# Resilience

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# Abstract

Resilience entails positive adaptation and bouncing back following adversities, encompassing both the organization and its employees. Tracing its roots to the Latin *resiliō* meaning to rebound, proponents of resilience advocate embracing change and innovation over resistance in an ever-evolving world. The history of resilience's emergence from child psychiatry to its application in organizational contexts is investigated. Organizational resilience is defined by characteristics such as flexibility, adaptability, a culture of innovation, effective risk management, and building strong partnerships. Similarly, employee resilience involves adaptability, emotional intelligence, creative problem-solving, strong social networks, and high self-efficacy. The importance of resilience for business continuity, employee well-being, and effective functioning is highlighted, along with challenges tied to excessive demands and the need for supportive organizational cultures. Resilience's potential to foster growth, innovation, and learning for both organizations and employees is discussed, while critiquing its potential misapplication and cultural considerations.

#### Keywords

Resilience, Adaptation, Adversity, Flexibility, Innovation, Challenge

Resilience in organizational psychology refers to the notion that being able to positively adapt, or to *bounce back*, following adversity is a positive feature of the organisation and of employees. The word is thought to derive from the latin *resiliō* meaning to leap or spring back or to rebound. In a world where everything is ever-changing, organizations and employees are always faced with novel situations which introduce a certain level of stress. Therefore, employees are left with two options - to attempt to resist the novel situations, or to innovate and adapt with them. The prominent definition of resilience suggests the latter: that one should move with the flow of the world, rather than attempt to stay rigid and static.

This entry will first explore the history of the term *resilience* before exploring organizational and employee resilience in turn. Note, however, that there is a bi-directional relationship between organizational resilience and employee resilience. That is to say resilient organizations foster resilient employees, and resilient employees form resilient organizations.

# Historical Background

Resilience is a psychological concept which emerged from child psychiatry and developmental psychology in the 1970s. Garmezy was one of the founders of resilience research. He noted whilst studying patients with schizophrenia that some patients were able to positively adapt to their illness and do well in life, whereas others could not. Inspired by these findings, Garmezy undertook a foundational study into the children whose parents had suffered schizophrenia and found that they had adapted remarkably positively (Garmezy, 1971).

Early research often focussed on what personal characteristics, traits or factors, known as protective factors, helped guard people from the stresses that they were encountering, alongside building their resilience. Since the early 1990s, resilience research has tended to focus on resilience as a dynamic process and its definition has crystallised: resilience is the positive adaptations people make resulting from experiences of adversity (Luthar & Cicchetti, 2000). Luthar and Cicchetti (2000, p. 858) stated that adversity "typically encompasses negative life circumstances that are known to be statistically associated with adjustment difficulties" and defined positive adaptations as "behaviourally manifested social competence, or success at meeting stage-salient developmental tasks". Resilience is generally inferred from judgements about these two elements.

The concept of resilience started to be applied to organisations in the early 1980s. Meyer used the term "resiliency" to describe an organization's ability to absorb the impact of an environmental jolt. Wildavsky described organisational resilience as the organisation's "capacity to cope with unanticipated dangers after they have become manifest, leading to bounce back". Organizational resilience now also tends to be viewed as a dynamic process, and reflects the idea that organizations develop their resilience over time from continually meeting and overcoming challenges and stresses. Whilst resilience demonstrated in one situation may not be sustained over time or translated to other challenges, it is likely to make the organization better adapted to the situation in the short-term (all in Sutcliffe & Vogus, 2003).

Resilience has also been related to the Yerkes-Dodson law. The Yerkes-Dodson law indicates, as shown in Figure 1, that as stress increases, performance increases until an optimum level of performance is reached. Additional stress, then causes performance to decline. This indicates that a certain *goldilocks level* of stress (i.e. not too high, not too low) or challenge is necessary in experiences of learning, growth, and resilience building. We understand that the world's inherent unpredictability provides this *goldilocks level* of stress.

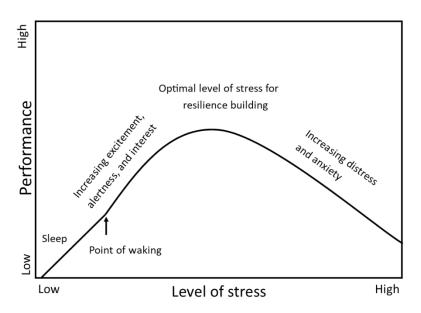


Figure 1: The Yerkes-Dodson law (adapted from Hebb, 1955)

## Organizational Resilience

Organizational resilience is an organization's ability to positively adapt following the disruptions, upheaval, and uncertainties in the contexts within which it exists. A resilient organisation has several characteristics that enable it to function effectively and sustainably.

