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ANALYTIC SERVICES

Pulse Survey

# BUILDING RESILIENCE FROM DISRUPTION



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## **SPONSOR PERSPECTIVE**

Do you remember a more turbulent time for people and organizations? We don't, and as management consultants, we've often had a front row seat for disruptions of every type—disruptions affecting entire organizations and industries. Meanwhile, the volume and complexity of problems continues to increase, as does the stress on people and organizations. It's no wonder that many organizations' employee engagement scores are low and CEOs around the world are concerned about improving and maintaining the performance of their workforce.

We've noted from our experience and research that some organizations are dealing with the disruptions and continuous change better than others. Simply said, these organizations are more resilient—they are able to adapt faster and recover more quickly from anything the market can dish out.

How do they do it? We believe that 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.



**MINDY BOSTICK**  
**GLOBAL PEOPLE & CHANGE LEAD**  
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# BUILDING RESILIENCE FROM DISRUPTION

## Introduction: 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.

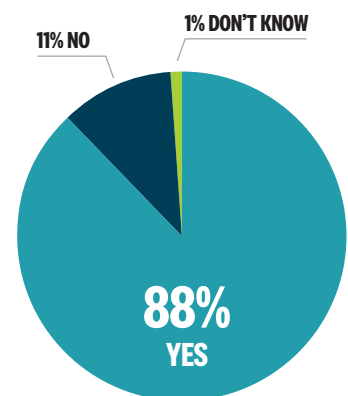
Overwhelmingly (88%), survey respondents said their employer had recently experienced or was currently experiencing a disruption of some sort. **FIGURE 1** Almost half (42%) have been affected significantly or very significantly by these events, and most (58%) say the people on their team, in their business unit, or in the overall organization have been deeply or very deeply affected as well.

Awareness of the importance of resilience does not necessarily translate into action however, the survey found. While large majorities of respondents agree that it's important to allow adequate time for continuous learning and skill-building, to adopt technology that automates routine or nonproductive work, and to create formal mentoring programs, for example, well under half said their organization is actually doing these things. Perhaps not surprisingly, then, only 12% of survey respondents said they consider their organization's efforts at promoting a culture of resilience to be successful or very successful. **FIGURE 2** Less than half (41%) said that if a challenge faced them today, they were confident or very confident in their ability

FIGURE 1

## DISRUPTION IS PERSVASIVE

Is your organization currently experiencing a disruption?

