

# Building Resiliency in Leaders and Organizations

Barbara Yoli Davis

## Principal of Change Results Consulting

The team leader of a controversial customer relationship management system dies suddenly at the office of a massive heart attack. Despite this unexpected tragedy, the CRM team launches the system as planned, conducting a nationwide webcast the next morning. A non-profit organization dedicated to helping children and families survive a loss of a parent commits to a new mission at the same time as the organization recovers from the first lay-off in its history. Arrow Electronics, now one of the world's largest distributors of electronic components, rises from a small, U.S. based distributor to a global industry leader despite the loss of almost every senior executive at a conference center fire in Harriman, New York in 1980.

In each of these examples, the team or the organization demonstrated incredible resiliency despite being surprised by setbacks that might have deterred most of us. We know resiliency when we see it – but why does it make such a difference and can it be built and developed in organizations and individuals? In the uncertain times in which we lead, the capacity to not only survive but thrive when faced with the unexpected is rapidly emerging as an organization success maker or breaker.

Resiliency has long been studied in psychological circles to help individuals recover from traumatic events or to work through the grieving process. Yet, resiliency remains largely unstudied in organizations and the potential is great to help leaders and organizations do more to build resiliency into the fabric of their organizations.

### What is Resiliency?

Resiliency is a complex competency. Diane Coutu, in her HBR article entitled *How Resilience Works*, defines resiliency as the “capacity to be robust under conditions of enormous stress and change.” At Change Results Consulting, we have defined resiliency as the ability to bounce back from setbacks and to face reality and act with flexibility and innovation. Our research has also found that resilient leaders find deeper meaning and purpose in their work. They encourage and expect resilient behaviors from themselves and their direct reports. Surprisingly, there are also behaviors that leaders use that discourage resiliency in themselves and in others. In many cases, leaders are inadvertently discouraging resiliency by rescuing or over-reassuring their direct reports, creating a cycle of victim-behaviors and dependency.

### Can Resiliency Be Developed?

If one accepts the argument that resiliency is a critical and core competency in the climate we face today, the question becomes can resiliency be taught or developed? Some might argue that it is “hard wired” and individuals and teams are essentially stuck with the resiliency they have. Our research does not support this view. Resiliency can be developed but it is a complex competency. Helping leaders and teams develop it requires a definition and a framework that helps learners identify the key behaviors that will build their personal resiliency.

## Resiliency - Encouragers and Discouragers

More than ten years ago, Randy White and Philip Hodgson faced a similar challenge as they studied the ability to deal with ambiguity and the essential role this competency plays in executive leadership. Like resiliency, ambiguity is a complex competency and difficult to develop. Essentially, it is hard for someone who struggles with ambiguity to improve when ambiguity is by its very nature ambiguous. To address this, White and Hodgson developed the Ambiguity Architect® which identifies the behaviors that drive the ability to deal with ambiguity and organizes them into key clusters. This makes it possible for individuals to examine patterns and themes and narrow their development focus to two or three key behaviors that would increase their success in navigating ambiguous situations. The Resiliency Results™ toolkit uses a similar strategy but with a twist. Our research found that resiliency could be better defined in terms of what leaders do to **encourage** resiliency in themselves and others and what they do that **discourages** resiliency. We searched for the behaviors in each category and organized them into key clusters.

### The Encouragers

We found six distinct clusters of encouragers of resiliency - clusters of behaviors that leaders can use to encourage their own personal resiliency and to encourage it in their teams. The six clusters are:

- Bounces Back from Setbacks
- Faces Reality and Acts
- Responds Flexibly
- Experiments and Innovates
- Finds Meaning in the Work
- Expects and Encourages Resiliency

In each of these clusters, there are skilled and unskilled behaviors as well as potential remedies for development. Understanding skills or lack of skills in each of the clusters can help leaders find their patterns for development and create focused action plans.

### Encourager Skills

**Bounces Back from Setbacks:** These behaviors are the heart of resiliency; people who are resilient bounce back from setbacks and move forward. People who are less resilient often stay in the setback and can't move forward. Sadly, most of us know people who are stuck because of a traumatic event or business setback and spend their lives reflecting on what was rather than what could be.

The behaviors in this cluster include the ability to become stronger in the face of adversity and to increase the confidence of others that the team will prevail. Interestingly, resilient leaders and individuals also tend to have a strong sense of humor. They use their humor to help themselves and others cope with adversity. While some people view setbacks with pessimism, resilient leaders see setbacks as opportunities.

