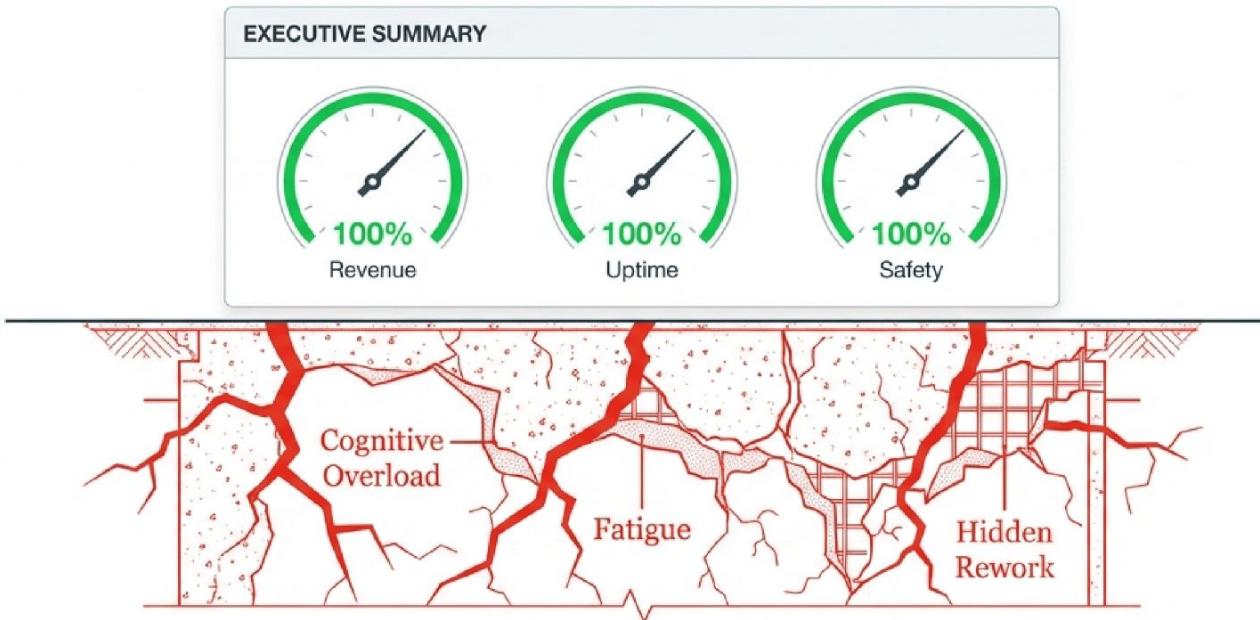


# “Silent Decay”

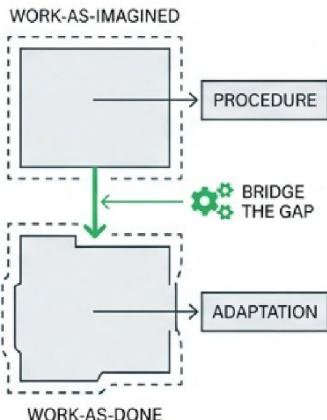
*Why Organizations Fail Quietly Before They Fail Loudly*



