

DEVELOPING A RESILIENT ORGANIZATION: THE KEY TO MASTERING CHANGE



What's your organization's capacity for change?
Do your teams thrive on innovation, or are they struggling
with change fatigue?



The last two years have brought **UNPRECEDENTED CHANGE** around the world.

Many employees, including some who may be on your leadership team, are struggling, and that can affect your organization's ability to adapt and thrive.

Even in a good year, 70-84% of change initiatives fail.¹ The failure rate on digital transformations is even higher. These statistics are not only widely known and verified by multiple sources, they are consistent year after year. Which means chances are, your experience with change and change efforts are negative, and that affects how we perceive and react to it. Too much change at once can impede our ability, and willingness, to adapt.

Change fatigue, that passive resistance to change efforts, can set in when there's too much change in too short a timeframe—much like the last two years, where change has been constant. It can feel overwhelming to plan out a year, because of public health issues, shifting laws, and political strife. How can you plan when your ability to get supplies on time, make travel plans, send your children to school, or even shop for groceries is hampered?

"The environment of COVID has made our ability to bounce back harder because we are already at capacity in terms of change before we even clock in to work," says Jeff Becker, Director of Corporate Learning Solutions at American Management Association (AMA). "I may have perseverance and *want* to make meaningful change, but if it feels like that's taking forever, or there are constant obstacles, my resilience wavers. And that affects productivity and the bottom line."

Resilience is the capability, the skill, of being able to adjust to new conditions. While much has been said about personal resilience and the internal factors related to that, *organizational* resilience is equally as important.

Organizational resilience is the ability of the entire organization to adapt and respond to disruptions in a way that allows it to prosper. Even the most resilient, optimistic person will flounder if they're in an organization that doesn't have the right culture and climate to support them. Organizations need to be intentional about how they foster resilience through their culture, climate, and internal processes.

THE POWER OF A RESILIENT ORGANIZATIONAL CULTURE

Consider culture as the personality of an organization. It determines the climate of the workplace and includes the shared beliefs and behaviors that define how employees interact and make decisions. When work is predictable, employees know what to do. But when there is uncertainty, employees need a particular culture in order to thrive. The minute things start to unfold in an unexpected way, employees need to make decisions, often quickly, and they need to feel authorized to do that.

Think about your organization. Do you:

- Make decisions quickly, or is there a lot of bureaucracy involved?
- Allow flexibility in how work gets done? Are line managers and employees able to make judgment calls on the fly, within parameters, in response to unexpected events?
- Encourage risk-taking? Do employees know what to consider when making key decisions?
- Offer feedback mechanisms for employees to alert managers quickly when there are shifts in the marketplace?
- Encourage persistence and optimism in the face of change? Or do employees tend to give up when customer expectations or demands change?

¹<https://news.gallup.com/businessjournal/162707/change-initiatives-fail-don.aspx>
<https://www.cmswire.com/digital-experience/why-digital-transformation-fails/>



“Emotional Intelligence is...
the ability to perceive emotions, to access and generate emotions to
assist thought, to understand emotions and emotional knowledge, and to
reflectively regulate emotions to promote emotional and intellectual growth.”

—Peter Salovey, Salovey and Sluyter, *Emotional Development
and Emotional Intelligence: Educational Implications*

Pay attention to your organizational structure and its inherent flexibility. The more bureaucratic, formal, or inflexible it is, the more employees will struggle with unforeseen change. If employees don't feel empowered to respond quickly to change, they won't.

Employees are also very perceptive to how an organization responds to change. Does your organization view change as opportunity, or do you freeze up budgets, halt projects, batten down the hatches and prepare for the worst? Do you hold brainstorming meetings to uncover new opportunities when the market changes? Or do you “wait it out,” hoping things will go back to “normal”?

Small adjustments in how your organization communicates during periods of change can affect how employees respond. When planning out your organization's strategy, make sure to:

- **Pay attention to perception.** Are you looking at change from their perspective? How will they react to the decisions you make, such as pausing projects, cutting back expenses, or the changes you make to their budget? What might they consider to be threatening? Are they concerned about their jobs, or that these changes signal coming layoffs? How can you counter fear or perceived threats and put them into context? How can you reframe setbacks as opportunities?
- **Acknowledge their feelings.** Some employee reactions will seem logical, and others will be more emotional. This is normal, and recognizing it as such is actually a crucial step to leading any organization through change.
- **Demonstrate you want to reduce the “pain” of change.** Even seemingly small changes can really affect employees. Working overtime, for example, can make caring for their families difficult. If employees are feeling the pain of change, meet with them to uncover ways to make it more palatable. “We had a client that needed a lot of overtime from their employees,” says Becker. “They found that allowing the staff some say in when they worked, and what their schedules were, made a huge difference not just in morale, but in productivity and even how satisfied customers were.”
- **See to their needs first.** Don't expect your team to take on additional challenges if you haven't first addressed their needs. They have to be in the right place mentally and have the resources they need in place before they can take on extra challenges.

Employees need to be in an environment that helps them flourish, not one that frustrates them. They need to believe they can make meaningful change, or they won't be motivated to try. They want to feel they are being listened to and are valued. Employees also respond favorably to coaching and can be coached into a growth mindset.

10 WAYS TO FOSTER A GROWTH MINDSET

Some of the most powerful components of resilience come from within, including your mindset and attitude toward the world. Your mindset affects how you respond to change. With a fixed mindset, you tend to believe that real change is not possible. You view your people as fixed personalities with fixed skills.

