

Organisational resilience

How can we build it?

DRM online training series (Coventry University)

Maria Sydnes

07 November 2024



UiT the Arctic University of Norway, Tromsø



Way forward

- Connecting risk and resilience.
- What is organizational resilience (OR)?
 - How do we understand and conceptualise OR?
- How can we model organisational resilience?

How to build organisational resilience?

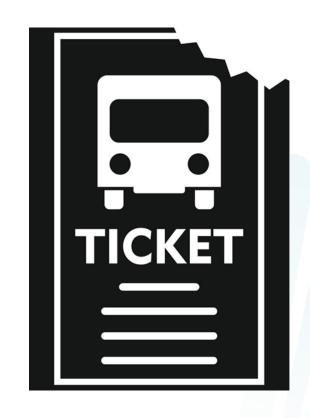


«Entry» ticket

1 min, write in chat or just talk ...

What is the 1st thing that comes to your mind when you think about organizational resilience?

please mention at least 1 thing ©.



The concept of resilience is becoming a pervasive idiom of global governance

(Walker and Cooper, 2011, p. 144)

Without increased action to build resilience to systemic risk, the United Nations Sustainable Development Goals cannot be achieved.

UN, Global Assessment Report on Disaster Risk Reduction 2022

How can we address all dimensions of disaster risk?

Priority 1: Understanding disaster risk.

Priority 2: Strengthening disaster risk governance.

Priority 3: Investing in disaster risk reduction for resilience.

Priority 4: Enhancing disaster preparedness for effective response.

Sendai Framework on Disaster Risk Reduction 2015–2030



Academic status of the concept

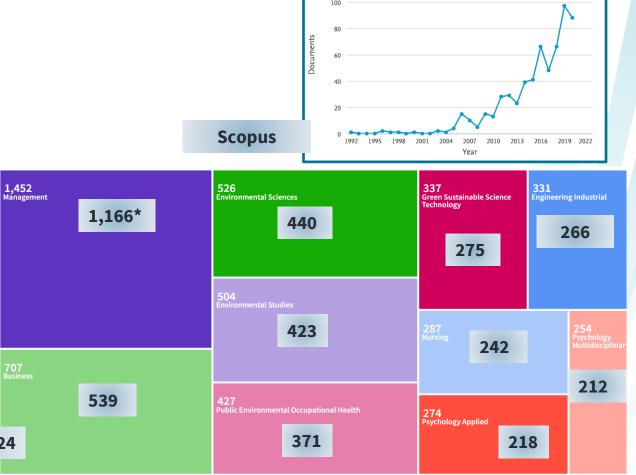
Research has grown dramatically in recent decades. Extremely diverse.

Lacking

- consistent definition
- overarching theoretical framework
- understanding of the specific capabilities
- empirical research (NB)

The question of how to achieve OR remains unanswered.

- Chen et al. 2021

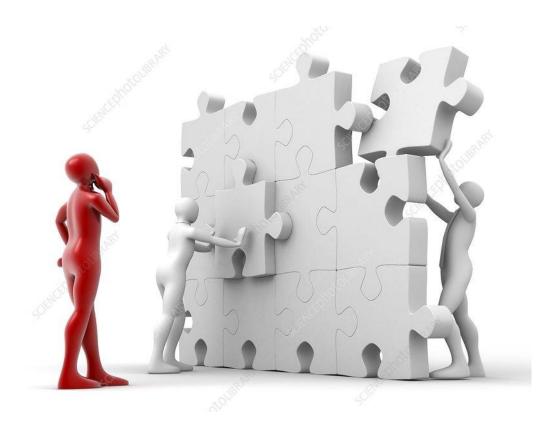


* Numbers from 2023

Web of Science, 2024

A major organizational challenge is

how to achieve resilience in practice

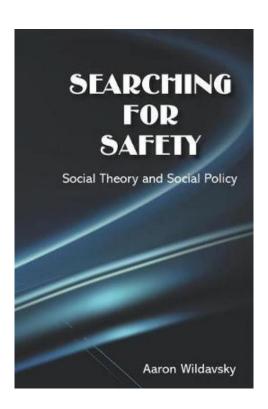


How do we understand organizational resilience?