In the book entitled *Managing the Unexpected* by Karl Weick and Kathleen Sutcliffe, the authors used a case-study approach to examine the importance of planning for setbacks and expecting direct reports to

create contingency plans. Learning from past mistakes or traumatic experiences plays a significant role in the ability to bounce back in the future.

Finally, people with perseverance and hardiness survive and thrive during challenging times or when bad things happen. In a research study conducted at one of our client companies, we found that almost every high-performing senior executive had experienced some kind of traumatic event early in their lives. This common formative experience had produced an unusually resilient executive team that leads very effectively across the ups and downs of a highly cyclical industry.

**Faces Reality and Acts:** In his seminal book, *From Good to Great*, Jim Collins identified one of the hallmarks of great leadership teams as the ability to face the brutal realities of their situation. He describes something he calls the Stockdale Paradox which is the ability to believe that you will prevail without the over-use of optimism. Resilient leaders face adversity head on and adapt and work through the obstacles or the setbacks they face. They help others face the hard facts and encourage them to respond with the right balance of pragmatism and optimism. They confront issues as they are and act; they are rarely paralyzed by ambiguity or fear.

Most importantly, resilient leaders do not have a “victim” mentality. They spend little time mourning the way things should be, and they don’t allow their teams to spend time complaining about the way things are. Instead they focus on what they can control as opposed to what they cannot. They also do not allow their teams to waste time focusing on that which is outside of their control. This cluster of skills is particularly powerful to develop in teams who have “victim” mentalities or feel powerless.

**Responds Flexibly:** It should be no surprise that there is a direct correlation between resiliency and the ability to deal with ambiguity and respond with flexibility. The fact is that being nimble and flexible as opposed to being rigid when faced with challenges increases resiliency. Flexibility means the ability to think on one’s feet and use good judgment to decide what to do when faced with new challenges. Flexible leaders also keep perspective and focus when times are tough. They can make decisions despite ambiguity. Most important of all, resilient leaders have thick skins. Instead of debating tough feedback or becoming paralyzed by it, they use criticism as a tool to help them adapt and develop.

Resilient leaders also expect and encourage their teams to get things done through communication and trust, not through a rule book. Leaders with less resiliency try to manage the team by creating more structure and rules, especially when faced with adversity or conflict. In *Managing the Unexpected*, Weick and Sutcliffe describe the role more rigid and rule-based behaviors by leaders played in a fire fighting team’s inability to prevent the spread of one of the most disastrous wildfires in California history.

**Experiments and Innovates:** Resilient leaders create new approaches that convert disruptive change into innovation. They maneuver during tough times by trying new strategies and by developing creative ways to not let obstacles stand in their way. They take reasonable risks when reacting to adversity to keep themselves and their organizations moving forward. Being willing and open to the innovative suggestions of others makes it possible for them to find a third way to solve problems or overcome challenges. Finally, they take a leadership role in helping the team develop creative contingency plans on the spot when plans change and new obstacles present themselves.

**Finds Meaning in the Work:** Psychologists have long recognized the importance of helping others find meaning in their lives during times of grief or recovery from trauma. Grief counselors often encourage people who have suffered significant losses to find meaning in their lives through their work, families or their church. The most frequently cited book for understanding the grieving process, *On Grief and Grieving* by Elisabeth Kübler-Ross and David Kessler has a subtitle that begins with two words “Finding Meaning.” Dr. Kübler-Ross found a great deal of meaning herself in helping others cope with losses and co-authored this book while she was dying of colon cancer.

Resilient leaders and organizations are particularly strong at finding meaning and purpose in the work that they do. Their jobs are not just jobs but a purpose in their lives. Leaders who encourage resiliency on their teams know how to rally the team around a common set of goals, giving meaning and direction to the work. When times are tough, they become stronger and even more committed to their core purpose. By constantly seeing and communicating the bigger picture and the goals, they help others to see past the pain of today and visualize the gain of tomorrow.

**Expects and Encourages Resiliency:** As the next generation of employees enter the workforce, this cluster of skills will be essential to effective leadership. Whatever label you give this generation, it is the most praised generation to enter the workforce. Nicknamed the “trophy kids”, this upcoming generation is used to every child receiving recognition and much gentler forms of parental and educational criticism than prior generations. Beyond the challenges of leading this next generation, many leaders also struggle with how to hold others accountable and how to require them to take responsibility for their own behaviors and mistakes. Effective leaders build the resiliency of their direct reports by providing tough and exacting feedback that helps them develop higher standards and thicker skins. Finally, leaders who encourage resiliency also evaluate situations considering a broader perspective and expect their direct reports to do the same.

