Building Resilient Organizations to Overcome Workplace Stress

August 2018
About the Research

Research Approach

The authors developed this point of view by combining their own experience providing research and advice to C-level executives, corporate counsel, compliance and ethics leaders, managers, and employees at large enterprises and midsized businesses since the mid-1990s with AchieveForum’s research archives and secondary research. In addition, we worked with several clients to explore how they can create more resilient workplaces that reduce employee stress and increase corporate performance. In addition to interviews, we surveyed 370 employees and frontline leaders on characteristics of resilience to identify the behaviors resilient employees exhibit to thrive in the modern workplace.

Authors

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Scott Bohannon, CEO, has provided guidance to C-level executives and leaders of every major function at top global companies. Of particular relevance to this research, Scott has managed membership programs for executives in compliance and ethics, legal, corporate strategy, finance, HR, audit, operations, R&D, and boards of directors. Before joining AchieveForum, Scott was CEO of Info-Tech Research Group and McLean & Co. in Canada. Prior to that, Scott was President of nsight2day. From 1999 to 2011, Scott was General Manager and Executive Committee member at the Corporate Executive Board. He also was an attorney at Sidley Austin and an instructor at the University of Virginia. Scott is a Chairman of the Board of Directors for The Goyen Foundation. He has a B.A. (Public Policy) from Centre College as well as an M.A. (Economics), J.D. (Law), and Ph.D. (Economics) from the University of Virginia.
Executive Summary

The digital age has accelerated the pace of change, magnified uncertainty and job instability, and driven the need for more work-personal life integration. In the process, employees have suffered a dramatic rise in emotional health issues. They routinely report change fatigue, a lack of clarity around expectations, insufficient understanding of how to perform their jobs, and an inability to disconnect from work. Employee stress costs U.S. companies alone $1 trillion annually in increased healthcare costs, reduced productivity, and lost opportunities.

Companies have mitigated some of these negative consequences by attempting to protect time away from work, focusing on individual well-being, promoting fun at work, and engaging in planning activities that better define employee expectations. To be clear, these efforts have had some effect. Without them, the harm to employees and the cost to companies would certainly be much greater.

It says something about the size of the problem that, despite our best efforts, employee stress is having a massive impact on both employee well-being and organizations’ bottom lines. The solution is not merely a matter of scale—more wellness initiatives aren’t going to close the gap. Organizations need a new playbook designed for the unique challenges of the digital age.

Companies can improve their results by moving beyond traditional practices and fostering resilient organizations. In particular, they should adopt a team-centric approach, dynamically establish clarity, and leverage stress to address the root causes of organizational challenges. Employees in resilient organizations experience less stress, and their companies deliver higher performance.

Fostering a Resilient Organization

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<thead>
<tr>
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<th>Traditional</th>
<th>Resilient</th>
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<tr>
<td>Responsibility</td>
<td>- HR</td>
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<td>Expectation Setting</td>
<td>Annual</td>
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<td>Approach to Stress</td>
<td>Mitigate</td>
<td>Leverage</td>
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Managers typically have focused on engagement as a key characteristic to improve. We recommend they reallocate resources from engagement efforts to fund and staff resilience efforts instead. Given that building resilience has a beneficial effect on engagement, this allows managers to build more resilient organizations while also achieving employee engagement goals. By addressing the root causes of organizational challenges, resilience not only improves corporate performance, but it also drives higher employee engagement while reducing their stress.
What’s the Problem?

In 1911, the South Pole was the last of the great geographical challenges for mankind to overcome. American explorers Cook and Peary had recently conquered the North Pole, leaving the South Pole as the final frontier. Acclaimed British explorer and Royal Navy Officer Robert Scott was chosen to head the official British Antarctic Expedition. Meanwhile, Norwegian explorer Roald Amundsen had just embarked on a mission to explore the North Pole. Upon learning of the Americans’ success, however, he abruptly changed his plans and headed for the South Pole instead. Scott learned of Amundsen’s plans and sensed that he was in danger of being beaten to his goal. Hence, the race to the South Pole began.

What makes the Race to the Pole such an interesting tale is the significant contrast between Scott’s and Amundsen’s teams. Both men took wildly different approaches to the expedition, and both men saw wildly different results. Scott’s team ultimately failed, with all of the expedition’s men dying of starvation and illness during the return trip. By comparison, Amundsen’s team not only survived the expedition, but the men also actually gained weight thanks to the surplus food they had as a result of superior planning and adaptation. It is difficult to imagine a starker difference in outcomes.