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

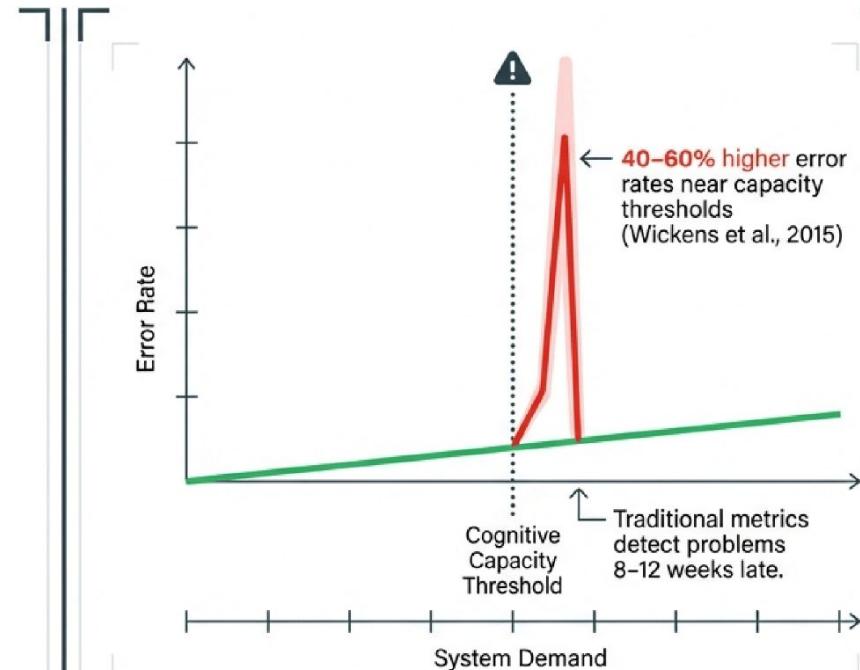
# The Performance Paradox

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

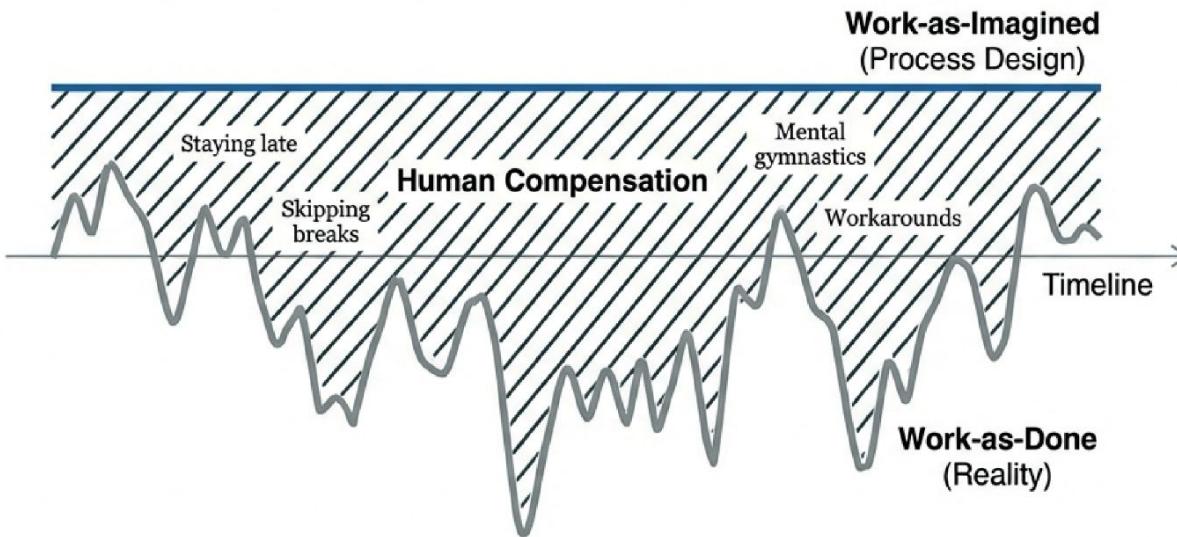


Technical  
Reliability  
margins



Social  
Team  
cohesion

# The Compensation Trap



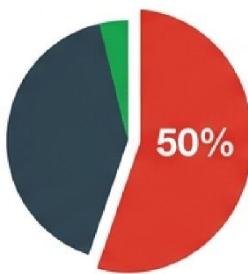
## Drift into Failure (Dekker, 2019)

