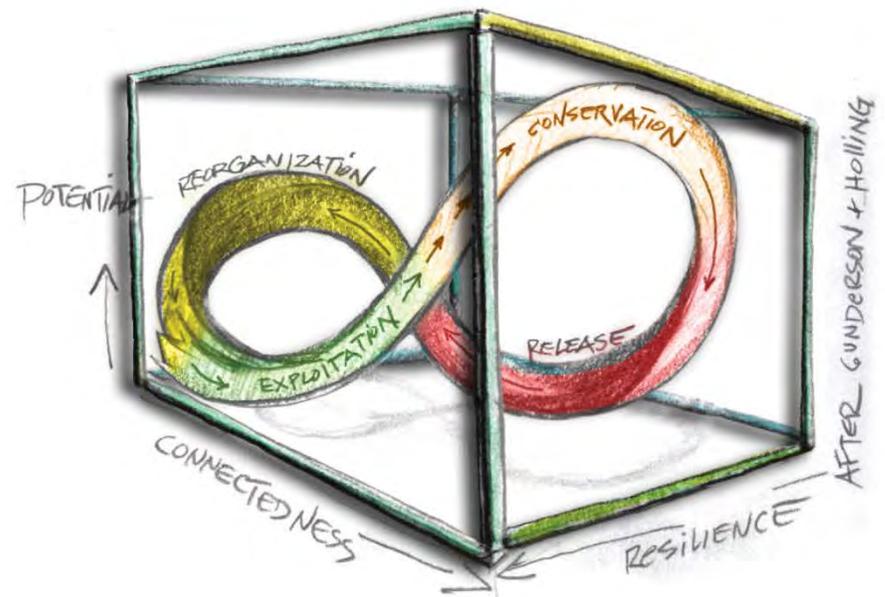


# RESILIENCE REQUIRES ADAPTATION BORN OF INTENTIONAL PRACTICE

Gary J. Hubbell



An essay contribution to  
Gary Hubbell Consulting Conversation 2013

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planning ▲ strategy ▲ philanthropy ▲ coaching

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## **ABOUT GARY HUBBELL CONSULTING CONVERSATION**

Annually, Gary Hubbell Consulting convenes and hosts a small hand-picked group of social sector professionals from throughout North America for three days of intense dialogue and critical thinking. We strive to create a thought-provoking, mind-opening, and stimulating conversation about philanthropy, organizational leadership, and social sector change. This deep exploration of the nature and challenges of the philanthropic environment is intended to engage, inform, and inspire senior leaders to be catalysts for change in their own organizations and communities of influence. With each *GHC Conversation*, we seek to establish the seeds of a continuing and enriching network that nourishes us as individuals and helps each of us change how we converse, inspire, and seek new dimensions of philanthropy.



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Gary is a strategist, providing high-level consulting and coaching to social sector organizations and private companies in the areas of planning, strategy development, and philanthropy. He is passionate about partnering with leaders to transform organizations - applying his research and experience to help define and achieve goals.

A voracious reader and student of history, he is constantly looking to understand the driving forces that shape organizational choices and create openings for change. This internal motivation led to his creating GHC Conversations as a desire to incubate and contribute to a community of learners/leaders who share his interest in meaningful reflection on the social sector.

With more than 30 years' professional experience, Gary has been counsel and coach to more than 135 clients throughout his career. He started Gary Hubbell Consulting in January 2006, following 15 years as a senior strategist with a national consulting firm. Earlier leadership roles include development and marketing responsibilities in hospital and museum settings, and consulting roles in resource development, public relations and opinion research.



# Resilience Requires Adaptation Born of Intentional Practice

Gary J. Hubbell

A year or two ago I became aware of resilience in the lexicon of the sector and my field of professional practice. Obviously, the word is not a new one. Perhaps I was just coming personally to see and use the word enough that I felt challenged to ask myself what it *really* means. Perhaps I was witnessing the viral adoption of terms and phrases that come in and out of favor in professional parlance with the frequency of a blue plate special. Regardless, it was a word I'd often used without thinking deeply about its full meaning in my work. Then, as I began to encounter its use more widely associated with the social sector, I sensed a personal need to go deeper to figure out not what it means—not as if in pursuit of some absolute definition—but what it means to me in my service to individuals, organizations, and society. Hence, the *Conversation 2013* topic was born, Resilience: Intentional Practice for the Social Sector.