Many attribute Amundsen’s success to his adaptability, planning, and willingness to alter course during the expedition. While our organizational environments are certainly much less dangerous than the frigid Antarctic, they nonetheless require many of the same behaviors to succeed. As the pace of change and disruption continues to increase, we are finding that we require a different toolset—one that is tuned for adaptability, unpredictability, and constant change.

Employees Struggle Under Constant Change and Uncertainty

During the past 30 years, the pace of change in the workplace has shifted from infrequent to constant. Employees routinely report change fatigue, unclear expectations, not knowing how to operate in this new environment, and an inability to disconnect from work.

It’s not surprising, then, that a global study of 100,000 employees found a sharp rise in emotional health issues, with cases involving employee depression rising by 58 percent, anxiety by 74 percent, and stress by 28 percent between 2012 and 2014 alone, or that the World Health Organization has described stress as the “global health epidemic of the 21st century.”
Employee Stress Compromises Corporate Performance

In addition to the tremendous human cost, business performance suffers as well—to the tune of $1 trillion or more annually in the U.S.

**Direct costs.** Researchers at Harvard and Stanford found that workplace stress costs U.S. companies alone up to $200 billion in healthcare costs a year. A conservative rule of thumb is that a company’s healthcare costs increase by 5 to 10 percent because of stress.

**Lost productivity.** Workplace stress costs U.S. companies up to $500 billion a year in lost productivity from missed deadlines, higher turnover, and increased absenteeism. A conservative rule of thumb is that a company’s lost productivity because of job stress is about 2 percent of revenues.

**Opportunity costs.** While we haven’t identified any formal investigations into how stress undermines an organization’s ability to identify new market opportunities and solve problems, we estimate that job stress is a major contributor to around 70 percent of precipitous stock price declines (in excess of 50 percent in one year) and costs U.S. companies between $300 billion and $1.5 trillion in lost revenues a year. A conservative rule of thumb is that job stress increases a company’s opportunity costs by 3 percent of revenues.

Moreover, there is evidence of growing workplace violence associated with job stress, as well as evidence that job stress may disadvantage women relative to men in competitive situations.
Why Is It Hard?

While the organizational challenges might not be quite as dramatic as what arose during the race to the South Pole, the core stressors are the same. High-risk environments, limited resources, and unpredictable conditions are all features of the modern workplace.

The economic stability of the industrial era was an anomaly in human history. Factories, the American system of manufacturing, specialization of labor, supply chains, large-scale agriculture, and well-functioning legal systems created an explosion of wealth and dramatically improved working conditions and ready access to life’s necessities. Most people had a well-defined workday and, when they left the factory or office, they left work behind. Brick-and-mortar businesses changed slowly, as did customer demands, the types of jobs people held, and the tools they used at work. Outside of military conflicts, the world for the economically and politically enfranchised in the West was very safe and stable.

Prior to the industrial age, however, the world was very unstable for many people. We frequently talk about the world today being volatile, uncertain, complex, and ambiguous (VUCA), but the preindustrial world was VUCA too. There was no separation between work and life. The factors creating a VUCA world today are different than they were in the preindustrial age, but VUCA historically is the normal state of human affairs.

VUCA creates four different drivers at work: continuous change, uncertainty, job instability, and work-life integration.

Driver 1: Continuous Change. The pace of change at work has increased dramatically for most, and has effectively become a constant force.

- Product and service obsolescence is often measured in months rather than years.
- Competitor positioning and prices can change inside of a day.
- Quick changes are required, as huge flows of data and information reveal false assumptions underlying past decisions.
- Suppliers frequently change their products and services, requiring organizations to adapt in response.
- Trends and hype cycles emerge and die quickly, leading to abrupt changes in customer demand.

Driver 2: Uncertainty. Uncertainty at work has become commonplace.

- Reliance on networks (supply chains, people, technology) fosters high complexity and unpredictable behavior.
- In the presence of constant change, people often don’t take time to ensure everyone is using similar definitions and has the same understanding of conditions, decisions, rationales, and expectations—which produces a lot of ambiguity.
- Employees work with people on different teams and in different geographies without a good understanding of the individuals or their team cultures (for example, expectations, processes, communication styles), creating anxiety and misunderstandings.
- Employees have to collaborate frequently, but they’ve usually not been taught how to collaborate effectively.
Driver 3: Job Instability. The business changes constantly, meaning that people’s jobs also change constantly.

