BUILDING RESILIENCE FROM DISRUPTION

My career has placed me at the center of two unique sector meltdowns. During the first, I was part of the world's leading telecommunications company. I experienced how the company morphed over three years from thriving on Wall Street to struggling to survive, ultimately slashing more than 100,000 jobs as the share price dropped from $140 to below $1. The second sector collapse was far more rapid. In 2008, I led teams inside one of the world's top banks through not one but two acquisitions within the course of a single week. As the global economy stood on the brink of collapse, the bank's share price plummeted, peer institutions failed, and no one knew how the financial crisis would end.

With each experience, I grew as a leader. With each experience, I gained resilience and a deeper understanding of how a resilient workforce contributes to the success of an organization. When change is swirling and the going gets tough, nothing—not experience or education or even talent—is as critical to an organization's survival and success as the resilience of its workforce.

In partnering with Harvard Business Review Analytic Services to bring you actionable insights into this critical topic of resilience, we've discovered a deeper understanding of how it begins, how it is fostered, and, conversely, how it can be undermined. In today's disruptive world, we believe that understanding how we fail and the lessons we learn from our greatest challenges are more important than ever.

Why? Given the pace of change and disruption, we're guaranteed to stumble. Our success is not determined by perfection, but by our ability to anticipate, recover, adapt, and persevere.

A resilient culture values its people, transparency, and authenticity above ego and hierarchy. It is not defined by silos but by experimentation, empowerment, clarity, and respect. Our hope is that organizations can learn from the industry experts featured in this report and apply these insights—early and often—to define better ways of working that encourage people to learn, grow, sometimes fail, and carry on.

At North Highland, we engage with our clients on significant business transformations, all of which require resilience. Part of our passion is to design custom, human-centric solutions for our clients and their employees. It's far too easy to focus narrowly on processes, systems, and technologies in the midst of change. Without the support of your workforce, transformations never really come to pass—only superficial changes.

We invite you to contact us for more information about how to build resilience within your organization.

MARY SLAUGHTER
CHIEF PEOPLE OFFICER
NORTH HIGHLAND

northhighland.com/services/capabilities/people-change

BUILDING RESILIENCE FROM DISRUPTION

Managing Stress and Disruption

Market uncertainty and continuous change and the anxiety they produce are creating serious challenges for organizations everywhere.

Today's working world is typified by rising stress, a fast pace, multi-tasking, and the seemingly endless adoption of new technology and collaboration platforms. Organizations are much more frequently undergoing changes of leadership, adoption of and adaptation to new technologies, and transformation of their business processes and operating models.

To find out how organizations around the world and in a variety of sectors are addressing the reality of continuous change, Harvard Business Review Analytic Services surveyed executives at nearly 500 companies reporting $1 billion-plus in annual revenue and conducted one-on-one interviews with seven executives who are intimately involved with their organization's efforts to promote resilience.

What is resilience? It's a set of personal skills and processes that enable individuals at all levels to reduce stress but perform well under it, learn continuously, and keep their work and life responsibilities in harmony. Without resilience, the result is higher turnover, mental stress, burnout, ill health, and the drying up of the employee's creative drive and energy. This is a failure not just for the employee but also for the organization.
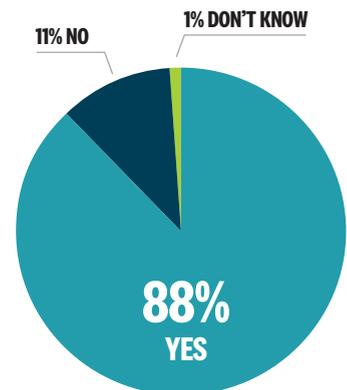
Overwhelmingly (88 percent), survey respondents said their employer had recently experienced or was currently experiencing a disruption of some sort. FIGURE 1 Almost half (42 percent) have been affected significantly or very significantly by these events, and most (58 percent) say the people on their team, in their business unit, or in the overall organization have been deeply or very deeply affected.

Yet only 12 percent of survey respondents said they consider their organization's efforts at promoting a culture of resilience to be successful or very successful. FIGURE 2 Almost two-thirds (63 percent) said that if a challenge faced them today, they were confident or very confident in their ability to absorb it without suffering burnout—but not necessarily that they could do so if they experienced multiple challenges. FIGURE 3 More than three-quarters (78 percent) indicated they want their employer to minimize disruption from continuous organizational change; yet only 16 percent said their organization always or almost always does so.

FIGURE 2

PROMOTING A CULTURE OF RESILIENCE

In your view, how successful is your organization at promoting a culture of resilience?

Not successful
17%

Minimally successful
34%

Moderately successful
37%

Successful
10%

Very successful
2%
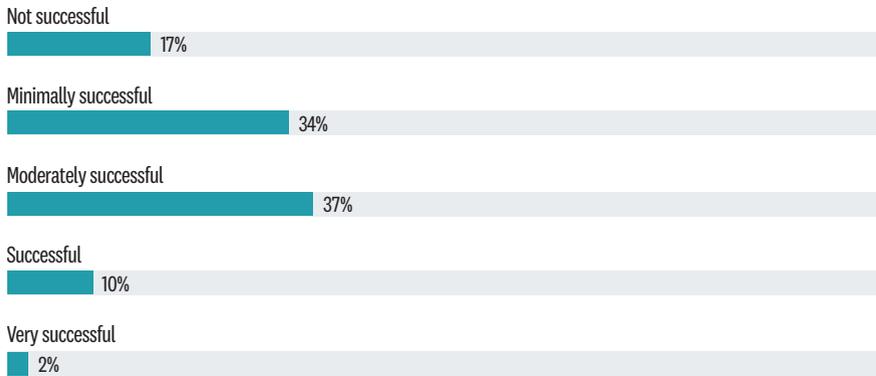
SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

FIGURE 3

ABILITY TO ABSORB CHALLENGES

If you were to face a challenge today, how confident are you in your workforce's capacity to absorb it without experiencing burnout?

