LSE Festival 2021 | The experience of high-risk industries isn't necessarily useful post-COVID

It's tempting to think that the post-COVID world can learn from high-risk industries like aviation, says **Mark C Noort** (Leiden University/LSE) – but that isn't necessarily the case.

Mark C Noort is responding to Tom Reader's LSE Festival talk, <u>Safety Culture</u>: what can the post-COVID world learn from high-risk industries?



For organisations, COVID-19 poses a risk to employee health. But managing that risk can reduce their performance. In his talk at the LSE Festival, Tom Reader (my former PhD supervisor and co-author) argues that organisations need to carefully consider to what extent they trade off health risks (to protect employee health) and productivity (to protect business health). Looking at the best practices of High-Reliability Organisations (HROs) in the aviation industry, Reader identifies two key lessons organisations may learn in trying to balance this trade-off. In the spirit of stimulating a constructive debate, I am going to suggest that generalising lessons from the research and best practice of HROs to other organisations dealing with COVID is not straightforward.

First, Reader argues that HRO's best practices show that organisations should strive to identify early warning signals and continually restructure to address emerging needs (policies, equipment, etc.). Indeed, research on HROs and organisational communication supports this: threats may be mitigated when warning signals are identified, communicated and acted upon (e.g. through leaders listening effectively). In other words, HROs perform very reliably and major failures (e.g. air crashes) that enable learning are very infrequent. They therefore need to learn from minor incidents, such as a breakdown in communication between air traffic control and aircraft. Yet selectively learning from HRO research and best practices may provide limited applicable insights.

Torgeir Haavik and colleagues identified that because HROs tend to emphasise the identification of early warning signals as a source for improving their operation, they typically neglect to build on already effective practices. This approach is understandable for industries with very few major failures. But industries with more frequent, or less severe, failures are likely to benefit more than HROs from learning from continuously identifying what went well, because they may be more frequently involved in exploring new markets, products and services. This is particularly true for commercial enterprises. This practice is arguably more similar to what is called creating a 'resilient organisation'.



The Red Arrows perform a flyby with British Airways' first A380. Photo: Andrew Menage via a CC-BY-NC-SA 2.0 licence

For instance, an organisation might better maintain its performance during crises by analysing how it successfully adapted by exploring new business models (a process initiated internally to the organisation) than by analysing how loss of sales resulted from a lockdown (an external process outside the control of the organisation). Arguably, organisations in the post-COVID world should therefore aim to become Highly Resilient Organisations that can quickly adapt through continually learning from how they created all types of outcomes – failures and successes.

Second, Reader argued that organisations in a post-COVID world may learn to implement a 'safety culture'. Whilst for organisations not in safety-critical industries it may be more appropriate to speak about 'risk culture', this argument is consistent with research suggesting that optimal organisational performance can emerge when an organisation has a strong culture that is characterised by a widely shared understanding of the desired behaviours, norms, and values. This is important for organising in a post-COVID world because it underscores that organisations are fundamentally social entities, and therefore may manage risks through incorporating knowledge about social psychological processes. Yet whilst social constructivist approaches have been advocated, safety culture studies tend to emphasise the measurement of contained organisational processes such as management commitment to safety and error reporting – to the neglect of broader social processes that provide social identities, trust and risk perceptions. These affect how organisations manage knowledge and risks, and may provide insights into the extent to which HRO practices may be applied to other industries.

Finally, Reader did not consider the potential role of governmental and regulatory bodies in making organisations become more resilient. Whilst the risks of being unable to cope with the next crisis may provide sufficient urgency, organisations could benefit from additional incentives. For instance, they may adapt their policies when legislation and regulatory controls (e.g. a requirement to report on resilient practices and policies) exert formal pressures, or when organisations across industries are encouraged to self-regulate through the provision of recommendations and industry knowledge-exchange programmes.

HROs provide valuable lessons on identifying early warning signals and safety culture. But they give limited insights into how organisations may become more resilient and the social processes that support this. Governments and regulatory bodies may have an important role in encouraging them to become more resilient.

This post represents the views of the author and not those of the COVID-19 blog, nor LSE.