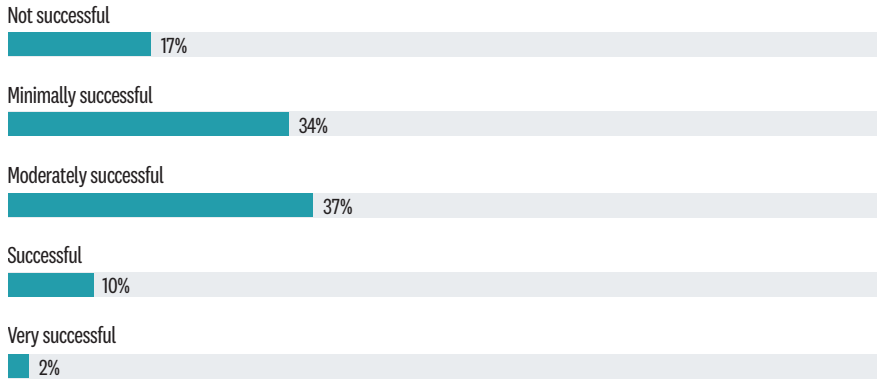


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

FIGURE 2

## LESS THAN HALF OF ORGANIZATIONS ARE SUCCESSFULLY PROMOTING A CULTURE OF RESILIENCE ...

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

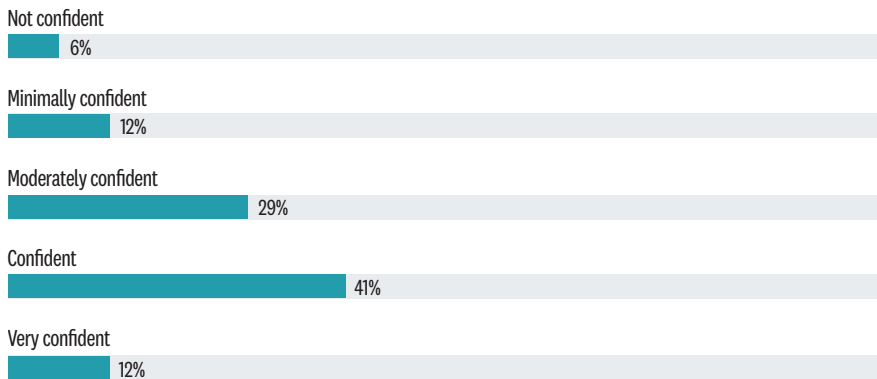


SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

FIGURE 3

## ... AND LESS THAN HALF ARE CONFIDENT THE WORKFORCE COULD ABSORB A CHALLENGE TODAY

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



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

to absorb it without suffering burnout. **FIGURE 3** More than three-quarters (78%) indicated they want their employer to minimize disruption from continuous organizational change, yet only 16% said their organization always or almost always does so.

“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, so 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%) 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 factors 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 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' roles 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?” asks Altergott. “Are we clear, and can we repeatedly assess why change needs to happen and be sustained? Understanding the why is such a huge component of adoption. We need to plan, organize, and align work in a way that it is easier to adopt. We consider whether 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 company GSK, which is in the midst of a five-year, \$330 million program to co-locate 70% of its research and development staff in R&D hubs at Stevenage in the UK and Upper Providence, Pennsylvania, 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 for places. “While an important part of the site modernization plan intends to achieve savings through increased utilization of our facilities and operation of a decreased R&D footprint, an even greater emphasis is placed on helping our people find new ways of working that incorporate modern approaches to science and greater collaboration.”

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 of 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 last 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,

### THE SIX FACTORS OF RESILIENCY:

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**“RESILIENT ORGANIZATIONS BUILD CAPACITY FASTER.”**  
**MARY ANN ALTERGOTT,**  
**PRINCIPAL,**  
**TALENT MANAGEMENT,**  
**EDWARD JONES**

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

vice president, talent management, at the 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 employees’ views are welcome, research shows, stress levels become more manageable and employees can be more authentic at work.<sup>1</sup>

A vital step in achieving a successful transition is assessing associates’ 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 and inclusion is really about creating an environment where employees can bring their authentic selves to work,” says Lisa Marcuz. One component of

Duke Energy’s leadership development program is an Accelerated Pathways initiative for high potential women and minority leaders that includes sponsorship from executives.

Hilton keeps abreast of employee needs and preferences through an annual survey, which typically logs a 92% 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

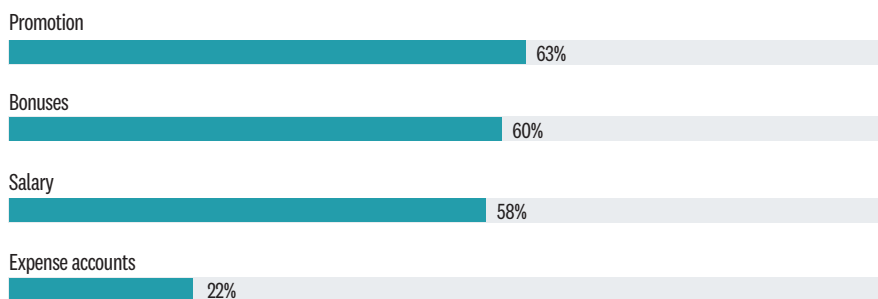
Compensation remains the most important enabler of employee retention and thus a factor in workforce resilience. Majorities of respondents endorsed using salary (58%), promotions (63%), and bonuses (60%) as means to combat burnout and the effects of disruptive change. **FIGURE 4**

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

FIGURE 4

## COMBATING 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]



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

“Engagement is **tied more to the kind of work we do than to the recognition we receive,**” says Martha Soehren, chief talent development officer at Comcast.

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 a rote task—one that typically does not require additional compensation—actually undermined their motivation to perform the task for free.<sup>2</sup>

“Engagement is tied more to the kind of work we do than to the recognition we receive,” 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.”