## Defining Resilience

Authors of a recent book on this subject, Zolli and Healy, build their definition on a platform influenced by ecology and sociology, defining resilience as “the capacity of a system, enterprise, or a person to maintain its core purpose and integrity in the face of dramatically changed circumstances.”<sup>1</sup> In a similar tone, ecosystem science authors Walker and Salt define resilience as “the capacity of a system to absorb disturbance and still retain its basic function and structure.”<sup>2</sup>

As my intentional awareness grew I found most often in social sector parlance that resilience was being touted as a destination. I read and hear resilience used as a metaphor for some kind of moat, shield, or inoculation from disruption. Fear of disruption may be the fundamentally more important issue but I'll put that aside—for the moment—long enough to explore how individuals and organizations seem to position themselves for resilience.

Back to Zolli and Healy, who believe organizations, communities, economies, and whole ecosystems enhance their resilience in two ways: “by improving its ability to resist being pushed past these kinds of critical, sometimes permanently damaging thresholds, and by preserving and expanding the range of niches to which a system can healthily adapt if it is

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<sup>1</sup> Andrew Zolli and Ann Marie Healy, *Resilience: Why Things Bounce Back* (New York: Free Press, 2012) Kindle edition location 176-78.

<sup>2</sup> Brian Walker and David Salt, *Resilience Thinking: Sustaining Ecosystems and People in a Changing World* (Washington, D.C.: Island Press, 2006), Kindle edition location 64-65.

pushed past such thresholds”<sup>3</sup> (emphasis added). This insight led me to wonder if organizations have the capacity and ability to pursue both paths concurrently. I recognize (more than I admire) the ability of leaders and organizations to multi-task, yet these two paths suggest to me culture bending mindset shifts. One shift is tough enough; two concurrently even harder. Worse, the skills they require be deeply embedded in the organization can unintentionally pull it in opposing directions.<sup>4</sup> Worse yet, the shifts would be attempted in a separate and linear fashion, neither being influenced by the other.

The popular approach for pursuing the first path—improving ability to resist disturbance—seems most clearly expressed in the sector’s widespread adoption of process and performance improvement initiatives, variously labeled: continuous quality improvement (CQI), lean, adopting Six Sigma principles, finding True North objectives in a Hoshin kanri methodology, value based engineering, business and financial modeling, and more. These pursuits have great merit and can produce significant improvements, allowing social sector organizations to reduce wasted resources and deploy recaptured resources to benefit those being served.

Tough to argue this intent, right? Yet, the seemingly total focus required to lead an entire organization to adopt this performance mindset (with the requisite vocabulary and behavioral norms) may take place at the expense of pursuing the second path—building adaptive muscle—with sufficient resolve. Those organizations (perhaps entire sub-sectors) who so completely pursue the performance skill path to improve their ability to withstand disruption may be paradoxically contributing to their own system frailty and loss of resilience.

### **Metric Myopia and Benchmark Blindness**

Today, one is hard pressed to read any professional literature or sit in any board room without quickly witnessing the conversation eventually turn to benchmarks, margins, and metrics. This focus is pervasive in social sector organizations, especially among those which are larger, complex, and/or operate in sub-sectors quicker to adopt business fundamentals

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<sup>3</sup> Zolli and Healy, *Resilience*, 205-208.

<sup>4</sup> Dean Robb, “Building Resilient Organizations,” *OD Practitioner* 13 (2000), 27-32. The author describes performance skills and adaptation skills, observing that “very few organizations have learned how to integrate these two poles of functioning.”

