

“Silent Decay”

Why Organizations Fail Quietly Before They Fail Loudly

EXECUTIVE SUMMARY



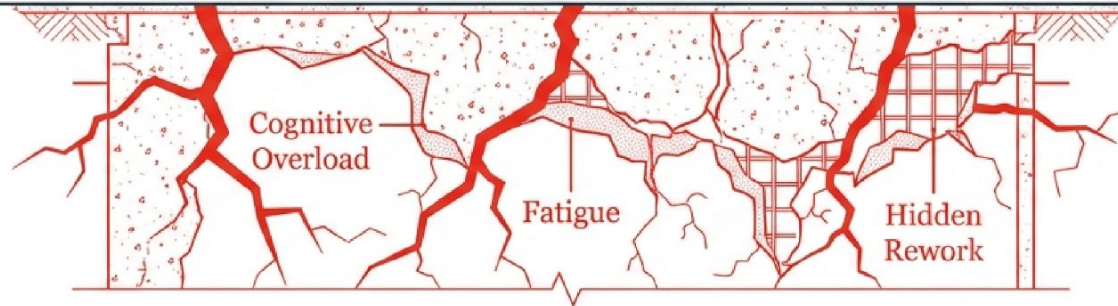
Revenue



Uptime



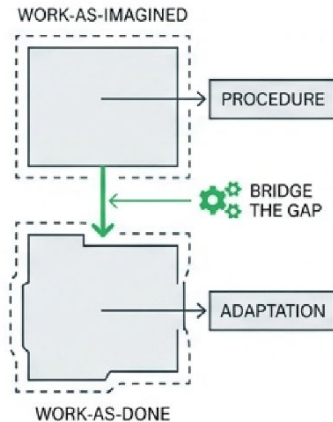
Safety



Behavior is a lagging indicator. By the time performance metrics turn red, the system has already failed.

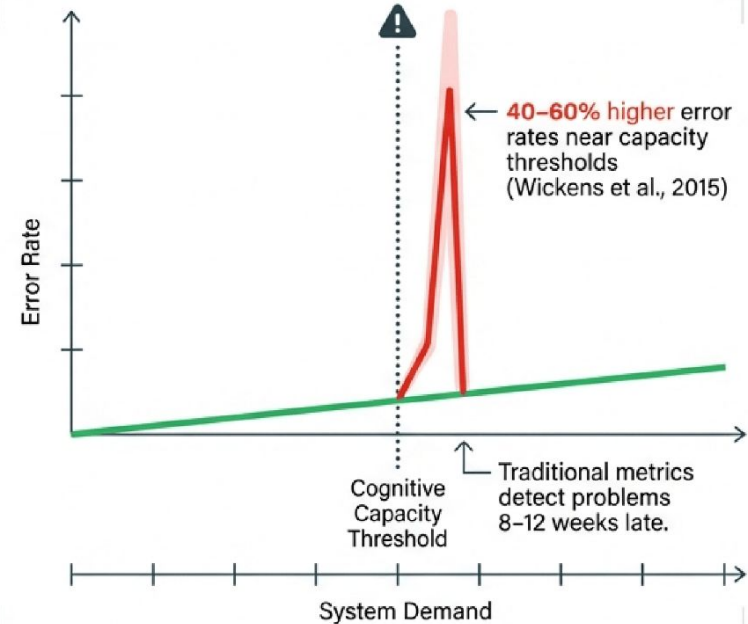
The Performance Paradox

Stability Can Be an Illusion



The Efficiency-Thoroughness Trade-off (ETTO)

Systems don't succeed because they follow procedures perfectly. They succeed because people adapt to bridge the gap between "Work-as-Imagined" and "Work-as-Done" (Hollnagel, 2014).



Distinguishing Performance from Readiness



PERFORMANCE (Lagging)

Measures what was accomplished.

- Revenue
- Volume
- Safety Incidents
- Uptime

← Retrospective View.