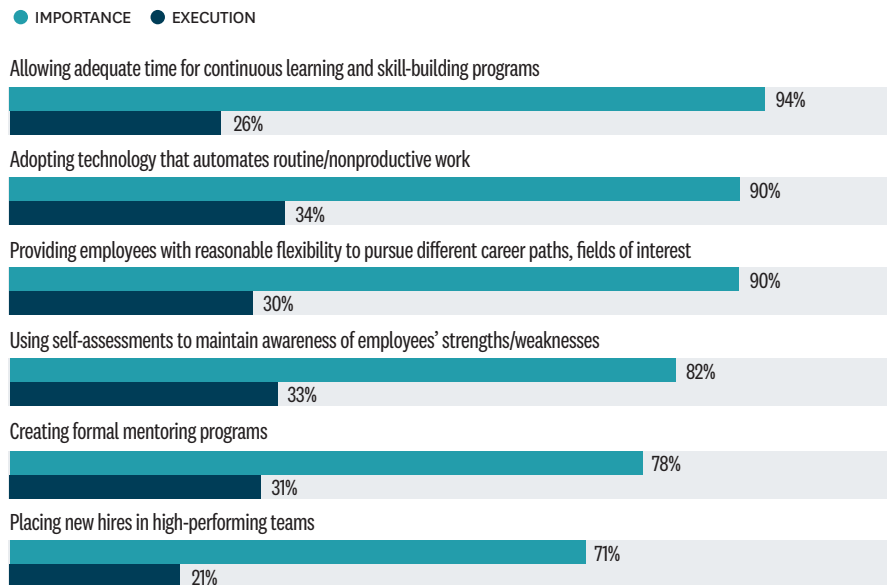
Resilient organizations think carefully about incentives and set targets based on a thorough review of market conditions—and their employees’ implicit and explicit needs. At Hilton, this begins with incorporating factors related to resilience into managerial evaluations. “A subset of questions we ask 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.”

FIGURE 5

## SKILL BUILDING AND EMPLOYEE DEVELOPMENT: IMPLEMENTATION LAGS ENTHUSIASM

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]



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

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. Although only 30% of organizations are actually doing so, 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**



“Diversity and inclusion is really about creating an environment where employees can bring their **authentic selves to work**,” says Lisa Marcuz, vice president for talent management at Duke Energy.

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 be deployed. At Georgia’s State Road and Tollway Authority (SRTA), which

has some 145 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 develop ‘career ladders,’ where we identify job families, like project managers, that actually exist in multiple business units, and identify job progression levels 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. “With five generations in the workforce, leaders are challenged to create conditions where all can feel valued and appreciated,” says Tucker. “And how do you create the conditions where you’re not portraying that you value one over the other? At GSK, we host happy hours, new-employee welcome events, and sports events to provide different ways for employees to connect and network. Organizations need to look across age groups to determine which incentives work best for whom.”

### SMASHING HIERARCHIES

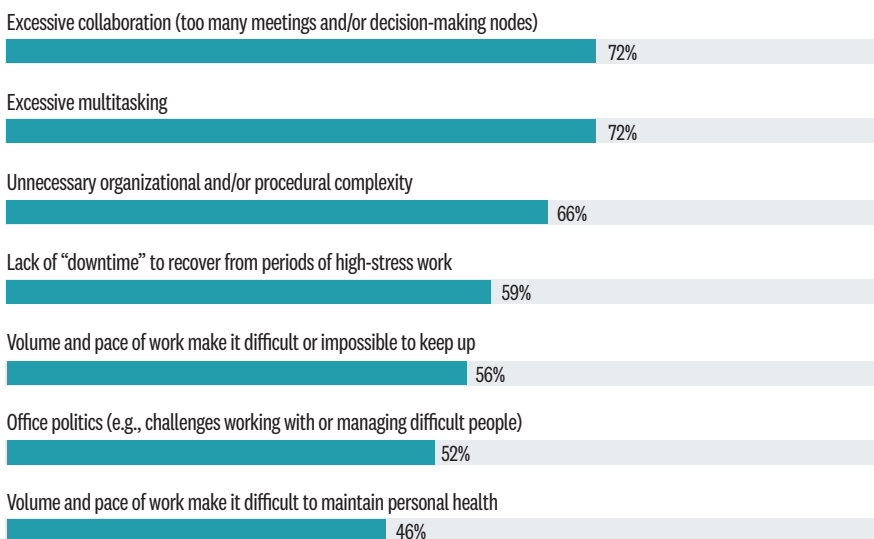
Organizational complexity decreases resilience by imposing a confusing—and stress-inducing—hierarchy on employees. Two-thirds of survey respondents (66%) complained of too-great organizational complexity.

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

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]



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017



three-quarters of respondents (72%) 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 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.