By definition, resilient organisations are flexible and adaptable to rapidly changing circumstances. Holling (1973) draws a clear distinction between resilience and stability. Stability is the ability of an organization to return to *normal* after a temporary disturbance. An organization that is completely flexible can therefore potentially have very high resilience, despite having very low stability, since it may never return to a *normal*. However, this does not preclude organizations from having robust systems and processes in place. In fact, having reliable infrastructure, strong governance and decision-making structures, effective communication channels, and well-defined roles and responsibilities that do not breakdown easily can aid organizations in adapting to changing circumstances.

A culture of innovation and continuous learning tends to be fostered by resilient organizations. An open-minded environment encourages creativity and experimentation and prizes the ability to learn from both successes and failures. This culture can lead to the rapid development of products, services, or entirely new business models to better meet customers' needs. Alongside this they proactively work to identify and assess risks. They develop contingency plans and implement measures to mitigate and recover from adverse events. One way in which organizations can combine this culture of innovation with risk management is through rapid prototyping. Prototyping is an approach to developing, testing, and improving ideas at an early stage before large scale resources are committed to implementation. Testing ideas at a small scale can be seen as a *rehearsal* for the future. It allows risks and challenges to be identified early in a safe environment, and the idea to be refined and adapted following this learning. David Kelley, founder of IDEO has often endorsed prototyping as a way to "Fail faster, succeed sooner".

Finally, building strong partnerships, collaborations, and networks both within and between organizations is crucial for their resilience. Lengnick-Hall *et al.* describe how designing HR systems to build employees' expertise, opportunism, creativity, decisiveness, questioning nature, and their ability to create novel and appropriate solutions, helps both the employees and the organization to become more resilient (2011). Working between organisations; for example, suppliers, customers, or others within the industry; can enable organisations to share risks and challenges, and to pool their collective knowledge and resources to overcome them. Therefore, resilient organizations are

considered to be flexible and adaptable, have robust systems in place, have a culture of innovation and continuous learning, manage risks well, and build strong partnerships both within and between organizations.

#### Importance of Organizational Resilience

It is important for organizations to be resilient to ensure business continuity, even in the face of disruptions or crises. This helps to maintain their productivity, reputation, and customer satisfaction. There is the risk that if a business fails to function during a crisis that customers will buy their products and services elsewhere, and that they may lose trust in the organization. However, highly resilient organizations can do more than just sustaining themselves. Rather, they can actively capitalise on the opportunities that emerge from changing market conditions. This constitutes a competitive advantage and enables organizations to stay ahead of competitors and seize avenues for growth.

Employee engagement and well-being tends to be improved where organizations are resilient. Given the mutually beneficial relationship between resilient organizations and resilient employees, resilient organizations are often those which prioritize the well-being and engagement of their employees. Resilient organizations are also well placed to flex and adapt to the needs of their employees, and to create a supportive environment helping them to retain and motivate their workforce. However, job satisfaction is also influenced by a range of other factors.

#### Challenges

Resilience can be challenging to achieve, not least because it necessitates experience of adversity. Some organizations attempt to approach resilience by anticipating and managing each potential risk and uncertainty individually. However, organizations work in complex and ever-changing environments, so such an approach is likely to be unable to address all potential risks and uncertainties. Rather than take this approach, it may be that a more general culture of flexibility and innovation, moving with the ever-changing world rather than against it, is more likely to be successful. However, change can be unsettling and anxiety-provoking for employees.

Developing and maintaining resilience may require an organization to have additional resources. For instance, in order to have the flexibility to respond in a crisis, an organization may hold money as financial reserves for unanticipated expenditure, and employ extra staff in order to be able to cope with a sudden increased workload. They may also invest in technological systems to help them anticipate adversity and monitor, or to spread information across a company quickly. As such, organizations that are smaller or resource-constrained may find it difficult to build resilience.

#### Opportunities

Resilience also offers opportunities to organizations. We spoke earlier about how resilient organizations are innovative and have robust and adaptable structures in place, and how this enables them not just to survive in an ever-changing world, but to thrive. Their agility means that they can both reactively respond to consumer preferences, and market gaps, as well as to proactively address emerging challenges and trends, assuring their ability to meet evolving customer needs.

Organizations that successfully build resilience can also distinguish themselves in a competitive market landscape. Customers satisfaction has been shown to be higher in organizations that are resilient and have a healthy working environment for employees. The ability to survive and thrive in the face of adversity is thought to set these organizations apart as reliable and trustworthy partners.