Not confident
6%

Minimally confident
12%

Moderately confident
29%

Confident
41%

Very confident
12%
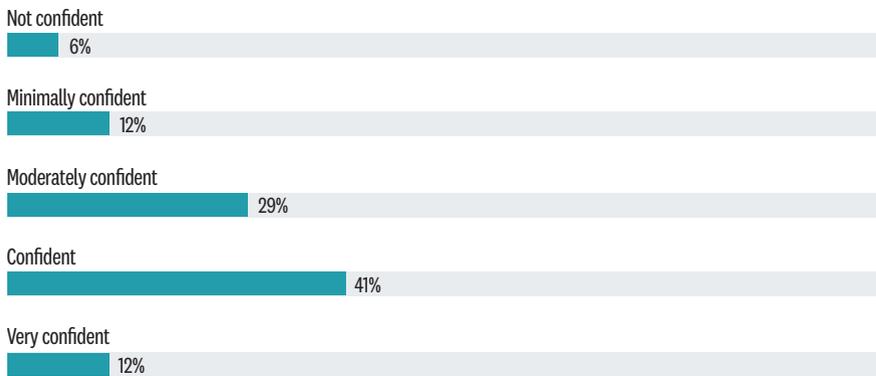
SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

"Our workforce cannot authentically deliver great service unless they feel great about themselves. They can't feel great about themselves unless we're confronting the overload we're all feeling," says Matt Schuyler, chief human resources officer for Hilton, which employs some 360,000 team members.

If they want to reduce these pressures, employers must become adept at fostering organizational and workforce resilience. That means creating an organizational foundation that helps employees build capacity through periods of change, such that they emerge stronger and more engaged.

What is capacity? It's the resources and creativity an individual needs to work, to accomplish his or her goals, and to contribute materially to the present and future success of the organization. But that definition also includes the energy and resources needed to accomplish these things. Capacity is the "battery power," buoyancy, and degree of well-being the individual brings to his or her responsibilities, not just the knowledge and skills required. Balancing work and life responsibilities, maintaining physical health, building skills and expertise, and planning for the future are all vital contributors to capacity, helping change become the fuel for innovation, rather than an obstacle.

The ability to simultaneously pursue all of these objectives is what makes organizations, and their employees, resilient.

Encouragingly, large organizations are coming to understand the necessity of making resilience one of their hallmarks; almost half (48 percent) of survey respondents said that increasing other employees' resilience is a formal aspect of their role. The survey and one-on-one interviews revealed six stages that together determine the organization's success at promoting resilience:

- Getting employee buy-in
- Rewarding and recognizing employees
- Smashing hierarchies
- Harnessing automation and digitization
- Nurturing and retaining talent
- Mentoring employees and leaders

Each of these encompasses its own set of issues and opportunities. But the payoff is a more vigorous, agile workforce and an organization that constantly builds its capacity to confront change and strengthen itself in the process. Or, as Mary Ann Altergott, principal, talent management, at the U.S. investment company Edward D. Jones, says, "Resilient organizations build capacity faster."

GETTING EMPLOYEE BUY-IN

Achieving resilience can't simply be a top-down project. A well-planned merger, business restructuring, or move to a new technology starts with making management's vision transparent. At each step of the journey, communication must be clear and mindful of employees' concerns. Communication must be two-way: giving employees and first-line leaders a role in the process where possible, leveraging their insights, and building a cross-organization sense of teamwork.

Connection: This means promoting a clear understanding of the organization's larger goals, clarifying employees' role in achieving them, and acting consistently on this message, such that employees connect with those goals and are never uncertain about the purpose of their efforts.

"Are we thoughtful about how we serve the long-term needs of our clients?" says Altergott. "Are we clear, and can we repeatedly assess why change needs to happen and be sustained? Because understanding the why is such a huge component of adoption. Then, are we able to plan and organize and align work in a way that it is functionally easier to adapt to? And do we have coaching and support, adoption awareness, training, and a communication infrastructure that helps people understand why and how [they] move from point A to point B?"

Communication: Announce each step of the process well in advance; frame change as a welcome challenge, not a mortal danger. At life sciences giant GSK, which is in the midst of a five-year, $260 million program to consolidate about 8,500 staff worldwide in new locations, management has taken care to position the move in a way that minimizes employee anxiety. "It's a catalyst for change and a catalyst for modernizing our ways of working," says Lynn Tucker, who is responsible for the project as vice president of research and development. "It wasn't about just trying to cut money but [about] the money I can now invest in new stuff. I was trying to flip it and show them that, yes, there is anxiety, but the outcome will far outweigh the journey we have to go on."

At the same time, the degree of change must be acknowledged up front. "What's kept me from burning out, personally," says Ray Milora, head of design and change management at GSK, "is just having very open and frank conversations with my leadership chain, my team, and my colleagues in the business; that helps to keep us all on the same page and supportive of each other."

When communication is unclear, it can create the impression that management is out of touch and leave employees unsure what they are preparing for. "There is a lot of fluffy communication, which does not address the core needs of employees," one survey respondent said. "It is communication for the sake of it. There is no change management, just demands for more work."

Organizations must also keep one eye on peripheral issues that could affect resilience, and open channels of communication about them. After the protests and violence that took place in Charlotte this year, for example, the CEO of Duke Energy initiated a well-received series of conversations between employees about the events. "We had so much positive feedback as a result of that," says Lisa Marcuz, vice president, talent management, at the big utility company. "Employees said how thankful they were to be able to have a place where they felt safe to have a conversation about what was going on in the communities. Our world is challenging right now, and that creates stress for employees and how they address that at work. They're bringing their whole self to work, and we expect that."

Inclusion: When management is listening, employees feel better able to voice their own opinions. And when

"RESILIENT ORGANIZATIONS BUILD CAPACITY FASTER."
MARY ANN ALTERGOTT, PRINCIPAL, TALENT MANAGEMENT, EDWARD D. JONES

ORGANIZATIONS ARE MORE RESILIENT WHEN EMPLOYEES DO NOT FEEL THEY ARE TRAPPED IN A RIGIDLY DEFINED CAREER TRACK.

employees' views are welcome, research shows, stress levels become more manageable and employees can be more authentic at work.[1]

A vital step in achieving a successful transition is determining employees' concerns about the change and including them in the process itself. "The first thing we do is we listen very carefully to people who are closest to the work," says Altergott. Repeatedly, survey respondents and interviewees emphasized that the C-suite must get the message as well.

