

Resilient Organisations: What about the People?

A white paper from A&DC

Introduction

There has been much discussion about the need for ‘organisational resilience’ in the current turbulent economic climate. Organisational resilience refers to an organisation’s ability to survive and thrive in challenging conditions. This is clearly a topic of particular concern in the context of public sector budget cuts and fluctuating consumer spending. Indeed, commentators have made reference to the ability of larger retailers to “show resilience in tough markets”, due to their scale and cost cutting potential as compared to their smaller competitors¹. Similarly, a recent report by Zurich Municipal, entitled ‘Building Resilience’, indicated that local authority senior managers are concerned about their organisations’ ability to continue delivering services, retain good staff and maintain morale in light of cuts to their funding².

However, organisational resilience is not just a temporary response to recession and austerity measures; it is a characteristic that most organisations need all the time in order to deal effectively with the challenges of normal market conditions, in which constantly changing competitive pressures and growing customer expectations are the norm.

This paper discusses the characteristics of resilient organisations and highlights the interactions between individual and organisational resilience, an area that has previously received little attention.

The Characteristics of Resilient Organisations

So what characterises resilient organisations? Whilst no universally accepted model exists, there are common themes that emerge in the discussion of organisations that demonstrate resilience:

1. **System ‘redundancy’** - resilient organisations should have the capacity to continue operating in spite of significant organisational shocks. This may include ensuring that ‘know how’ does not reside in one, or only a small number of individuals, that succession plans are in place and that sufficient financial resources are available to allow the organisation time to recover.
2. **Diversification** - resilient organisations are those that are not overly vulnerable to unexpected activities in relation to specific products or markets. By ensuring variety in its activities, an organisation protects itself from localised downturns in areas of its business and consequently spreads its risk.
3. **Ensuring security of resources** - this element concerns the need for resilient organisations to ensure that they have secure supply chains, funding and people resources, and to have put in place plans to accommodate problems in the provision of these resources.



‘Resilient organisations need systems and processes which allow them to adapt effectively.’

4. **Organisational learning and communication** - a key element of the resilient organisation is its effectiveness at ‘sensing’ and communicating what is going on in the external environment, allowing the organisation to learn from any changes and to adjust to new conditions quickly and efficiently.
5. **Leadership** - strong leadership has been identified as characteristic of resilient organisations. In situations of crisis, leaders need to be decisive and, critically, they need to communicate effectively with employees to instil a sense of purpose and keep them focused on the organisation’s objectives.
6. **Flexible systems and processes** - resilient organisations need systems and processes which allow them to adapt effectively. Processes that are overly bureaucratic may slow down adaptation and may result in missed opportunities.

The characteristics listed above are all clearly key to an organisation’s ability to deal with a crisis. However, it is notable that despite the initial origins of the concept of resilience in the area of individual psychology, ‘the individual’ appears to have been lost from many of the models of organisational resilience. Indeed, some models in this area read like descriptions of engineering systems and not as entities made up of thinking, feeling individuals, who themselves are reacting to the situations that the organisation experiences. Whilst it is clearly not possible to ‘reduce’ organisations solely to the reactions of the individuals within them, neither does it seem plausible that the individual can be ‘removed’ from a conceptualisation of a resilient organisation. The remainder of this paper discusses the missing ingredient of individual resilience within organisational resilience.

Resilient People: The Missing Ingredient

In the domain of organisational psychology, there has been substantial research looking at the attitudinal and behavioural impacts of individual resilience. Despite this, limited attempts have been made to integrate the individual level construct into models of organisational resilience. Resilience can be described as ‘an individual’s capacity to adapt positively to pressure, setbacks, challenges and change in order to achieve peak performance.’ It is notable that very similar definitions have been used to describe resilience at an organisational level, eg “the organisational capability to anticipate key events from emerging trends, constantly adapt to change, and rapidly bounce back from disaster”³.

The Impact of Individual Resilience

So how might individual resilience be important to organisational resilience?

Imagine the situation: an organisational crisis has taken place and there is a requirement for large-scale change and job cuts. It is not clear where the axe will fall and large proportions of the organisation are ‘at risk’ of job losses. For those who stay, it will not be the same, with significant changes to the organisational structure, colleague relationships and ways of working.

Some employees are crushed by these events; they become stressed and ineffective, spending significant amounts of their day talking to their colleagues about how terrible the situation is and why their own circumstances make it all the worse. They do not recognise that for the organisation to continue to operate, serious action needs to be taken, instead viewing the situation as something that has been 'done to them'. Some go absent through stress.

Other employees can see the bigger picture. They recognise that such changes are necessary for the organisation to survive, and realise that there is little point in worrying about what might happen in relation to their jobs, as this will not change the outcome. Instead, they 'get their heads down' and focus on doing their job effectively, recognising what they can and cannot control. They may even see the experience as a positive challenge; a potential opportunity from which they can personally learn and grow.

If your organisation was characterised by the first group of employees, what could the impact be?

It would be bad enough that some employees' negativity spreads to others in your organisation, but what if these individuals were also speaking to your customers? What might they say to them and how likely would they be to continue providing a quality service to them? How would absenteeism affect your organisation? Would you still be able to deliver your objectives? And once the redundancies have been made, how willing would this group be to adapt to the changed ways of working? All of the above are likely to have a significant impact on your organisation's ability to adapt to change, even if 'resilient' systems and processes are in place.

