

Putting Organizational Resilience to Work

By Larry Mallak



Executive Summary

So, you want your organization to be resilient? Resilience is more than a fancy word for adapting your organization to its environment. For an organization to be resilient, it needs people who can respond quickly and effectively to change while enduring minimal stress. More and more, these positive adaptive capabilities are what differentiate the competition. Advice on organizational resilience has been slight, but child psychologists and crisis management specialists have been working on these concepts for years. Management implications and principles for improving organizational resilience are offered based on this review of resilience research and practice.

Workers today face change constantly — in the work they do, how they perform the work, where the work is performed, and with whom they work. These internal changes represent only part of the challenge; employees who have more responsibilities for dealing directly with suppliers and customers increasingly face external changes.

As workers become empowered, more decisions are made without immediate approval and under time pressure. Meeting customer needs on the spot is essential in today's service economy. This, too, creates more pressure on workers to assess situations quickly, decide what can be offered to customers, defend what they have done, and move on to the next situation. Often, workers are placed in these situations without adequate training, preparation, or resources. They need to learn how to be resilient — that is, how to design and implement positive adaptive behaviors quickly that are matched to the immediate situation — while enduring minimal stress all the while. Resilient behaviors help workers meet customer needs on the spot, capture opportunities that may otherwise be lost, and avert catastrophes by acting quickly and effectively in crisis situations.

The resilient organization designs and implements effective actions to advance the organization, thereby increasing the probability of its own survival. As Charles Darwin noted, "It's not the strongest species that survive, nor the most intelligent, but the most responsive to change." Additionally, members of the resilient organization share decision-making power, which leads to timely and effective responses. Author Daryl Conner speaks of resilient individuals as opportunity-driven rather than danger-driven.

Resilient employees expend less effort in assimilating organizational change and therefore have greater potential to improve productivity and quality.

Some background

Organizational and engineering management literature classically have addressed the need for individuals and organizations to manage environmental demands effectively. Most of these writings and studies focus on the organization and how it can survive external environmental threats. At the engineering manager's level, a more actionable approach would focus less on boundary spanning and environmental assessments and more on developing resilient organizations and individuals.

A brief background of key resilience work to date follows. This feeds the development of resilience principles and implications for implementing these principles to build a resilient organization.

Organic and mechanistic forms of organization were identified in the 1960s by Tavistock researchers. The mechanistic form is like a machine: efficient, programmed, with low levels of uncertainty in a closed system design. The organic form is like an organism: complex responses, flexible, and higher levels of uncertainty in an open system design. The resilient organization seeks to employ better processes for dealing with uncertainty and novel situations.

Dramatic episodes of resilient behavior occur when people are faced with a crisis. Natural disasters throughout the world provide newscasts with stories about how a person risked his or her life to save another, ran into a burning house to save an elderly person or a child, or fashioned an escape from enemy territory. Karl Weick's analysis of the Mann Gulch disaster identified *bricolage* as a source of resilience. Bricolage concerns creating solutions out of whatever is available. Crisis management strategies illustrate how an individual reacts in an extreme situation. Most events that employees respond to are not crises, but these events often require similar forms of response. Resilience encompasses many of the day-to-day coping strategies.

Coping refers to our efforts to change behavior and attitudes to match taxing internal or external demands. For example, we can cope with the departure of a key co-worker by many methods: lamenting the loss of that person, trying to fill the vacated position with a similar person, rationalizing that he or she was-



n't that helpful, taking on more responsibility, going on vacation, or leaving the company.

As the above example shows, a person's coping strategy may be either positive or negative. A resilient individual uses positive coping strategies. Coping seeks to prevent or reduce the negative effects of stress; resilience seeks

to produce eustress (positive stress) in situations. Charles Carver and his colleagues identified potential coping strategies ranging from taking immediate action to substance abuse. In resilient organizations, individuals use positive coping strategies.

Self-efficacy means a person has confidence in his or her ability to perform a specific task in a particular situation. This is the cognitive side of resilience; in resilience we are concerned not only with a person's confidence and belief in his or her abilities, but with their actual execution of those abilities directed toward a specific problem. D. Hellreigel and his colleagues identified three characteristics of high self-efficacy employees: 1) they have the ability needed, 2) they are capable of the effort required, and 3) no outside events will deter them from performing at a high level. A person with high self-efficacy will exert great effort toward his or her goals and will be persistent in staying with a complex task.