- Knowledge work in general is less well defined than manufacturing or labor-centric jobs.
- As work needs change, employees are assigned new tasks that they may not know how to do well.
- The pace of technology change and reengineered processes forces employees to use new, unfamiliar tools and techniques.
- While employers often talk about learning through failure and the need to fail, employees generally perceive that failure is punished.
- Most employers have ended safety-net programs such as pensions and employee-for-life practices.

Driver 4: Work-Personal Life Integration. Boundaries between work and personal life have blurred.

- Globalization has expanded the time zones in which we interact with people.
- Technology increases accessibility.
- Dual use of technologies (for example, e-mail, text messaging) for work and personal life erodes people’s ability to focus on just one or the other.
- Frequent work at home, either for convenience or to handle increased workload further blurs the distinction between work and personal life.
Why Don’t Our Solutions Work Well?

Conventional Wisdom

Conventional wisdom can only get us so far. At the time when Scott made his polar expedition, the expert view in England was that dogs were of dubious value as a method of transport in Antarctica. Scott also ignored famous Norwegian explorer Fridtjof Nansen, who advised Scott to use “dogs, dogs, and more dogs.” He ended up using a complex failure-prone combination of ponies, mechanical sledges, and a few dogs.

Amundsen learned of the advantages of sledge dogs from the Inuit while on his Gjoa Northwest Passage expedition of 1905. As a result, he recruited experienced dog drivers and deliberately paced his team to take advantage of the dogs. Amundsen also was relentlessly pragmatic, using the dogs for food on the return trip—a practice the Englishmen found distasteful. While Amundsen was sharply criticized upon his return for “unsportsmanlike conduct,” his team succeeded where Scott’s had failed. Perhaps more important, they also survived the endeavor to tell the story.

The problem with conventional wisdom is not that it doesn’t work; in fact, conventional wisdom often becomes so because it worked at one point. However, we aren’t always successful at monitoring for changes in conditions that cause conventional wisdom to begin to fail. Companies are well aware of the stress employees feel; after all, senior executives and other managers experience job stress as well. They have adopted and encouraged a number of practices to address it:

- **Protect time away from work.** Western countries and many others require employers to provide minimum amounts of vacation leave, plus governments create official holidays that provide time off for most employees at the same time. Many countries sanction companies that don’t require their employees to take a minimum amount of vacation. Companies often go further, providing more vacation days as an employee benefit. Beyond vacation, some managers take steps to reduce work-related communication outside of normal hours.

- **Focus on individual well-being.** Many larger companies routinely provide healthcare benefits (including insurance where there is not a single payer system), wellness programs, and employee assistance programs even in the absence of a legal requirement to do so. These programs (physical and mental healthcare) allow employees to receive treatment for stress-related disorders as well as improve their general health, which enables them to better manage job stress.

- **Fun at work.** Celebrations, team outings, games, and a generally more casual atmosphere among colleagues create opportunities for fun that provides some counterbalance to job stress in general, as well as stress relief in the moment.

- **Planning activities.** While employees usually see them as performance management tools, classic organizational planning techniques are designed in part to reduce employee stress by creating clarity around expectations. Most companies create or update their strategic plan annually. They use that plan to form operational and budget plans and, in turn, establish key performance indicators (or something similar) for each department and individual employee. This process creates clarity for employees around what they’re expected to achieve and/or do each year.
Failure Points

Although these activities do reduce the negative impacts of stress and, in some cases, may reduce stress itself, they don’t address most of the underlying causes of heightened job stress in the digital age.

Protecting time away from work is good for physical and mental health, but it can actually increase the aggregate level of stress because of disrupted work and increased pressure on either side of time away.

Wellness programs increase employee fitness to manage stress and help address the consequences of stress, but they don’t reduce the VUCA forces that create stress in the first place. They also focus on individual well-being, which is important, but ignore team health, which we will see can actually lead to a reduction in the causes of stress. Additionally, wellness programs usually foster the perception among managers that HR is the one responsible for healthy individuals and teams, not them.