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

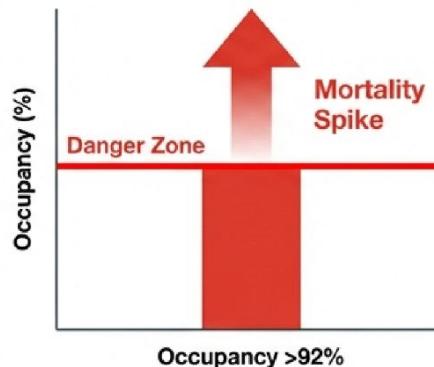


### The Firefighting Mode

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

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

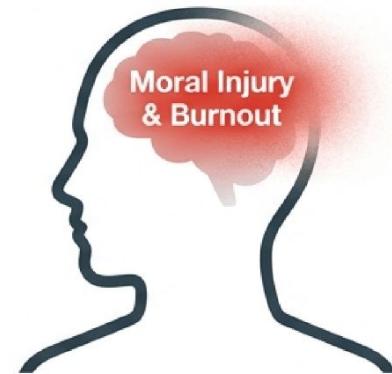
## Safety Margin



### 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.

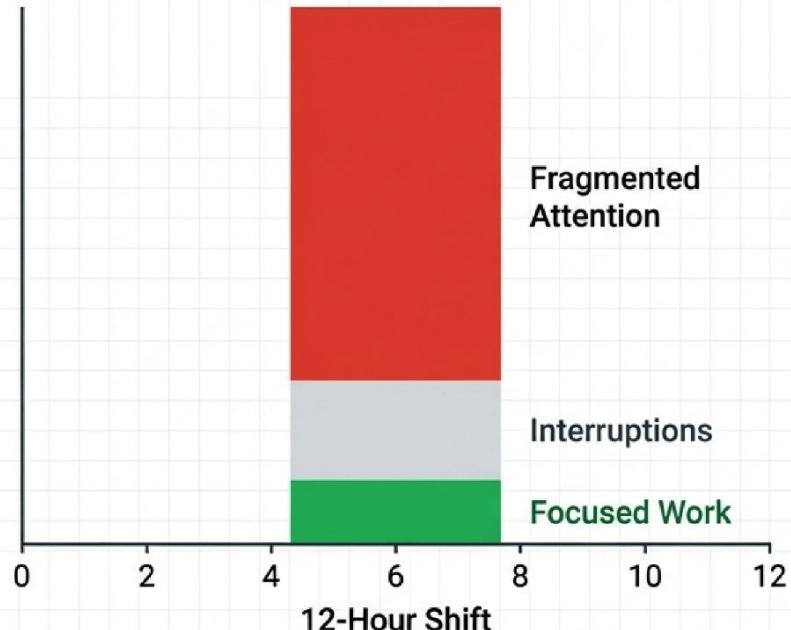
# Shifting from Lagging to Leading Indicators

Organizations cannot manage what they do not measure.