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% of variance in employee engagement was accounted for by managers and supervisors.<sup>3</sup> 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%) and to be allowing adequate time for continuous learning and skill-building programs (31%).

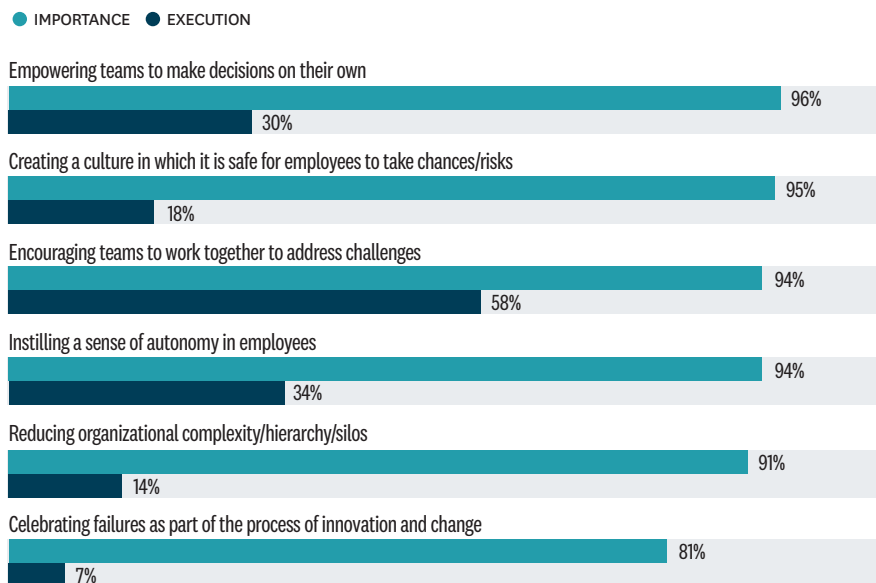
De-siloing and leveling hierarchies also diffuse decision making among a larger population, creating a wider set of organizational leaders and potential leaders. Almost all respondents (96%) said they support empowering teams to make decisions on their own. Once again, however, most organizations are failing to pick up on the message: a bare 14% are reducing siloing and other complexities, while only 30% empower teams to make their own decisions,

FIGURE 7

## 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]



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES SURVEY, JULY 2017

respondents said. **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%) 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’ 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

**94% OF RESPONDENTS SAID IT’S IMPORTANT FOR THE ORGANIZATION TO PROMOTE A SENSE OF AUTONOMY—BUT ONLY 34% OF ORGANIZATIONS ARE DOING SO.**

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“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.

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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 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 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 and new technology allowed them to conduct parallel activities, 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%), 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 with our internal information systems resources 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. Technology is, on balance, a facilitator of resilience in that it can streamline business processes, helping our branch teams focus on their clients.”

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 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% 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. Taming it requires an investment, moreover, and organizations with more resources are somewhat more likely to address the issue than are those with fewer. At Edward Jones, with its large branch system, “to ensure we have a good understanding of how engaged our branch and home office associates feel, we have a significant emphasis on listening, periodic form engagement surveys, and open communication

channels,” Altergott says. Larger organizations (10,000+ employees) and global organizations are more commonly (30% versus 24%) working to promote awareness of and mitigate presenteeism than others, the survey found. Larger organizations are also more likely than smaller ones (66% versus 59%) 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