Fun at work provides an escape from stress, but it is temporary relief. Further, many employees complain that “mandatory fun” ups their stress levels because they would prefer to use the time for addressing their responsibilities.

Planning activities do provide clarity around expectations, but continuous change at work for most means that clarity is quickly lost until the next annual planning cycle. Moreover, planning activities can create rigidity that makes it more difficult to adapt to changing circumstances.

There is an unintended consequence stemming from all of these solutions that can further increase stress, or at least create engagement problems. While they are all designed to benefit employees and generally do, their implementation and operation often resemble compliance activities. Employees and managers see them as creating additional work and reducing their autonomy.

Overall, appropriately implemented, these traditional practices improve employee well-being and organizational performance. But because they focus more on symptoms than underlying causes, they will only marginally reduce the new stresses employees encounter in the digital age. We need to go further and make more fundamental changes.
How Can We Do Better?

Stress doesn’t need to lead to such negative results. Research shows that resilient behaviors can transform daily stressors into positive outcomes.⁸

Through our research and employee surveys, we’ve identified three key leadership practices that empower organizations to build resilient workplaces, thereby reducing employee stress and increasing organizational performance. They are:

- **Adopt a Team-Centric Approach.** Shift the locus of responsibility from HR/corporate center and the manager to the team itself.
- **Dynamically Establish Clarity.** Match expectation-setting with the pace of change.
- **Leverage Stress.** Leverage stressors to mitigate their causes and increase organizational learning.

Let’s explore each of these in depth.

**Adopt a Team-Centric Approach**

Scott and Amundsen utilized very different leadership approaches during their journeys to the South Pole, and they experienced vastly different levels of success. Scott had a military background and firmly adhered to a hierarchical, command-and-control style structure for his team. This created rigidity and caused the team to struggle to adapt when it encountered unplanned-for challenges (such as food shortages).

On the other hand, Amundsen utilized a team-oriented model. He recognized that the men on his team had vast expertise that they could tap to overcome the Antarctic. While Amundsen’s success is often attributed to his expertise in planning, his writings reveal that he utilized group problem-solving strategies to adjust course when a plan failed or circumstances changed.

A 2018 quantitative investigation we conducted into the success and failure of 54 behavior change initiatives at large enterprises in the U.S. and Australia found that a team-defined, peer-enforced approach dramatically increased the likelihood of success over other approaches. Using this approach, the affected employees define the contours of the behavior, and then the members of the team—the peers—enforce it.

Of course, manager capability plays a big role in employees’ work environment and stress levels. Even today’s best managers, though, usually report that they and their employees struggle with the stresses associated with continuous change, uncertainty, job instability, and work-life integration. Part of the challenge with managing the effects of these new drivers is that responsibilities such as implementing exercise programs are located suboptimally, with HR/senior leadership or with the individual, instead of with the manager and the team.

For example, HR/senior leadership sets policies around vacation, leave, and remote work. Where required by law, they also drive compliance with mandatory vacation time. Senior leadership and managers may specify hours and days that employees must work and/or be physically in the office for operational reasons. Otherwise, individual employees drive decisions about when they take time away from work, how much they work outside of required hours, and the degree to which they are unplugged from work during personal time.
Similarly, HR/senior leadership usually establishes and promotes health and wellness programs. Individual employees decide when and how much to take advantage of them.

The results of this common approach are underwhelming. Less than half of U.S. employees used all of their paid vacation time in 2017, with 24 percent saying that they hadn’t taken any paid vacation time in over a year. Those who take vacation time report taking less than half of their allotted time. Sixty-six percent of U.S. employees report working while on vacation. More than 70 percent of employees check their e-mail after work, and 70 percent report doing the same before work. Just one in four employees reports consistently taking care of his or her physical well-being, the same proportion that reports taking care of his or her mental well-being.

Managers have conflicting incentives that usually lead them to default to “treating their employees like adults” and letting them make their own personal decisions. However, when it comes to protecting time away from work and wellness, individual employees frequently are their own worst enemies, and managers enable their suboptimal decisions. Employees find many reasons to de-emphasize taking time off and caring for their physical and mental health. They also quickly violate guardrails they set around protecting their personal time from work intrusions.

