rather than consider complex scenarios with multiple, abstract strands that may challenge each other.

For the team at Hitachi, participating in our Leading Organizational Resilience programme was a turning point in the company's handling of risk, as the company's Head of Business Change, Peter Heasman, explains.

He said: "We work in a regulated environment, and so we regularly undertake safety and regulatory training that is skewed towards risk management. In that environment, it's very easy to be quite blasé about things that you know a lot about, which can leave you at risk when it comes to areas with which you're not as familiar or comfortable.

"For us, in practice, this meant that our default response to risk management was compliance and control. This was what we were familiar with, because every year someone comes in and audits us.

"What the Cranfield course did for us was open up our minds that actually there are different ways in which we might assess and respond to our risks, including being more adaptive and giving our teams the bandwidth to respond to risks in that way."

Peter attended the Leading Organizational Resilience programme alongside his regional director and Hitachi's Head of Business Assurance. He said: "We had been talking about the need to do a group-wide review of our risk processes and Cranfield's approach to the subject offered a slightly different perspective than that which you traditionally see on these types of courses, many of which take you on a fairly traditional and predictable journey. This was something different, and we were attracted to that."

"It was useful having the three of us there," he continued. "We could immediately be talking about how we might apply the learning back at the office. But equally, having other people from different businesses in the room and listening to some of their thoughts was really illuminating.

"I came into the course with an open mind, interested to see what I would learn. If I had any reservations, I suppose I thought that the course might be too theoretical and academic to be really practical back in the workplace. But, on reflection, I think it just hit the sweet spot. There was enough academic rigour in there to keep us engaged and thinking, and then there was a practical application driven through presentations and working examples. The exercises we did enabled us to make connections for ourselves and do our own thinking, which was really valuable."

Participating in the course has enabled Peter and his colleagues to profoundly change the way they approach risk within their business.

"It really helped crystallise the point at which we might stop trying to prescribe a solution and think about a much broader plate response to any particular situation," he explains. "If that response is going to be adaptive – we'll take it as it comes – then that's fine, as long as we understand that's our response, go in aware that that's what we're doing and give our people liberty to and the knowledge that they can respond in the best way in which they're trained and see fit.

"Since the course, we've really undertaken a mind-set change. We've stopped treating risk as a tick-box exercise, and we're making it live. We are in the process of contracting some additional help to ensure that we are effectively understanding and linking risks across the organisation, from the very lowest levels of the organisation right back to corporate in Japan, and as part of that we will be exploring whether we need any additional training on risk as a leadership challenge.

"For us, the course enabled us lift our heads above the day-to-day, stop and flip our thinking."

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