Self-efficacy influences problem-solving behavior. One of the pioneers of self-efficacy research, Albert Bandura, stated, "People who believe strongly in their problem-solving capabilities remain highly efficient in their analytic thinking in complex decision-making situations, whereas those who are plagued by self-doubts are erratic in their analytic thinking." Taking a positive approach toward solving problems and not

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focusing on failure have been cited as characteristics of resilience in situations involving children with difficult home lives.

The concept shows resilience existing opposite vulnerability. Emmy Werner's studies of children on Hawaii's island of Kauai resulted in the identification of four central characteristics of resilient children — those children who could effectively cope with poverty, abuse, disease, alcoholic parents, and divorce. Those characteristics are:

- an active approach toward solving life's problems,
- a tendency to perceive their experiences constructively,
- an ability to gain others' positive attention, and
- an ability to use faith to maintain a positive vision of a meaningful life.

The resilience-vulnerability axis shows that a resilient child has positive coping strategies (such as problem-solving, dialogue, or "adopting an adult") while the vulnerable child either has no coping strategies or those strategies are negative (such as avoidance or denial). The implication here is to take an active approach to solving life problems (i.e., be resilient) rather than remain passive and allow events to occur (i.e., be vulnerable).

By learning from the many research streams on resilience, we can derive principles and implications for managing resilient behavior in organizations.

Resilience principles

The review of resilience concepts leads to the development of principles for implementing resilience in organizations. These principles and advice on putting the principles to work (see table on page 27) should help organizations take tangible steps toward becoming more resilient.

Perceive experiences constructively. One of the characteristics Werner found in her study of children was their tendency to perceive experiences positively, even if those experiences caused pain.

In organizations, we feel stressed or "pained" when circumstances become so overwhelming that we cannot envision a solution. Additionally, certain individuals inside or outside the organization may create negative experiences through their words or actions. What people say and do and how they say or do it has tremendous impact for how others perceive the words or action.

Positive perception of experiences is essential to the resilient individual. By forming a positive and constructive perception of the problem, the individual is more likely to be able to solve the problem. Complaining, escaping, and other similar responses work against the resolution of the problem and are

considered negative coping strategies.

Perform positive adaptive behaviors. The ability to respond in a positive and adaptive fashion to a wide range of events is a defining characteristic of the resilient individual. A resilient individual takes an active approach toward solving problems in the workplace. A resilient individual needs to perform positive adaptive behaviors. One researcher has identified Type O and Type D individuals who view change as opportunity or danger, respectively. Responses to stressful situations in the workplace can result in a variety of behaviors, many of them negative. Also, responses tend to be "programmed" as Nobel Laureate Herbert Simon referred to them, meaning a defined action is expected to be performed when in a specific situation. Taking proactive steps to avert a crisis is an example of a positive adaptive response. When early warning signs surface, we often don't have a programmed response so we rely on resilient individuals to construct an effective and positive adaptive response.

This resilience principle focuses on adaptive as opposed to programmed responses. Adaptive responses require decision-making judgment and latitude, represented by another principle. Because adaptive responses can be viewed as either positive or negative, resilience emphasizes the positive aspects of behavior. For example, a programmed response to a customer complaining about a late shipment is to say you'll check and see what went wrong, then get back to the customer. A negative adaptive response could be telling the customer that he or she could deal with another company if this late shipment bothers them. A positive adaptive response would be for the worker to find a creative way of getting the customer what he or she needs quickly. This could entail many different options, including a special production run, collecting stored parts from a variety of locations, or having a competitor provide the shipment with your organization's cooperation.

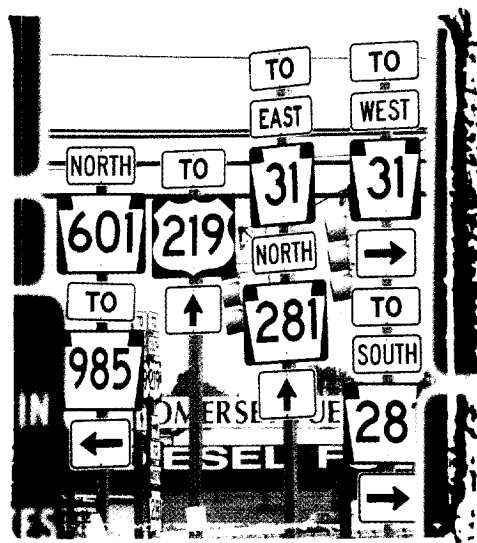
Ensure adequate external resources. Resilience requires an individual to access resources other than those typically used in the course of one's job. This principle — adequacy of