READINESS (Leading)

Measures the latent capacity to maintain operation under stress.



Dynamic & Depleting. →

5 Dimensions of Readiness



Cognitive
Attention
bandwidth



Physical
Energy
reserves



Psychological
Safety to
speak up

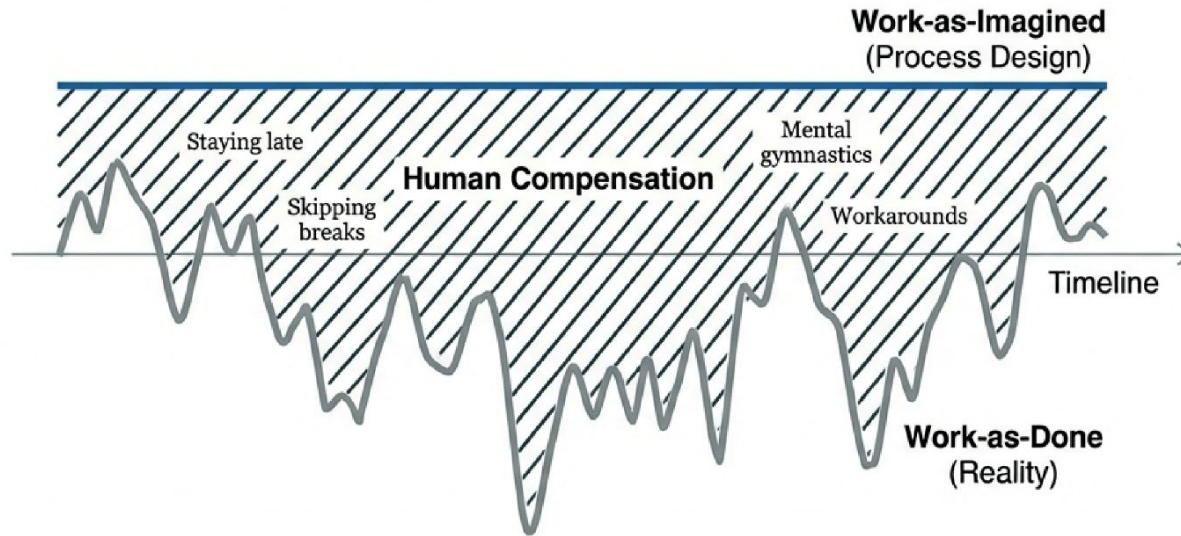


Technical
Reliability
margins



Social
Team
cohesion

The Compensation Trap



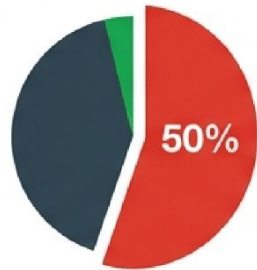
Drift into Failure (Dekker, 2019)

High performers hide system flaws by working harder. This masks the signal that the system is broken until the human buffer collapses.

“Success masks degradation.”

The High Cost of Blindness

Operational Cost

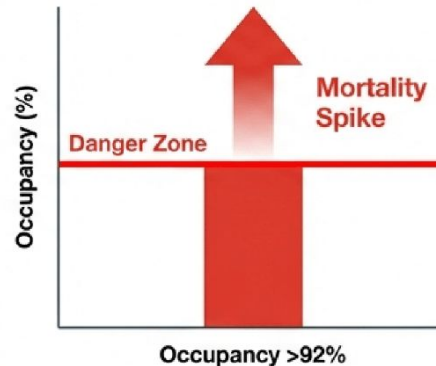


The Firefighting Mode

40–60% of organizational capacity shifts to urgent problem-solving when readiness is ignored.

**Firefighting Mode
(40-60%)**

Safety Margin



Mortality Spike

Hospitals operating above 92% occupancy experience dramatically higher mortality rates.

