ORGANIZATIONAL RESILIENCE AND EMPLOYEE PERFORMANCE IN CRISIS ECONOMY

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ABSTRACT
The aim of the study was to critically analyze the significance of organizational resilience on employee performance, especially during crisis situation, such as the recent Covid-19 pandemic that keep all the nations and business organizations in a state of chaos. It could be seen that firms all over the world are crying wolf due to the loss of manpower, low profitability, low productivity, poor service delivery and so on, as a result of the Covid-19. The cause of the low performance could be attributed to not being pro-active by the employees, or non-anticipation of perturbations, inability to learn from experience, inability to adapt and dynamic capability to work in any given environment and changes in policies and programmes as the situation demand to achieve organizational sustainability. Therefore, organizational resilience is the ability of organizations to prepare, absorb shock or develop resistance in the face of perturbations within its environment, and surmount all insurmountable to move to a better next level. The study concluded that organizational learning, adaptive capacity and dynamic capability have significant relationship with employee performance. Hence, the study recommended that management should foster conducive organizational learning, adaptive capacity and dynamic capability, as these will equip the employees to remain with the organization, and put up their best work effort for increased productivity and profitability.

Keywords: Organizational Resilience; adaptive capacity; dynamic capability; employee performance, crisis economy.

Introduction
The primary goal of High-Performance Organisations (HPO) is to attain optimal performance, regardless of the volatile and unpredictable status of the economy. Performance, as defined by Aki, Harri, and Maila (2011), is characterized by excellence. It includes financial viability, employee production, flexibility, as well as non-cost factors like market share, punctuality, quality, and delivery.
According to the findings of several academics, the ability of organizations to bounce back from challenges is essential for maintaining long-term success. According to Alastir (2010), as the environment grows more intricate and vulnerable to crises, organizations are increasingly subject to disruptive events caused by hazards and dangers to their survival. The person argued that the purpose of resilience building is to reduce the susceptibility of organizations to risks and dangers by implementing protective measures that minimize the likelihood and consequences of disruptive incidents, prevent them when possible, respond to them promptly and effectively, and enable a quick and thorough recovery.

According to Seville et al. (2008), organisational resilience refers to the ability of an institution to not only withstand a crisis but also, in some situations, thrive. Mitroff (2005) argues that organizational resilience is a constantly changing goal that affects performance in both ordinary and crucial situations. Organizations must possess a high level of reliability and flexibility in order to effectively handle disruptive situations (Durodie, 2003).

A robust organization overcomes all obstacles and endures the test of time, guaranteeing not only its long-term survival but also its prosperity. The failure of most organizations can be attributed to their lack of innovation, learning, and understanding, as well as their inability to adapt to internal and external changes that could improve long-term performance.

### Conceptual Framework

![Conceptual Framework](image)

**Source:** Researcher (2023)

Conceptual framework showing the relationship between organizational resilience with its dimensions as organizational Learning, Adaptive Capacity and Dynamic Capability, and Employee Performance as dependent variable.

### Aim/Objectives of the Study

The aim of the study is to examine the relationship between organizational resilience and employee performance. The specific objectives of the study are:

1. Ascertain the relationship between organizational learning and employee performance
2. Ascertain the relationship between dynamic capability and employee performance
Literature Review

Resilience, according to Madni (2007), is the ability to actively predict and convey a significant quantity of information when confronted with a disturbance. According to McMonus et al. (2008), definitions of organizational resilience encompass various aspects, including environmental awareness, level of preparedness, prediction of disruptions, adaptation, and recovery capabilities, among others. The tangible measure of an organization's preparedness for an economic catastrophe lies in its ability to endure environmental disturbances and cultivate resilience.

Alastir (2010) argues that on a board level, managers of resilient organizations should have an in-depth understanding of their company's operational environment. In addition, they need to be cognizant of any developments that may endanger their employees, facilities, services, operations, or supply chains. He thinks it's crucial for managers to be aware of and prepared for the myriad cultural, political, legal, regulatory, economic, technological, environmental, and competitive factors that affect their work. Moreover, they must keep themselves informed on the viewpoints and principles of external stakeholders, as well as any major challenges or developing trends that could affect the organization's goals.