Supporting diversity and hearing all the voices in a diverse workforce are also fundamental to inclusion, and so to resilience. "Diversity is really about feeling you can bring your authentic self to work," says Marcuz. One component of Duke Energy's leadership development program is an Accelerated Pathways initiative for women and minority employees that includes sponsorship from team leaders.

Hilton keeps abreast of employee needs and preferences through an annual survey, which typically logs a 92 percent participation rate. Every other year, additionally, the company assigns its 100 top leaders to spend a week working in one of its hotels in a variety of capacities, from housekeeping to front desk to food and beverages.

In designing new workspaces, GSK seeks not just to get buy-in from the teams that will be affected, but also to harness their creativity by including them in the planning. "There's two ways I can go about it," says Milora. "I can show up to your leadership meeting and say, 'Great news! You guys are moving on September 3, and here's what it's going to look like'—and tell them how it's going to be. Or I can say, 'Great news! Your team has been selected to move into a new agile work environment. I want you to meet the architects, the designers, and your construction manager. There will be a meeting coming up in two weeks—we want to get your input on layouts.'

"That's the other way to do it. We do the latter. It may take a little bit longer, but by getting buy-in and engagement out of the gate, we know the space is going to work on Day 2, Day 20, Year 2, Year 5, because you've bought in. It's your space. You own it."

REWARDING AND RECOGNIZING EMPLOYEES

Compensation remains the most important enabler of employee retention and thus a factor in workforce resilience. Majorities of respondents endorsed using salary (58 percent), promotions (63 percent), and bonuses (60 percent) as means to combat burnout and the effects of disruptive change. FIGURE 4

What compensation doesn't do, however, is get employees engaged with their work. Important levers of engagement are career direction and flexibility. Organizations are more resilient and make the best use of their resources when employees do not feel they are trapped in a rigidly defined career track, but rather are on a path to success and growth based on their skills and interests.

Recent findings in neuroscience have told us a great deal about how incentives work and which ones are most effective. Our brains often respond more strongly to immaterial than to monetary rewards—the need to solve novel problems, for example, or the sense that our workplace supplies us with satisfying work and fosters a culture of cooperation and fairness. One study found that paying people for performing

FIGURE 4

COMBATTING THE EFFECTS OF BURNOUT AND DISRUPTIVE CHANGE

As a means to combat the effects of burnout and disruptive change, how effective do you personally consider each of the following to be? [PERCENT CHOOSING EFFECTIVE OR VERY EFFECTIVE]

Promotion
63%

Bonuses
60%

Salary
58%

Expense accounts
22%
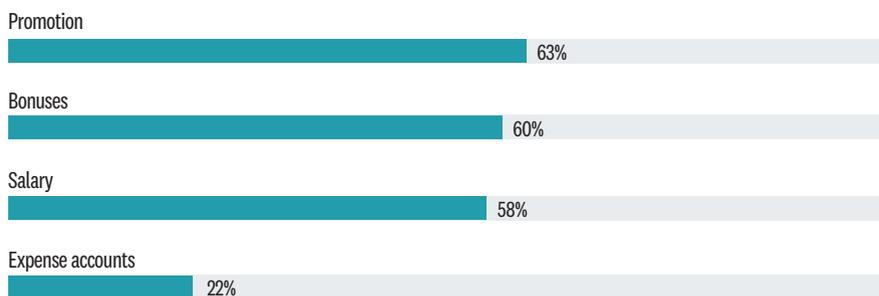
SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

"Engagement is **tied more to the work** we do **than to the money** we make," says Martha Soehren, chief talent development officer at Comcast.

a rote task—one that typically does not require additional compensation—actually undermined their motivation to perform the task for free.[2]

"Engagement is tied more to the work we do than to the money we make," says Martha Soehren, chief talent development officer at Comcast. "I believe when you love what you do and you feel secure in your role, it makes it easy to take risks and work at the crazy pace that we all do, not just here but across most organizations. So I think it's more about having value-added work that you enjoy doing that you get rewarded for."

Resilient organizations think carefully about incentives and set targets based on a thorough review of market conditions—and their employees' implicit and explicit needs. At Hilton, this begins with incorporating factors related to resilience into managerial evaluations. "A subset of questions we ask on leadership is about dealing with challenges," says Schuyler. "How do you confront the challenge? How do you show up relative to your day-to-day work as well as some of the more unpredictable challenges that occur? All of that is measured, and we evaluate and reward, in part, based on that measurement."
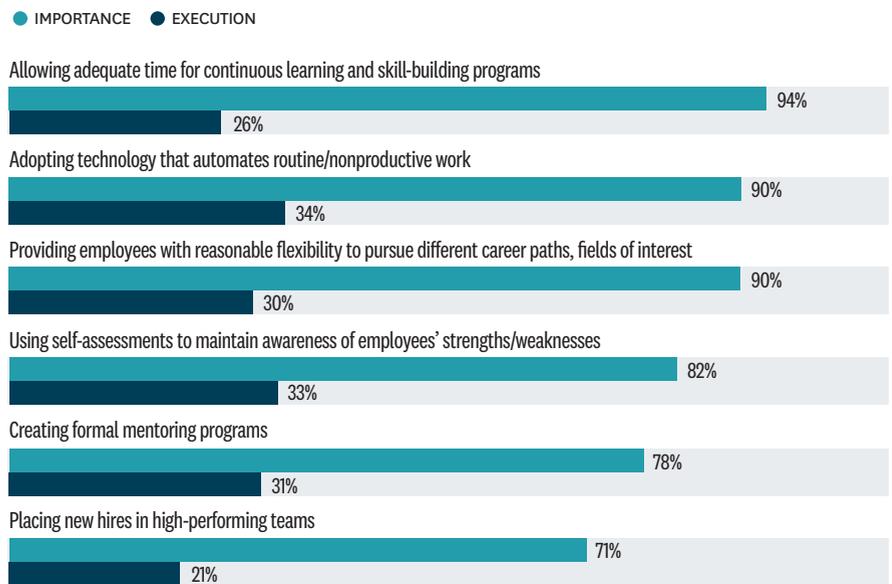
Identifying and emphasizing intra-organizational mobility gives employees the opportunity to venture out of their standard career paths and explore other parts of the organization to which they might bring greater creativity and engagement. Nine out of 10 respondents said their organization should provide reasonable flexibility for employees to pursue different career paths and fields of interest—or, as one respondent put it, "opportunities to move across the groups and business units via job rotation and job enhancement." FIGURE 5