Resilience: one strategy for decisionmakers dealing with risk and uncertainty

"Anticipation is a mode of control by a central mind; efforts are made to *predict* and *prevent* potential dangers before damage is done...

effective in coping with known threats and problems



Anticipation vs Resilience

Resilience is the capacity to cope with unanticipated dangers after they have become manifest, learning to bounce back."

(Wildavsky 1988, p. 77)

OR is about organizational ability to cope, i.e. respond

i.e. not only to survive but also to retain more or less the same structure and functions

- OR "... is a fundamental quality (...) to respond productively to significant change that disrupts the expected pattern of event without engaging in an extended period of regressive behavior" (Horne and Orr, 1998, p. 31).
- OR is "organizational capacity to absorb the impact and recover from the actual occurrence of an extreme weather event" (Linnenluecke et al., 2012, p. 18).
- Recovery resilience means "bouncing back to a state of normalcy" (Boin and Eeten, 2013, p. 431)

The key focus is on coping strategies, proving stability, maintaining a positive mindset, and a quick ability to develop feasible solutions to resume expected performance levels

OR is about organizational ability to adapt

- OR is the "ability of an organization to absorb and adapt in a changing environment" (ISO, 2017).
- OR is "the maintenance of positive adjustment under challenging conditions such that the organization emerges from those conditions strengthened and more resourceful" (Vogus and Sutcliffe, 2007, p. 3418).
- OR capacity is an "... ability to effectively absorb, develop situation-specific responses to, and ultimately engage in transformative activities to capitalize [i.e. benefit] on disruptive surprises that potentially threaten organization survival" (Lengnick-Hall et al., 2011, p. 244).

The key focus is on:

- ✓ active and purposeful coping
- ✓ organisational ability to change and adjust to improve organisational processes and capabilities
- ✓ organizational capabilities that enable to adapt, integrate, and reconfigure internal and external resources and competences to match the requirements of changing conditions

Resilience implies more than a specific adaptation

NB: competence in one period does not predict later competence in a linear deterministic way; rather competence in one period increases the probability of competence in the next or any kind of unexpected event.

To be resilient is to be **vitally prepared** for adversity which requires "improvement in overall capability, i.e., a generalized capacity to investigate, to learn, and to act, without knowing in advance what one will be called to act upon".

(Wildavsky, 1991: 70)

«Reactive» vs «Proactive» resilience

"A society relying on reactive resilience approaches the future by strengthening the status quo and making the present system resistant to change, whereas one that develops proactive resilience accepts the inevitability of change and tries to create a system that is capable of

adapting to new conditions and imperatives"

- Klein, Nicholls and Thomalla 2003, p. 39

... has been also termed **STRATEGIC** resilience

... depends on the change before the change becomes desperately obvious (Hamel and Välikangas, 2003), and thus entails continual metamorphosis (Morais-Storz et al., 2016).

OR is about organizational ability to anticipate

- R is the "capacity to cope with unanticipated dangers after they have become manifest, learning to bounce back" (Wildavsky, 1991, p. 77).
- OR potential "is more than mere survival; it involves identifying potential risks and taking proactive steps (...) to ensure that an organisation thrives in the face of adversity" (Somers, 2013, p. 13).
- **Precursor resilience** "prevents budding problems from escalating into a full-blown crisis or breakdown" (Boin and Eeten, 2013, p. 431).
- R is "the incremental capacity of an organisation to anticipate and adjust to the environment" (Ortiz-de-Mandojana and Bansal, 2015, p. 6)

... is closely connected to adaptation as one of the key techniques to provide for ongoing adaptation (Rerup, 2001).

How to ensure ongoing adaptation?

Claus Rerup, 2001: 'Resilience as rule following and rule breaking'

1. Anticipation: anticipatory organizations actively try to forecast the future in order to determine ways in which they can avoid the success and failure trap.

Success trap: result of blindly repeating for too long the experience of the past (March 1995).

Failure trap: result of trying out new ideas, strategies, concepts and fads without staying long enough with these innovations in order to realize their capabilities (Levinthal & March, 1993).

