

White Paper

Developing a Resilient Workforce: How Organizations Thrive in the Face of Adversity

Why Organizations Need to be Resilient

Today's business environment is filled with setbacks and unexpected challenges. VUCA (volatility, uncertainty, complexity and ambiguity) is the new normal, and the potential impact of serious crises such as market shocks, governmental instability and pandemics can't be ignored. Few of us are in a position to change the environment in which we operate; we can only control how we prepare for it and respond to it.

Creating a resilient organization that can successfully “bounce back” and grow from adverse experiences has become increasingly critical. For leaders who hope to accelerate performance and capitalize on change and uncertainty, it's moved from highly desirable to absolutely crucial.

Research in the area of resilience as it relates to the workplace is relatively new, but growing fast. In this whitepaper, we examine the existing evidence around the antecedents and outcomes of resilience at the individual, team and organizational level, as well as the results of a recent survey conducted by Dale Carnegie Training of more than 6,500 employees across twenty countries around the world and what they suggest that leaders can do to ensure their people are prepared to perform under pressure from adversity.¹

What Is Resilience?

Resilience refers to people's ability to “bounce back” from adverse experiences and is characterized by the capacity to cope, recover and learn from them. Underpinning those behaviors are attitudes that support a mindset that is open to information and primed to succeed — specifically, a positive attitude and confidence in one's abilities.

Research on resilience in individuals suggests that people follow one of a handful of trajectories in response to adversity:²

1. Low distress with minimal impact on functionality (Resilient)
2. Initially high distress followed by reduced levels of distress, or distress that initially increases and then decreases over time (Recovered)
3. Moderate initial distress that increases over time (Delayed)
4. Initial distress that does not decrease significantly over time (Chronic)

It's clear that the fate of an organization facing adversity can be profoundly affected by the trajectories its employees follow. Contrasting examples aren't in short supply. While the 2008 financial crises hit all banks hard, some ended up being sold off to competitors (as Washington Mutual was to JP Morgan Chase), while others reinvented themselves, repaid bailouts and returned to strong profitability (Allly Bank). And while the highly competitive technology sector is littered with the skeletons of behemoths that couldn't respond to adversity (think Netscape, MySpace and AOL), others reinvented themselves and returned to market leadership (Apple in personal computing) or dominance of a new arena (IBM in artificial intelligence).

What Do We Mean By “Adversity” in the Workplace?

When it comes to research on resilience, adversity has been defined in many ways. In grief-centered studies, psychologists and behavioral scientists define it as the loss of a loved one. In healthcare workers, it could be patient deaths; for soldiers and first

72% of respondents say they have experienced one or more conditions in the past year that can be considered a form of adversity in the workplace.

¹ Dale Carnegie & Associates online survey of 6,509 respondents in 20 countries completed in February 2020.

² Bonanno, G., Westphal, M. and Mancini, A., 2011. Resilience to Loss and Potential Trauma. *Annual Review of Clinical Psychology*, 7(1), pp.511-535.

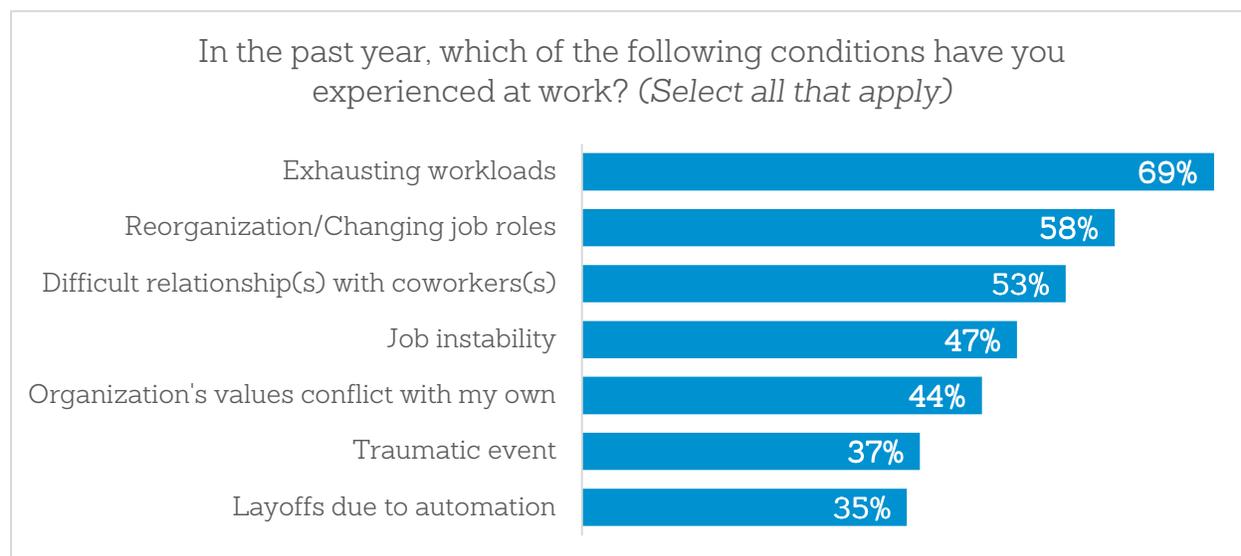
responders, adversity encompasses traumatic events resulting from emergencies, natural disasters and war.