# 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?”).

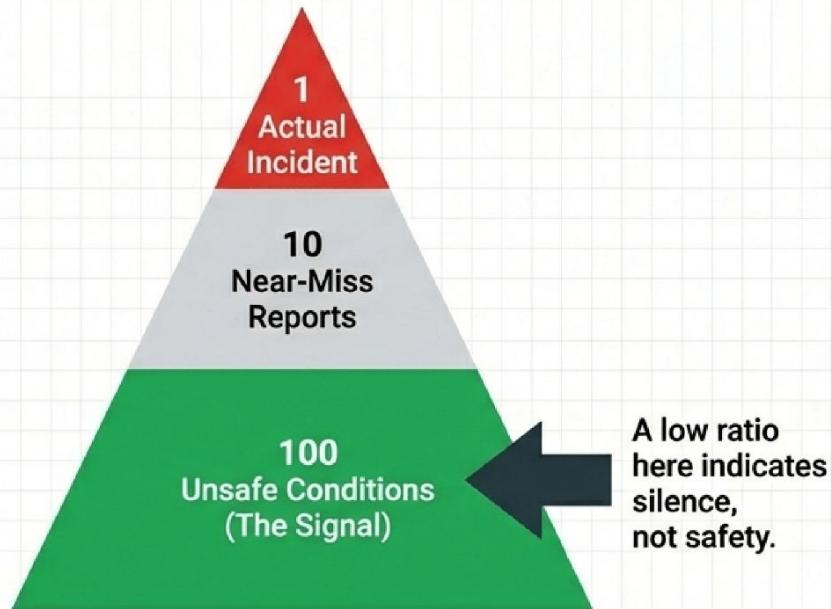
### Virginia Mason Medical Center

**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



## The Warning Sign

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

### Key Metric

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

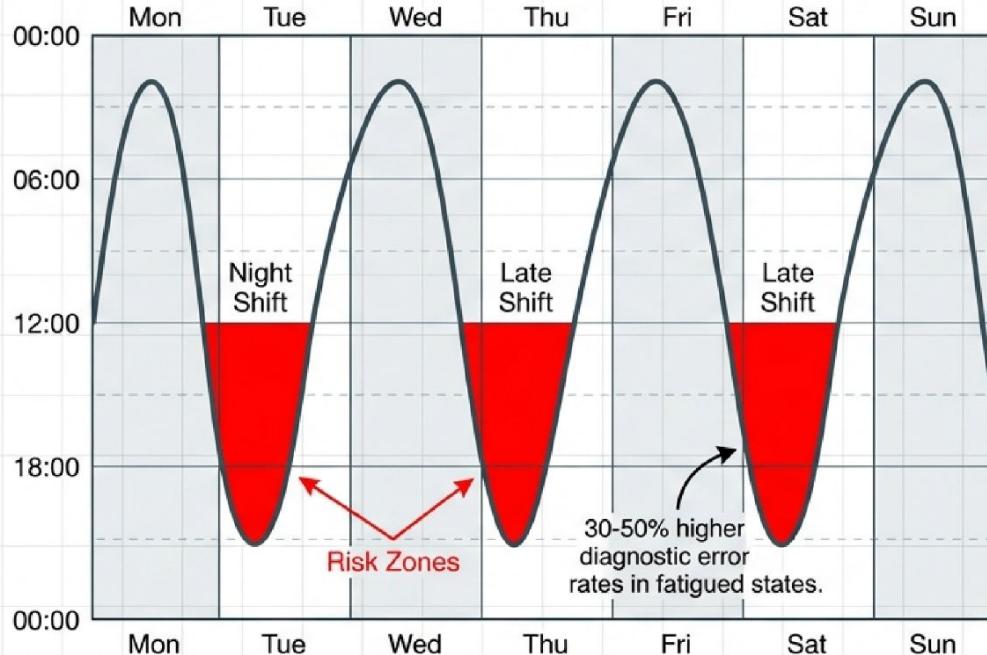
