

Building a Resilient Organizational Culture



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Introduction

A 2012 Towers Watson study found that in most organizations, only 35 percent of employees said they were engaged. In other words, 65 percent of employees have mentally checked out, causing productivity, innovation, and creativity to plummet. The study also found that 38 percent of employees felt stress and anxiety about the future, and that less than half of the employees surveyed agreed that senior leaders had a sincere interest in their well-being.

While this is never good news for employers, the timing could not be more critical as organizations across the globe continue to struggle to survive. An uncertain economic outlook, the rapid pace of change, and the need to continually adapt has made resilience—the ability to bounce back in the face of a setback—the new priority in leadership development. The good news is that resilience can be taught.

This white paper:

- Explores why resilience is more important than ever for organizations to cultivate.
- Explains the difference between wellness programs and building a resilience culture.
- Discusses why resilience should be cultivated, not just at the senior leadership level, but at all levels in an organization.
- Offers steps HR and talent managers can take to develop resilient organizational cultures.
- Provides examples of organizations that have engaged in a resilience initiative and the benefits they realized as a result.

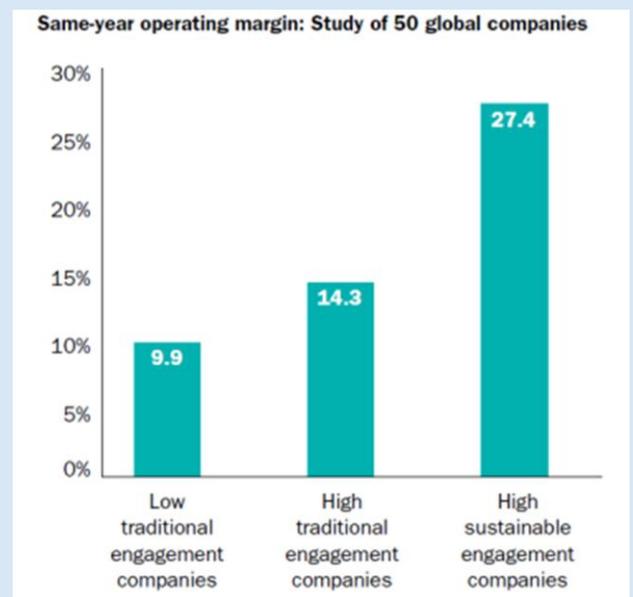
Resilience is Crucial

Thought leaders are increasingly calling today’s turbulent business world a “VUCA” environment—one that is volatile, uncertain, complex, and ambiguous. To succeed in this environment, organizations must be more adaptive and agile than ever before—they must be resilient. Organizations that lack resilience, that ability to bounce back after setbacks, are often stressful places to work, a situation in which far too many employers and employees are well versed.

Stress lowers employee performance, productivity, morale, and strains workplace relationships. People experiencing excessive stress have difficulty managing emotions, focusing attention, making decisions, and thinking clearly (Spangler, Koesten, Fox and Radel, 2012). Stress is also associated with heart disease, cancer, pain, and depression (Spangler et al, 2012). Stressed employees feel overwhelmed, tired, and disengaged.

Resilient employees, on the other hand, experience increased productivity, lower turnover, and have lower health care costs (Lee, 2008). A growing body of research shows that organizations that foster positive attitudes have employees who are more optimistic and creative (Kolski-Andreaco, 2012). Resilient employees are engaged, have improved communication, and are better team players.

How Engagement Affects Financial Results



Source: Towers Watson Normative Database, 2012.

Resilience Requires a Culture Change

To create a culture that fosters resilience, HR and talent management professionals must do more than offer stress management and yoga classes, although these can and do have a beneficial role. It requires the development of an organizational culture that encourages trust, accountability, and flexibility.

Resilient organizational cultures give all employees—from the CEO down—permission to take care of their physical, mental, emotional, and spiritual needs with the understanding that when these needs are tended to, resilience occurs, and the entire organization benefits through increased productivity, job performance, retention, engagement, and physical well-being.

The Towers Watson study recommends that employers strive for “sustainable engagement” by creating policies and practices that make it possible for employees to better manage their stress, to live more balanced lives, and to have more autonomy over when and where they get their work done.