Resilience research within the business world is less advanced. While some business leaders might say “our people don’t deal with that kind of adversity,” adversity at work does exist in other forms. It may include crises or traumatic events, and it may also come in the form of lower intensity but high-frequency or extended stressful circumstances, such as prolonged uncertainty, significant failures, conflict with colleagues or superiors, mergers and even positive change, progress and increased responsibility.³

Other types of adversity in the workplace, according to researchers, include facing exhausting workloads, having little control over one’s job, being denied recognition, working in isolation, unfair working conditions or values conflicts on the job.⁴

In our survey, 72% of respondents indicated they have experienced one or more conditions that can be considered a form of adversity in the workplace.

As the chart below shows, exhausting workloads, reorganizations/changing job roles and difficult relationships with coworkers were all reported by more than half of those surveyed. Experiencing job instability, conflicts between one’s values and those of the organization, traumatic events and layoffs due to automation were also commonly reported.



For the individual, these kinds of conditions can lead to burnout, emotional exhaustion, sleep problems, low energy, limited concentration, poor performance and more.

In 2017, the electric car manufacturer Tesla, Inc., was criticized for a lack of concern for the wellbeing of its workers. Employees described grueling hours and intense pressure to meet production numbers. In a concrete example of the physical toll that this kind of workplace adversity can take, *The Guardian* reported that ambulances had been dispatched more than 100 times since 2014 for workers experiencing

³ Luthans, F., 2002. The need for and meaning of positive organizational behavior. *Journal of Organizational Behavior*, 23(6), pp.695-706.

⁴ Maslach, C. and Leiter, M., 2008. Early predictors of job burnout and engagement. *Journal of Applied Psychology*, 93(3), pp.498-512.

fainting spells, dizziness, seizures, abnormal breathing and chest pains — in addition to those called for injuries and other medical issues.⁵

For the teams that depend on them and the organizations that employ them, the consequences can be cumulative and significant when employees face significant workplace adversity.

As we'll discuss later, there are things that organizations and leaders can do to mitigate the impact of some adverse situations — but not all of them. One of the best defenses against a VUCA world is a resilient workforce.

What Percent of People Are Resilient?

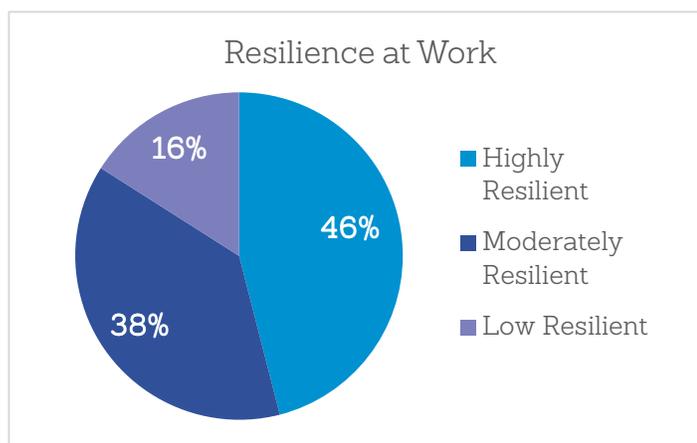
In the scientific literature, reported rates of resilience for police officers and military surpass 80%, but it must be argued that those professions self-select heavily toward resiliency. Some studies have put resilience in the general population at 35%-65%, while others using different modeling methodologies report the percentage of resilient people to be 47% in the case of spousal loss, 36% with regard to divorce and 48% for unemployment.^{6,7}

As we've defined it in our study, about 46% of respondents combine the attitudes and behaviors that suggest robust resilience at work, a group we call the High Resilience Group.

