

Organizational Resilience and Adversity Quotient of Singapore Companies

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Abstract. Organizational resilience has been an increasingly important concept in the face of turbulence and uncertainties. However there is still a lack of empirical research in measuring, understanding and developing organizational resilience. This paper attempts to link the concept of Adversity Quotient (AQ) with Organizational Resilience. A total of 30 responses from 13 companies in Singapore responded to the Organizational Resilience Survey. Results suggest a lack of individual ownership when dealing with adversities and in contrast, a higher ability in limiting the spread of the impact from the adversities.

Keywords: Organizational Resilience, Adversity Quotient, Singapore

1. Introduction

Resilience is a concept that has been reaching increasing prominence both within academia and industry over the recent years (Bhamra et al, 2011). However empirical support for organizational resilience remains little (Burnard, 2012). The term is used in a wide variety of fields that include ecology (Walker et al. 2002), metallurgy (Callister 2003), individual and organizational psychology (Barnett and Pratt 2000, Powley 2009), supply chain management (Sheffi 2005), strategic management (Hamel and Valikangas 2003). According to Bhamra et al. (2011), the concept of resilience is closely related with the capability and ability of an element to return to a stable state after a disruption and is related to both the individual and organizational responses to turbulence and discontinuities.

Organizational resilience is also often regarded as the ability of organizations to address and overcome disruptive events, and emerge from these periods of adversity strengthened and more resourceful (Sutcliffe and Vogus, 2003). Given the increasing uncertainties and disruptions in the global landscape, it's not difficult to understand why understanding organization resilience is growing in importance. Resilience within the organization is also seen as a positive organizational behavior which can yield significant individual and organizational benefits such as improved productivity, improved wellbeing, reduced absenteeism and turnover for example (Luthans, 2002).

An angle of looking at organizational resilience is that resilience is a result of high levels of slack resources (Schulman, 1993). The notion of having more slack resources or adequate margin to deal with adversity is easy to appreciate. The question is whether does that alone lead to resilience in organizations. A research by Gittell et al (2006) looked at how US airlines recovered after the devastating September 11, 2001 terrorist attack and determined that having both financial and relational reserves were the key to a company's recovery. In their review of organizational resilience literature, Denhardt and Denhardt (2010) identified the following characteristics of resilient organizations:

- They have “redundancy” – “...excess capacity which allows the organization to survive even if one component fails”
- They are “robust” – promote the mental and psychological health of their employees
- They are “flexible” – willing to try new approaches and depart from typical modes of operating
- They are “reliable” – they have sound infrastructures to manage and share information and resources
- They foster a culture of respect and trust

2. Organizational Resilience and Adversity Quotient

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Resilience is a common capacity possessed by individuals, groups or communities that enable them to prevent, minimize or prevail through periods of adversity (Braes and Brooks, 2010). Understanding how organizations positively adjust under conditions of adversity and emerge more resourceful (i.e. resilient) will help answer the most pressing questions facing today's organizations and organization theorists (Vogus, 2007).

An organization essentially is made up of people and in order for the organization to be resilient it needs people who can respond quickly and effectively to change while enduring minimal stress. Resilience can be observed when people are faced with crisis and the resilient organization seeks to employ better processes for dealing with uncertainty and novel situations (Mallak, 1998). Resilience is related to both the individual and organizational responses to turbulence and discontinuities. This involves both the ability to withstand systematic discontinuities as well as the capability to adapt to new risk environments (Starr et al., 2003)

Jackson et al., (2007) define adversity as "... the state of hardship or suffering associated with misfortune, trauma, distress, difficulty, or a tragic event..." and workplace adversity as "... any negative, stressful, traumatic or difficult situation or episode of hardship that is encountered in the occupational setting".

The challenge of measuring, understanding and using the concept of resilience in organization stems from the various definitions of resilience as well as a current lack of empirical research (Bhamra et al, 2011; Sutcliffe and Vogus, 2003). At the same time the evidence base for developing individual and organizational resilience is not yet well advanced (Sherlock-Storey, 2011).

Emmy Werner's (1993) research of children on Hawaii's island of Kauai uncovered four central characteristics of resilient children, those who could cope more effectively with poverty, abuse, disease, alcoholic parents, and divorce. The characteristics are:

- An active approach toward solving life's problems,
- A tendency to perceive their experiences constructively,
- An ability to gain others' positive attention, and
- An ability to use faith to maintain a positive vision of a meaningful life

These characteristics mirror the characteristics of people with high adversity quotient. In the attempt to understand measure and develop resilience, Stoltz (1997, 2000) provided theories and defined adversity quotient (AQ®) as the measure of one's resilience and ability to persevere in the face of constant change, stress and difficulty or AQ is simply a measure of how you respond to adversity. While AQ begins with oneself, Stoltz (2000) advised that these skills could be applied to others, and to organizations.

3. C.O.R.E. Dimensions of Adversity Quotient

Adversity quotient encompasses four dimensions, which measures the AQ of an individual. They are Control, Ownership, Reach, and Endurance embodied in the acronym C.O.R.E.

C stands for perceived control over adversity. Being able to predict and control events fosters adaptive preparedness. On the other hand the inability to exert influence over adversity breeds apprehension, apathy, and occasionally despair (Bandura, 1986). Specific perceived control over adversity is a major source of action because people who believe they can attain certain outcomes have the incentive to act (Bandura, 1997).