Tony Schwartz, CEO of The Energy Project, agrees with the Towers Watson recommendations. “The key factor is a work environment that more fully energizes employees by promoting their physical, emotional,

About The Energy Project

The Energy Project aims to energize people and transform companies by offering a detailed blueprint for fueling a fully engaged workforce. Drawing on the multidisciplinary science of high performance, The Energy Project has developed a set of simple principles and highly actionable practices for more effectively managing energy to drive higher levels of engagement, productivity, and innovation in people, leaders, and organizations.

HR and talent management professionals can find out if they are currently managing their four sources of energy: physical, emotional, mental, and spiritual by taking The Energy Project’s 20-question assessment, [The Energy Audit](#). Results will be emailed immediately and will include behaviors that should be addressed to improve performance, effectiveness, and satisfaction, on the job and off. The audit link and results can be shared with team members for comparison and team-building purposes.

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and social well-being. I'd add to that mental and spiritual well-being—or more specifically, the added energy derived from the capacity for absorbed focus and a strong sense of purpose.”

Creating policies and practices that support employees' ability to manage their energy across all four dimensions makes it possible for employees to better manage their stress, to live more balanced lives, and to have more autonomy over when and where they get their work done.

“For organizations, the challenge is to shift from their traditional focus on getting more out of people, to investing in meeting people's core needs so they're freed, fueled, and inspired to bring more of themselves to work, more sustainably,” says Schwartz.

According to Spangler et al, research has found that some people are more resilient than others. These people can bounce back from setbacks faster than others, are more adaptive, and demonstrate a secure emotional attachment to others. They have a good sense of humor, are more action-oriented, have a sense of personal competence, take time for personal replenishment, and can express needs and engage the support of others.

Perhaps most importantly, the authors conclude, research finds that individual resilience is modifiable; it can be learned, giving HR and talent management professionals an opportunity to teach resilience at the individual and organizational levels.

Steps HR Professionals Can Take to Introduce Resilience into Their Organizations' Cultures

1. Obtain senior leadership support.

Resilient cultures begin with leaders who understand and support building resilience at the individual and organizational level. To obtain senior leader buy-in, HR and talent management professionals can share research such as the [Towers Watson Global Workforce Study](#) and this white paper with top management. They can explain how resilient employees are happier, more productive, and more agile than their less resilient counterparts. Senior leadership support for an organization-wide resilience initiative may be easier to obtain if it is exposed to leadership development

opportunities (such as stress management classes) that specifically target resilience-building. Developing resilient leaders will help them better grasp and support the benefits of building resilience at all organizational levels.

2. Build safe and secure work communities.

The workplace is often strained, stressful, and overwhelming. Employees have been taught to check their feelings at the door to focus on their work—to “compartmentalize” their personal and professional selves. As human beings, that is simply an impossibility; employees cannot leave their emotions and personalities at home. By building work communities that are safe and secure, yet also encouraging and stimulating, HR and talent management professionals can also create teams that are more productive, satisfied, and high-performing.

It is important to establish safe and secure communities and acknowledge, according to Schwartz, that the “struggle to feel valued is one of the most insidious and least acknowledged issues in organizations.” HR and talent management professionals can challenge the mentality that employees should check their feelings at the door and begin that vital shift of building a resilient organizational culture.

Company Spotlight: PricewaterhouseCoopers



PricewaterhouseCoopers, a leader in the accounting industry, offers newly promoted senior associates a week-long leadership development program known as the PricewaterhouseCoopers Discover program. The program immerses participants in The Energy Project’s **peoplefuel** program. The **peoplefuel** curriculum teaches employees how to more efficiently manage their four sources of energy; physical, emotional, mental, and spiritual. As participants progress through four modules divided by energy source, they learn to recognize the costs of the behaviors that deplete their energy, reduce their emotional resilience, inhibit their focus, and weaken their motivation.

This program has helped the company engage their rising stars in ways that promote sustainable growth in the organization, while also investing in employees who will, in turn, invest in the organization.

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One simple way to create that shift is to implement community meetings (Schwartz, 2013). Each time a community meets—whether it is a team, a smaller working group or an entire division— the community leader should open with a few simple questions:

- How are you feeling?
- What was the most important thing you learned last week?
- What are your goals for this week?
- What are you most grateful for?

