

Unlocking Organizational Resilience

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The meaning and measurement of resilience in industrial and organizational (IO) psychology

Resilience is a word we hear frequently today, cited as an essential element for survival in today's fast-paced, complex work environment that is characterized by disruptive change. In the field of IO psychology, resilience is studied at multiple levels – individual, team, and organizational, sometimes as a predictor of key performance outcomes and sometimes as the performance that is predicted by other factors. At the individual level, resilience is often defined and measured as an individual difference construct that is part of one's personality – hence, it is a person's innate disposition to bounce back quickly (or less quickly) from hardship. Individual resilience is also defined in terms of work behaviors that are critical for effective job performance; for example, "staying focused and continuing to perform tasks at hand in the face of tragic situations" is an important behavioral criterion in many jobs. As a criterion measure, resilient performance is typically measured through scaled performance ratings made by those with opportunities to observe employees on the job.

The construct of resilience changes in nature at the team level as interest moves to how quickly an entire team can recover or bounce back from failure to return to a prior positive state of effectiveness. Assessing resilience at this level could entail measuring a variety of team processes, attitudes, and outcomes following a derailing event and comparing these to baseline measures to evaluate the recovery process. Hence the definition and measurement of resilience at the team level is quite different from the individual level with respect to both what is measured and how conclusions are drawn. At the organizational level, measuring resilience is yet different again, entailing assessment of a number of organizational characteristics and outcomes that collectively capture how effectively entire organizations bounce back from disruption or how long this takes. At the different levels at which IO psychologists operate, then, resilience is defined, predicted and measured in significantly different ways.

A further complication with resilience in the field of IO psychology is that aside from resilience measured as an individual personality construct, there is no agreement about how resilience is defined or a standard way it is measured from study to study. Definitions of resilience in the literature range from narrower concepts, such as bouncing back, recovery, or re-invention after a jolt to broader definitions that incorporate related concepts like agility, flexibility, and adaptability.

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Resilience has been included in many models of individual, team, and organizational effectiveness (e.g., Pulakos, Arad, Donovan, & Plamondon, 2001), with many different proposed antecedents and outcomes. Summarizing and comparing all of these in a meaningful manner is beyond the scope of the present article.

Recently, however, the concept of organizational resilience has become much more focal in IO psychology, as organizations struggle to achieve competitive advantage and survive in a disruptively changing world. Evidence-based models have begun defining resilience more clearly within this context and examining its antecedents and consequences, as well as its relationship with similar concepts, like agility and adaptability. The goal is to better understand how organizations can best create competitive advantage in the face of today's threats - hyper-competition, knowledge commoditization, and relentless change. A recent, comprehensive model proposed by Pulakos, Schneider, and Kantrowitz (2018) offers new insights about what must be in place as well as the processes that rely on adaptability, resilience, and agility (ARA), with these concepts defined as follows:

- Adaptability is *reacting* to externally imposed change to sustain or increase performance
- Resilience is *recovering and bouncing back* to a prior positive state following jolts
- Agility is *proactively sensing and redirecting to chart a new path* to success by reallocating energy to building new capabilities and ceasing what no longer creates value.

Behavioral and values-based antecedents

Several organizational processes and characteristics need to be in place to create ARA that enables competitive advantage. For the present purposes, however, we focus on the role of leaders because leadership needs to create the conditions for ARA to exist. What leaders in organizations do and their values define the context for performance and these have a tremendous impact on team and organizational ARA (Pulakos et al., 2018). To enable resilience, in particular, leaders must create certain types of foundational stability for organizations to flourish in disruption and change. They need to articulate a compelling mission and strategy that engages employees, provides sufficient resources to deliver the strategy, and embeds real time feedback to reduce ambiguity. They also need to lead the way in the development of recovery plans to accelerate resilience in handling failure and jolts. These things allow employees to focus on work, with less distraction and concern about how they are viewed and what they need to do to succeed.

Certain leader values are also important for ARA. Values shine through in leader actions and attitudes, providing powerful influences on the mindsets, engagement, and actions of organizational members. Reason, acceptance, and achievement are particularly important values for resilience. These come from a time-tested model, grounded in evolutionary biology, in which an organism's survival depends on its ability to adapt to change and transition from one situation or state to another (Hogan & Blickle, 2018). These values have been associated with high performing organizations across industries, sectors, and business cycles. These, like all values, are measured by using structured assessments in which respondents select responses that best reflect their views, principles, and beliefs.

- *Reason* is the process of working to find an objective reality that exists outside intuition or faith (Pinker, 2018). The importance of reason as a value is supported by the scientific revolution of the 16th-18th centuries in which progressive intellectuals, including astronomers

and mathematicians, challenged traditional dogma with a requirement for objective truth. This shift to evidence-based inquiry resulted in innovations that conquered catastrophic challenges such as epidemics, poverty, and famine. Reason thus helped humans to evolve into a more resilient species capable of overcoming threats.