Those in the High Resilience Group demonstrate a unique combination of attitudes and behaviors: They maintain a positive attitude, are confident in their skills and abilities, cope well with challenges, recover quickly from crisis at work and absorb lessons from adversity that they use to grow and improve future performance. Another 38% exhibit those attitudes and behaviors to a lesser degree, and 16% demonstrate a marked lack of one or more of these aspects of resilience.

Our research found no statistically significant differences between the level of resilience among groups based on age; generations appeared similar. In addition, those employed by a single company on a full-timed basis were similarly likely to be in the High Resilient Group compared with those whose work is freelance, project based or on contract. Unsurprisingly, higher education levels (having at least a four-year college degree) and job titles did tend to predict membership in the High Resilience Group.

Of interest, differences in resilience were not explained by the High Resilience Group experiencing fewer adverse conditions at work. In the past year, those in the High Resilience Group were at least as likely as all others to have experienced adverse conditions (listed in the chart on page 3), and they experienced, on average, four of the adverse conditions per respondent compared with 3.5 for all others.



⁵ Wong, Julia Carrie. "Tesla Factory Workers Reveal Pain, Injury and Stress: 'Everything Feels like the Future but Us'." *The Guardian - US Edition*, 18 May 2017.

⁶ Bonanno, "Resilience to loss and potential trauma," 514.

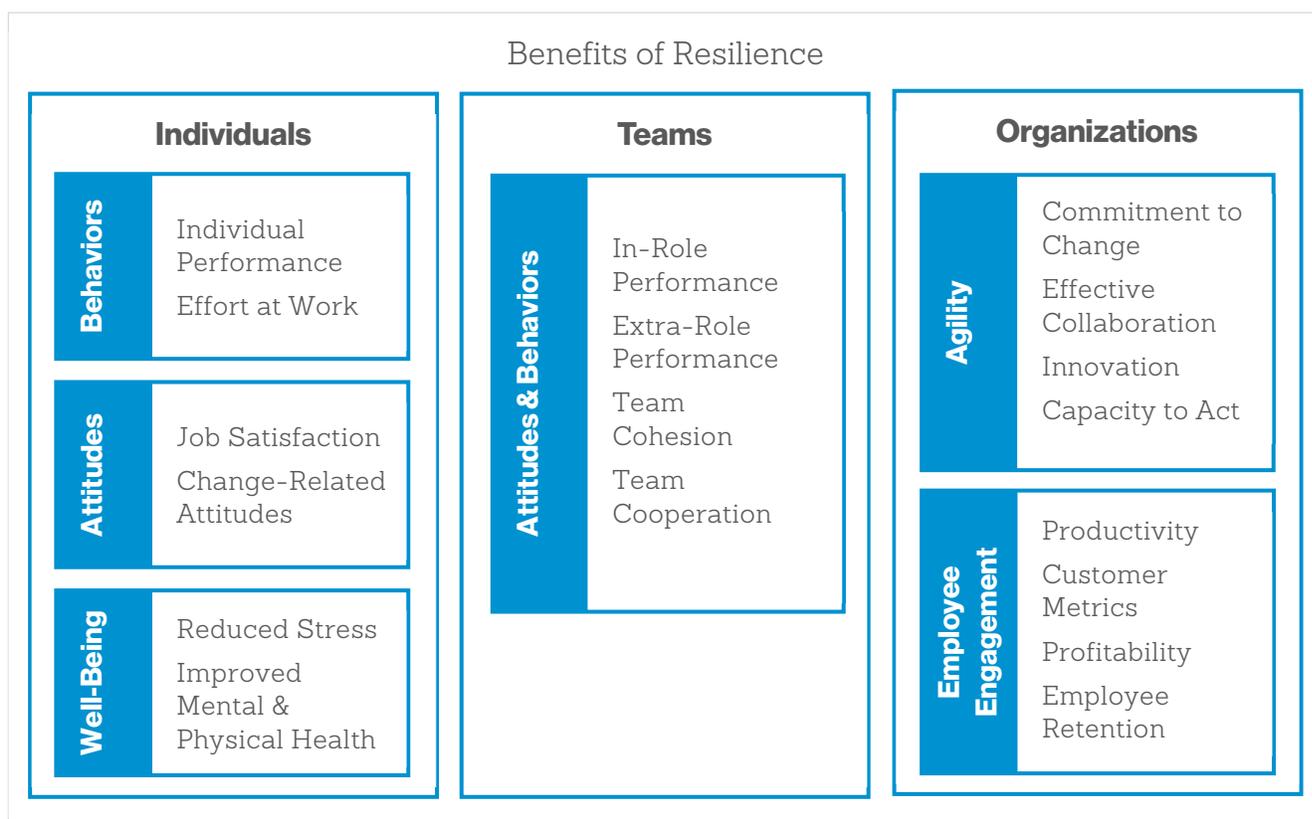
⁷ Infurna, F. and Luthar, S., 2016. Resilience to Major Life Stressors Is Not as Common as Thought. *Perspectives on Psychological Science*, 11(2), pp.175-194.