Human Cost



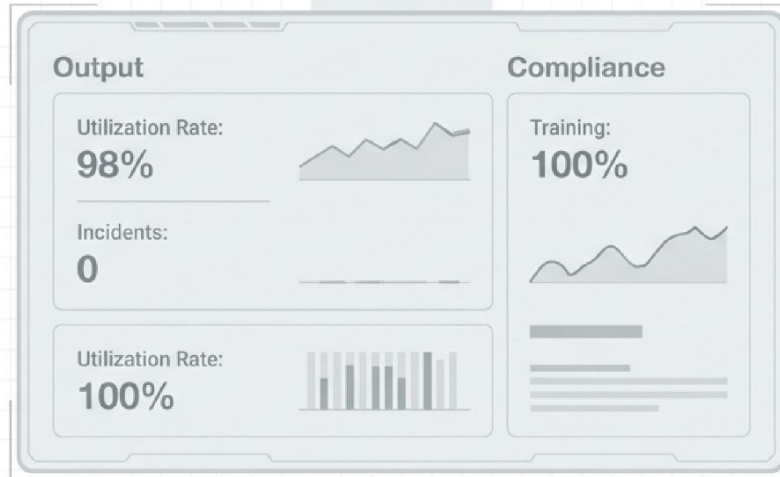
Moral Injury & Burnout

25–40% higher voluntary turnover among top performers who tire of compensating for the system.

Shifting from Lagging to Leading Indicators

Organizations cannot manage what they do not measure.

BEFORE



REACTING TO FAILURE

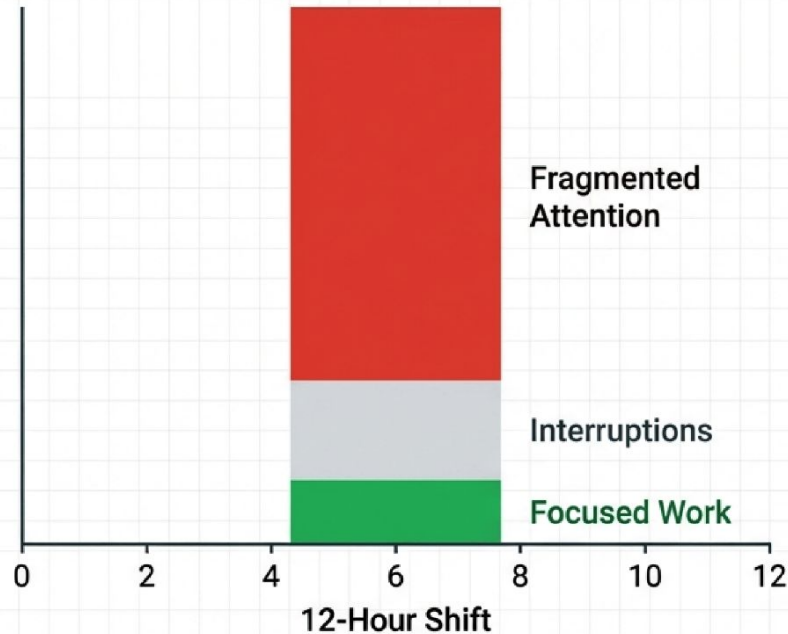
AFTER



SENSING EROSION

Metric 1: Cognitive Load & Attentional Capacity

Cognitive Budget (12-Hour Shift)



The Metric

Measuring “Time to think” and subjective workload.

Tools

NASA Task Load Index, Pulse surveys (“How manageable is your workload?”).