Members of the team, however, can change this dynamic by adopting a team-defined, peer-enforced approach. Together, team members can set reasonable expectations about employee self-care to ensure the level of individual well-being necessary for a high-performing team. Collectively, they can shift the pressures individual employees feel to underinvest in themselves and encourage more positive decisions.

Not only do teams benefit from adopting a team-centric approach, but they also can adopt all three resilient leadership practices independently and reap substantial benefits—even if other parts of the organization don’t embrace them.
Dynamically Establish Clarity

We see a stark contrast in the decision-making methodologies of Scott and Amundsen. Scott was a British Naval officer whose rigid approach certainly did his team disservice. Scott’s ship, Terra Nova, was actually trapped in pack ice for 20 days, leading to a late-season arrival and less time for preparatory work before the Arctic winter. Scott pressed ahead with the mission, unwilling to reconsider plans in light of changing conditions.

Amundsen actually abandoned his first attempt. The team departed on September 8, 1911, and initially made good progress; however, temperatures turned sharply colder and, by the 12th, dogs were suffering frostbitten paws, and men could scarcely sleep because of the brutal conditions. Despite the protests of his team, Amundsen ordered his men to return home so that they could try again when conditions were more favorable. Despite the deep urgency that the men felt to complete the mission, Amundsen recognized that they had to change their plans if they were to have any chance of success.

One of the most significant developments in the modern workplace is the rate at which things change. Conditions shift rapidly, meaning that expectations and plans must shift as well if they are going to remain relevant.

In order for employees to perform at a high level, they need to understand what’s expected of them. In a team or other collaborative environment, that becomes much more important, as even small misunderstandings can magnify dramatically across the group. Although our survey respondents reported understanding the importance of clarity, our results showed that only one in four employees consistently works with his or her manager to ensure clear work goals. About the same low proportion said they map out how they will achieve their goals and get their manager’s input on it. It’s not that most managers don’t communicate expectations at all, it’s that they don’t do it often enough and confirm employee understanding.

Graph 3. “I create a pathway for how I will achieve my work goals and get my manager’s input”

Graph 4. “I work with my manager to ensure I have clear work goals”
Even under stable circumstances, ambiguity can create a false sense of understanding. For example, in leadership development we often have discussions about “design,” which could mean multiple things, depending on context. Two people could leave a “design meeting” thinking they’re in alignment, but one was talking about instructional design, and the other was talking about graphic design. The word was the same, but they’re not even the same services!

Moreover, employee understanding over time drifts as memory fades, new information appears, and employees adapt to day-to-day conditions. In a continuously changing work environment, old expectations can blend with new messaging and create greater confusion.

Consequently, managers need to communicate expectations and confirm their understanding matches employees’ understanding at a pace that reflects the pace of change. Many well-intentioned managers have understood the need for more frequent communication but over-corrected by dramatically accelerating their communication about all (or at least a large portion) of an employee’s expectations. They usually find the effort unsustainable.

Fortunately, managers don’t just need to communicate all expectations much faster; indeed, that would be counter-productive, as it would mean an employee has to reassess his or her entire job with high frequency even though only a small portion may have changed. Moreover, it would create a false sense of greater change than has taken place and generate a lot more work for the manager and employee alike.

Clarity doesn’t come from communicating faster; rather, it comes from communicating the right things at the right time. For a given set of expectations, the right time usually depends on five factors:

1. How important is it?
2. How frequently does the expectation change?
3. How soon can the employee start changing his or her behavior?
4. How complex is the job task? (For example, how many different activities does the employee have to prioritize, and how dependent are they on other employees’ progress?)
5. How long before we anticipate the employee’s understanding may drift from the original intent?

Let’s use an easy example around employee compliance with a firm’s anti-bribery policy.

1. **Importance.** Compliance is very important, so ensuring the employee has clear expectations is a must.
2. **Frequency of expectations changing.** Changes in expectations usually will come from: (i) changes in anti-bribery laws; (ii) changes in business practices that would put the employee in unfamiliar situations that present new bribery risks; or (iii) a change in the employee’s country of operation. All three types of change are infrequent.
3. **Speed of employee response.** In terms of the employee’s ability to change his or her behavior, it’s virtually immediate.
4. **Complexity.** Complexity isn’t implicated because understanding unacceptable behavior isn’t a task to be completed.
5. **Retention.** In terms of how long we can reasonably expect an employee’s understanding to remain with high fidelity, most research has found that employees’ understanding of compliance expectations needs to be refreshed at least annually.
Putting all of these factors together, a safe frequency for recomunicating expectations is annually or biannually if it is a high-risk-for-bribery environment—unless a significant change occurs (for example, the employee moves to a different country where the bribery policy is different, or the company has a major business practice change that implicates the policy).