### **Remedies for Encourager Skill Gaps**

For each skill in each of the six clusters, there is an unskilled definition and a recommended “remedy” that leaders or teams can use to increase their resiliency. Remedies most often include recommending a specific type of project or work assignment because 70 percent of development is the result of experience (M.McCall, *Lessons of Experience*). For example, a remedy might include taking on a tough assignment or working directly for a senior manager who gives tough and exacting feedback. Remedies also mention the coaching or mentoring individuals can seek or books to read that will help them build the skill.

In the remedies, two core competencies emerge frequently as building blocks for resiliency. The first is the ability to navigate ambiguous situations and manage change. This should be no surprise since resiliency inherently involves the ability to bounce back and act when faced with the unexpected. The other core competency is the ability to manage conflict. Leaders with strong conflict management skills tend to address conflicts head on and are more likely to encourage resiliency in others.

### **Discouragers - Why would anyone discourage resiliency?**

Kepner and Tregoe in their groundbreaking work on problem solving and decision making developed a strategy for assessing a problem both in terms of “Is” versus “Is Not.” We have applied a similar approach to help others simplify the complexity of understanding resiliency. Discouragers are the “Is

Not” of resiliency. Leaders and teams don’t deliberately mean to discourage resiliency, but some habitual behaviors are barriers to resiliency. The four clusters of discouragers are:

- Rescuing
- Reassuring
- Reacting
- Rigidity

**Rescuing:** In our research and our work with leaders as executive coaches, we have found that many leaders are what might be called “enablers.” Rather than expecting their direct reports to own their work, they often *rescue* their employees by doing the work themselves. Often this is done to avoid the conflict of having to give direct feedback to their employees. The other form of rescuing that occurs is when a manager or an individual becomes so protective of a direct report or teammate that they defend that person despite clear evidence of a performance issue. Both of these rescuing behaviors discourage resiliency in direct reports and on teams.

**Reassuring:** In his book *From Good to Great*, Jim Collins relates the story of Vice Admiral James Stockdale’s experience as a prisoner of war and the principles that helped him survive that experience. One of Stockdale’s strong messages was that the prisoners who survived believed that they would prevail despite the brutal realities of their situations. However, they weren’t optimists in the sense that they had too high of an expectation of when they would be released. In fact, as Stockdale tells the story to Collins, the optimists died of disappointment.

While optimism does help leaders become more resilient, the over-use of optimism not only discourages resiliency in an individual but for the team as well. Leaders who are too optimistic may paint an overly positive picture of the gain of the change or describe a happy ending to the adversity that may disappoint the team. This behavior also distracts the leader and others from facing the tough realities of their current situation.

Another reassuring behavior that leaders and teams need to watch for is the tendency to over-empathize with others when they are unhappy or complaining. This over-empathy is often combined with avoidance of discussing the harsh realities or of giving tough feedback. Reality will come eventually and the person or the team will be less ready and less resilient if they have a false sense of reassurance.

**Reacting:** When leaders or teams lose their composure in a crisis, they immediately become less resilient. The emotional reaction takes over, creating a barrier for bouncing back. Reacting in the moment without thinking due to the pressure of time and crisis will also discourage resiliency, especially if the leader is the person modeling this behavior. The experimentation and innovation required to maneuver effectively around obstacles or recover from a setback is negatively affected when people become reactive in the moment.

**Rigidity:** The obvious opposite of responding flexibly to adversity is responding with rigidity. Rigidity is the discourager cluster that has the most negative impact on resiliency. People who are rigid find it hard to maneuver when their old way of doing things won’t work in the current reality. Leaders and teams who insist on using processes or policies or need structure when times are tough will struggle to perform well under new and difficult circumstances. In a 1983 study, Morgan McCall and Michael Lombardo found that being blocked to new learnings was a derailment factor in executives. Rigidity is

the companion of blocked learning. Leaders or teams who cannot acquire new skills to adapt to changing circumstances are not capable of resilient responses. Instead, they will attempt to replicate the same responses that they have used in the past, causing setbacks to stall or stop them.

### **Remedies for Discouragers**

If a team or a leader identifies that they exhibit one or two of the behaviors in a Discourager cluster, the remedy often identifies or recommends an encouraging behavior to develop. This is in addition to recommended assignments, coaching, seminars or books that might eliminate or reduce the impact of the discouraging behaviors. Once leaders or teams have clearly identified the remedies that will help them encourage resiliency and stop discouraging it, the other question they may need to wrestle with is are they overusing resiliency?