O stands for the perceived ownership of the outcome of adversity. Some individuals experience strong emotions and discontent when they fail to achieve certain outcomes (Medvec, Madey, and Gilovich, 1995). Very often the discontentment drives the individual towards taking accountability of their actions and therefore the outcomes. They take steps to circumvent unpleasant events or center their attention on the outcomes of adversity regardless of its origin (Stoltz, 1997)

R stands for reach, which look at the perceived scope of the adversity, i.e. how far the adversity gets into the areas of one's life. The greater the perception of the scope of adversity, the more handicapped such persons will feel. They tend to adopt pessimistic outlooks, experience agitation, sleeplessness, bitterness, and helplessness; make poor decisions; and become socially and professionally isolated (Stoltz, 1997). The

ability to manage the “reach” of adversity, the ability to quarantine adversity benefits all individuals regardless of occupations (Lyubomirsky et. al., 1998)

E stands for endurance, which is linked to the perceived duration of the adversity. Attribution theory of Peterson et. al. (1993) indicated that there is a big difference between people who attribute adversity to something temporary versus something more permanent or enduring. Applying this theory, people who see their ability as the cause of failure (stable cause) are less likely to continue than people who attribute failure to their effort (a temporary cause). An element of endurance is also the sense of hope that “this too shall pass”. Hope is a confidence grounded in a realistic appraisal of the challenges in one’s environment and one’s capabilities for navigating around them (Groopman, 2004)

4. Measuring Organization Resilience According To C.O.R.E.

A simple Organizational Resilience Survey containing twelve statements was developed according to the C.O.R.E. model. There are three statements that measure each of the Control, Ownership, Reach and Endurance dimensions. The statements and the respective dimensions are listed below:

Control	1. Focus on what they can do to deal with the adversities instead of focusing and complaining about the issues beyond their control.
	2. Maintain a can-do attitude even when the challenges are overwhelming.
	3. Seek support from others when handling problems or challenges that are beyond their control.
Ownership	4. Take responsibility for any mistakes they made.
	5. Take ownership in resolving problems even if they did not cause them.
	6. Clearly and objectively evaluate who or what have caused the problems.
Reach	7. Still be able to give their full attention and energy on other areas not affected by the adversities.
	8. Not allow the adversity at work to negatively affect their personal lives.
	9. Not neglect other essential roles or responsibilities during the period of adversity.
Endurance	10. Continually motivate and rally others not to give up.
	11. Exhibit tenacity and perseverance even when the situation is bleak.
	12. Remain hopeful that the adversities will pass eventually.

The survey was given out during a seminar that consists of HR, Training and Operations Managers who formed part of the senior management team in their own companies. There are 30 useable responses collected from a total of 13 companies. 3 of these companies are Multi-National Companies (MNCs) and 10 other companies are Small and Medium Enterprises (SMEs). The respondents were asked to each statement according to the likert 5-point scale of Strongly Disagree; Disagree; Neutral; Agree; and Strongly Agree. They were asked to recall how their companies responded in times of adversities when rating each statement.

5. Results from the Organizational Resilience Survey

The results showed that the lowest scoring C.O.R.E. dimension is O – Ownership. The lowest scoring statement is the statement – “Take ownership in resolving problems even if they did not cause them.” 30.0% of the respondents disagree or strongly disagree with this statement and only 36.7% of the respondents agree or strongly agree with the statement. These suggest that when facing adversities, people in these organizations exhibit a tendency of “passing the buck” and lack the sense of ownership and responsibility to resolve problems regardless of who or what have caused them in the first place.

The highest scoring category is R – Reach. It suggests that most organizations have stronger ability to prevent adversity in one area from spreading to another. They are better in compartmentalizing problems, disallowing the problems to paralyze other areas of operations. The highest scoring statement is under the Control dimension – “ Seek support from others when handling problems or challenges that are beyond their control.” 6.7% of the respondents disagree or strongly disagree with this statement and 80.0% of the respondents agree or strongly agree with the statement. It suggests that people within the organization are able to recognize adversities that are beyond their control and readily seek help and support from others who may have the expertise to address the challenges.

6. Conclusion

There are two important limitations to the research on organizational resilience using the concept of adversity quotient. Firstly, while the 12 statements in the Organizational Resilience Survey were developed to reflect the C.O.R.E. dimensions, its validity and reliability have not been verified. Secondly, not all the 30 respondents from the 13 companies have in-depth understanding and knowledge of their companies to the same extent. Some may be responding to the statements based on how their department or themselves would respond to adversities. Further research could be done to ascertain the validity and reliability of the Organizational Resilience Survey in measuring resilience. With a bigger pool of respondents, more analysis could also be done to understand how SMEs and MNCs or different industries would respond to adversities differently. A qualitative study through focus group discussions will also reveal more insights on how the organizations deal with adversities. Luthans et al. (2006) researched on the importance of building “psychological capital” of resilience to deal with the increasing turbulence and numerous changes that organizations have to go through. So lastly, more research can be done on how organizations develop resilience and the impact and benefits of higher resilience to the organizations.

7. References

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