external resources — works in concert with expanded decision-making boundaries to maximize the potential for positive adaptive responses. External resource adequacy encompasses resources of advice, information, finances, emotional support, and practical help. According to R.S. Lazarus and R. Launier, if external resources are required in a problem situation, the adequacy and availability of those resources not only influence primary and secondary appraisal (perceiving a threat and bringing to mind a potential response to the threat), but also influence coping behavior.

A classic example of this resilience principle in action is seen at Ritz-Carlton hotels. Each employee, from housekeeping staff to the CEO, has the discretion to spend up to \$2,000 (for each situation) to ensure that guests have a quality stay at their hotel. This can mean bringing tea to a guest with a cold or sending a tie left behind to the guest's next destination, all without seeking approval. In the restaurant industry, McGuffy's Restaurants found that opening up the supply closet greatly reduced stress among servers who needed to replace broken glassware or retrieve other items. Additionally, McGuffy's experienced half as much "shrink" compared to the old way of locking up supplies.

A resilient individual needs access to resources that may be needed in the conduct of his or her job. The individual needs to be shown examples of how to access these resources. Further, the individual must be shown that this is expected behavior, not just management-speak. Often, organizations state an aggressive policy that runs counter to the organization's culture and employees are scared to implement the policy for fear of reprisal. When employees see that the additional risks taken under an expanded resource access policy are rewarded or recognized by management, their behavior will be reinforced and others will be more likely to take similar actions in the future.

Expand decision-making boundaries. Often considered a critical element of empowerment, the expansion of decision-making boundaries is a key resilience concept. This principle works hand-in-hand with the issue of ensuring adequate external resources. Resilient individuals need the ability and authority to make decisions on the spot in a variety of situations. Certainly, employees cannot be given carte blanche in decisions of strategic importance; however, many decisions referred up the management chain merely serve to reduce service to the customer, frustrate employees, and



needlessly occupy management time that could be spent on issues more relevant to their level of responsibility.

Lean production implements expanded decision-making boundaries, for example, by giving employees the responsibility to shut down a production line when it's not producing quality

products. This stems the flow of defective product throughout the system and nips it in the bud. However, many production-oriented supervisors find that this practice conflicts with the way their performance is measured — usually by the number of on-time deliveries to customers. Certainly, a cultural change must occur to accommodate the shift to a quality-centered world from the old production-centered world.

Practice bricolage. *Bricolage* is a term first traced to anthropologist Claude Levi-Strauss in his work *The Savage Mind* that refers to the practice of creating order out of whatever materials were available at the time. Karl Weick built on this concept: "Bricoleurs [those who practice bricolage] remain creative under pressure, precisely because they routinely act in chaotic conditions and pull order out of them. Thus, when situations unravel, this is simply normal natural trouble for bricoleurs and they proceed with whatever materials are on hand."

Especially in areas of customer service and satisfaction, bricolage can have a dramatic effect. When a problem occurs in the field, an employee who can troubleshoot the problem and implement a solution to get things going again will not only satisfy the customer, he or she will experience a higher level of intrinsic job satisfaction as well.

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How managers can build a resilient organization



Use positive reinforcement to increase the frequency and intensity of desired behaviors. Pull individuals toward desired behaviors through feedback, public recognition, reward systems, and encouragement by peers.



Provide constructive feedback when individuals fail so they can see what went wrong and walk away from the experience with a positive mental framework.



Gradually expand decision-making boundaries, ensuring the individual has the necessary information to make good decisions, the corresponding authority to make those decisions, and access to resources that are required to implement those decisions. Managers should ask themselves, "Could somebody else in my group make this decision? Is it necessary for me to approve this form or action?"



Organizational structures often act as barriers against resilience. These structures were built when tight decision control was necessary, information was scarce, competition was domestic, and workers had lower levels of education. Top management should think strategically, after gaining input and participation from all levels of the organization, to design a structure suited to the organization's strategy and operations.