Of those who said they have experienced an adverse condition at work, only half as many in the High Resilience Group said it resulted in a high level of stress for them.

Resilient people may, however, perceive the same condition as less stressful than less resilient people do. In fact, just 16% from the High Resilience Group who said they've experienced some kind of adverse condition at work said it resulted in a high level of stress for them, compared with nearly double that number (31%) in the Low Resilience Group. It underlines the reality that resilience is about how people perceive adversity as well as how they respond to it — which is why both attitudes and behaviors are critical components of resilience.

Benefits of Resilience at the Individual, Team and Organizational Levels

Research on resilience in the workplace and elsewhere points to a number of positive outcomes at the individual, team and organizational levels. The figure below summarizes some of the existing research on benefits of resilience at each.⁸



Our study confirmed a number of those positive outcomes. In comparison with the Low Resilience Group, highly resilient employees were:

- More than twice as willing to consistently give their best efforts at work (63% vs. 27%).
- Significantly more likely to feel relatively free of serious stress at work, reporting that they rarely or never felt stress 58% of the time vs. 39% of the time in the Low Resilience Group.

⁸ Hartmann, S., Weiss, M., Newman, A. and Hoegl, M., 2019. Resilience in the Workplace: A Multilevel Review and Synthesis. *Applied Psychology*.

- Less than half as likely to give up on their current employer and be in the process of looking for a job elsewhere (7% vs 17%).

Teams benefit from resilience, too. Research points to resilient teams cooperating more effectively and being better at finding solutions when faced with challenges and adversity. As measured by their supervisors, resilient team members in one study also demonstrated superior performance in both fulfilling the requirements of their own jobs (in-role) and in going above and beyond by contributing with behaviors that benefit team performance (extra-role) — for instance, offering to assist colleagues or volunteering ideas for improvements.⁹

In addition, the High Resilience Group held markedly different attitudes toward change. More than 9 in 10 (92%) believe that embracing change is the best way to approach it, compared with just 52% of the Low Resilience Group.

Through these kinds of individual and team benefits of resilience, organizations become more agile as well. Positive change-related attitudes and higher levels of individual effort and performance, combined with enhanced collaboration resulting from team cohesion and cooperation, enable a capacity to act and innovate, positioning organizations well to thrive in rapidly changing environments.

Highly resilient employees were also more than three times more likely to be actively engaged, and substantial evidence now exists for the considerable advantages which come with high levels of employee engagement, including greater productivity, higher retention, better customer metrics and much more.¹⁰

What Drives Resilience?

A highly resilient workforce is clearly desirable, but opinions differ on the best way to achieve it.

Some theorize that resilience is a single or group of innate traits that may or may not change in response to the environment.¹¹ In that case, hiring for resilience is a logical option. In fact, many suggest companies should screen for resilience during the interview process and specifically hire people who have it. Pre-employment assessment companies now offer to evaluate candidates for characteristics of resilience, and our own model suggests that those with a positive attitude, confidence and the capacity to cope, recover and learn from adverse experiences would be a good place to start. However, if resilience is indeed malleable, that would mean it can be strengthened or depleted by the environment in which an individual finds themselves. In that case, hiring for resilience without attention to drivers at the team and organizational level may be an ineffective strategy.

Others propose a different theory. The scientific consensus seems to be moving toward viewing resilience as an emergent state. Researcher suggests that, rather than being an innate trait that people have or don't have, resilience is the result of a process that combines individual traits, attitudes and behaviors together with work-related environmental factors, many of which can be developed or modified to strengthen resilience in individuals, teams and the entire organization.

With that in mind, another rational strategy would be to grow resilience within the organization using a holistic approach. The model that follows captures the important drivers suggested by other researchers for which our own data provide additional support.

⁹ Meneghel, I., Salanova, M. and Martínez, I., 2016. Feeling Good Makes Us Stronger: How Team Resilience Mediates the Effect of Positive Emotions on Team Performance. *Journal of Happiness Studies*, 17(1), pp.239-255.