Both the process of developing resilience, as well as the characteristics of resilient organizations provide opportunities for both employees and the organization to learn and grow. Employees are challenged to confront novel situations, which they innovate and adapt with. This maintains employees' excitement, alertness, and interest, and builds their knowledge and resilience. At an

organisational level, these novel situations prompt the review of strategies, systems, and processes, enabling opportunities for innovation, and driving continuous improvement aligned with the new circumstances.

#### Critiques

Despite Holling's (1973) distinction, it is still possible for resilience to be conflated with stability. Some organizations may attempt to approach resilience by anticipating and managing all the potential risks and uncertainties individually. This may be a conceptual misunderstanding, as such an approach tends to be a fight against adversity, rather than an attempt to adapt with adversity. The risks and uncertainties may be well managed individually, under the expected conditions, but the management may break down when faced with unexpected or extreme events that go beyond what it has specifically prepared for. Such organizations need to focus more on the need for flexibility and adaptation.

Although crisis management literature has historically focussed on the short-term survival of organisations during periods of crisis, there is a growing awareness in this field that longer-term sustainability and strategic goals can be better supported by a focus on organizational resilience (Koronis & Ponis, 2018). As mentioned previously, organizational resilience is now seen as a dynamic process. Flexibility/adaptability, robust systems, cultures of innovation, good risk management, and strong partnerships all develop over time, and can be continually improved. As such, a long-term vision is essential to understanding organizational resilience.

There is also an argument that resilience should be built on ethical principles and consider the broader social and environmental impacts of an organization's actions. This is clearly demonstrated by the HEalthy and Resilient Organisations (HERO) model (Salanova et al., 2012). This model looks at resilience through the lens of healthy organizations rather than through focussing on toxic organizations and job stress, as has been common previously. They noticed that healthy organizations; defined as organizations which are financially profitable, have a physically and psychologically healthy workforce, and maintain a healthy and satisfying work environment and organizational culture; tended to be remarkably resilient.

## **Employee Resilience**

Employee resilience refers to a person's ability to adapt, bounce back, and thrive in the face of challenges, setbacks, and stressors in the workplace. A resilient employee has several characteristics that enable them to function effectively and sustainably.

As with organizations, employees who are resilient are flexible and adaptable. They can adjust their behaviours, attitudes, and approaches in response to new circumstances or challenges. The expectations of flexibility and adaptability should be altered depending on both the domain of the adaptation and the level of adversity experienced. For example, it might be appropriate to judge a salesperson selling a new product to a new client group by their total turnover, and a soldier who has been directly exposed to terrorist attacks by their absence of psychiatric diagnoses (Fletcher & Sarkar, 2013). Resilient employees are also likely to possess emotional intelligence (though this concept too has been widely critiqued), and the ability to manage their emotions effectively. They can handle stress, remain composed under pressure, and maintain a positive outlook. This results from them experiencing an optimal level of stress for resilience building, as per the Yerkes-Dodson law. They are challenged to the extent that they find their work exciting and interesting, but not too far.

Creative problem-solving also characterises resilient employees. They can identify and analyse problems, are keen to experiment, prototype, and to learn. They see failures and mistakes as learning experiences and take action to address challenges effectively. This helps to build a culture of innovation and continuous improvement.

Resilient employees also tend to have strong social support networks, both at work and in their personal lives. There may be a bi-directional relationship between resilience at a systems-level (within their social support networks) and individual level. That is, more resilient people make more resilient social networks and more resilient social networks make more resilient people. Supportive relationships increase the self-confidence of both people involved. They offer both people encouragement, guidance, and a sense of belonging, which helps them to navigate adversity. Resilient employees also have high self-efficacy, that is, a high belief in their own abilities and competence to successfully perform a task or achieve a certain goal. They have confidence in their skills, knowledge, and capacity to handle challenges and succeed in their work.

#### Importance of Employee Resilience

It's crucial for employees to be resilient to support their well-being and to work effectively. Resilient employees can handle stress and setbacks better. Workplaces that are stressful can seriously affect health, both physically and mentally. Resilient employees are less likely to experience these negative effects. They generally experience lower rates of burnout, are more satisfied with their job, and have higher levels of motivation and commitment (Shatté et al., 2017). They can also maintain their focus, productivity, and performance even in challenging situations (Shatté et al., 2017). This helps to contribute to business continuity and a business' ability to positively adapt to the market.

