The Five Principles of Organizational Resilience

Michael A. Bell

Organizational resilience has taken on a new urgency since the tragic events of Sept. 11. The ability to respond quickly, decisively and effectively to unforeseen and unpredictable forces is now an enterprise imperative.
ANALYSIS

We have entered an era of global economic and geopolitical uncertainty. It is not just the terrorist acts of Sept. 11, but a decade of unprecedented change, wrenching economic instability and business discontinuities that demand organizational agility and organizational resilience. What exactly is organizational resilience? It is an enterprise’s capability to respond rapidly to unforeseen change, even chaotic disruption. It is the ability to bounce back — and, in fact, to bounce forward — with speed, grace, determination and precision. In many respects, resilience represents the next phase in the evolution of traditional place-centric enterprise structures to highly virtualized, people-centric structures that enable people to work anytime, anywhere. The virtualized organization is emerging as a preferred strategy for many leading global businesses to work across boundaries of time, distance and culture. The resilient virtual organization (RVO) is yet another evolutionary stage as enterprises move from being highly responsive and agile to being agile, responsive and resilient.

What is the underlying architecture of the RVO? We have identified five key components that represent a variation on Gartner's New Synergy model, which sets forth a framework for creating a highly agile, synchronized and knowledge-based organization (see "The New Synergy: People, Systems and Settings," ITSV-WW-PR-0006).

1. Leadership: Resilience begins with enterprise leadership setting the priorities, allocating the resources and making the commitments to establish organizational resilience throughout the enterprise. Leadership achieves a balance between risk taking and risk containment to ensure ongoing innovation, but in the context of prudent risk minimization. These two apparently conflicting objectives for leadership are framed in two Research Notes. "Risk Management for the Resilient Organization" (TG-14-9542) sets forth a systematic plan for mitigating risks throughout the enterprise. Meanwhile, "Risk-Taking Is Good for Resilient Enterprises" (SPA-14-8080) provides a counterpoint in balancing risk aversion with risk taking. Leadership communicates clearly and decisively the organization's commitment to resilience and backs up pronouncements with requisite investments in facilities deployments, security systems, authentication procedures, controls and technology enhancements — all designed to create an infrastructure for a highly mobile and distributed work style. For insights into leadership's role in building an RVO, see "Leadership Challenges for the Resilient Enterprise" (www.gartnerg2.com/research/qa-1201-0054.asp). For leadership's agenda for recognizing and responding to the challenges of multiculturalism in the context of organizational resilience, see "Fostering Resilience Through Multiculturalism" (COM-15-0222).

2. Culture: The second component of organizational resilience is enterprise culture. A resilient culture is built on principles of organizational empowerment, purpose, trust and accountability. The RVO must evolve systematically into networks of employees who self-organize into communities of practice for learning and mentoring, and who are empowered to participate, lead and organize virtual teams (in which most of an enterprise's productive work is completed). It is those networks of empowered and connected employees that form the bedrock of the RVO. The resilient organizational culture has a strong sense of enterprise purpose that cascades down and across the enterprise. It is that strong sense of purpose that glues the RVO together and aligns individual, workgroup and enterprise goals as a continuum. A resilient culture is built on a strong sense of trust between employees, management, suppliers and partners. "B2B Resiliency Is Built on Trust" (COM-14-8379) outlines an agenda for building a culture of trust in and across the RVO. Finally, the RVO inculcates a strong culture of accountability up and down the organization. People assume responsibility without question. People commit to action and do what has to be done — regardless of rank, title or job description. A resilient organization is a passionate
organization, and it is this culture of passion that drives, achieves and rewards personal and team accountability.

3. People: As mentioned above, the bedrock of organizational resilience is the enterprise workforce. People who are properly selected, motivated, equipped and led will overcome almost any obstacle or disruption. There are countless stories that emerged after Sept. 11 about individual heroism, self-initiative and self-sacrifice. Yet, to harness people’s incredible ability to lead and respond during trying circumstances requires a systematic enterprise strategy for people selection and people support. "Enhancing Business Resilience Through People Selection" (TG-14-9122) provides a systematic plan for selecting, motivating and developing employees with the requisite skills and demonstrated behaviors to operate effectively in a highly uncertain, highly unstructured environment. At the same time, the RVO must have a system of people support and services that transcends enterprise boundaries. The traditional role of the HR department must evolve into a virtual HR group that can support employees regardless of time and space. "Virtual HR: Strategies of the Resilient Enterprise" (SPA-14-8078) sets forth a systematic plan for creating a virtual HR organization that will be essential in supporting employees wherever and whenever they need service.