FIGURE 5
SKILL BUILDING AND EMPLOYEE DEVELOPMENT

As a means to promote skill building and employee development, how important to you personally are each of the following? [PERCENT CHOOSING SOMEWHAT OR VERY IMPORTANT]
To what extent does your organization do each of the following? [PERCENT CHOOSING OFTEN OR ALWAYS]

● IMPORTANCE ● EXECUTION

Allowing adequate time for continuous learning and skill-building programs
94%
26%

Adopting technology that automates routine/nonproductive work
90%
34%

Providing employees with reasonable flexibility to pursue different career paths, fields of interest
90%
30%

Using self-assessments to maintain awareness of employees' strengths/weaknesses
82%
33%

Creating formal mentoring programs
78%
31%

Placing new hires in high-performing teams
71%
21%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

Along with helping employees pursue advanced education, Hilton has rolled out a new program that helps them earn high school diplomas or equivalent degrees. "We've noticed that this is an inflection point in a career," says Schuyler. "If you achieve your high school diploma, you're on a bit of a hockey stick relative to career prospects. This improves our workforce and creates a more resilient ecosystem for our employees. If you don't achieve that high school diploma, you tend to plateau."

The scale and structure of organizations themselves determine what incentives are most effective and how they should

"**Diversity and inclusion** are really about feeling **you can bring your authentic self to work**," says Lisa Marcuz, vice president for talent management at Duke Energy.

be deployed. At Georgia's State Road and Tollway Authority (SRTA), which has some 135 full-time and full-time-equivalent employees and a relatively flat structure, "we don't want to create a situation where people are wishing ill of their supervisor just to have a chance to move up," says Chris Tomlinson, executive director. "So, one of our strategic initiatives this year is to identify job families, like project managers, that actually exist in multiple business units, and identify steps that employees can take within those job families. Some of these may be based on achieving certifications or a certain number of years' experience."

Workforce composition is a factor as well. "I think some of the talent

of leadership is recognizing what conditions they need to set up, such that people with tenure feel valued and appreciated as much as people in the middle years and the new ones coming in," says Tucker. "And how do you create the conditions where you're not portraying that you value one over the other?" At GSK, happy hours have proved a good stress reducer for younger employees working on big, difficult projects, but less so for their older colleagues, who have responsibilities at home after work. Organizations need to look across age groups to determine which incentives work best for whom.

SMASHING HIERARCHIES

Organizational complexity decreases resilience by imposing a confusing—and stress-inducing—hierarchy on employees. Two-thirds of survey respondents (66 percent) complained of too-great organizational complexity.
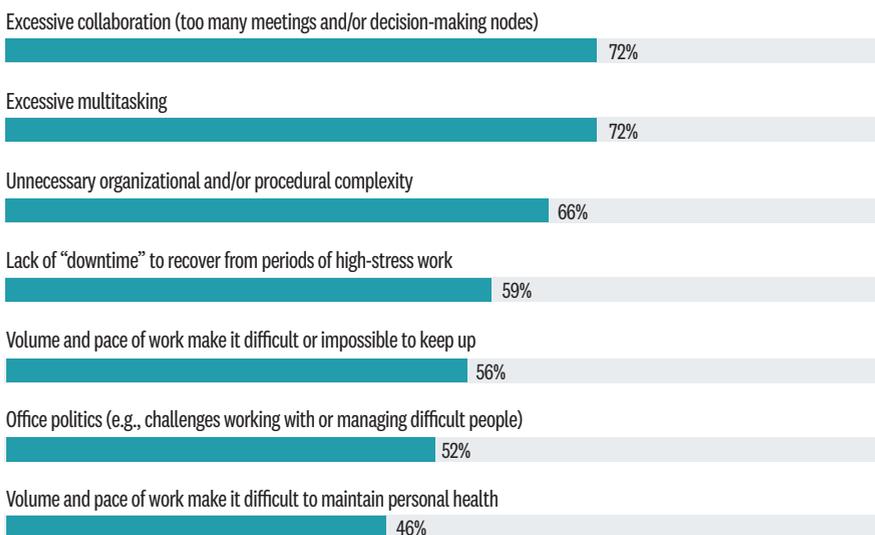
Complex, hierarchical organizations can also discourage collaboration and team empowerment, and dampen efforts to encourage flexibility and autonomy, by overburdening employees with processes that don't directly support these efforts. Almost three-quarters of respondents (72 percent) complained that excessive multitasking and an overload of meetings and decision-making nodes are common or very common. FIGURE 6

Smashing hierarchies promotes resilience by increasing cooperation and information flows. At Edward D. Jones, the corporate center focuses on supplying the needs of its financial advisers (FAs) and branch offices, says Altergott; clustering those offices in regional groups, in turn, makes a large organization seem smaller and more manageable.

FIGURE 6

EMPLOYEES: ON OVERLOAD

In your view, to what extent do the following challenges exist for employees within your organization? [PERCENT CHOOSING COMMON OR WIDESPREAD]

Excessive collaboration (too many meetings and/or decision-making nodes)
72%

Excessive multitasking
72%

Unnecessary organizational and/or procedural complexity
66%

Lack of "downtime" to recover from periods of high-stress work
59%

Volume and pace of work make it difficult or impossible to keep up
56%

Office politics (e.g., challenges working with or managing difficult people)
52%

Volume and pace of work make it difficult to maintain personal health
46%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

As this suggests, whether the organization is building or inadvertently reducing resilience often is determined not at the top or middle level of the command chain, but by first-line managers—those with the most direct exposure to line employees.