Resilient employees possess a valuable ability to thrive in the dynamic and fast-paced work environments of today. Resilient employees embrace constant change as a challenge and innovate in response to it. Resilient employees exhibit a willingness to learn, coupled with the ability to quickly assimilate new information and adapt their practices. Their ability to adapt helps them to navigate transitions, organizational restructuring, and new initiatives more effectively. Their ability to adapt also helps them to contribute positively to team dynamics. They can support their colleagues, provide guidance during difficult times, and maintain harmonious working relationships. This contributes to the formation of organisational resilience, as previously mentioned.

#### Challenges

Resilience can be challenging to achieve, not least because it necessitates experience of adversity. Sometimes, however, the demands placed on an employee by an organization are excessive. As mentioned earlier, the Yerkes-Dodson law states that any stress greater than the optimum lead to poorer performance. Excessive workloads, time pressure, and demanding deadlines can constitute too much stress, and make employees distressed and anxious. This is beyond the optimum level of stress for building resilience and can lead to burnout.

To help employees become flexible and adaptable, and innovative and creative problem-solvers, organisations need to provide adequate time, resources, and support. Time enables employees to experiment with different approaches, refine their skills and process new information; resources will enable employees to bring their innovations into practice; and support such as constructive feedback and mentorship contributes to their emotional intelligence and helps them to navigate interpersonal relationships and to collaborate well.

Organizational culture also needs to support resilience. We mentioned earlier the bi-directional relationship that exists between organisational and employee resilience. An organizational culture that values open communication, psychological safety, and supportive leadership creates a sense of community where employees can share and challenge ideas without fear. An organizational culture that prioritizes learning, autonomy and recognition empowers employees to adapt, innovate and take ownership of their work, building their skills and confidence in handling setbacks. Finally, a culture that promotes life-work balance, teamwork and well-being provides employees with the tools to manage stress and to adapt to change. Being resilient can also mean walking away from an adverse situation.

#### Opportunities

Resilience also offers opportunities to employees. Resilience enables employees to learn, grow, and develop new skills and perspectives. Employees who are resilient are more open to change and can embrace new challenges with a willingness to learn and grow. They see failures and setbacks as opportunities for learning and improvement, enabling them to continuously develop their skills and knowledge. This adaptability is particularly important in today's rapidly changing work environments, where employees need to adjust to new technologies, procedures, and market conditions.

Given that mental distress is related to cardiovascular disease, diabetes, rates of absence at work, disability, and employee turnover (Shatté et al., 2017); then it is possible that resilience could help guard against both physical and psychological illnesses.

Resilient employees are more likely to maintain their focus, productivity, and performance even in the face of adversity. Their ability to stay engaged and productive during challenging times contributes to their overall job performance. Additionally, their positive attitude and problem-solving skills make them valuable assets to their teams and organizations. As a result, resilient employees often stand out as leaders and contributors, which can lead to increased career opportunities and advancement within the organization.

#### Critiques

Kordowicz (2019) mentioned that a focus on resilience building in staff can shift blame onto employees for them having difficulty in coping in high pressure situations. Rather than addressing systemic issues which are causing employees to experience high workloads and unacceptable stress, and providing adequate support; employees can be blamed for having insufficient resilience. Resilience should not be seen as solely an individual's responsibility. Organizations have a role in creating supportive environments, providing resources, and promoting work-life balance to enhance employee resilience.

Employee resilience has also been criticised as having been instrumentalized by neoliberalism, that is, resilience is merely pursued by business in pursuit of higher productivity and profits. Bal *et al.* (2020) offer an alternative dignity-based perspective of resilience. Dignity is defined as "the intrinsic worth to everything that is part of the workplace" including people, animals, and the planet itself (Bal et al., 2020, p. 460). This anchors resilience as an important capability of *human beings* whether they are in or out of employment, rather than employees. As such, resilience may be of key importance, not to business, but to communities in their need to reduce their consumption in the face of climate emergency and potential extinction-level destruction.

Ungar and colleagues raised the critique that resilience had been defined in a western context (Ungar, 2008), and there had not, until his paper in 2008, been any exploration "into the culturally determined outcomes that might be associated with resilience in non-western cultures and contexts" (Ungar, 2008, p. 219). As a result *positive adaptations* were defined from a western psychological lens with an emphasis on "individual and relational capacities, such as academic success and *healthy* relationships" (Fletcher & Sarkar, 2013, p. 14, emphasis added). This implies that the lack of consideration given to sociological context led to positive adaptation becoming a static idea with limited relevance beyond a few people in particular circumstances.

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