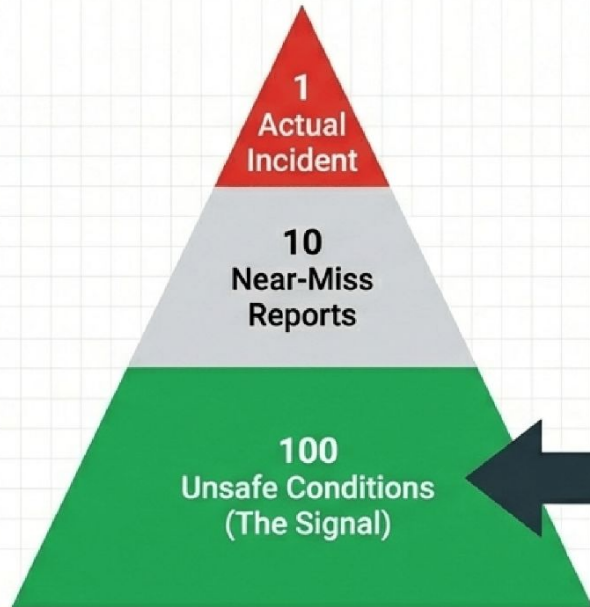
Virginia Mason Medical Center

Action: Implemented workload reporting at shift transitions.

Result: Used data to adjust staffing before errors occurred, rather than waiting for incident reports.

Metric 2: Psychological Safety & Voice

Iceberg of Ignorance



A low ratio
here indicates
silence,
not safety.

The Warning Sign

Silence. When systems need information most, voice suppression occurs.

Key Metric

Near-Miss Ratio. Target 10-100 reports per incident.

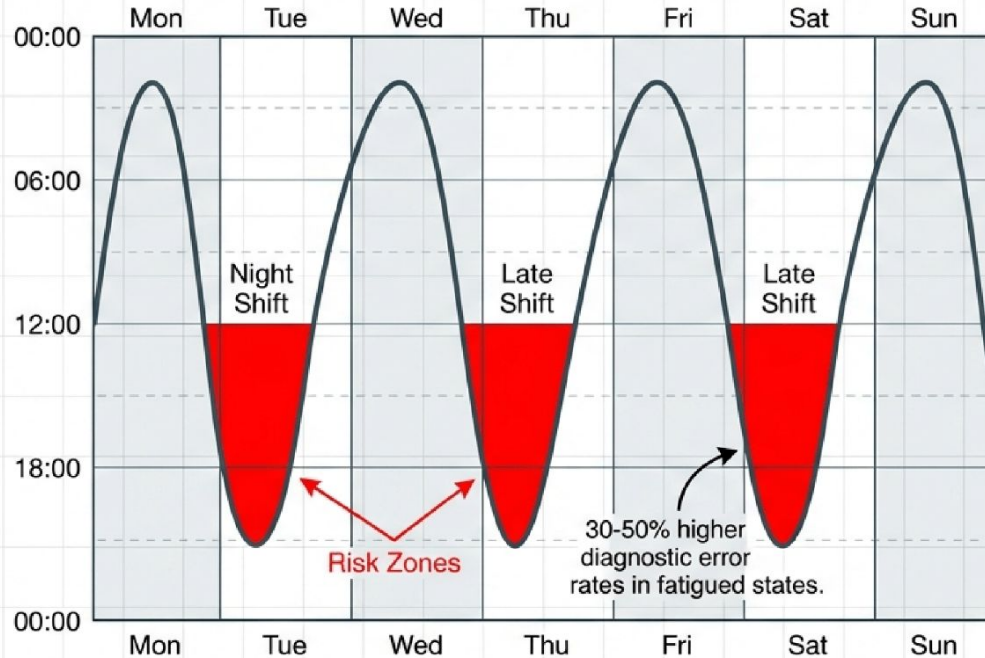
Pixar's Braintrust

Action: Active intervention when feedback stops in creative reviews.

Philosophy: Silence about early problems leads to costly disasters later.

Metric 3: Fatigue & Recovery Windows

Circadian Rhythm & Weekly Roster



The Science

Moving beyond duty-time compliance to biological reality.

Strategy

Track 'Recovery Time' between high-intensity periods. Treat fatigue as a hard constraint.