A 2015 Gallup study found that 70 percent of variance in employee engagement was accounted for by managers and supervisors.[3] These leaders have the best vantage point for determining the impact of their efforts on the workforce and are best positioned to ensure that those efforts build productivity and engagement. They are pivotal to effective coaching and team-building, says Soehren. "I think when you look at the front-line supervisor's job, it goes back to how well he or she coaches and gives feedback and grows his or her team."

Our survey found that when the respondent has a formal role in promoting resilience, the organization is more likely to be encouraging teams to work together to address challenges (66 percent often or always versus 58 percent of all respondents) and to be allowing adequate time for continuous learning and skill-building programs (31 percent versus 26 percent).

De-siloing and leveling hierarchies also diffuse decision making among a larger population, creating a wider set of organizational leaders and potential leaders. Almost all respondents (96 percent) said they support empowering teams to make decisions on their own. FIGURE 7 This makes it easier to, for instance, spot latent talent in the workforce and quickly form high-functioning teams to solve specific problems that a more hierarchical, less collaborative structure might have had greater difficulty tackling.
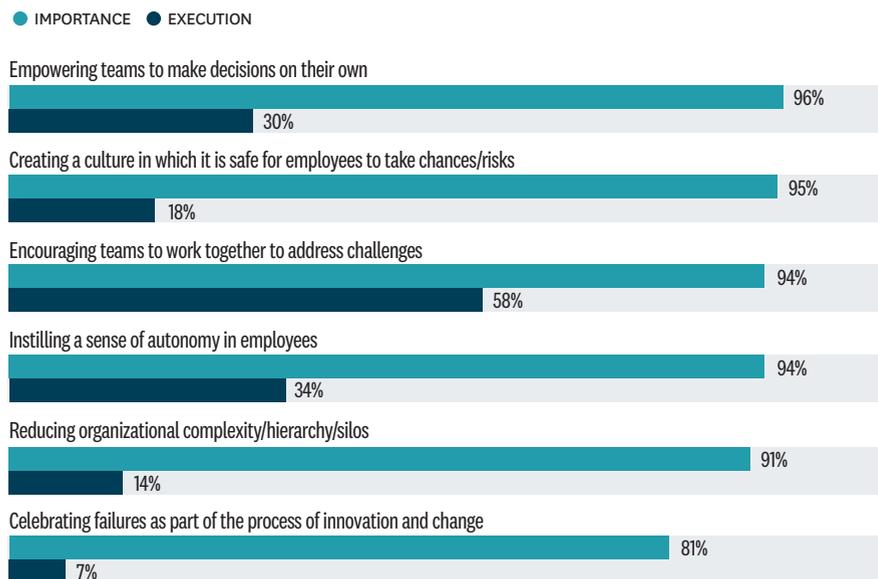
Flexibility and autonomy—including, for example, remote working—might not seem essential to resilience, but today's highly skilled workforce more or less expects it. Almost all respondents (94 percent) said it's important for the organization to promote a sense of autonomy, and more than half said the organization is acting on this principle. Hilton is working to incorporate more and more functions on employees'

BUILDING A RISK-TAKING CULTURE: EMPLOYER COMMITMENT LAGS

As a means to encourage a risk-taking culture at work, how important to you personally are each of the following? [PERCENT CHOOSING SOMEWHAT OR VERY IMPORTANT]
To what extent does your organization do the following? [PERCENT CHOOSING OFTEN OR ALWAYS]

● IMPORTANCE ● EXECUTION

Empowering teams to make decisions on their own
96%
30%

Creating a culture in which it is safe for employees to take chances/risks
95%
18%

Encouraging teams to work together to address challenges
94%
58%

Instilling a sense of autonomy in employees
94%
34%

Reducing organizational complexity/hierarchy/silos
91%
14%

Celebrating failures as part of the process of innovation and change
81%
7%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

mobile devices, for example, in part to give them a greater feeling of autonomy in their daily work.

Reducing structural complexity, flattening the organization, and enabling greater employee autonomy all bring particular benefits. Collectively, however, they encourage resilience by creating a working community in which employees and first-line leaders feel there is room for their creative drive and energy, even in the face of continuous change.

HARNESSING AUTOMATION AND DIGITIZATION

Technology speeds up work, contributing to excess stress and, eventually, burnout. "Everyone is under more stress and strain, and all these great devices that we love so much have increased it even more," says Milora. "We're all in this constant state of connectedness." Yet, at the vast majority of large organizations, keeping

94 PERCENT OF RESPONDENTS SAID IT'S IMPORTANT FOR THE ORGANIZATION TO PROMOTE A SENSE OF AUTONOMY.

> "Some of the **talent of leadership is recognizing** what conditions they need to set up, such that people with tenure **feel valued and appreciated** as much as people in the middle years and the new ones coming in," says Martha Soehren at Comcast.

up to date is essential to resilience as well. "Constant training, I think, is going to be part of resilience, and I think it's underlooked at by most organizations," says Tomlinson. "It's critical that we work more efficiently. It's critical that we work securely."

When the organization and its employees don't have processes in place to minimize or alleviate the attendant stress, the next iteration of change—when it comes—will be more difficult and disruptive. Often when under stress, employees push valuable information aside—otherwise, it adds to the pressure. Some companies combat stress by limiting or prohibiting emails after normal working hours, nudging employees to draw a sharper line between their working and non-working lives.

However, technology can also be used to alleviate the burden. "I think the big 'pro,'" says Altergott, "is when you can use technology to enable a process that streamlines the flow of information so that people get what they want when they need it." Nine out of 10 survey respondents said their organization should adopt technologies that automate routine work, freeing them to focus more on the creative aspects of their jobs.

At GSK, "the most common feedback from scientists," says Tucker, "is that automation allowed them to parallel activity so that a robot's running 196 experiments while I'm over here looking at the data from the last 196. Because that's where my mind and my experience are needed, not manually running the 196 experiments."

Work today often involves continuous learning—another need that technology can address. Continuous learning can be either a stimulating part of the job or a new source of pressure and

anxiety. Overwhelmingly (94 percent), respondents said their organizations should allow time for continuous learning and skill building. Technology can help by providing learning tools in formats—mobile learning, on-site training, webinars, peer-to-peer learning networks—that fit the workers' preference.