Organizations face significant financial repercussions if they are not adequately disaster-prepared, according to Erica (2006). Business interruption losses considerably outweighed overall property losses caused by the September 11 attacks. Organizational resilience is necessary when there is a decline in highly competent staff members within some teams following an unforeseen catastrophe or crisis, or because key leaders are unable to carry out their responsibilities because of illness or injury.

During their disagreement. Amah and Daminabo-Weje (2004) argue that effective organizations possess a deep understanding of the dynamic character of their environment. From this viewpoint, they argue that a successful organization should continuously change in response to changing external conditions, similar to a resilient ecosystem.

The correlation between organizational resilience and crisis prevention. Smith identifies two main categories for crisis prevention. The first pertains to the cultivation of resilience in response to dubious ethical activity, whereas the second focuses on the ethical aspects of corporate conduct.

McManus (2007) established and described indicators of organizational resilience. Organizational resilience is the foundation of Relative Overall Resilience (ROR). ROR describes organizational resilience as the combination of an organization's awareness of its position, its ability to manage critical vulnerabilities, and its capability to adapt in a dynamic, interconnected, and complex environment. The concept of organizational resilience consists of three components or dimensions: situation awareness, keystone vulnerability management, and adaptive capability. McManus (2007) suggested a total of fifteen measures of organizational resilience, including five measures for each category. Furthermore, he assesses the technological, organizational, social, and economic aspects, in addition to robustness, redundancy, resourcefulness, and speed.

Theoretical Background

This study anchored on Darwin Theory of Change

Darwin Theory of Change

Charles Darwin (1809–1882) argues that survival does not depend on an individual's intelligence or power, but rather on their ability to adapt to change. While Darwin's original intention may have been to highlight the ability of individuals to ensure the survival of species, this concept can also be applied to organisations.
Organisations must not only withstand ongoing changes, but also strive to improve and enhance their strength, adaptability, and fitness in order to effectively face any challenge. Leaders and managers in all organisations should consistently work towards developing organisational resilience. Organisational resilience is defined as the ability to recover from adversity in a way that improves the organization's flexibility and adaptability to future challenges (Denhardt and Denhardt, 2010).

**Measures of Organizational Resilience**

The measures used in this research to measure organisational resilience include dynamic capacity, adaptive ability, and organisational learning.

**Organizational Learning**

According to the online dictionary, organizational learning is a continuous process that enhances an organization's capacity to comprehend and adapt to both internal and external changes. Methodical integration and group understanding of new information is at the heart of organizational learning, which in turn encourages collaborative action and the acceptance of risk-taking as an experimental approach. The field of organizational theory known as "organizational learning" investigates theories and models concerning the ways in which businesses learn and change. In the field of organizational development (OD), adaptability is defined as the capacity of an entity to detect and respond to changes in signals originating from both its internal and external surroundings. The process of learning entails gaining or altering one's own set of preferences, skills, or body of information. As part of this process, it may be necessary to combine different kinds of data and knowledge.

Aggestam (2006) defines a learning organisation as one that cultivates a culture that promotes creativity and learning at both the individual and organisational levels. The creation of a learning community and a culture of learning in the environment increases individual growth, which in turn benefits the company as a whole. Learning must ultimately infiltrate the culture; it cannot simply be a solution for a specific problem. In order to foster learning organisations, a fresh and innovative approach to leadership is necessary: the leader as a designer. Leadership serves as the basis for culture, as culture is the collective knowledge of a community. However, the specific type of leadership that is wanted will ultimately be chosen by the culture itself. The process of creating a learning organisation commences by choosing a leader who possesses a compelling vision that inspires the group. A learning organisation does not possess inherent worth; instead, it must continuously progress towards the organization's overall goals. Collective visions are the outcome of individual visions. A learning organisation integrates the concept of continuous learning into its structure and values, and its employees understand the underlying reasons for doing so. Other organisations have specialised knowledge.