- *Acceptance* emphasizes cooperation, connectedness, and empathy, which have been fundamental in our ability to survive against other species over time (Turchin, 2016). People are hardwired to be part of communities and establish strong social bonds; hence, alienation from these is distressing and disengaging. The innate need for connectedness drives societal justice and behaving for the greater good, for example, ensuring that technological advances simultaneously recognize the importance of shareholder value, environmental sustainability, and employee engagement. Acceptance enables culture and strategy to be framed within a larger ecosystem that gives meaning, ethics, and purpose to reason, which can otherwise be robotic and inhumane. It is essential to creating an engaging work climate, which is a critical antecedent of ARA.
- *Achievement* as a value stems from the innate human tendency to organize in status hierarchies. Irrespective of how much a cooperative and connected culture tries to downplay power dynamics, status hierarchies are needed to enable decision-making and determine whose subjective values will be considered objectively true (Hogan, 1983). At the group level, the individual search for power is the primary dynamic that is responsible for disruption, innovation, and risk-taking, which are essential for competitive advantage in the face of a rapidly changing business environment.

Complex systems built on finding truth, acceptance, and achievement have consistently been able to compete and survive over time, outperforming others that operate on superstition, self-serving ideologies, and complacency – all of which undermine interconnectedness and ARA at the group level. The combination of these leadership values coupled with the critical behaviors that facilitate ARA create enduring systems that can successfully adapt, withstand jolts, and redirect to survive the threats and challenges organizations are experiencing today.

One final factor – a leadership characteristic – is important to creating and embedding ARA. Leaders must demonstrate integrity. In a famous quote, Peter Drucker commented that “the only definition of a leader is someone who has followers.” Evidence from psychology and biology suggests followers need to feel that the benefits of cooperating with others outweigh the costs. They need to know that the person in charge will keep their word and distribute resources, recognition, and influence fairly. Integrity matters because the best predictor of employee engagement, which is an essential precursor to ARA, across interconnected systems within an organization is trust in one’s immediate leader. Engagement is the *sine qua non* of keeping individual units contributing to the system in a cooperative manner, even when doing so may result in under-optimized outcomes for individuals.

The dark side

We now turn to discussing challenges that can result when leaders drive adaptability, resilience, and agility to the extreme or themselves over-do related behaviors to the point of creating a level of dysfunction that threatens organizational effectiveness. Extreme resilience, for example, can be dysfunctional when individuals or teams bounce back so easily and so quickly that they blindly adjust to any jolt thrown their way, even if it is harmful to themselves or others and detrimental in the long-term. While quick recovery and moving on is important, doing this too quickly can by-pass

important reflection and time that is necessary to fully heal from tragedy or crisis, creating unexpected reactions and consequences downstream.

Leaders must likewise balance the behavioral and values-based (e.g., reason, acceptance) antecedents of ARA, avoiding over-utilization that creates their dysfunctional dark sides. The dark side of extreme reason, for example, is neglect of the human need for emotional connection, instead reducing people to numbers. While this may provide data to illuminate what's going on and enable evidence-based decisions that optimize outcomes, it can also result in dysfunction that drives destruction. Devoid of humanism, systems lack the interconnectivity they need to modify themselves in optimal ways to adapt over time.

The dark side of acceptance is extreme social sensitivity that results in stagnation and the lack of innovation – a deadly combination in the face of fast-paced disruptive change. This occurs when there is an excessive focus on harmonious relationships at the expense of productive conflict. Productive conflict and challenging the status quo is the essence of creativity, innovation, risk, and change. Thus, while cooperation, coordination, and smooth integration are necessary for effective delivery by teams, too much can suppress individualization and, at the extreme, create cult-like systems that reject destabilization and necessary risks that engender a better future state. In turn, organizations will be unable to reconfigure themselves and inject new life into complacency.

Finally, the extreme search for achievement signals a decaying organization. When resources must be shared across units, widespread selfish behaviors that compound on one another can diminish or spoil the overarching system. Organizations that emphasize outputs (e.g., results and money), at the exclusion of cooperation, understanding, empathy, and resilience tend to collapse over time. Examples at the extreme are Enron, The Wolf of Wall Street, and many of the organizations involved in the Global Financial Crisis of 2008. The fatal flaw of excessive achievement, at the expense of cooperation, has been referred to by biologist Garrett Hardin as “the tragedy of the commons.” Managers need to understand the importance of achieving the right balance in implementing key behaviors, values, and ARA itself to avoid these dark side consequences.