¹⁰ Gallup, Inc. "State of the American Workplace." *Gallup.com*, 15 Feb. 2017, news.gallup.com/reports/199961/state-american-workplace-report-2017.aspx

¹¹ Britt, T., Shen, W., Sinclair, R., Grossman, M. and Klieger, D., 2016. How Much Do We Really Know About Employee Resilience? *Industrial and Organizational Psychology*, 9(2), pp.378-404.

How Can Resilience Be Developed in Individuals?

Coping with, recovering and learning from mistakes are all critical to resilience. It starts with perceptions: of the adversity itself and of challenges as opportunities for growth.

Recognizing the value of learning from mistakes is also essential, and research shows that learning is facilitated when individuals possess self-confidence and positive attitudes.¹²

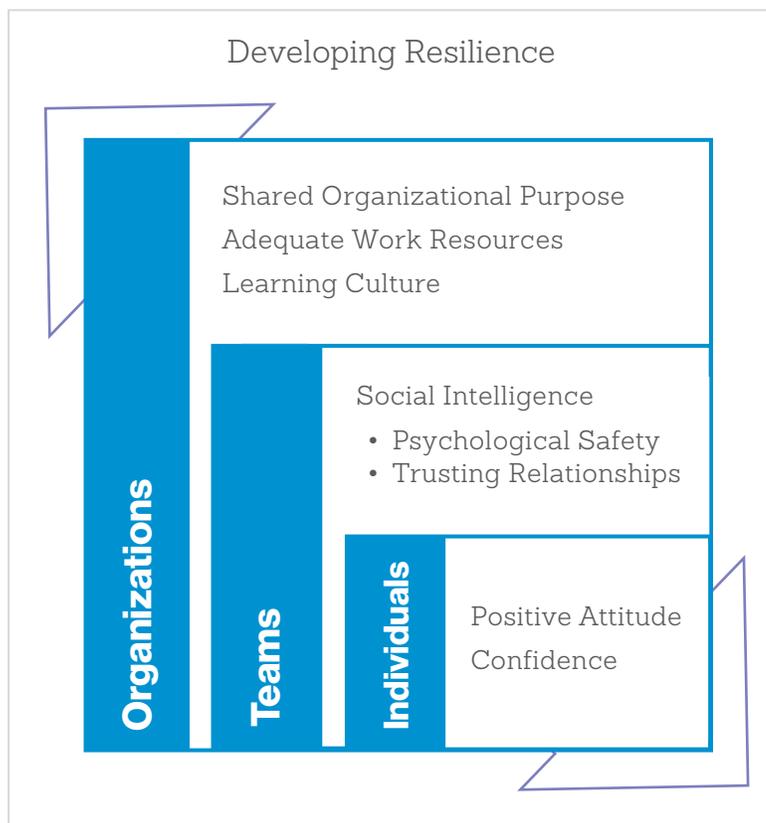
People with a positive outlook expect — and get — positive outcomes more often than those without it. In many situations, positivity also enhances problem-solving and decision-making and helps people think more flexibly, innovatively and creatively.¹³ The Broaden and Build theory suggests that positivity allows humans a broader range of potential thoughts and behaviors (as opposed to negativity, which limits them), and that, over time, this helps people build their own physical, intellectual, social and psychological resources.¹⁴ In the long run, these resources are what help people “bounce back” from adverse experiences.

In our survey, those who expressed a consistently positive attitude at work were considerably more likely to be highly resilient than all other respondents (71% vs. 32%)

Self-confidence, the other important enabler of learning, centers on a person’s belief in their abilities and a view that, in general, they can accomplish what they set out to do. It’s derived from both our own beliefs about ourselves and our interactions with the world around us. Self-confident people have the advantage of being better able to focus on taking in new information and evaluating its potential usefulness. Managers can enhance self-confidence in their employees with sincere appreciation for their contributions and specific praise in recognition of their achievements.

Those who said they consistently feel confident in their skills and ability were more than twice as likely as all others to be highly resilient (66% vs. 31%).

To support individuals’ ability to cope, recover and learn, leaders can start by modeling genuine positivity and building self-confidence in their people.



¹² Komaraju, M. and Nadler, D., 2013. Self-efficacy and academic achievement: Why do implicit beliefs, goals, and effort regulation matter? *Learning and Individual Differences*, 25, pp.67-72.