**Organizational learning in Complex System**

Organisations, being complex adaptive systems, have various learning abilities. In his work, Schein (1996) identifies four inherent variables that influence an organization's ability to learn and its overall system health. This comprises:

- Identity, sense of purpose, or mission
- The system's ability to autonomously sustain and adjust itself in response to both internal and external alterations.
- The ability to assess and distinguish objective truth; and
Internal alignment or the process of integrating subsystems within a larger system. How well a company can adapt depends on a number of factors. Among the ideas discussed earlier are systems thinking, which involves understanding how everything is interrelated, generative learning, which involves altering one's view of the world, and adaptive learning, which involves adjusting to new circumstances (Murray, 2002; Schein, 1996; Senge, 1990). Learning is not dependent on adaptive learning alone because the organizational culture supports generative learning as well. Furthermore, as Murray (2002) points out, it's doubtful that merely altering one's way of thinking will be enough to do this. With the help of Senge (1990) and Murray (2002), Table 1 illustrates some of the previously mentioned methodologies. With an eye toward situational awareness and organizational adaptability, this book lays forth the conceptual and theoretical bases for generative and adaptive learning.

**New organizational learning tools**

<table>
<thead>
<tr>
<th>Building shared vision</th>
<th>Surfacing and testing mental models</th>
<th>Systems thinking</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Encouraging personal vision.</td>
<td>➢ Seeing leaps of abstraction</td>
<td>➢ Seeing interrelationships, not things and processes, not snapshots</td>
</tr>
<tr>
<td>➢ Communicating and asking for support</td>
<td>➢ Balancing enquiry and advocacy</td>
<td>➢ Moving beyond blame</td>
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<tr>
<td>➢ Visioning as an ongoing process</td>
<td>➢ Distinguishing espoused theory from theory in use</td>
<td>➢ Distinguishing detail complexity from dynamic complexity</td>
</tr>
<tr>
<td>➢ Blending extrinsic and intrinsic visions</td>
<td>➢ Recognizing and defusing defensive routines</td>
<td>➢ Focusing on areas of high leverage</td>
</tr>
<tr>
<td>➢ Distinguishing positive from negative visions</td>
<td></td>
<td>➢ Avoiding symptomatic solutions</td>
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</tbody>
</table>

The capacity of an organization to learn from its experiences and adapt to new circumstances is known as adaptive learning (Daft and Weick, 1984; Murray, 2002). Companies that use adaptive learning well are experts at:

- Detecting and interpreting both internal and exterior changes in the environment,
- Collect and disseminate data in anticipation of execution and resolution,
- Formulate accurate conclusions based on analyzed data,
- Implementing internal changes to facilitate adaptation to environmental changes, with a specific emphasis on minimizing negative impacts.

An effective approach is to actively seek input on recently introduced initiatives, such as the Adaptive Coping Cycle (based on Schein, 1980).

It is crucial to understand that the ability to adapt is not a permanent trait of any specific system. A great deal of research has focused on how these elements have evolved through time in response to shifts in institutional, social, political, and economic contexts (Folke, 2006; deVries, 1985; Smit and Wandel, 2006). In addition,
studies have looked at the interrelationships between different aspects of adaptability, finding that things like managerial skills can affect other factors like employee psychological stress (Smit and Wandel, 2006). One important concept in contemporary approaches to organizational resilience is adaptive capability. Starr et al. (2004) defined change resilience as the capacity of an organization to adjust its management systems, governance structure, strategy, operations, and decision-support abilities in reaction to disturbances and interruptions. Firms that value shock resilience are more inclined to be proactive and adaptable. In addition, they highlight the need of encouraging people to behave well both inside and outside of the firm, and they see disruptions as chances for growth (Folke, 2006; Mallak, 1998).

In recent years, there have been significant developments in the research on adaptive capacity in organizational systems, specifically focusing on the cultural capital of an organization and how it affects its ability to withstand crises. The topic stated in the text has potential links to Perrow's (1979) research on normal catastrophes and several studies conducted on High Reliability Organizations (HROs). Many organizational cultures have been identified for their ability to acquire knowledge and adjust accordingly (see to Schein's 1996 study for example). Some firms possess favorable workplace cultures that enable employees to easily adjust to unforeseen and surprising changes in the work environment. Some examples include Coca-Cola, Nokia, Toyota (Sheffi, 2006a), Dell (Sheffi, 2005), and UPS (Coutu, 2002). While the specific language used to define the characteristics of great organizational cultures may vary, there are certain universally agreed aspects that firms may promote and push for.