Tools like these are less likely to succeed when imposed from the top down, however. "We listen in advance," says Altergott, and "we work to design the technology to meet our FAs' evolving needs." In implementing any new tool or resource, "you have to understand your users and create a clear and compelling vision they can relate to. Has technology, on balance, been a facilitator of resilience in terms of making people feel they're on top of things?"

If technology transformation is treated as an end in itself, the organization may lose sight of the impact it has on its employees—and whether or not it contributes to resilience. "We're shifting our emphasis from how the project got done to the benefits that were realized," says Altergott. "That has been a new focus in the last 12 months."

NURTURING AND RETAINING TALENT
The organization's ability to attract and retain the best people—to nurture talent—fuels engagement and resilience by encouraging employees to continuously build their skill set and creativity. While companies in the pharmaceutical and high-tech sectors are especially attuned to this opportunity, "an agile environment is good for all creative people," says Milora, "and it has nothing to do with age; I want the same thing as millennials."

This is especially important in decentralized organizations where employees operate more independently.

At Edward D. Jones, "individuals who are attracted to us are client-centric people," says Altergott, "and so showing them how we can benefit from their ability to improve how they support and serve clients, and the benefit to the end client, is so important."

As this suggests, it's critical to know your employees: understand their strengths and experience thoroughly when they join, anticipate points of vulnerability and stress, and structure self-assessments to reveal points where these are perceived. This helps organizations address such issues as "presenteeism"—in which employees are on the job but, because of illness or other medical conditions, not fully contributing. Increasingly recognized as a major workplace problem, presenteeism degrades productivity and performance; 75 percent of survey respondents consider it to be a somewhat or very important issue.

For organizations that are geographically dispersed, presenteeism may be especially hard to detect. "It's not like in a factory, where you might see huge groups of people experiencing it," says Altergott. Taming it requires an investment, moreover, and organizations with more resources are somewhat more likely to address the issue than are those with fewer. Larger organizations (10,000+ employees) and global organizations are more commonly (30 percent versus 24 percent) working to promote awareness of and mitigate presenteeism than others, the survey found. Larger organizations are also more likely than smaller ones (66 percent versus 59 percent) to establish and promote health and wellness initiatives.

Channeling knowledge of such issues into a more empathetic relationship with employees can build resilience. A 16-month study by Wharton's Sigal Barsade and George Mason University's Olivia A. O'Neill of a large long-term-care facility found that workers in units with strong cultures of companionate love—affection, caring, and compassion between employees— exhibited lower absenteeism, less burnout, and greater teamwork and job satisfaction. Employees also performed their work better.[4]

Flexible work-time arrangements that suit valued employees have long been known to facilitate retention of talent; the survey suggests they can promote resilience as well. More than nine out of 10 survey respondents (91 percent) stressed the need for work-time flexibility, and majorities and near-majorities say their organization provides a comfortable physical working environment (63 percent), has established and promotes health and wellness initiatives (59 percent), and provides workspace (47 percent) and work-time flexibility (52 percent). FIGURE 8

Organizations are also more likely to retain talent—and build organizational resilience—when they give employees the freedom and opportunity to recharge and refocus. Over half (59 percent) of survey respondents complained of lack of downtime to recover from periods of high-stress work. To alleviate the
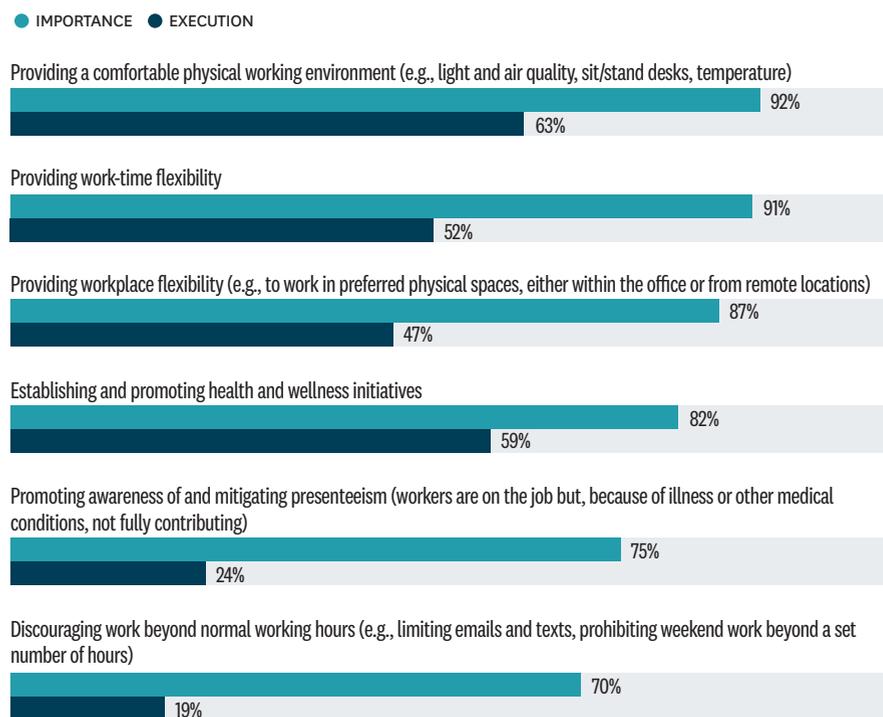
FLEXIBLE WORK-TIME ARRANGEMENTS CAN PROMOTE RESILIENCE AS WELL AS FACILITATE RETENTION.