Growth mindset, on the other hand, requires understanding that talents and abilities are and can be developed through effort, instruction, education and persistence. Someone with a growth mindset approaches challenges by asking: How can we develop this situation into what we want?

"One of the reasons many organizations ignore resiliency is they see so much of it as an internal factor," says Becker. "Yet, there are many things organizations do, consciously and unconsciously, that affect the attitude and mindset of employees, which in turn affects their engagement and dedication to making change work. Consciously leveraging those strategies creates a pivot point that pushes your organization in the right direction, even while weathering a storm."

Many leaders hesitate to talk to employees about their mindset. It can be a difficult conversation to have. Yet, there are many ways to foster a growth mindset. Here are just a few:

- 1. Develop empathy and team spirit.** Resilience takes a lot of energy and optimism. To foster resilience among employees, they need to feel their efforts are an integral part of the organization—that their work matters. People only put that kind of effort into organizations and projects they feel intimately involved in. "It has to be personal before people will really fight for it," says Becker. "Developing a climate where people feel empathy for each other and a strong connection to the organization is critical." Empathy also helps facilitate communication. "You can't communicate effectively with someone if you don't understand, emotionally, where they are coming from."
- 2. Acknowledge reality but provide context.** Help your people discern between real danger and unfounded fear. The reality is, there are a lot of unknowns. But even within that environment there will be opportunities, and if the team bands together, they can take advantage of them. Help them frame the inevitable bumps as challenges, not obstacles.
- 3. Coach employees to choose helpful emotions.** Even in resilient people, anxiety can run high during times of extreme change. All sorts of emotions can pop up—from anger to fear. Emotions help drive action, as long as they are helpful emotions. Managers can coach employees to choose to focus on emotions and attitudes that will help them resolve a problem. Start this process by helping employees work through how much of the anxiety is real (because there's imminent danger) versus a reaction to the unknown and unknowable.
- 4. Evoke the higher purpose.** One way managers and leaders can help people through times of crisis is through storytelling. Storytelling can help people rediscover meaning in their work, reconnect with the higher purpose of the organization, and develop their own internal narrative of resilience.



Shifting your employees into the growth mindset can be extremely powerful and correlates with a palpable shift in the climate and culture of your organization.

People who have a growth mindset are:

47%
more likely to say their colleagues are trustworthy²

34%
more likely to feel a strong sense of ownership and commitment to the company

65%
more likely to say the company supports risk taking

49%
more likely to say the company fosters innovation

²<https://hbr.org/2014/11/how-companies-can-profit-from-a-growth-mindset>

Considering Change and Transformation



5. Reframe challenges. Let's face it, this requires a lot of emotional intelligence. You have to first identify your reaction to what's going on, as well as identifying how your team feels. Then you have to choose the most helpful emotions to moving forward. Challenges create the learning that leads to success, and reframing obstacles in that light helps employees attack them with the right mindset.

6. Accept failure as necessary to growth. Yes, we all have sales quotas to meet. But failure is a normal and necessary part of growth—both in developing talent and in learning how to move forward. Instead of dreading failure, train yourself and your team to ask: What can we learn from that? How can we shift our efforts to make the next attempt successful?

7. Emphasize progress over speed. Too much emphasis on speed causes anxiety and focuses employees on the wrong things. Employees should be able to take calculated risks, and should be rewarded for trying new things. If you're learning from your failures, every step forward—even the missteps—will help you progress.

8. Celebrate accomplishments and progress. Research shows that the highest performing teams offer six pieces of positive feedback for every negative comment.³ When things are tough, or there's change fatigue afoot, you need to be even more positive. When planning out a meeting or coaching session, make sure your positive to negative ratio is leaning in the right direction.

9. Promote optimism. Optimistic people tend to exert more energy toward solving a problem because they believe they can make a difference. They are more likely to view challenges as an opportunity to learn, and to look for ways to increase value. "This is basic, but often overlooked," says Becker. "Why would you exert effort if you don't believe it will make a difference? It's a fundamental factor of motivation. That's why we teach organizations to promote optimism."

10. Embrace the word "yet." "One of the things that makes our current environment so difficult is that we can't see an end in sight," says Becker. "That can dampen patience and positivity because it just takes longer to see results. We don't get that immediate feedback loop of achieving something. When you hear employees fixating on the things that aren't working, try amending their statements with 'yet.'"

For example: We don't have the supplies *yet* to fill that order, but we can get everything ready in the meantime. We don't know when that location will reopen *yet*, but we can find ways to service our customers in that region while we wait.

This simple word can reset employees back into a more positive, proactive mindset. Mindset doesn't only apply to employees. You, as an organizational leader, also need to pay attention to your response to change and to your approach, including setting realistic expectations.

³<https://hbr.org/2013/03/the-ideal-praise-to-criticism>



SET THE RIGHT GOAL

Change is something that happens to us, and it's often pretty quick.

Organizational transformation is something else. Transformation is a socio-emotional model that shapes our responses to an acceptance to change. It happens over time. It takes conscious and strategic effort. Transforming an organization to be more adaptable and resilient is a process.

"Understand that developing resilience is a transformational process, and it will take time to change the culture and climate of your organization," says Becker. "People will need time to shift their mindset and approach. This is not something that can happen overnight, especially with so much change happening externally. But what we've seen in our work with organizations shows that it's not only possible, it can also completely change the outlook of your organization."

Where are you, your team, and your organization when it comes to resilience and perseverance? Are you doing your part to support adjusting to new conditions despite difficulty?

Lead others adaptively through change, and develop communication techniques to minimize resistance and maximize acceptance with AMA learning solutions.

www.amanet.org/corporate-solutions • 877-880-0264