Individuals with expertise in predicting unexpected events make a substantial contribution to organizations that are highly adaptable. An organization must prioritize both improving its personnel's ability to manage unexpected situations and refining its approach to planning and testing. Organizational culture is crucial since it is impossible to predict every possible event in advance (Sheffi, 2005). This is especially evident in firms that stress reliability and high dependability, where the promotion of a safety-focused culture is more important than reducing or managing unanticipated and unexpected accidents (Rochlin, 1999).

**Dynamic Capabilities**

In order to respond swiftly to shifting circumstances, organizations need dynamic capabilities, which are defined as the capacity to integrate, develop, and alter internal and external capabilities (Teece et al., 2010). Because they are exclusive to the here and now, operational capabilities stand apart from dynamic capabilities. The capacity of an organization to intentionally build, improve, or alter its resource pool is known as dynamic capabilities, according to Helfat et al. (2007) and Teece et al. (2010).

A fundamental tenet of the dynamic capacity model is the idea that it is critical to use fundamental competencies to adjust short-term competitive positions in order to build a competitive advantage in the long run. As pointed out by Teece et al. (2010) and Nelson and Winter (1982), respectively, the resource-based perspective of the corporation and the concept of "routines" in evolutionary theories of the organization are the two primary sources from which the literature on dynamic capabilities draws. Thus, it creates a correlation between investigations into economically-driven strategy and evolutionary approaches in the field of organizational design. According to their perspective, three essential skills are required to effectively address new issues. Both companies and their individuals must possess the essential qualities of quick learning and the cultivation of strategic assets. The organization must include new assets, encompassing capability, technology, and customer input. Converting or redesigning present strategic assets is necessary.

Corporate agility refers to the ability of a business enterprise to effectively identify and respond to potential risks, take advantage of opportunities, and sustain competitiveness by improving, integrating, safeguarding,
and if necessary, reorganizing its intangible and tangible resources. This concept aligns with Treece's notion of dynamic capabilities.

Traditionally, industries such as healthcare, military, emergency response, and disaster management have prioritized the development of individuals' resilience. However, in situations where surroundings are constantly evolving and responding to the needs of multiple stakeholders, the importance of individual resilience within the larger workforce cannot be overstated. There is an increasing awareness among companies, management, and leaders about the benefits of having a resilient workforce. This has resulted in a wide range of high-quality resilience-building programs being developed. This article examines the concept of workplace resilience, examines the qualities that promote resilience, and proposes effective methods to improve the resilience capacity of individuals.

Resilience is neither a fleeting event nor a stagnant state. Nevertheless, it is an ever-changing process that may be nurtured in most individuals. Studies suggest that the attitudes, behaviors, and actions that enhance resilience are not fixed, but can be learned and improved upon (McAllister & McKinnon, 2009; Jackson, Firtko, & Edenborough, 2001).

Factors Affecting Individual resilience
What are the factors that influence an individual's ability to be resilient? Resilience is the outcome of the interplay between individual traits and external circumstances, as suggested by literature.

Individual Factors
Studies indicate that there are various personal traits in individuals that can operate as protective factors and enhance their ability to be resilient. The figure presented on the subsequent page emphasizes several essential individual traits:

Source: Luthans (2002)

Situational/Environmental Factor
Changes and the prospect of uncertainty affecting individuals are constant realities in our vibrant and fast-paced environment. Situational risk factors affecting resilience can manifest as changes like these in the workplace. The following table lists some of the external or situational risk factors that workers face on the job.
It is important to note that while building resilience among employees, the focus is frequently on addressing unpleasant events, changes, and stressors that occur in the workplace. Nevertheless, it is worth noting that positive changes, such as job promotions and increasing role responsibility, can also have a substantial impact on an individual’s ability to be resilient (Luthans, 2002).