FIGURE 8

PROMOTING WORK-LIFE BALANCE: SLOW PROGRESS

As a means to promote work-life balance, how important to you personally are each of the following? [PERCENT CHOOSING SOMEWHAT OR VERY IMPORTANT]
To what extent does your organization do the following? [PERCENT CHOOSING OFTEN OR ALWAYS]

● IMPORTANCE ● EXECUTION

Providing a comfortable physical working environment (e.g., light and air quality, sit/stand desks, temperature)
92%
63%

Providing work-time flexibility
91%
52%

Providing workplace flexibility (e.g., to work in preferred physical spaces, either within the office or from remote locations)
87%
47%

Establishing and promoting health and wellness initiatives
82%
59%

Promoting awareness of and mitigating presenteeism (workers are on the job but, because of illness or other medical conditions, not fully contributing)
75%
24%

Discouraging work beyond normal working hours (e.g., limiting emails and texts, prohibiting weekend work beyond a set number of hours)
70%
19%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, JULY 2017

"Our world is challenging right now, and **that creates stress for employees** and how they address that at work. They're bringing their whole self to work, and we expect that," says Lisa Marcuz, vice president for talent management at Duke Energy.

problem, GSK has switched from a policy that allows employees to work for long, uninterrupted stretches and bank vacation time to a "use-it-or-lose-it" policy that requires them to take all of their days in the year they were earned.

The result, often, can be greater creativity. Innovative companies have been systematizing this insight for many years, beginning with 3M's "15 percent program" in 1948, which allowed employees to use 15 percent of their time to pursue ideas they hatched during their regular assignments but lacked time to develop. Since then, many others from Hewlett Packard Labs to Google have adopted similar policies.[5]

Just as important, organizations must pay attention to the quality of the projects to which they assign employees—especially in the early phases of their tenure. Participating in a project that makes a tangible contribution to the organization's success makes workers more apt to collaborate, receive and accept feedback, and add to the organization's creativity and idea generation. It also makes them less likely to isolate behind their specific tasks.

Placing new hires on high-performing teams that embody the traits of resilience and the capacity-building behaviors the organization promotes helps them absorb these characteristics and experience success early on. Conversely, celebrating "failures" as well as successes as part of the cycle of creativity and innovation—and doing so consistently—relieves the employee of the burden of relentless perfection and helps create a working environment that's more agile and welcomes experimentation and innovation.

By the same token, when a worker leaves due to burnout or a desire for change, it doesn't have to be a defeat for the organization. Exit interviews can be invaluable in determining where the stress points were and, potentially, how the organization can address them to the benefit of other employees. Back this up by incorporating measures of resilience in performance feedback from employees, respondents overwhelmingly (82 percent) recommended.

MENTORING EMPLOYEES AND LEADERS

Mentoring and coaching are also essential to resilience, both for older and younger employees. More than three-quarters (78 percent) of survey respondents agreed that creating formal mentoring programs was important or very important to promoting skill building and employee development— although only 31 percent said their organization always or often does so. FIGURE 9

"Two-way mentoring is a source of resilience for older employees, who get tips from younger employees in terms of technology," says Schuyler. "Younger employees get institutional knowledge passed down." Hilton also encourages mentoring across departments— between employees taking over comparable jobs and between veteran leaders and newly minted managers.

The passing on of institutional knowledge is especially important at Hilton, since its employees are highly tenured, not atypically serving 30, 40, and occasionally 50 years. "We think that the heritage of the company is important to share," says Schuyler. "Stories and storytelling are a big part of that 'archaeological' sharing that occurs, and they set a foundation for great service that we like to pass along."

As this suggests, mentoring and coaching shade into succession planning. The state of Georgia recently combined SRTA and its Regional Transportation Authority, for both of which Tomlinson is executive director. The merger prompted Tomlinson and his staff to identify and document "points of failure," where only one person understands critical functions. "There's way too much that's just in people's heads," he found. "So we have launched cross-training initiatives for some functions and identified others to be automated. We need to recognize that one person needs to be able to take vacation or get sick—and that you need to plan that they may move on as well."

Conclusion: Making It Stick

Building employee capacity—the "battery power" and sense of well-being needed to perform through periods of transition, not just the skills and knowledge—yields results.

Initiating programs and processes that encourage resilience is the easy part, however; sustaining them can be trickier and must be recognized as an organization-wide project if they're to succeed. While overwhelming majorities of survey respondents want leadership to model behaviors that promote resilience, support employee autonomy and risk-taking, and include employee resilience as a topic in exit interviews, for example, no more than one in four said their organization is doing so. FIGURE 9 The survey and one-on-one interviews revealed five key components of a strong, sustainable commitment to resilience.

Keep goals clear and coordinated.
As noted earlier, the CEO and C-suite can clarify the connection between the work that employees do and the organization's larger goals. But efforts to promote resilience can risk pulling employees in opposing directions if they do not proceed from a common set of goals.
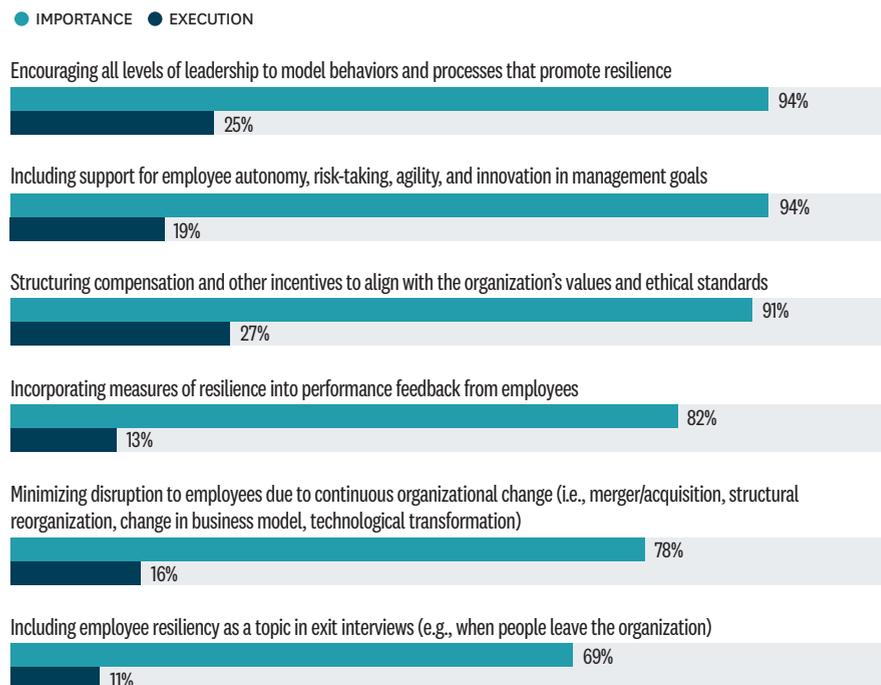
Push resilience deeper into the organization. Resilience needs to be explicitly stated as a responsibility for leaders at critical points in the structure and, ultimately, built into the role of senior officials such as the president or COO. Too often, respondents' comments