The following table provides some guidelines for when managers should communicate expectations to employees based on the type of expectation in general, and when events occur that require communications outside the standard cadence.

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<tr>
<th>Type of Expectation</th>
<th>Standard Cadence</th>
<th>Event-Based Recomunication</th>
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<tbody>
<tr>
<td>Foundational job requirements</td>
<td>At the time of hire</td>
<td>• Job change that changes expectations</td>
</tr>
<tr>
<td>(attendance; dress code; work hours)</td>
<td></td>
<td>• When employee deviates from expectations</td>
</tr>
<tr>
<td>Policy compliance</td>
<td>Annually (biannually for high-risk</td>
<td>• Change in policy</td>
</tr>
<tr>
<td></td>
<td>environments)</td>
<td>• Employee job change that shifts relevant policy</td>
</tr>
<tr>
<td>Job key objectives</td>
<td>Quarterly reinforcement</td>
<td>• When job key objectives change, and the employee needs to</td>
</tr>
<tr>
<td>(for example, KPIs)</td>
<td></td>
<td>start preparing to act on them</td>
</tr>
<tr>
<td>Daily activities</td>
<td>Job complexity dependent</td>
<td>• When job key objectives change, and the employee needs to</td>
</tr>
<tr>
<td></td>
<td>• Daily: many tasks and highly</td>
<td>change his or her daily activities</td>
</tr>
<tr>
<td></td>
<td>collaborative work</td>
<td>• Change in how job key objectives will be achieved, and the</td>
</tr>
<tr>
<td></td>
<td>• Weekly: many tasks with stretches of</td>
<td>employee needs to start changing his or her daily activities</td>
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<tr>
<td></td>
<td>independence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Monthly: fewer tasks with stretches of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>independence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Quarterly: well-defined, project-based,</td>
<td></td>
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<tr>
<td></td>
<td>independent</td>
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Clarity also depends on the quality of the communication. Organizations need to develop managers’ ability to communicate clearly and authentically by both acknowledging challenges and painting a positive view of the future. High-quality communication at the right times will create much more clarity for employees and reduce unnecessary stress.
Leverage Stress

Stress actually comes in two forms: productive stress and destructive stress. So far, we’ve treated stress only as destructive. That’s because, for most employees, stressors almost always first present as destructive—they have a natural negative emotional response. Some destructive stress just has to be managed, but often we can transform destructive stress into productive stress.

Productive stress motivates the discovery of solutions to problems, creativity, and innovation. Resilient organizations transform destructive stress into productive stress and use it as fuel for adaptation and, in the process, eliminate or dramatically reduce the cause of the stress and its impact. Moreover, resilient teams rebound from setbacks, overcome challenges, and learn from failure again and again, further reducing stressors.

Unfortunately, destructive stress is winning. In our survey, only 18 percent of employees said that they consistently bounce back from multiple setbacks to achieve a work goal; only 29 percent said they consistently overcome the difficulties encountered in achieving work goals; only 29 percent reported that they consistently show determination when initial attempts do not succeed; just 31 percent claimed to consistently pursue goals with a lot of energy; and another 31 percent said they consistently use the lessons they learn from mistakes at work to improve the way they do their jobs.

How Are Employees Persisting in the Face of Challenge?

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<thead>
<tr>
<th></th>
<th>Consistently</th>
<th>Often</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bounce back from multiple setbacks to achieve a work goal</td>
<td>8%</td>
<td>25%</td>
<td>47%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Successfully overcome the difficulties encountered in achieving my work goals</td>
<td>19%</td>
<td>49%</td>
<td>29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Show determination to accomplish work goals when initial attempts do not succeed</td>
<td>18%</td>
<td>49%</td>
<td>29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pursue my work goals with a lot of energy</td>
<td>5%</td>
<td>19%</td>
<td>44%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Use the lessons I learn from mistakes at work to improve the way I do my job</td>
<td>14%</td>
<td>52%</td>
<td>31%</td>
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</table>

Graph 5. Employee responses regarding employee persistence
Managers can forge resilient teams that transform destructive stress into productive stress and improve the business. To do that, they need to pause and determine how to lead, identify root causes, and experiment with solutions.