Final thoughts

Today's world is so complex that it is increasingly difficult to predict outcomes based on historical data and experience. This challenge is exacerbated by game-changing disruptions that are threatening the existence of many organizations. Survival requires developing organizational ecosystems that are characterized by ARA – ones that take risks, innovate successfully, withstand jolts, quickly recover, and know how and when to strategically redirect. There is not a simplistic or one-facet solution to get there. This instead requires a more complex set of reciprocating conditions – a compelling strategy, sufficient resources, specific evolution-based values, key leader behaviors, engaged employees, and the right structure and processes to enable delivery – all of which need to work together, without over-doing them – to achieve competitive advantage and organizational survival.

Annotated bibliography

- Hogan, R. (1983). A socioanalytic theory of personality. In Page, M. M. (Ed.), *Personality—current theory & research: Nebraska symposium on motivation*. Lincoln, NE: University of Nebraska Press. This paper outlines socioanalytic theory—a comprehensive perspective on human nature that is grounded in evolutionary theory. By way of a very reasoned argument, the author suggests that the foundation for personality psychology is three biologically mandated motives that facilitate survival and reproduction: (a) social acceptance, (b) status within groups, and (c) structure, order, and predictability. Using socioanalytic theory as a backdrop, the paper goes on to outline an in-depth viewpoint on personality assessment, human development, and why it is important to bring the reasons for our actions to consciousness.
- Hogan, R., & Blicke, G. (2018). Socioanalytic theory: Basic concepts, supporting evidences, and practical implications. In V. Zeigler-Hill, & T. K. Shackelford (Eds.), *The SAGE handbook of personality and individual differences* (pp. 110-129). Thousand Oaks, CA: SAGE. This chapter is an expansion of socioanalytic theory that provides the reader with a perspective on human evolution and its link to the aforementioned three basic motives, suggesting that people with more social acceptance, status, and order in their lives confer an advantage over others whom suffer from alienation and subservience. It uses this foundation to define personality in terms of identity (basic motives and self-concept) and reputation (how someone behaves to meet their motives and protect their self-concept). The authors note that identity is a primary determinant of personality-culture fit and how labor gets divided within teams.
- Mueller-Hanson, R. A., & Pulakos, E. D. (2018). *Transforming performance management to drive performance: An evidence-based roadmap*. New York: Routledge. This book discusses recent research on performance management processes and practices, noting that in spite of costly formal (automated) systems and time-consuming processes organizations have implemented to support performance management, these have been shown to have no impact on driving performance or other important organizational outcomes. This has led to a wave of recent PM transformation that focuses on slimming down formal processes and focusing on driving behaviors that research has shown matter most in driving performance. This book offers strategies focused on driving performance and outcomes.
- Pulakos, E.D., Arad, S., Donovan, M., & Plamondon, K. (2001). Adaptability in the workplace: Development of a taxonomy of adaptive performance. *Journal of Applied Psychology, 85*(4), 612-24. This paper discusses research that was conducted on hundreds of jobs to test an eight-dimension model of adaptive performance that resulted from analyzing jobs across multiple industries and levels. The results confirmed that adaptive performance can be thought of in terms of eight different factors – handling change, interpersonal adaptability, and cultural adaptability, among others. Different jobs have different adaptive performance requirements for which different individuals are more or less capable. Achieving an adaptive workforce thus requires staffing models that align with the adaptive performance needs of the role and organization.
- Pinker, S. (2018). *Enlightenment now: The case for reason, science, humanism, and progress*. New York: Viking. In this book, Steven Pinker makes the argument that worldly progress is the result of human values such as reason and humanism. These values seem to mirror the motives elucidated by socioanalytic theory and the overarching values categories posited by

Shalom Schwartz's Theory of Basic Values and the management models suggested by Robert Quinn's Competing Values Framework.

Pulakos, E.D., Schneider, B., & Kantrowitz, T.A. (2018). *A model and playbook for driving organizational ARA – adaptability, resilience, and agility*. Washington DC: PDRI Inc. This paper presents models of individual, team, and organizational ARA – adaptability, resilience, and agility. It notes that ARA is contingent on the organization having a compelling strategy, sufficient resources to perform work, leadership that engages employees and structures that enable ARA, including integrated cross-functional teams. The paper further proposes behaviors that are critical at each organizational level for enabling ARA, which in turn is a precursor to high performance in today's work environment that is characterized by disruptive change.

Turchin, P. (2016). *Ultrasociety: How 10,000 years of war made humans the greatest cooperators on earth*. Chaplin, CT: Beresta Books. Peter Turchin's book uses cultural evolution and group selection processes as a framework for discussing how human warfare has led to large-scale civilizations filled with people that cooperate. The author's ideas align with the motives purported by socioanalytic theory and values suggested by Steven Pinker. That is, the value for social acceptance makes humans the greatest cooperators on earth, and the value for status and power drives warfare between groups.