(like hospitals and health systems). Highly respected sector watcher, Lester Salamon, describes the shared emphasis on metrics as “the new elixir of nonprofit performance.”<sup>5</sup>

The frenetic pace of professional life in organizations has only been exacerbated by constrictions of the Great Recession begun in 2008. Professionals in every discipline—particularly those in philanthropy and fundraising—seem to be on treadmills with only one speed setting: *faster*. The unintended consequence of this pace and total adoption of the dominant single path strategy (performance skills and improving ability to resist disturbance) is metric myopia and benchmark blindness. This is a condition where the sufferer has reduced lateral vision, little or no time for discernment, lower tolerance for diversity and ambiguity, and a fierce urgency for and dependence on data that erroneously just reinforces an inward looking perspective. All of this can result in unintentional disconnection, isolation and, ultimately, lost resilience and greater vulnerability.

I am reminded that it is easy to slip into false polarity about this argument. I do not intend to convey that attention to performance improvement and the use of metrics and benchmarks is misguided or inherently a bad thing. I do intend to convey that alone or with disproportionate attention it can lead to lower ability to absorb disturbance. Renown systems thinkers amplify this point. Donella Meadows believes “[a] society that talks incessantly about ‘productivity’ but that hardly understands, much less uses, the word ‘resilience’ is going to become productive and not resilient.”<sup>6</sup> Walter and Salt warn us that, “...at its core, resilience is about risk and complexity, things that impact all of us.”<sup>7</sup> With these admonitions in mind, let’s explore a few nuances of my observation.

### **Strangled By Ratios of Our Own Creation**

Comparison of organization performance has become an industry itself. US News and World Report claims to present the authoritative compendium of college costs, graduation rates, and alumni giving and puts that data in formats intended for mass consumption, not just for professionals in higher education. Professional fundraising associations like AFP, AHP, and CASE offer benchmarking and comparative reporting services with broad participation. Fledgling development officers seeking career path advancement are now taught very early how and why to calculate net revenue, cost-to-raise-a-dollar (CTRD), and

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<sup>5</sup> Lester M. Salamon, “The Resilient Sector.” In *The State of Nonprofit America*, edited by Lester M. Salamon, (Washington, D.C.: Brookings Institution Press, 2012) Kindle edition location 674-79.

<sup>6</sup> Donna Meadows, *Thinking in Systems: A Primer*, edited by Diana Wright, (White River Junction, VT.: Chelsea Green Publishing, 2008), p. 174.

<sup>7</sup> Walker and Salt, *Resilience Thinking*, 76-77

return on investment (ROI). These and other examples have been widely adopted because those of us in the sector have given these ratios such attention and fealty.

In *Uncharitable*<sup>8</sup> and *Charity Case*<sup>9</sup>, advertising executive and charity advocate Dan Pallotta argues that we've long fed the media a steady diet of the very ratios that are widely adopted and used as yardsticks of success but now seem to hem us in. He notes:

“The public wants charities to spend as little as possible on overhead....What the public doesn't realize is that low overhead is not a path to the end of world hunger or a cure for cancer. It's the opposite....Demanding home runs on every charitable fundraising endeavor discourages innovation and keeps charities small and in fear. The very things the public has been taught are good and ethical—low overhead, low executive pay, funneling all donations to the cause—are practices that are killing us.

The public doesn't know this is wrong because the nonprofit sector, government regulators, and the media keep telling them that these are the things that matter. Thus we are trapped in a vicious cycle with the public: we keep telling people what they want to hear about how their charitable donations should be used, and they keep parroting that back to us. But it's not true, and we need to take the first step within the nonprofit sector to make that known.”<sup>10</sup>

### **Seduced by the Pied Piper of Optimization**

Metric myopia and benchmark blindness are symptoms of a mindset and a cultural embrace of the goal of business optimization. Again, it seems almost sacrilegious to suggest that there could be any downside to the pursuit of best practice and highest productivity/efficiency. But this, too, is an assumption that deserves challenge. In their deep study of human and natural ecosystems, Walker (an ecologist) and Salt (a science writer) believe optimization “promotes the simplification of values to a few quantifiable and marketable ones...and demotes the importance of unquantifiable and unmarketed values...” They point to the paradox of efficiency leading to drastic losses in resilience (which they document in both human and natural ecosystems). The authors conclude:

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<sup>8</sup> Pallotta, D., (2010). *Uncharitable: How Restraints on Nonprofits Undermine Their Potential*, (Medford, MA: Tufts University Press, 2008).