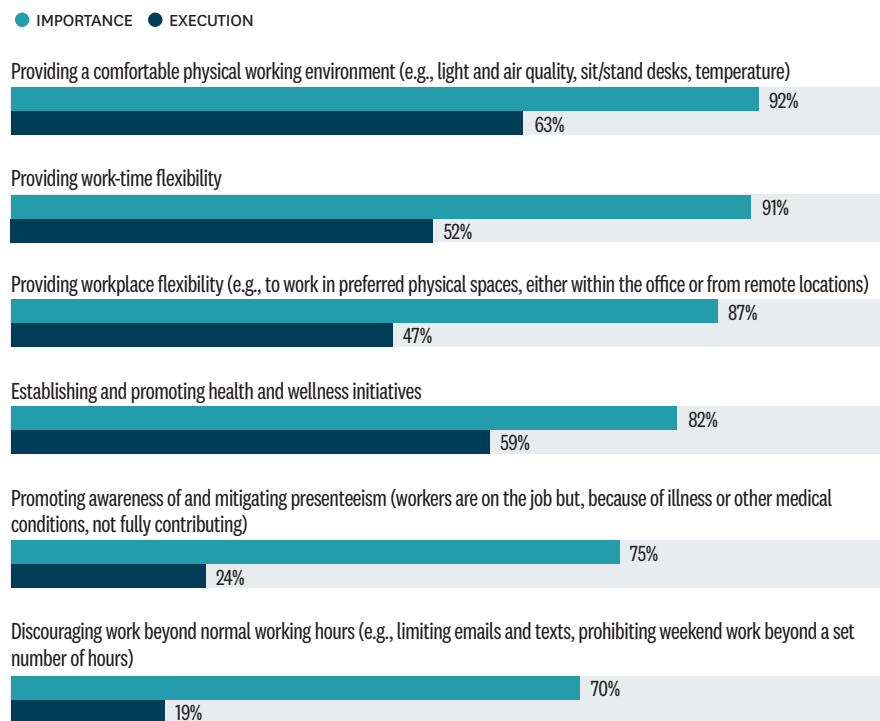
## FLEXIBLE WORK-TIME ARRANGEMENTS CAN PROMOTE RESILIENCE AS WELL AS FACILITATE RETENTION.

FIGURE 8

### PROMOTING WORK-LIFE BALANCE: ORGANIZATIONS ARE CATCHING ON

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]



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, JULY 2017

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“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.

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burnout, and greater teamwork and job satisfaction. Employees also performed their work better.<sup>4</sup>

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%) stressed the need for work-time flexibility, and majorities and near-majorities say their organization provides a comfortable physical working environment (63%), has established and promotes health and wellness initiatives (59%), and provides workspace (47%) and work-time flexibility (52%). **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%) of survey respondents complained of lack of downtime to recover from periods of high-stress work. To alleviate the 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% program” in 1948, which allowed employees to use 15% 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.<sup>5</sup>

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 themselves 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%) recommended.

#### **MENTORING EMPLOYEES AND LEADERS**

Mentoring and coaching are also essential to resilience, both for older and younger employees. More than three-quarters (78%) of survey respondents agreed that creating formal mentoring programs was important or very important to promoting skill building and employee development—although

only 31% 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, at 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. And, as noted earlier with regard to skill building, creating a risk-taking culture, and reducing hierarchies and siloing, execution all too often falls

FIGURE 9

## BUILDING AN ENTERPRISE-WIDE CULTURE OF RESILIENCE: STRONG SUPPORT, WEAK EXECUTION

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]



SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, JULY 2017

short of respondents’ expectations. 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.



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

**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 roles of senior officials such as the president or COO. Too often, respondents' comments 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.

**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 decided not to pursue. "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, while disappointed the deal ended, we moved on and refocused our efforts to drive the Comcast business. 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/ newsletter readers, customers, HBR.org users) completed the survey.

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### SIZE OF ORGANIZATION

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

<b>70%</b> 10,000 OR MORE EMPLOYEES	<b>12%</b> 5,000-9,999 EMPLOYEES	<b>18%</b> 500-4,999 EMPLOYEES
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### SENIORITY

<b>9%</b> EXECUTIVE MANAGEMENT OR BOARD MEMBERS	<b>51%</b> SENIOR MANAGEMENT	<b>31%</b> MIDDLE MANAGEMENT	<b>9%</b> OTHER GRADES
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### KEY INDUSTRY SECTORS

<b>14%</b> MANUFACTURING	<b>13%</b> TECHNOLOGY	<b>12%</b> FINANCIAL SERVICES	<b>11%</b> HEALTH CARE	OTHER SECTORS WERE EACH REPRESENTED BY 8 PERCENT OR LESS OF THE RESPONDENT BASE
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### JOB FUNCTION

<b>18%</b> GENERAL/ EXECUTIVE MANAGEMENT	<b>12%</b> SALES/BUSINESS DEVELOPMENT/ CUSTOMER SERVICE	<b>10%</b> HR/TRAINING	OTHER FUNCTIONS WERE EACH REPRESENTED BY 7 PERCENT OR LESS OF THE RESPONDENT BASE
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### REGIONS

<b>52%</b> NORTH AMERICA	<b>31%</b> EMEA	<b>13%</b> ASIA-PACIFIC	<b>4%</b> REST OF WORLD
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