Such behavioural outcomes are supported by research evidence. Given the origins of the research on resilience in the context of stress, much of the research looks at resilience (or hardiness, as it is sometimes called) as a buffer against stress. A seminal study, detailed in Maddi and Kobasa⁴, looked at the reactions of a group of employees to what has been described as "the largest upheaval in corporate history" (the deregulation of the previously federally regulated AT&T in the US). The study found that resilience (as characterised by attitudes of 'commitment', 'control' and 'challenge') distinguished between those who thrived during the period, and those who succumbed to stress related illness and behaviours (such as heart attacks, depression/anxiety disorders and alcohol/drug abuse).

Research also shows that resilience moderates the relationship between stress and job performance⁵, and has been directly related to job performance in a variety of different contexts^{6,7,8}. Resilience has also been shown to be a predictor of key attitudinal variables, including organisational commitment, job satisfaction and workplace happiness⁹.

Unfortunately, to date, there has been little research looking directly at the business impact of individual resilience. The established relationship between resilience and performance and between resilience and absenteeism indicates that such relationships, albeit currently unquantified in the literature, are likely to be present.

What is Individual Resilience?

There is no consensus on the definition of individual resilience, although typically definitions focus on a positive set of behavioural or psychological responses to a given set of negative events. There is also some debate in the literature as to whether resilience is a learned behaviour or an ongoing developmental process, whether it is multi- or uni-dimensional and the number and nature of the constructs of which it is comprised.

In response to some perceived gaps in the models and tools currently available to measure individual resilience, A&DC has conducted research to establish a comprehensive and occupationally-specific model of resilience. In this model, resilience is presented as a process; a set of skills that can be developed. The model is therefore not concerned with labelling people as 'resilient' or 'non resilient'.



The 8 components of resilience as identified in the research are detailed below:

1. **Self Belief** - the extent to which an individual has confidence in their ability to address problems and obstacles that they encounter.
2. **Optimism** - the extent to which an individual believes that they will experience good outcomes in life and the way in which they explain setbacks that they experience.
3. **Purposeful Direction** - the extent to which an individual has clear goals that they are committed to achieving.
4. **Adaptability** - the extent to which an individual is willing to adapt their behaviour and approach in response to changing circumstances.
5. **Ingenuity** - the extent to which an individual perceives they are capable of finding solutions to problems that they encounter.
6. **Challenge Orientation** - the extent to which an individual enjoys experiences which challenge them and perceives stretching situations as opportunities to learn and develop.
7. **Emotion Regulation** - the extent to which an individual is able to remain calm and in control of their emotions in stressful situations.
8. **Support Seeking** - the extent to which an individual is willing to ask others for help and support when dealing with difficult situations.

How to Build and Develop Resilience

A&DC view resilience as a skill that can be learned. The development of resilience will not only assist individuals in coping with pressure, setbacks, challenges and changes at work, but it is a 'life skill' that will enhance their general wellbeing and ability to cope with a range of challenging life events.

There are three key stages in the development of individual resilience:

1. **Measurement** - establishing where an individual's strengths and weaknesses lie, in relation to the resilience components detailed above.
2. **Feedback** - measurement is not sufficient in itself; it is critical that individuals are provided with meaningful feedback to explore their profile, and the contexts influencing how and whether a particular component is identified. The feedback process helps the individual to really understand their strengths and weaknesses, and identifies areas that they are committed to developing.
3. **Development Planning** - a key stage of the process is planning meaningful development activities for the individual to build the components of resilience. Whilst the specific activities will depend upon the areas for development identified and the opportunities available to the individual, some possible activities are as follows:
 - Identifying and challenging limiting beliefs, for example by using thought diaries, etc
 - Setting specific goals and achieving them, to build self confidence in specific areas
 - Reflecting on past experiences and using these to positively reframe future experiences
 - Relaxation techniques, including imagery and breathing techniques

Once these three stages have been undertaken, individuals will need to be supported in their development. However, in the longer term, this 'investment' is likely to create a more flexible, positive workforce, which can help your organisation to make opportunities out of adversity.

Summary

In addition to everyday stresses and personal hardships, increasing economic pressures are manifesting themselves in the workplace to create even further challenges. An individual's capacity for resilience clearly matters if they are to survive and thrive. However, it is more often the resilience of an organisation's structures and systems that is researched and discussed. We believe that true organisational resilience is heavily influenced by the resilient attitudes and behaviours of the people who work there.

The impact of resilient individuals can be seen at an organisational level in terms of reduced absenteeism, greater productivity, higher levels of customer service and ultimately an improvement in the organisation's ability to adapt to changing environments.

We believe that individual and organisational resilience are closely related and that, consequently, improving individual employee resilience will have an organisational impact. Interventions to build individual resilience may include workshops or coaching, and may be specifically focused on critical business units, or more broadly throughout the organisation. Either way, the development of personal resilience should not only be seen as beneficial to the individual, but also in terms of enhancing broader organisational capability to deal more effectively with current and future changes.

For more information about resilience, or to discuss your specific requirements, call us on +44 (0)1483 860898, email info@adc.uk.com or visit www.adc.uk.com

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