• **Pause and determine how to lead.** We often have a bias toward action when it comes to leadership; however, this natural response can have dire consequences in a volatile environment such as the Antarctic. This is why Amundsen took a more measured approach to responding to challenges. When conditions changed or plans went awry, he didn’t leap into action to make things better; rather, he took the time to consider his approach to resolution first. As noted earlier, this often involved consulting the team for a collaborative solution.

When confronted with challenges, managers and other employees usually leap into action, looking to address the problem(s). Managers in resilient organizations, however, pause and first determine how best to lead through the situation. Pausing creates room for managers to reduce their heightened emotional state that naturally arises in response to a stressor. The pause also signals to the team that it isn’t a crisis, which allows team members to return to a more normal emotional state. In addition, the pause allows managers to identify who should be involved, how quickly they need to act, and who should lead the improvement effort.

• **Identify root causes.** Perhaps the biggest difference between Scott and Amundsen’s polar teams was how they addressed challenges. Scott’s approach was one of brute force and dogged determination. He believed that they would overcome any challenge through sheer force of will. One of his key mistakes was not training his men in the use of skis, despite knowing that skis were superior to trudging through snow on foot.

Amundsen, on the other hand, was much more flexible. For example, his team found that it was losing significant energy every day unpacking and repacking the sledges every time they set up camp. The team realized that it could conserve huge amounts of energy by changing the way the sledges were packed. They put the camping gear in canisters, which were strapped to the outside of the sledges, meaning that the non-camping gear could stay packed when they made camp.

When challenges arise, people naturally focus on the consequences. Indeed, in most cases, it’s important to take some action to mitigate the consequences but, if the root causes aren’t addressed, then the team will continue suffering the consequences.

• **Experiment with solutions.** In a VUCA world, even good ideas to address root causes often don’t produce the expected results. Misidentified root causes and incorrect assumptions are common. Hence, we need to encourage teams to experiment by forming hypotheses and capturing what they learn, whether the experiment proves successful or not. If it’s not successful, or if they identify a potentially better solution, they need to try again and learn more. Learning itself needs to be defined and celebrated as success.
Building the Resilient Organization

Fortunately, all of these leadership behaviors are teachable.

Fostering Resilience

The path toward a resilient organization begins with leaders who do three things:

1. Leverage stress by engaging their teams in identifying root causes, experimenting and learning.

2. Adopt a team-centric approach that requires team members to self-monitor and enforce critical self-care techniques required for resilience.

3. Dynamically establish clarity through continuous discussions of goals and expectations, as frequently as needed in the face of the changing environment.

Finding Time and Resources

How can managers identify resources to develop resilient organizations? One possibility is to redirect employee engagement investments.

Most organizations spend substantial time and resources on employee engagement efforts. Many of those efforts focus on job dissatisfiers that are symptoms of stress. Others focus on eliminating the stressors. In addition, organizations invest substantially in assessing the state of employee engagement and identifying the dissatisfiers.

Our survey found that resilient organizations, especially those that foster clarity, have substantially higher employee engagement levels. That’s because they turn destructive stress into productive stress and eliminate a major driver of employee disengagement. In other words, by fostering resilience, we directly improve the business and create the coveted byproduct of higher employee engagement. This means organizations can divert resources spent directly on employee engagement to focus instead on resilience and derive similar benefits.

Hard dollars can be freed up by reducing the frequency of employee engagement surveys and activities that only address the symptoms of employee stress. People time can be liberated by shifting direct engagement activities to discovery activities that transform destructive stress into productive stress and ultimately resolve the underlying stressors—which, in the end, is what building resilience is all about.
References


6. For much of the world outside the West and unenfranchised groups in the West, the world has always been VUCA.

7. Seasonal and part-time workers usually aren’t beneficiaries of these practices, but they often have better-defined jobs such that their job stressors are more traditional (e.g., financial), which suggests that reducing their job-related stress would best be addressed by inclusion in these traditional practices, not practices designed to address stressors that have emerged from the digital age.

8. Clarity had an R value of 0.39 with respect to employee engagement.


12. Clarity had an R value of 0.39 with respect to employee engagement.