<sup>9</sup> Dan Pallotta, *Charity Case: How the Nonprofit Community Can Stand Up For Itself and Really Change the World* (San Francisco: Jossey-Bass, 2012).

<sup>10</sup> Dan Pallotta, Amazon.com review Q&A with the author. Retrieved November 17, 2013 from [http://www.amazon.com/Charity-Case-Nonprofit-Community-Itself/dp/1118117522/ref=sr\\_1\\_1?s=books&ie=UTF8&qid=1364047869&sr=1-1&keywords=Dan+Palotta](http://www.amazon.com/Charity-Case-Nonprofit-Community-Itself/dp/1118117522/ref=sr_1_1?s=books&ie=UTF8&qid=1364047869&sr=1-1&keywords=Dan+Palotta)

“The paradox is that while optimization is supposedly about efficiency, because it is applied to a narrow range of values and a particular set of interests, the result is major inefficiencies in the way we generate values for societies. Being efficient, in a narrow sense, leads to elimination of redundancies—keeping only those things that are directly and immediately beneficial....[T]his kind of efficiency leads to drastic losses in resilience.”<sup>11</sup>

Certainly any leader so deeply committed to a performance improvement process must seek a balance or risk quietly and subtly improving the organization right to the brink of crisis. Of course, this is counter intuitive and is bound to evoke cries of ‘if it isn’t broken, don’t try to fix it.’

### **Suffocating in Data**

In addition, metric myopia and benchmark blindness may unconsciously result in not only an explosion of data, but becoming so suffocated by the volume that one fails to translate it fully into information, then into knowledge, and ultimately into the wisdom which true adaptive capacity requires. Zolli and Healy applaud the wide use of data, believing that resilience benefits accrue to organizations that prioritize the collection, collation, presentation, and *sharing* of data (emphasis added).<sup>12</sup> Data transparency and sharing are key to renewal and transformation—aka, resilience—of systems. In a recent email correspondence on which I was copied, a nearly 70 year old Midwestern farmer board member of a grassroots membership organization conveyed this mindset shift to unlock and share data. He eloquently observes,

“I can hold on to [my data (experience)] and control access and it will become worthless as change accelerates, or I can open it up and have faith new paths will lead to new adventures (value). I am getting old and I believe that the best way to transform is to give up the control over past data and let others use it to answer their questions and [then] use those questions and my experience (data) to transform. Our members think their data is the source of value. I think my experience is the source of value....[W]hen we give up control and allow others to learn from our data, transformation accelerates. We can only capture the value of that transformation by being involved, and our window of value there is closing. Data waits for no one on its way to the grave.”<sup>13</sup>

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<sup>11</sup> Walker and Salt, *Resilience Thinking*, 173-177

<sup>12</sup> Zolli and Healy, *Resilience*, 4487-88.

<sup>13</sup> Doug Harford, email message from author March 22, 2013. Used with permission.

## “Letting Come” Other Organizational Forms and Structures

Transformation theorist Otto Scharmer introduces us to change as a process of navigating a series of openings—hearts, minds, and will—while letting go and letting come.<sup>14</sup> Resilient leaders and organizations will take note. Breathing the fresh air of widely shared and transparent data will require different types of organizations. One danger of an unbalanced or dominant focus on growing technical or performance skills—symptomized by metric myopia and benchmark blindness—is fostering a single way of being for the organization. In adhering to “our way of doing things” it is possible to squash real breakthrough thinking and permit only incremental improvements. Vulnerability and frailty await those organizations which follow this path. Worse, as Robb points out, rigid structures tend to inhibit spirit, passion, creativity, and change even as they offer the promise of order and safety.<sup>15</sup>