4. Systems: The RVO is built on an infrastructure of extensive enterprise connectivity and information robustness. That framework is set forth in "Workplace Agility Equals Workplace Resilience: Here's How" (COM-14-7998). The premise is that leading global organizations are achieving agility and flexibility by combining a highly distributed workplace model with a highly robust and collaborative IT infrastructure. These technology topics are covered in detail elsewhere in this special report. Also in this Spotlight, we delve into the technology, systems and management capabilities that must be built into a highly resilient global enterprise in "Globalization Enables Resilience, Along With Challenges" (TG-15-0164).

5. Settings: The final component of the RVO architecture is the physical deployment of the workplace. Workplace resilience is achieved through the distribution of the workplace into multiple, dispersed settings. Alternative workplace techniques such as office "hoteling," telecommuting and desk sharing provide the level of workplace flexibility and agility that is essential for mitigating the risk of catastrophic or disruptive incidents at an enterprise location. Enterprise resilience is the flip side of organizational agility, as explained in "Workplace Resilience Equals Workplace Agility: Here's How" (COM-14-7998). However, it's not enough to create a highly distributed and connected environment. It is essential as well to undertake a comprehensive assessment of workplace security and safety. This workplace "triage" is the first step in identifying high-risk locations from people and operational standpoints.

Of course, management implications of the RVO would not be complete without consideration of the economics of organizational resilience. Fortunately, not only is the RVO operationally superior, it can improve the bottom line as well. "Financial Dimensions of the Resilient Virtual Organization" (TU-15-1251) lists the paybacks related to investments in resilience.

The RVO is the template for organizational competitiveness and survival in the 21st century. It is an organizational framework that will enable the enterprise to respond and flourish in an environment of hyper-change. The RVO must operate on foundation principles. It must: 1) be without boundaries; 2) be impassioned by a strong sense of leadership; 3) build a culture of purpose, empowerment, trust and accountability; 4) select, motivate and support people who have the requisite skills to flourish in ambiguous and uncertain environments; 5) exploit systems to connect and inform the organization; and 6) move to highly distributed settings that diffuse and disperse enterprise assets and operations. To do any less will squander competitive advantage and heighten enterprise risk.

Features
"Risk Management for the Resilient Organization" (TG-14-9542). A systematic plan for mitigating risks throughout the enterprise. **By Simon Mingay**

"Risk-Taking Is Good for Resilient Enterprises" (SPA-14-8080). Balancing risk aversion with risk taking. **By John Mahoney**

"Leadership Challenges for the Resilient Enterprise" ([www.gartnerg2.com/research/qa-1201-0054.asp](http://www.gartnerg2.com/research/qa-1201-0054.asp)). Insights into leadership's role in building an RVO. **By Bob Gill**

"Fostering Resilience Through Multiculturalism" (COM-15-0222). Leadership's agenda for recognizing and responding to the challenges of multiculturalism in the context of organizational resilience. **By Waldir Arevolo**

"B2B Resiliency Is Built on Trust," (COM-14-8379). Outlining an agenda for building a culture of trust in and across the RVO. **By George Reilly and Carol Rozwell**

"Enhancing Business Resilience Through People Selection" (TG-14-9122). A systematic plan for selecting, motivating and developing employees with the requisite skills and demonstrated behaviors to operate effectively in a highly uncertain, highly unstructured environment. **By Diane Tunick Morello**

"Virtual HR: Strategies of the Resilient Enterprise" (SPA-14-8078). A systematic plan for creating a virtual HR organization that will be essential in supporting employees wherever and whenever they need service. **By Jenni Lehman**

"Workplace Agility Equals Workplace Resilience: Here's How" (COM-14-7998). Leading global organizations are achieving agility and flexibility by combining a highly distributed workplace model with a highly robust and collaborative IT infrastructure. **By Michael Bell**


"Financial Dimensions of the Resilient Virtual Organization" (TU-15-1251). A list of the paybacks related to investments in resilience. **By Michael Bell**

This research is part of a set of related research pieces. See "Building Organizational Resilience: A Management Agenda" for an overview.

**REGIONAL HEADQUARTERS**

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<td>New South Wales 2060</td>
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