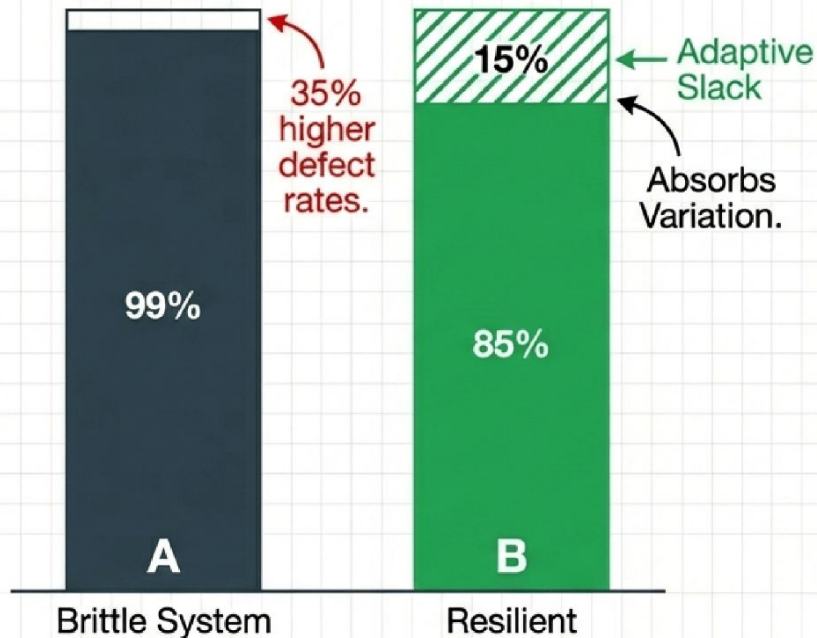
Air New Zealand

Action: Predictive modeling of fatigue risk based on roster patterns.

Intervention: Proactive schedule adjustments when risk trends upward.

Building Adaptive Capacity

The Case for Slack



Core Principle:

Efficiency is the enemy of resilience.

Strategy:

Target 80-85% utilization.

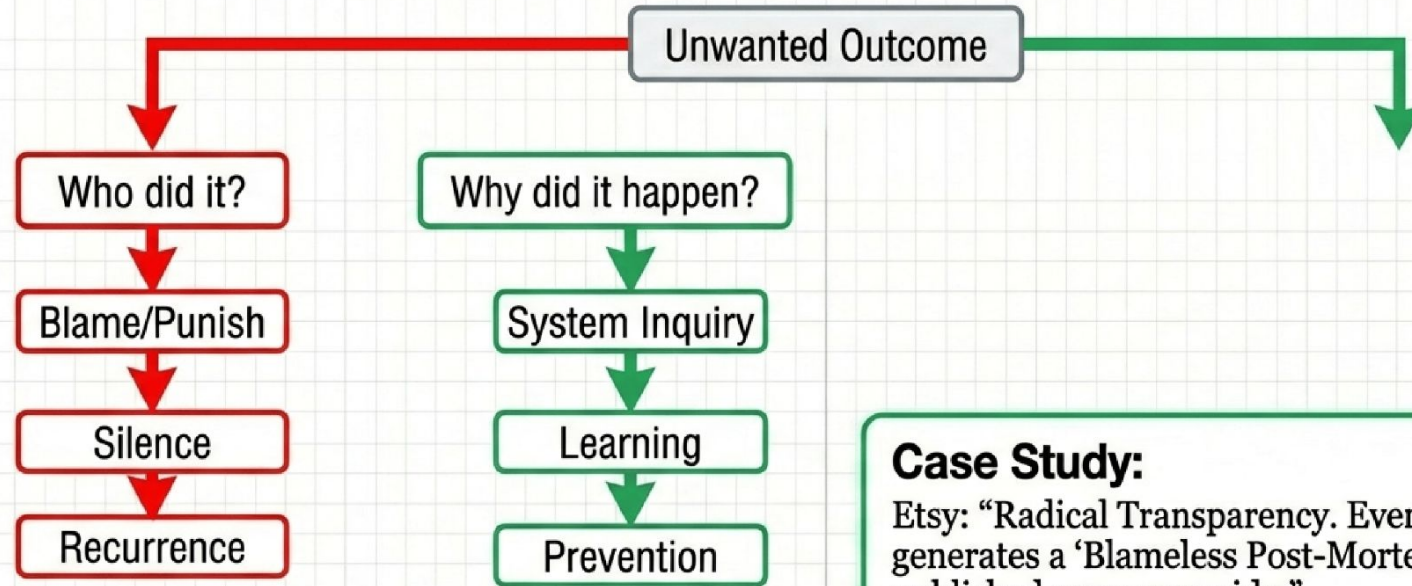
The Andon Cord:

“Slack is essential infrastructure for problem-solving.”

Google’s 20% Rule:

Protect time for learning and improvement.

Just Culture & Learning Systems



Concept:

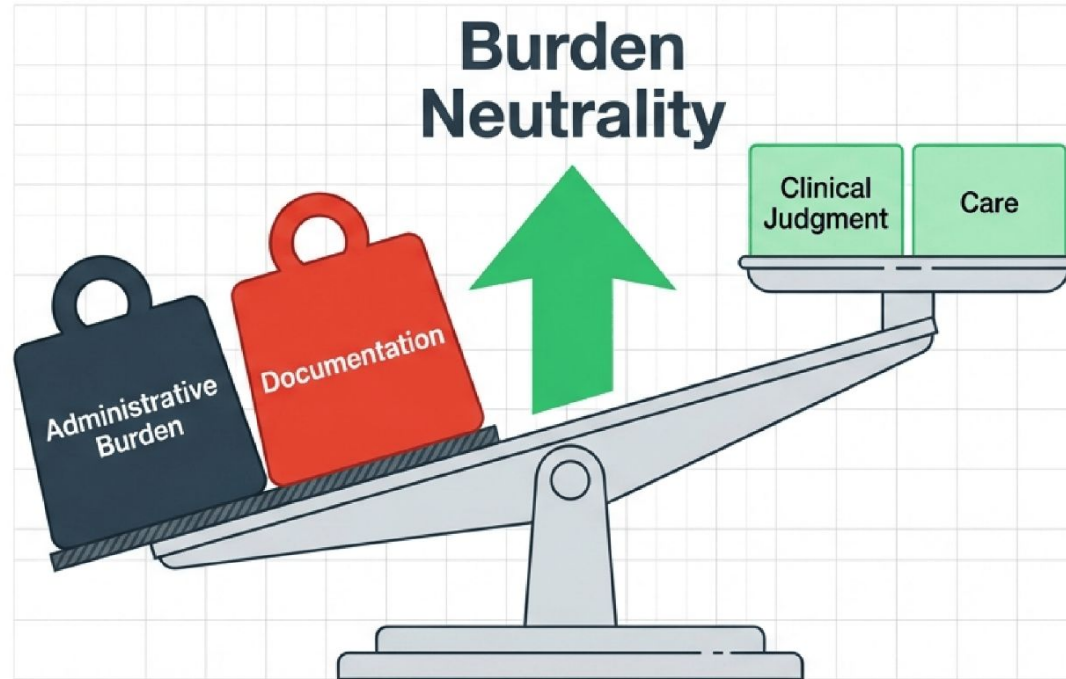
How we treat error determines if we hear about the next one.

Case Study:

Etsy: "Radical Transparency. Every outage generates a 'Blameless Post-Mortem' published company-wide."

Tool: The Pre-Mortem. Imagining failure before it happens to identify risks (Klein, 2007).

Designing for Cognitive Support



Problem:

Learning Myopia—optimizing for outcomes while degrading human capability.

Strategy:

Burden Neutrality. New compliance demands must eliminate equivalent existing demands.