¹³ Isen, A., 2001. An Influence of Positive Affect on Decision Making in Complex Situations: Theoretical Issues with Practical Implications. *Journal of Consumer Psychology*, 11(2), pp.75-85.

¹⁴ Fredrickson, B., 2001. The role of positive emotions in positive psychology: The broaden-and-build theory of positive emotions. *American Psychologist*, 56(3), pp.218-226.

What Can Leaders Do to Increase Resilience in Their Teams?

Scientists have identified several antecedents of resilience at the team level, including team connectivity and strong communication, among others. Many of them hinge on a team's social intelligence, which refers to people's ability to deal with challenging social contexts effectively; understanding others' concerns, feelings and emotional states; and knowing what to say, when to say it and how to say it in order to build and maintain positive relationships with others.¹⁵

Teams with high social intelligence build high quality, trusting, supportive relationships and create an environment of psychological safety, both of which have been shown to foster resilience and team effectiveness.

Another important driver of team resilience is experiencing positive emotions. Prior work at Dale Carnegie has identified key emotions — in addition to confidence, which we've discussed above — that leaders should strive to evoke in their teams to drive engagement: *connected*, *valued* and *empowered*. These same emotions also appear to support resilience.

When trusting relationships are the norm, people feel *connected*. When a manager shows sincere appreciation, it makes them feel *valued*. And *empowered* employees feel greater control over their work, which reduces negative stress and boosts resilience.

Of respondents in our study who consistently feel all three emotions (*connected*, *valued* and *empowered*) 77% were highly resilient, nearly double the rate of high resilience (41%) among all others.

Strengthening social intelligence to build trusting relationships and psychological safety in order to evoke positive emotions can improve team resilience.

Of respondents who consistently feel connected, valued and empowered, 77% were highly resilient, nearly double the rate of high resilience in all others.

What Can Organizations Do to Create an Environment That Strengthens, Rather Than Breaks Down Resilience?

Having a shared organizational purpose is essential to creating an environment that encourages resilience and was supported by the results of our survey. A purpose provides a valuable sense of orientation and meaning, especially in times of adversity. Of those who couldn't strongly agree they have a sense of purpose at work, only one third manage to be highly resilient.

Providing adequate work resources is also essential, as explained by the Job-Demands Resource model, which suggests that stress is a response to an individual having inadequate resources to meet the demands of their work. It advocates providing additional resources in challenging times to sustain resilience. These may include intangible resources such as autonomy and empowerment in addition to, or even instead of, tangible resources.

Many employees are struggling with a lack of resources. In fact, there were a substantial number in our survey (about 3 in 10) who acknowledged a problem in this area by responding in a neutral or negative way regarding resources. Of those, only 27% were highly resilient.

Fostering a learning culture is another way to support resilience at the organizational level.¹⁶ That may encompass facilitating and encouraging the free flow of information, as well as both informal and formal

¹⁵ Rahim, M., 2013. A Structural Equations Model of Leaders' Social Intelligence and Creative Performance. *Creativity and Innovation Management*, 23(1), pp.44-56.

¹⁶ Malik, P. and Garg, P., 2017. The relationship between learning culture, inquiry and dialogue, knowledge sharing structure and affective commitment to change. *Journal of Organizational Change Management*, 30(4), pp.610-631.

training and development opportunities. Of those who strongly agreed that their colleagues effectively and routinely share knowledge and information across the organization and that their organization's T&D program is strong, more than three quarters (76%) were highly resilient.

Centering on a shared organizational purpose, providing adequate work resources and supporting a learning culture create an environment that encourages resilience.

The Bottom Line

Resilience is associated with significant benefits to the individual, team and organization. Resilient employees bounce back from adversity by being able to cope, recover and learn from these experiences. They adapt — even thrive — in the face of new conditions and challenges and are ready to contribute with innovative and creative ways to drive value to stakeholders.

Whether a resilient organization emerges from the resilience of individuals and teams, vice versa, or both, the path forward is clear. Individuals should work to develop positivity and self-confidence. Leaders should endeavor to make employees feel confident, connected, valued and empowered by practicing social intelligence to create trusting relationships and psychological safety. And organizations — united by a shared purpose — must strive to provide adequate resources and support a learning culture.

Building resilience can help an organization rebound from adversity, adapt to change and accelerate performance — valuable insurance for those operating in a VUCA world.

To learn more about how Dale Carnegie Training can help you develop resilience in your people, teams and organization, contact your local Dale Carnegie office today. Please go to: dalecarnegie.com/office

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