How to ensure ongoing adaptation?

Rerup, 2001: 'Resilience as rule following and rule breaking'

1. Anticipation: anticipatory organizations actively try to forecast the future in order to determine ways in which they can avoid the success and failure trap.

Stop and think?
How to solve this dilemma?

"... the uncertainties are so substantial that we cannot tell in advance which, if any, among a multitude of hypothesized dangers will actually turn out to be real ones."

- Wildavsky, 1988, p. 77

Regardless of how mindful a social system is, it will never be able to imagine, simulate, anticipate, and prepare for every error or contingency in advance - March, 1995

Anticipation can create
a false sense of
security and can
compromise the
coping ability of the
organization
- Rerup, 2001

How to ensure ongoing adaptation?

Rerup, 2001: 'Resilience as rule following and rule breaking'

- Anticipation: anticipatory organizations actively try to forecast in order to determine ways in which they can avoid the success and failure trap.
- 2. Improvisation: focus on building skills in order to cope with the failure or success trap when the organization experiences these traps despite their anticipatory efforts.

... is essential to provide adaptation to an unpredictable world

OR is not only a cognitive activity involving anticipatory preparation but also a developmental process involving expansion of improvisation skills (Rerup, 2001). Mindful organizations invest in building experiences with both of these techniques because each of them improves distinct aspects of the adaptive capability of the organization (Wildavsky, 1988).

When organisations adapt they may use different strategies

e.g., changing SOPs to increase efficiency

Resilience is produced by both **exploiting** old

certainties (rules) and by **exploring** new alternatives.

e.g., changing organisational structure

(March, 1991)

* NB "organisational ambidexterity" refers to an organisation's ability to align and be efficient in its management of today's business demands while simultaneously being adaptive to changes in the environment (Duncan, 1976). It is about the ability of an organization to both explore and exploit. Ambidexterity leads to higher performance, but at the same time, it emphasises that the tension between two distinct capabilities is a key challenge.

Organizations should build resilience potential

✓ Anticipation capabilities help to identify potential risks and take proactive steps against them.

e.g., develop contingency plans

✓ Anticipation capabilities lead to the development of a *resilience potential*—that means "resilience that is not presently evident or realized" (Somers 2009, p. 13).

e.g., apply contingency plans in action

✓ However, organizations must also possess coping capabilities to realize their resilience potential. Resilient organizations must possess proactive capabilities (resilience potential) and reactive capabilities (resilience realization).

Researchers have also used the terms capacity for resilience (i.e. factors that increase the probability for resilience to be demonstrated) and demonstration of resilience (i.e. the actual demonstration of positive adaptation).

- Britt and Sawhney (2020)

Putting together the three abilities ...

OR is "an organization's ability

- to anticipate potential threats,
- to cope effectively with adverse events, and
- to adapt to changing conditions"

(Duchek, 2020, p. 6)



Stop and think

How do we distinguish resilient organizations from less resilient ones?



Resilience is an outcome

When organizations perform well during crisis or bounce back from interruptions (e.g., Horne and Orr 1998).

The most frequently mentioned attributes that may enhance OR include:

- ✓ general resources, i. e. adequate resources, redundancy;
- ✓ collective behaviors, positive relationships;
- ✓ specific organizational strategies or processes

One of the first and most important conceptualizations: Weick, 1993, The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster: identified 4 potential courses of R: improvisation and bricolage (i.e. construction), virtual role systems, an attitude of wisdom, and respectful interaction. These four principles facilitate collective sensemaking and, therefore, can help to avoid dramatic consequences from unexpected events.

"Good outcomes are not enough to define resilience"

(Sutcliffe and Vogus 2003, p. 108)

Stop and think How does conceptualizing OR as and outcome limit us?



"Organizational resilience is **not a static attribute** that organizations either do or do not possess.

It is a **path-dependent, latent set of capabilities** that organizations develop by noticing and correcting for maladaptive tendencies that help them to cope with unexpected circumstances"

(Ortiz-de-Mandojana and Bansal, 2016, p. 1617)

Stop and think What does this imply for our discussion?