BUILDING AN ENTERPRISE-WIDE CULTURE OF RESILIENCE: LITTLE PROGRESS

As a means to create an enterprise-wide culture of resilience, how important to you personally are each of the following? [PERCENT CHOOSING SOMEWHAT OR VERY IMPORTANT]
To what extent does your organization do the following? [PERCENT CHOOSING OFTEN OR ALWAYS]

● IMPORTANCE ● EXECUTION

Encouraging all levels of leadership to model behaviors and processes that promote resilience
94%
25%

Including support for employee autonomy, risk-taking, agility, and innovation in management goals
94%
19%

Structuring compensation and other incentives to align with the organization's values and ethical standards
91%
27%

Incorporating measures of resilience into performance feedback from employees
82%
13%

Minimizing disruption to employees due to continuous organizational change (i.e., merger/acquisition, structural reorganization, change in business model, technological transformation)
78%
16%

Including employee resiliency as a topic in exit interviews (e.g., when people leave the organization)
69%
11%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, JULY 2017

suggest that organizations have not established an adequate formal internal structure for promoting resilience.

Measure and track it. Survey respondents placed high importance on including measures of resilience in performance feedback from employees; many of the interviewees noted that their organization regularly surveys employees on aspects of resilience, from work-life balance to career satisfaction to work time and workplace conditions. Many use Gallup's Employee Engagement Index to gauge how enthusiastic and emotionally connected individuals are to their work and their employer. Large organizations are studying these metrics with increasing care. GSK, for example, discusses the numbers and their implications at town halls and via internal broadcasts.

INITIATIVES THAT ENCOURAGE RESILIENCE ARE THE EASY PART; SUSTAINING THEM MUST BE RECOGNIZED AS AN ORGANIZATION-WIDE PROJECT IF THEY'RE TO SUCCEED.

Lead by example. The CEO and C-suite need to be committed to promoting resilience and willing to devote resources to it. They also need to model it. Comcast, Soehren says, spent a year and a half preparing for a merger with Time-Warner that it ultimately had to scuttle. "I think it was a Thursday when we got on a call with [CEO] Brian Roberts and he shared with us that we were pulling out," she recalls. "We went home, we had a weekend, came back in on Monday, and it was like a new start: let's get back to the important things for the business of Comcast. We were able to do that because of our senior leadership role-modeling for us. We still reflect back on that as being one of our best experiences of great teamwork: people pulling together and then being resilient when it didn't happen."

Make resilience a skill set the organization can repeat over and over.
Stress, rapid change, and the need for repeated transformations will continue to define the culture of organizations large and small. Leadership must become agile at implementing changes such that resilience is preserved—which means that the burden on employees remains manageable.

Remember, the goal is not to increase the burden on managers and executives, but to build capacity by ensuring that the organization has the processes and employees have the skills to perform well under stress, learn continuously, and keep work and life responsibilities in harmony.

The good news is that across all the roles covered by the survey—general/executive management, sales/business development/customer service, HR/training, finance/risk, and many others—respondents believe strongly that employee resilience is a fundamental goal. The challenge is to harness the levers at their command—communication channels, rewards and incentives, automation and digitalization, work-life arrangements, mentoring, and employees' own creativity and input—to build a culture of resilience that can carry the organization through a period of continuous change to continuous success.

Endnotes

1   Francesca Gino, "Are You Too Stressed to Be Productive? Or Not Stressed Enough?" *Harvard Business Review*, April 14, 2016. https://hbr.org/2016/04/are-you-too-stressed-to-be-productive-or-not-stressed-enough

2   Adam Waytz and Malia Mason, "Your Brain at Work," *Harvard Business Review*, July-August 2013. https://hbr.org/2013/07/your-brain-at-work

3   Randall Beck and Jim Harter, "Managers Account for 70 Percent of Variance in Employee Engagement," *Gallup Business Journal*, April 21, 2015. http://www.gallup.com/businessjournal/182792/managers-account-variance-employee-engagement.aspx

4   Sigal Barsade and Olivia A. O'Neill, "Manage Your Emotional Culture," *Harvard Business Review*, January-February 2016. https://hbr.org/2016/01/manage-your-emotional-culture

5   Kaomi Goetz, "How 3M Gave Everyone Days Off and Created an Innovation Dynamo," Co.Design, February 1, 2011. https://www.fastcodesign.com/1663137/how-3m-gave-everyone-days-off-and-created-an-innovation-dynamo

METHODOLOGY AND PARTICIPANT PROFILE

A total of 462 respondents drawn from the HBR audience of readers (magazine/enews-letter readers, customers, HBR.org users) completed the survey.

SIZE OF ORGANIZATION

ALL RESPONDENTS' ORGANIZATIONS HAD ANNUAL REVENUES OF $1 BILLION OR MORE AND 500 OR MORE EMPLOYEES.

70%
10,000 OR MORE
EMPLOYEES

12%
5,000-9,999
EMPLOYEES

18%
500-4,999
EMPLOYEES

SENIORITY

9%
EXECUTIVE
MANAGEMENT OR
BOARD MEMBERS

51%
SENIOR
MANAGEMENT

31%
MIDDLE
MANAGEMENT

9%
OTHER GRADES

KEY INDUSTRY SECTORS

14%
MANUFACTURING

13%
TECHNOLOGY

12%
FINANCIAL
SERVICES

11%
HEALTH CARE

8%
OTHER

JOB FUNCTION

18%
GENERAL/
EXECUTIVE
MANAGEMENT

12%
SALES/BUSINESS
DEVELOPMENT/
CUSTOMER SERVICE

10%
HR/TRAINING

7%
OTHER

REGIONS

52%
NORTH AMERICA

31%
EMEA

13%
ASIA/PACIFIC

4%
REST OF WORLD