#### Pixar's Braintrust

**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.

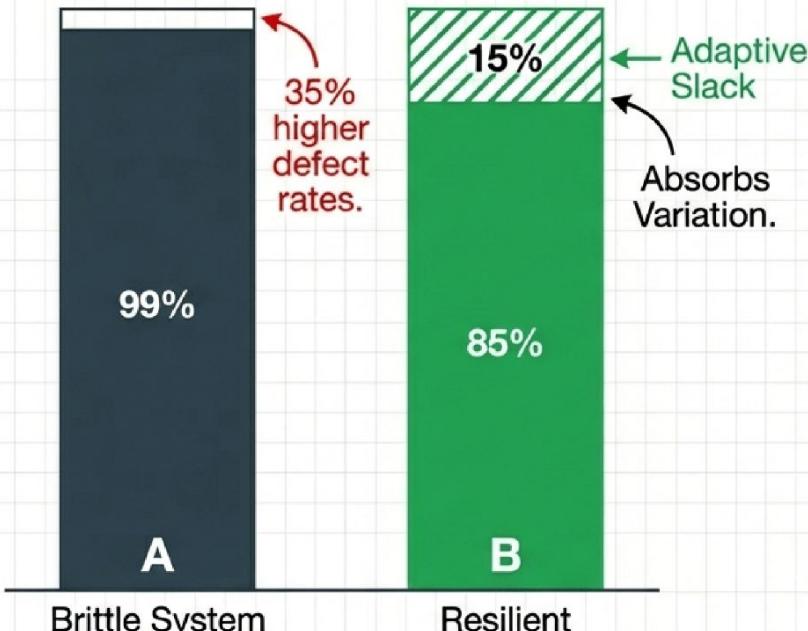
### Air New Zealand

**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.

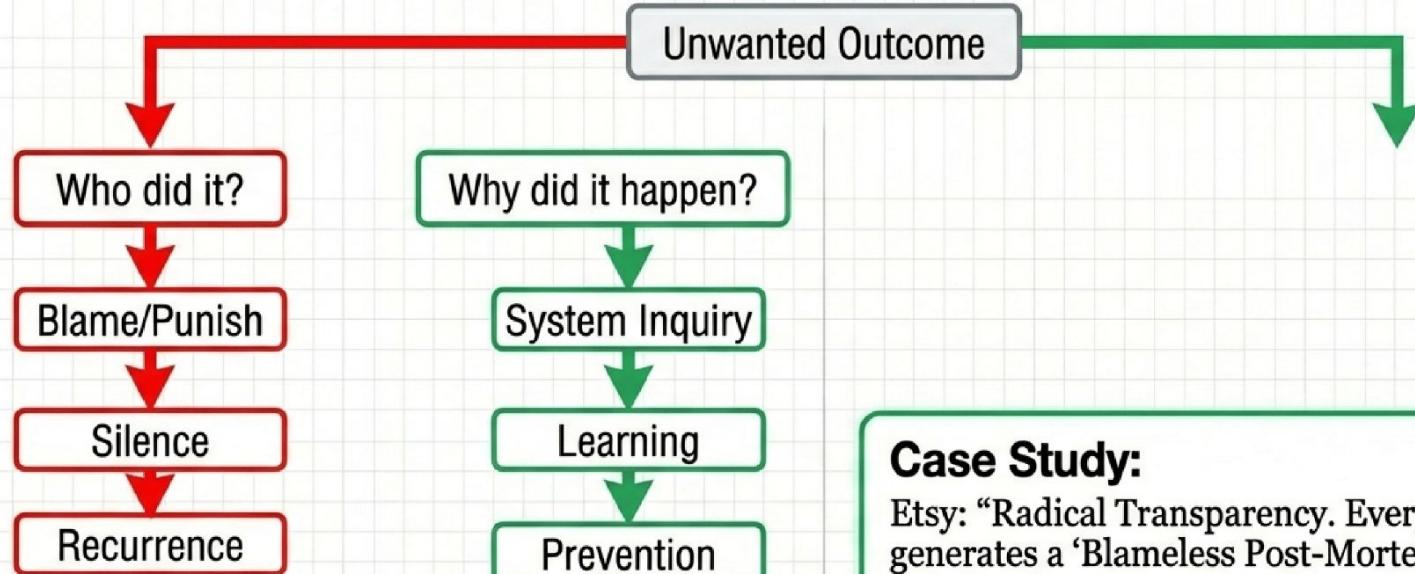
## The Andon Cord:

“Slack is essential infrastructure for problem-solving.”

## Google’s 20% Rule:

Protect time for learning and improvement.