Resilience is also a process

Process approaches

- provide important insights into the resilience construct.
- define discrete elements of the resilience process and thus contribute to opening the black box between resilience resources (inputs) and resilience outcomes (outputs).
- recognize the dynamic nature of resilience and thus provide a foundation for studying the long-term development of organizational resilience.

but they are based on different definitions of OR and therefore vary in the type and number of suggested process stages.

Resilience is further a set of organizational capabilities

- Offer important insight into how resilience may be achieved in practice.
- Provide insight into the internal workings of resilience and conditions for its development.
 - operational and strategic capabilities
 - general capabilities (eg. cognitive, behavioral, contextual) and organizational routines that trigger OR

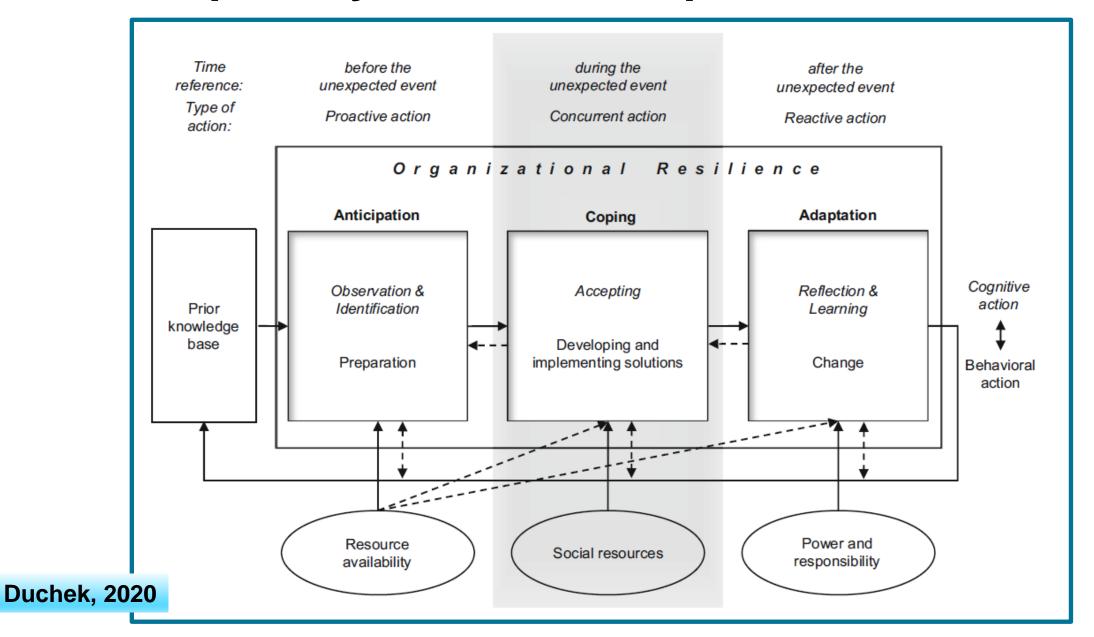
Resilience capacity "is derived from a set of specific organizational capabilities, routines, practices, and processes by which a firm conceptually orients itself, acts to move forward, and creates a setting of diversity and adjustable integration" (Lengnick-Hall et al., 2011, p. 245).

How can we model organizational resilience?

Why is it difficult to measure / model OR?