Develop bricolage skills through survival training courses. By exaggerating and forcing the need to design and implement solutions on the fly in a practice environment, individuals learn and practice these skills while they or their teammates experience the consequences. Later, in an organizational context, individuals should feel more comfortable taking the necessary steps and calculated risks to solve problems and satisfy customers.

Bricolage is an essential element of resilience. The ability to fashion a solution on the spot differentiates organizations that are similar on price and quality parameters. Again, the worker needs expanded decision-making authority and access to resources to assume the role of a bricoleur.

Develop tolerance for uncertainty. Jay Galbraith's concept of uncertainty refers to situations where the amount of information you need is greater than the information you have. This represents a source of frustration for many people who would like to make good decisions concerning their work but they don't have the bigger picture or are missing some strategic information. The open-book management practice made popular a few years ago attempted to reduce this uncertainty by making financial and product information available to all employees. However, at the time of decision, no matter what type of intervention is employed, there is a fixed amount of information available. The resilient individual has the capacity to make good decisions under these conditions; he or she has a tolerance for uncertainty.

Build virtual role systems. The virtual role system refers to an advanced form of work team relationships. Modeled after Weick's work in crisis management, a virtual role system provides a work environment where the team can continue in the absence of one or more members. This continuity comes from each person's ability to visualize how the entire team functions, not just his or her particular role. Much like a holograph, where each smaller piece contains information to construct the whole, each person in a virtual role system can reconstitute the group in his or her mind and run a credible version of each role in that system. The virtual role system recognizes how well team members understand their roles, the roles of others, their ability to take on others' roles, and how an overall vision provides role definition. A resilient individual can operate in such an environment; when many people in the organization are effective in virtual role systems, the organization becomes more resilient.

These resilience principles have been derived from resilience concepts in several distinct disciplines. By implementing these principles, a resilient organization will have individuals who perceive their experiences constructively, perform positive adaptive responses to situations they face, have access to adequate external resources coupled with necessary decision-making authority, practice bricolage, have a high tolerance for uncertainty, and operate within a virtual role system where each person knows others' roles and can visualize the larger purpose of the entire team.

Implications for managers

The time has come for managers to obtain more sophisticated tools and models for managing workers and organizations.

Customers, workers, competitors, collaborators, the general public, and regulators — all have access to many sources of information concerning price, quality, performance, safety, and other characteristics. We increasingly rely on workers to make effective decisions with less supervision and to make them quickly. With greater amounts of information available, workers should be technically capable of making good decisions that used to require several levels of approval (and therefore more time). Implementing the principles should be a first step in addressing the need for greater resilience in the organization.

As research on organizational resilience progresses, more guidelines for managers will emerge. Knowledge of organizational resilience principles and theory should help managers and researchers gain a deeper understanding of how we can build resilient organizations composed of people who are indeed resilient. Implementation of those principles in a variety of conditions will provide feedback on the effectiveness of those principles and the development of new principles, all with the objective of improving the organizations and the work environment. ■

For further reading

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Summary of resilience principles

Principle

Perceive experiences constructively

Perform positive adaptive behaviors

Ensure adequate external resources

Expand decision-making boundaries

Practice bricolage

Develop tolerance for uncertainty

Build virtual role systems

Putting the principle to work

Even if the experience causes pain, find the positive angle and move forward.

Perceive change as opportunity, not danger. Allow responses to adapt to the needs of the situation rather than execute ineffective "programmed" responses.

Ensure access to adequate resources to allow positive adaptive response to approach a wide variety of possible events.

Provide greater decision-making authority to support positive adaptive response and the use of resources to achieve the objective.

Develop the ability to create solutions on the spot using materials on hand.

Develop the ability to make decisions with less than the desired amount of information.

In a team, individuals have a shared understanding of the team's mission and can fill in wherever needed to ensure smooth functioning of the team.

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The Author



Larry Mallak, Ph.D. is an associate professor in the department of industrial and manufacturing engineering at Western Michigan University in Kalamazoo. He is the co-director of WMU's Engineering Management Research Laboratory (<http://www.wmich.edu/~emrl/>). Dr. Mallak works with public and private-sector organizations to diagnose and solve problems concerning organizational culture, resilience, and quality management initiatives. He is a senior member of IIE and holds Ph.D. and M.S. degrees in industrial engineering from Virginia Tech as well as a B.S. in industrial engineering from the University of Illinois. Dr. Mallak may be reached at mallak@wmich.edu.