Community leaders should not accept “fine” or “good” for an answer to the first question. Instead, they should encourage community members to answer on a scale of one to 10 emotionally and physically, one being completely exhausted or drained and 10 being completely energized and fueled. The idea is to encourage employees to be honest and open about how they are feeling physically and emotionally—to get it on the table so it can be subsequently cleared.

The next questions, “What was the most important thing you learned last week,” and “What are your goals for this week,” help employees focus and clear their minds. “What are you most grateful for” helps set a positive mood among individuals and eventually the entire group. If community leaders are afraid that asking all of these questions will take up too much time, they should be encouraged to stick with asking employees how they are feeling and what they are most grateful for.

Asking these questions during community meetings not only gives employees strength and focus, but builds team cohesiveness by delaying the need for immediate gratification in favor of choices that uphold shared values, serve the collective good, and generate long-term value.

3. Encourage all employees—from the CEO down—to embrace these tips to increase energy and productivity.

- Encourage employees to do the most important activity first thing in the morning for a designated time of no longer than 90 minutes and then take a break. Silence all digital devices. Employees who can do this will find that they will get more accomplished in that time than most people do in an entire day.
- Encourage employees to keep a running list of everything that is on their minds so they can get it off their minds. Working memories have a limited capacity, so the more things on one’s mind, the less likely that they will be remembered. Encourage employees to download everything—the “to do’s,” ideas, everyone who needs to be called or emailed, issues that need to be addressed. By writing

Company Spotlight: Genentech



Genentech has a rich history of medical breakthroughs and cutting-edge science. As the world's first biotechnology company, today Genentech develops and manufactures medicines to treat patients with serious or life-threatening medical conditions. Despite numerous products on the market, a great brand and reputation, and strong HR practices, Genentech found itself in a challenging environment after a merger with the biotechnology company, Roche.

In March 2011, Dave Dickey, director of leadership development, asked The Energy Project to run a program for his staff to address his team's high levels of burnout and emotional fatigue surrounding the merger. He recognized that it was not just an HR issue, but reflected the growing need for a solution to address people's capacity and an alternative way of working. In addition to stress and burnout, the company was dealing with unclear priorities, competing agendas, cost-cutting measures, and low levels of employee engagement typical after a merger or acquisition.

By the end of 2012, more than 1,000 Genentech employees had participated in The Energy Project program, and seven more courses are scheduled for 2013. Employees at all levels of the company report that they are taking more time for renewal and being more proactive about the choices they make.

Genentech leaders are also implementing policies suggested by The Energy Project designed to better fuel their people's energy. Examples include:

- Shorter meetings with fixed boundaries, leaving people more time to move around campus and to complete their most important tasks
- Non-negotiable breaks at the 90-minute mark during long meetings
- "Walking meetings"—short, on-the-go meetings comprised of small groups of people tackling creative challenges
- An ongoing "Take Back Your Lunch" campaign encouraging workers to leave their desks and get outside to renew themselves
- More consistent and useful feedback given to employees
- Areas and times during the day devoted to absorbed focus and creative thinking

The initiative continues to gain momentum at Genentech, with leaders requesting team off-site and leadership meetings to help their employees manage increased demands, improve productivity and satisfaction, and increase their engagement scores.

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down everything as it arises, employees will literally clear space in their working memories, leaving room for what most deserves their attention.

- Ask employees to ask themselves “Is this the best use of my time?” every time they go online. Sometimes, of course, it will be. More often, though, it is something people do to avoid engaging in more difficult work. If the answer is no, ask “What is?” Then do it.
- Encourage employees to systematically train their attention. A simple way is to read more books, preferably good ones. Deeply focused, uninterrupted reading is an excellent way to train and sustain the brain’s capacity for absorbed attention.
- Encourage employees to take a few minutes each day—either just before they leave work or just before they go to sleep—to identify and write down the two or three most important things they want to accomplish tomorrow, and when they intend to work on them.
- Encourage employees to monitor their moods. When demand exceeds capacity, one of the most common signs is increased negative emotions. The more employees move into “fight or flight” mode, the more reactive and impulsive they become, and the less reflective and responsive. If employees are feeling negative, encourage them to ask themselves “Why am I feeling this way, and what can I do to make myself feel better?” They may be hungry, tired, overwhelmed, or feel threatened in some way. Awareness is the first step. Employees can’t change what they don’t notice (Schwartz, various).