System thinkers like Donella Meadows remind us that the “ability to self-organize is the strongest form of system resilience.”<sup>16</sup> This ability to self-organize can be thought of as a cultural inculcation of innovation, experimentation, and welcoming failure as a learning platform. Without this environment, organizations out of balance in pursuit of exquisite “best practice” performance skills may unintentionally trigger archetypal system reactions, the most common of which is called limits to growth.<sup>17</sup> Resilient, adaptive organizations (or what futurist Alvin Toffler and management theorist Henry Mintzberg in the 1970s dubbed *adhocracies*), will be those which are characterized by “informal team roles, limited focus on standard operating procedures, deep improvisation, rapid cycles, selective decentralization, the empowerment of specialist teams, and a general intolerance of bureaucracy. In the digital age, an adhocracy can be put together in a plug-and-play, Lego-like way, well suited in fast-moving, fluid circumstances where you don’t know what you’ll need next.”<sup>18</sup>

Meadows reminds us that the singular pursuit of performance improvement can reduce our ability to adapt.

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<sup>14</sup> C. Otto Scharmer, *Theory U: Leading From the Future As It Emerges*, (San Francisco: Berrett-Koehler Publishers, 2009)

<sup>15</sup> Robb, “Building Resilient Organizations,” p. 30.

<sup>16</sup> Meadows, *Thinking in Systems*, p. 159.

<sup>17</sup> Peter Senge, *The Fifth Discipline: The Art & Practice of the Learning Organization* (New York: Currency-Doubleday, 2006), p. 96. The author describes the structure of this archetype this way: “In each case of limits to growth, there is a reinforcing (amplifying) process of growth or improvement that operates on its own for a period of time. Then it runs up against a balancing (or stabilizing) process, which operates to limit that growth. When that happens, the rate of improvement slows down, or even comes to a standstill.

<sup>18</sup> Zolli and Healy, *Resilience*, 4407-14.

“The power of self-organization should be to organizational leaders what biodiversity is to biologists—THE most highly worshipped. Meadows goes on to say that diversity, variability, and experimentation (aka, “losing control”) is counterintuitive, but it is what makes new possibilities happen and creativity bloom. This runs counter to the tendency of every culture, which is the belief in the superiority of that culture. By insisting on a single culture (a single way of doing things), we unintentionally shut down learning and, therefore, erode resilience.”<sup>19</sup>

### **Conclusion: Resilience Requires Adaptation**

So, while fear of disruption may be perfectly natural, simply trying to inure oneself, one’s organization, or the whole sector from disruption ironically brings about more of what you seek to prevent. The true pursuit of resilience is to recognize the immutable systems laws at work and to welcome the disturbance. Therefore, the strongest posture is to take a both/and approach – pursuing performance (technical) skills and adaptation skills. Dean Robb names the skills<sup>20</sup> that an adaptive organization should seek to instill and nurture. They include:

- Visioning
- Diversity and individuality in generating a wide range of possible viewpoints, goals, perceptions, and behaviors
- Exploration of environmental change and its implications for organizational focus, structure and potential diversification (external focus)
- Creativity, experimentation, learning and inquiry
- Emotional competency, intuition, “soul” work
- Divergent thinking: opening up options; resisting early closure; tolerance of ambiguity
- Focus on the system, its organizing principles, structures, values, assumptions
- Self-reflection, humility (remaining “teachable”)

Our intentional practice, then, is learning to “dance with systems,” a phrase coined by Donella Meadows. If we have the courage to relinquish our hold on the myth of control, we must acknowledge that we live constantly on the edge of uncertainty. We must embrace the value of performance skills and our pursuit of adaptive learning with equal vigor. We must inculcate, celebrate, and strengthen our adaptive capacity *while fulfilling our core purpose* if we are committed to authentic pursuit of resilience. This will happen only with intentional practice.

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<sup>19</sup> Meadows, *Thinking in Systems*, p. 160.

<sup>20</sup> Robb, “Building Resilient Organizations,” p. 30.