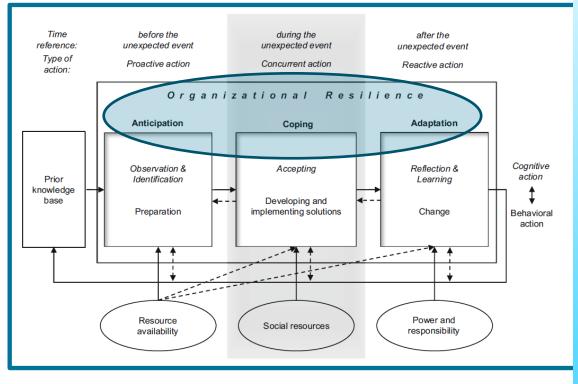
- Resilience is a dialectical phenomenon, a unity of opposites (Giustiniano et al, 2018).
- Resilience is **relative**, **emerging and changing** in line with specific circumstances and challenges: it is a **path-dependent** organizational feature that grows and develops over time (Boin, Comfort, and Demchak 2010; Sutcliffe and Vogus 2003; Gittell et al., 2006; Giustiniano et al, 2018, p. 130).
- OR is dynamic (Lengnick-Hall and Beck, 2005), i.e. OR is not something that organizations have; it is something that they express or fail to express over time.
- Resilience is often latent in organization before the actual need for it arises (Somers, 2009).
- OR is a "sustained target movement" (Suryaningtyas D., et al. 2019). Construction of OR is "a never-ending story" (Giustiniano et al., 2018, p. 124).
- OR cannot always be measured directly, as its benefits may take a long time to become evident.

A capability-based conceptualization of OR



A capability-based conceptualization of OR

the three resilience stages

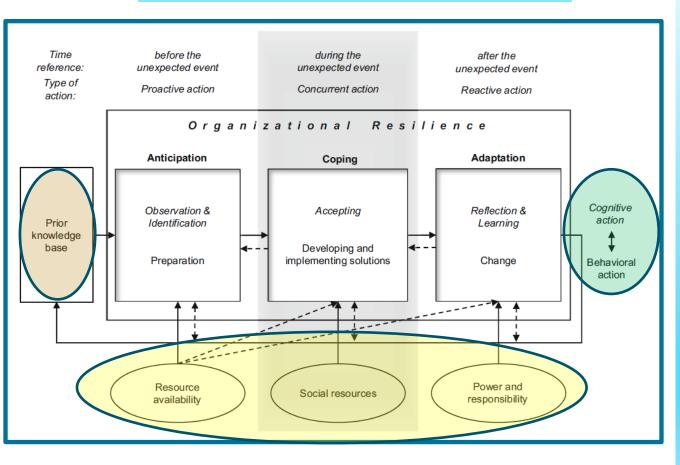


- ✓ builds on the 'resilience-as-a-process' perspective and combines it with the idea of resilience as a unique blend of organizational capabilities and routines;
- ✓ illustrates the main stages of the resilience process and points to underlying capabilities that together constitute OR;
- ✓ resilient organizations respond not only to the past (reactive action) or to current issues (concurrent action), but also to the future (anticipatory action);
- ✓ anticipation, coping, and adaptation are the three resilience stages.
- ✓ the three stages of the resilient process are based on organizational capabilities;

OR is a meta-capability consisting of a set of organizational capabilities/routines that allow for a successful accomplishment of the three resilience stages.

A capability-based conceptualization of OR

capabilities, antecedents and contextual factors



- ✓ the three resilience stages cannot be clearly separated. They show some overlaps and build on each other;
- organizations need to develop capabilities of all three resilience stages that together form the metacapability of OR;
- ✓ successful completion of the three stages always depends on an interplay between cognitive and behavioral capabilities and actions;
- ✓ contextual factors (<u>drivers</u>: resources, social capital, and power and <u>antecedents</u>: knowledge base) are important to the successful accomplishment of the three resilience stages as well as the development of resilience capabilities.









Interplay between organisational resilience and safety culture

Development of resilient organisational capabilities through audits and organisational learning

A study of organisational resilience in municipal preparedness against future climate change

Learning during crisis as the driver of organisational resilience

Concluding remarks

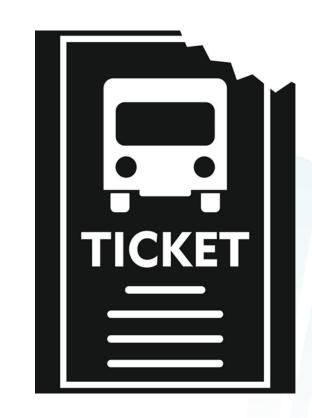
- The concept of OR is complex and multidimensional and it requires further research.
- OR builds on the multi-faceted capabilities that an organisation develops into routines and are influenced by a unique interaction and combination of strategic and operational factors.
- OR is **relative**: organisations can only be more or less resilient; there is no absolute measure, definitive goal or single approach to enhance OR.
- OR is dynamic and has an active nature.
- NB: Resilience vs related constructs (see e.g. flexibility, agility, robustness, reliability).