4. Develop policies and practices that empower employees to build resilience and have senior leaders lead by example.

A key to a resilient organizational culture is empowerment, which can come in many forms. Employees need to be given the freedom to take regular renewal breaks throughout the day to help rejuvenate, metabolize, and embed learning. These breaks may come in the form of taking a walk, a stretch break, or a quick work out. Some organizations encourage employees to combine business and pleasure by engaging in “walking meetings.” Other organizations allow employees quick afternoon nap breaks to rejuvenate. The important point is to empower employees to manage their work and their physical, emotional, mental, and spiritual well-being by offering a flexible working environment.

It is also important to teach employees how to recognize and manage their stress responses. This may come in the form of offering psychological skills training and training in stress management techniques. For example, if personal financial management is a concern, a financial management seminar can be offered.

As with any initiative, developing a truly resilient organizational culture will succeed only if senior leaders lead by example. HR and talent management professionals should encourage senior leaders to take time out of the day to rejuvenate themselves and to de-stress. When their direct reports see the priority senior leaders place on developing their own resilience, employees will embrace it and follow.

Conclusion

Today, “business as usual” means rapid change, an influx of new technologies, economic turbulence, uncertainty, and ambiguity. To counter this new normal, organizations need employees and leaders who are agile, adaptable, and flexible. In a word, resilient. HR and talent management professionals can help by creating resilient organizational cultures. This will require a fundamental shift in thinking, away from squeezing the most productivity from employees and towards enabling employees to take care of their physical, mental, emotional, and spiritual needs, thereby building resilience.

Company Spotlight: Sony Europe

The Sony logo in a bold, black, sans-serif font.

Sony Europe was experiencing challenging times and was looking to drive significantly higher levels of energy and performance, and to reduce sick time and employee turnover.

In collaboration with senior executives in London, The Energy Project created a four-day retreat that used a modified version of the company’s curriculum for the top leaders in Sony Europe. The program was delivered in two-day segments, with a month between meetings. The response from leaders was so enthusiastic that The Energy Project next designed a three-day version of the program for their direct reports. Today, more than 3,000 Sony Europe employees have attended one of these three-day versions.

Sony Europe has instituted a number of organizational changes designed to support a new way of working. These include restructuring meetings to include regular breaks; banning the use of email during meetings to increase focus and productivity; providing healthy snacks during the day; building an on-site gym and renewal rooms; and creating a web portal that provides detailed information about different aspects of the curriculum.

In the division that most openly embraced the initiative, sick time decreased by 36 percent; staff turnover decreased 60 percent; 75 percent of division employees said the program had a positive impact on their business relationships; and 90 percent say their energy and performance have increased significantly.

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About UNC Executive Development

Our approach to program design and delivery draws upon the power of real-world, applicable experiences from our faculty and staff, integrated with the knowledge our client partners share about the challenges they face. We call this approach [The Power of Experience](#). We combine traditional with experiential and unique learning to ensure that all individuals gain relevant new skills that they can easily implement within their own organizations. Through action learning and business simulation activities, we challenge participants to think, reflect and make decisions differently.

Our Approach: The Partnership: Our team customizes each leadership program through a highly collaborative process that involves our clients, program directors, faculty and program managers. We are dedicated to following-up with our clients and individual participants to ensure that their learning experiences have been meaningful and impactful. This integrated approach consistently drives strong outcomes.

Our Approach: The Results: Our executive education programs are designed with results in mind, and we are focused on successfully meeting our clients' business and academic expectations. Below are a few examples of the results our client partners have achieved:

- Leadership refocused with new strategy and cohesive vision
- Strategic plans created for the global marketplace
- Supply chains streamlined
- Products redefined
- New markets targeted
- Cost-saving measures developed
- Silos leveled
- Teams aligned

Participants leave empowered to bring in new ideas, present different ways to grow business and tackle challenges. The result is stronger individuals leading stronger teams and organizations.

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