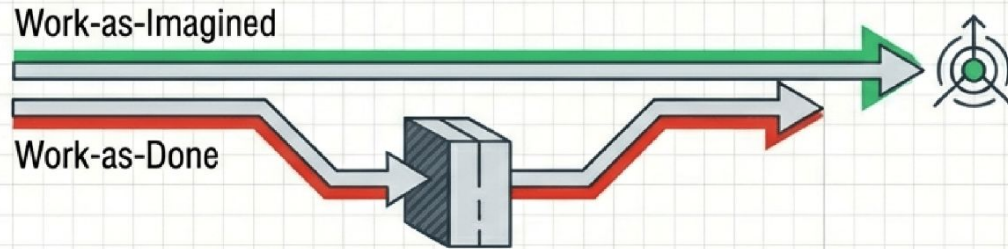
Case Study: Kaiser Permanente:

Reduced EHR documentation time to decrease cognitive load and improve wellbeing.

Aligning Expectations with Reality

“What is getting in the way of doing your best work?”

The Cleveland Clinic Executive Walk Round Question.



Secondary Case Study:

Basecamp: Publicly announced slowing feature development because the trajectory was unsustainable. Acknowledging reality prevented quality degradation.

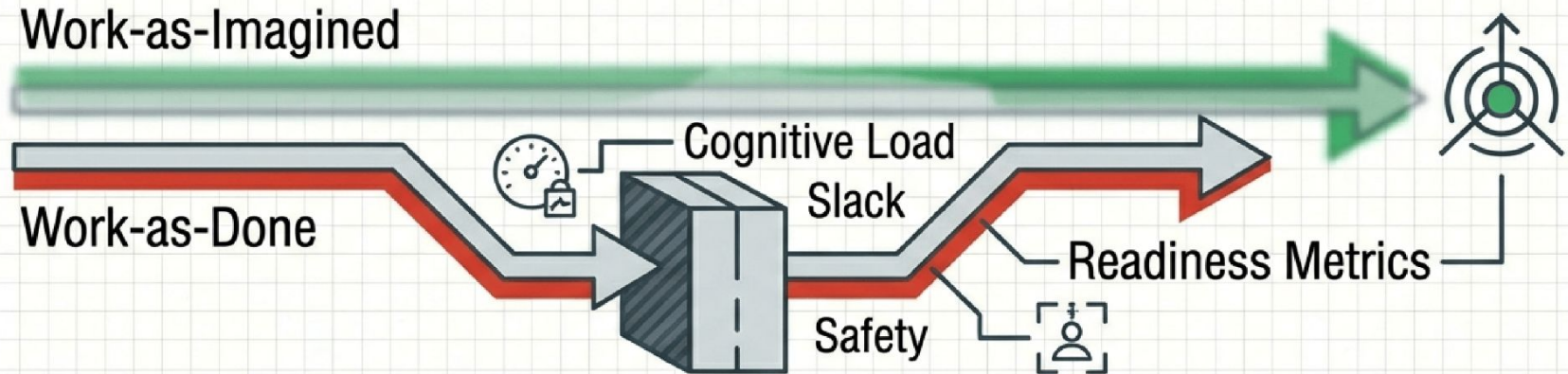
Goal: Bridge the gap between Work-as-Imagined and Work-as-Done.

The Readiness Audit

Cognitive:	Are cognitive demands escalating while attention resources remain constant?	<input type="checkbox"/>
Psychological:	Is silence increasing as pressure intensifies?	<input type="checkbox"/>
Compensation:	Are high performers maintaining appearances by depleting their personal reserves?	<input type="checkbox"/>
Connection:	Are the people doing the work disconnected from those evaluating it?	<input type="checkbox"/>

Goal: Identify where readiness is degrading right now without showing up in metrics.

The Strategic Choice



Signal Green Accent A

Option A: Manage the Visible (Lagging).
Result: Reactive Firefighting.

Alert Red Accent B

Option B: Sense the Invisible (Leading).
Result: Sustainable Performance.

Readiness is not a luxury; it is a core strategic capability.