«Exit» ticket

1 min, in chat ...

What are your key lessons learned after this lecture?

✓ please mention at least 1 thing ©.



Literature

- Duchek, S., 2020. Organizational resilience: a capability-based conceptualization, Business Research, 13, pp. 215–246.
- Klein, R. J. T., Nicholls, R. J., & Thomalla, F. (2003). Resilience to natural hazards: How useful is this concept? Environmental Hazards, 5 (1-2), 35-45. https://doi.org/10.1016/j.hazards.2004.02.001
- Sutcliffe, Kathleen M., and Timothy J. Vogus. 2003. Organizing for resilience. In Positive organizational scholarship: Foundations of a new discipline, ed. Kim Cameron, Jane E. Dutton, and Robert E. Quinn, 94–110. San Francisco: Berrett-Kehler.
- Somers, S. (2009), "Measuring resilience potential: An adaptive strategy for organizational crisis planning", Journal of Contingencies and Crisis Management 17: 12–23.
- Ortiz-de-Mandojana, N. & Bansal, P. (2016), "The long-term benefits of organizational resilience through sustainable business practices", Strategic Management Journal 37, 1615–1631.
- Giustiniano, L., Clegg, S.R., Cunha, M. P., & Rego, A. (2018). Introduction to Elgar Theories of Organizational Resilience. Cheltenham, UK: Edward Elgar. https://doi.org/10.4337/9781786437044
- Horne, John F., and John E. Orr. 1998. Assessing Behaviors that Create Resilient Organizations. Employment Relations Today 24: 29–39.
- Linnenluecke, Martina K., Andrew Griffiths, and Monika Winn. 2012. Extreme weather events and the critical importance of anticipatory adaptation and organizational resilience in responding to impacts. Business Strategy and the Environment 21: 17–32.
- Lengnick-Hall, Cynthia A., and Tammy E. Beck. 2009. Resilience capacity and strategic agility: Prerequisites for thriving in a dynamic environment. In Resilience engineering perspectives, Volume 2. Preparation and restoration, ed. Christopher P. Nemeth, Erik Hollnagel, and Sidney Dekker, 39–70. Aldershot: Ashgate Publishing.
- Lengnick-Hall, C.A., Beck, T.E. & Lengnick-Hall, M.L. (2011), "Developing a capacity for organizational resilience through strategic human resource management", Human Resource Management Review 21 (3), 243–255.
- Suryaningtyas, D., Sudiro, A., Eka, T.A. & Dodi, I.W. (2019), "Organizational resilience and organizational performance: examining the mediating roles of resilient leadership and organizational culture", Academy of Strategic Management Journal 18 (2), 1–7.
- de Bruijne, M., Boin, A. & van Eeten, M.J.G. (2010), "Resilience: exploring the concept and its meanings". In: L.K. Comfort, A. Boin & C. C. Demchak, eds., Preparing for Extreme Events. Pittsburgh, PA: University of Pittsburgh Press, 13–33.
- Gittell, J.H., Cameron, K.S., Lim, S., & Rivas, V. (2006), "Relationships, layoffs, and organizational resilience", Journal of Applied Behavioral Science, 42(3), 300–329.
- Rerup, C. (2001). "Houston we have a problem': Anticipation and improvisation as sources of organizational resilience", Comportamento Organizacional e Gestão, 7 (1), 21–44.
- Boin, A. & van Eeten, M.J.G. (2013), "The resilient organization", Public Management Review 15 (3): 429–445.
- Vogus, T. J. & Sutcliffe, K.M. (2007), "Organizational resilience: Towards a theory and research agenda." Paper presented at the IEEE International Conference on Systems, Man and Cybernetics (SMC 2007), Montréal, Canada, 7–10 October.
- United Nations Office for Disaster Risk Reduction (2022). Global Assessment Report on Disaster Risk Reduction 2022: Our World at Risk: Transforming Governance for a Resilient Future. Geneva.