### **Can Resiliency Be Overused?**

Half way through our initial research a senior human resources leader attending a global biotechnology conference asked the question: Can resiliency be overused? Like any leadership strength, overuse can create its own problems. So, we began our research into cases of where resiliency had been potentially overused. The simple answer is yes there are cases where leaders have persisted pursuing something despite insurmountable odds. Sometimes this has resulted in an almost Don Quixote style of windmill chasing that frustrated both the leader and the team. People who overuse resiliency also can tire others with their forcefulness and optimism. A particular downside of overuse of this competency is being overly optimistic and unrealistic about what is possible and underestimating the amount of work required. This has caused some leaders to keep pushing the envelope of the amount of work that can be done in a short timeframe. Sooner or later, the laws of physics do apply, and some leaders or teams have found themselves failing visibly because they finally reached beyond what was possible to get done.

Leaders very high on resiliency can also be too self-reliant, a noted derailer in the leadership research as to why highly successful managers fail. They are less likely to ask for help and may make things harder for themselves or their teams as a result. Interestingly, in overuse mode, someone who is highly resilient can lose empathy for others who are less resilient. Because they personally are so adept at adapting in situations that require resiliency, they can be less patient with others. The right balance is to empathize and help others work through feelings of frustration and powerlessness without enabling them to use the situation as an excuse for non-performance.

## **When should leaders and organizations work on building resiliency?**

Individual and organizational resiliency are predictors of surviving and thriving during times of disruptive change and uncertainty. One leading biotechnology firm decided to develop resiliency in their leaders as they approached Phase 3 clinical trials on two drugs in their pipeline. Knowing that approximately 50 percent of all drugs fail to gain FDA approval in Phase 3, the company leadership wondered how the organization would bounce back if one or even both of those drugs failed to gain approval. By building a resiliency development program the company was better prepared to navigate and maneuver around the obstacles and sudden changes that can occur in this phase of drug development. Mergers and acquisitions and the subsequent integrations are another time where a company may need to focus on building resiliency.

We also know that teams that have developed a “victim” mentality can become more productive when they increase their resiliency. Working on resiliency helps them to move past a focus on what they cannot control and move forward to a focus on what they can. Sales teams in particular benefit from improving their resiliency because resiliency is essential to bouncing back from customer objections and rejection. Leadership teams struggling with leading the next generation of workers or with increasing the responsibility and accountability on their teams may need to examine what they are doing to encourage or discourage resiliency.

Finally, it is important to note that it is easier to hire for resiliency than it is to develop it. In one case, a company faced challenges with the high rate of failure of external hires during a series of major geographic expansions. They decided to develop the skill of interviewing for resiliency and are also using certain assessment tools as additional sources of data about resiliency strengths and development needs.

## **Resiliency Can Be Built Into the Fabric of Your Organization**

With the right structured interview approach combined with assessment data, you can screen for resiliency when you hire. Encouraging resiliency in others raises performance standards and personal responsibility. Developing resiliency in your leaders and key teams by helping them to identify their development needs and to find specific remedies for improvement strengthens the resiliency of the organization. To build it into the fabric of the organization, companies institutionalize it by including resiliency as an expectation for leaders. Several companies now have resiliency as part of their core competency model, and some even include it as part of the annual performance review and development process. As resiliency builds in the organization, so does the company’s readiness to compete and succeed in turbulent times today and tomorrow.

## **Resiliency - A Personal Note from the Author**

People often ask me how I became so interested in understanding resiliency and its business implications. Like many people who develop resiliency, my journey was a personal one. After spending almost a year planning a special month-long vacation with my first husband Ron Yoli, he died on the very first day of a rare form of cardiac arrest. Six weeks earlier, he had been given a clean bill of cardio health by both his primary care physician and a cardiologist. Having spent more than half my life with Ron, I wondered how I could ever bounce back. Grief counseling reconnected me with my core purpose in life which is educating and developing others. Simultaneously, the company described in this article approached me about developing their leaders to be prepared in case they encountered obstacles or delays in the FDA approval process. I realized immediately that they were talking about resiliency and our research began. We were amazed at how critical resiliency was to long-term organization success and how rare it was for companies to talk about it, let alone develop it. We learned from clients such as Human Genome Sciences, Florida Hospital, Premier Farnell, and Regeneron Pharmaceuticals about the power of putting resiliency into the language the organization uses. The future is unpredictable but our ability to prepare and strengthen ourselves for it can be predicted if we focus on building our own personal resiliency.