# Just Culture & Learning Systems



## Concept:

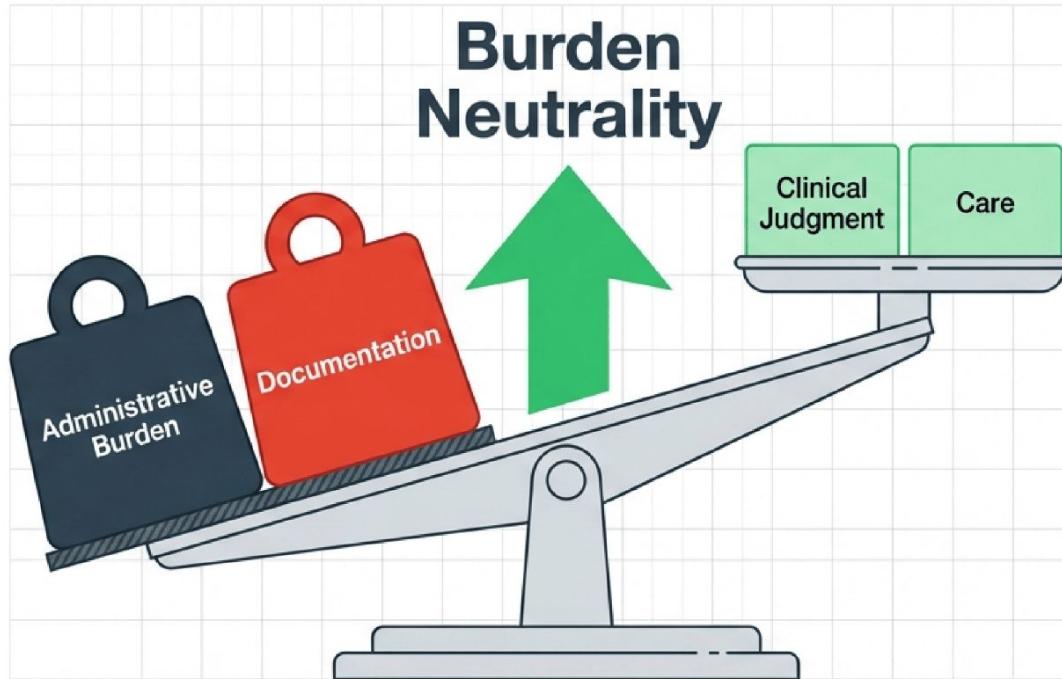
How we treat error determines if we hear about the next one.

## 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:

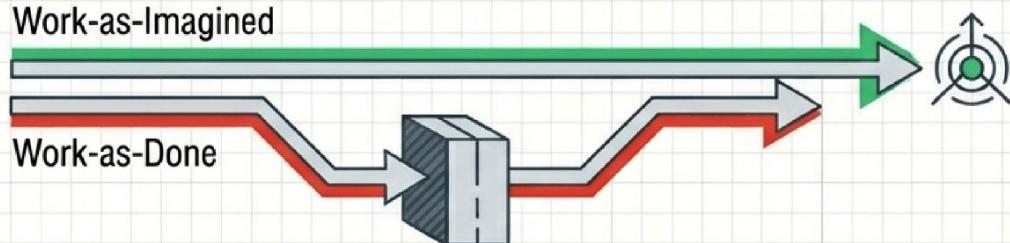
Burden Neutrality. New compliance demands must eliminate equivalent existing demands.

**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

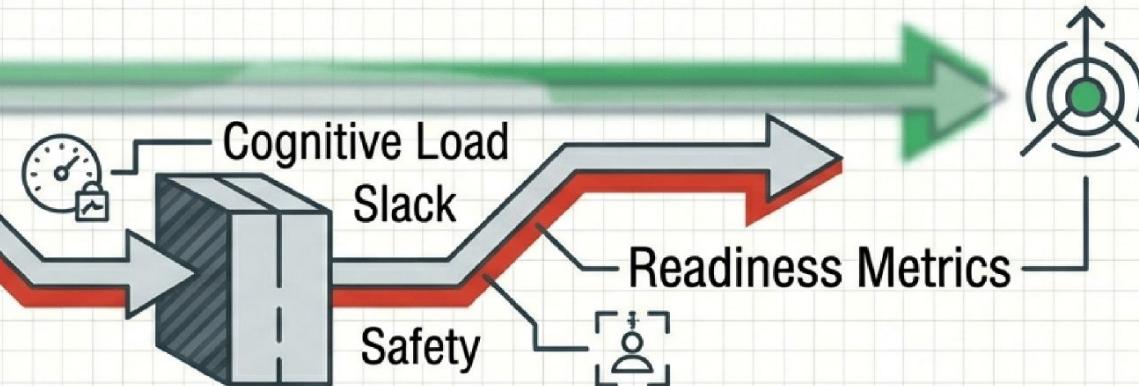
<b>Cognitive:</b>	Are cognitive demands escalating while attention resources remain constant?	<input type="checkbox"/>
<b>Psychological:</b>	Is silence increasing as pressure intensifies?	<input type="checkbox"/>
<b>Compensation:</b>	Are high performers maintaining appearances by depleting their personal reserves?	<input type="checkbox"/>
<b>Connection:</b>	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

Work-as-Imagined

Work-as-Done



## 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.**