Resilience in Employees: Why Invest in Them?
Neglecting to address challenges in the workplace in an inappropriate manner can negatively impact the physical, emotional, and mental health of individuals. Uncovert and overt expenditures are commonplace for the organization.

Work-related stress dams in Australia caused an average of 10.9 weeks of lost time due to injury between 2006 and 2007, with a median payment of $14,300 per person, according to the Compendium of Workers’ Compensations Satisfies Australia 2007-2008. This value exceeds the mean for all claims, which was $5,800 and 3.9 LTI, respectively. More recently, studies have demonstrated the impact of personal resilience on outcomes in the workplace (for specific instances, refer to the table below). While it can be difficult to establish causal relationships between stressors, resilience levels, and outcomes, doing so has the potential to have a substantial impact on critical organizational results.

The Outcomes of High and Low Resilience on Individuals and Organizations

<table>
<thead>
<tr>
<th>Outcomes of High Resilience Among Employees</th>
<th>Outcomes of Low Resilience Among Employees</th>
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<tbody>
<tr>
<td>Adaptive behaviours such as revisiting goals in the face of adversity</td>
<td>Increased stress claims burnout</td>
</tr>
<tr>
<td>Positive organizational behaviour</td>
<td>Low engagement</td>
</tr>
<tr>
<td>Contributions to a positive organizational climate and/or culture</td>
<td>Decreased productivity</td>
</tr>
<tr>
<td>Higher productivity</td>
<td>Physical issues (e.g., cardiovascular stress)</td>
</tr>
<tr>
<td>Increased innovation</td>
<td>Emotional responses such as helplessness, hurt, guilt, and fear</td>
</tr>
<tr>
<td>Use of effective and appropriate coping strategies</td>
<td>Use of “avoidance” strategies (e.g., substance use, disruptive behaviours)</td>
</tr>
<tr>
<td>Greater intention to remain</td>
<td>Retention issues</td>
</tr>
<tr>
<td>Increased job satisfaction</td>
<td>Family costs</td>
</tr>
</tbody>
</table>
Building Individual Resilience in the Workplace

When it comes to managing employee welfare and improving their resilience in the face of adversity, organizations can make a significant impact. This is helpful for leaders as well, since leading when people are highly reactive and emotionally charged is challenging. In order to meet the professional and personal needs of their employees, many companies use Employee Assistance Programs (EAPs). In addition to addressing a broad variety of individual concerns, including those pertaining to family, substance abuse, and gambling, EAP programs have expanded to include the influence of organizational factors on an employee's work experiences, including psychosocial and organizational pressures.

Regardless of sector or position, more and more companies are incorporating proactive resilience training programs into their workforce. In addition to enhancing workers' immediate job experiences and fostering their general well-being, these programs also provide them with the tools they need to adapt to future challenges, changes, and uncertainties.

Summary

It can be seen from the study that organizational resilience could positively and significantly influence employee performance. All the dimensions of organizational resilience of organizational learning, adaptive capacity and dynamic capability are all very significant on employee performance. Hence employees are keen to learn, adapt to changes, and capable of overcome all odds and challenges, bounce back and achieve greater success.

Conclusion

Based on the extant literature, the study concluded that:
Organizational learning is positively related to employee performance.
Complex adaptive capacity is positively related to employee performance.
Dynamic capability is positively related to employee performance.

Recommendations

The study recommended as follows:
1. Management should foster organizational learning as regular training and development of employees will lead to resourcefulness of the employees during crisis situation such as coronavirus – Covid-19 Pandemic. Such organizational learning will lead to profitability and productivity.
2. Management should foster adaptive capacity as employees are ever ready to adapt to relevant work systems that will allow for employee retention and continuous performance.
3. Management should foster dynamic capability of the employees so that there will be less resistant to change, hence employees are able to meet the current prevailing technology in order to achieve profitability and productivity.

Contribution to knowledge

The study has contributed to knowledge by discovering that organizational resilience such as organizational learning, complex adaptive capacity and dynamic capability can positively influence organizational performance such as profitability and the productivity.
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