**SCIENTIFIC REVIEW**

# A THEORETICAL REVIEW OF ORGANIZATIONAL RESILIENCE: CONTRIBUTIONS AND SCOPE CONDITIONS

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### ABSTRACT

*Studying resilience from different aspects involves examining it from various perspectives and disciplines. Theories of resilience are essential for improving our understanding of human and organizational adaptation and guiding efforts to enhance resilience at the individual, community, and societal levels, ultimately contributing to better mental health, disaster preparedness, and overall well-being. The aim of our literature review is to investigate resilience in the context of workplaces and organizations, including how leaders and management can foster resilience among employees.*

*Keywords: resilience, organizational theory, workplaces, organizations, employees*

*JEL classification: L29, H12*

## INTRODUCTION

Studying resilience from these diverse perspectives can provide a holistic view of how individuals and communities adapt and thrive in the face of adversity. Researchers from various fields, including psychology, biology, sociology, and more, contribute to our understanding of resilience from these different angles.

Theories of resilience are important for several reasons, such as following:

➢ Understanding Human Adaptation: Resilience theories help us understand how individuals, communities, and societies adapt and bounce back from adversity, such as trauma, stress, or challenging life events. This knowledge can inform strategies to enhance people's ability to cope with difficulties.

> ➤ Informing Interventions: Resilience theories provide a framework for designing interventions and support systems that promote resilience in individuals and communities. By identifying protective factors and processes, interventions can be tailored to enhance these factors and build resilience.
> ➤ Mental Health Promotion: Resilience theories contribute to mental health promotion by highlighting the role of psychological, social, and environmental factors in mitigating the impact of stressors. This can lead to strategies for preventing mental health issues and promoting well-being.
> ➤ Risk Reduction: Understanding resilience is crucial for risk reduction and disaster preparedness. By identifying factors that make individuals and communities more resilient, we can develop strategies to reduce vulnerabilities and minimize the negative effects of disasters and crises.
> ➤ Policy Development: Resilience theories can inform policy development in areas such as public health, education, and social services. Policies that support the development of resilience can lead to more robust and adaptive societies.
> ➤ Research and Measurement: Resilience theories provide a basis for research and measurement. They enable researchers to study and assess resilience factors and processes, which can lead to a better understanding of how resilience works and how it can be enhanced.

The aim of our literature review is to investigate resilience in the context of workplaces and organizations, including how leaders and management can foster resilience among employees.

## THE PROMINENT THEORIES ON RESILIENCE

Over the years, many theories and models have been developed to help understand the concept of resilience. Some of the prominent theories on resilience include:
- Maddi's theory [1] emphasizes the importance of resilience in the face of stress and adversity for both managers and entrepreneurs. He believed that individuals with a high level of resilience are better equipped to handle the challenges and uncertainties that come with their roles, and are more likely to thrive in difficult situations. Maddi's research on resilience has been influential in fields such as business, psychology, and health.
- The Bronfenbrenner's bioecological theory [2] suggests that resilience is influenced by the interactions between an individual and their environment. It emphasizes the importance of supportive and nurturing environments, such as family, schools, and communities, in fostering resilience.
- The developmental systems theory developed by Masten [3] posits that resilience is the result of complex interactions between biological, psychological, and environmental factors over the course of an individual's lifespan. It emphasizes the importance of individual strengths and positive coping strategies in promoting resilience.

- The social cognitive theory developed by Bandura [4] emphasizes the role of cognitive and behavioral processes in shaping resilience. It suggests that individuals with strong self-efficacy, the belief in one's ability to cope with challenges, are more likely to exhibit resilience.
- In the positive psychology theory Cohn, Fredrickson, Brown, Mikels, and Conway [5] emphasize the importance of positive emotions, such as hope and optimism, in promoting resilience. This theory suggests that individuals who focus on their strengths and positive experiences are better able to cope with adversity and bounce back from challenging experiences.
- The cultural resilience theory Clauss-Ehlers [6] emphasizes the role of cultural beliefs, values, and practices in promoting resilience. She suggests that individuals who maintain a strong connection to their cultural identity and traditions are better able to navigate and overcome adversity. Overall, these theories highlight the complex and multi-dimensional nature of resilience and provide insights into the factors that contribute to its development and maintenance.

## STUDY OF RESILIENCE FROM ORGANIZATIONAL ASPECT

Resilience in organizations refers to their ability to withstand and adapt to challenges, disruptions, and change. Here are key aspects of studying resilience from an organizational perspective:

i. Risk assessment: Analyze the risks and vulnerabilities that organizations face, such as economic downturns, natural disasters, or cyberattacks. Understand how these risks can impact operations and performance.
ii. Adaptive Capacity: Study the organization's ability to adapt and respond to unexpected events. This includes examining leadership, decision-making processes, and the flexibility of structures and systems.
iii. Crisis Management: Investigate the organization's crisis management strategies, including incident response plans, communication protocols, and the allocation of resources during a crisis.
iv. Learning and Improvement: Assess how organizations learn from past incidents and use that knowledge to improve resilience. This involves examining post-incident reviews and feedback mechanisms. Culture and Leadership: Explore the role of organizational culture and leadership in building resilience. A culture that encourages open communication and innovation can enhance an organization's ability to adapt.
v. Technology and Infrastructure: Analyze the role of technology and infrastructure in organizational resilience, including IT systems, supply chain management, and redundancy measures.
vi. Human Capital: Consider the importance of a skilled and motivated workforce in building resilience. Employee training, cross-training, and succession planning can all contribute to resilience.

vii. Collaboration and Partnerships: Examine how organizations collaborate with external partners, such as suppliers, government agencies, or industry associations, to enhance resilience.
viii. Measuring Resilience: Develop metrics and key performance indicators (KPIs) to assess an organization's resilience. This can involve both qualitative and quantitative measures.
ix. Case Studies: Analyze real-world case studies of organizations that have demonstrated resilience in the face of adversity. Identify best practices and lessons learned.
x. Continuous Improvement: Emphasize the importance of ongoing assessment and improvement in building and maintaining resilience. Resilience is not a one-time achievement but an ongoing process.

## ORGANIZATIONAL THEORIES OF RESILIENCE

Organizational theories of resilience focus on how businesses and institutions can adapt, recover, and thrive in the face of disruptions and adversity. Some key theories and concepts include:

**Dynamic Capabilities Theory**: This theory suggests that organizations can build resilience by developing dynamic capabilities, which are the ability to sense, seize, and reconfigure resources and competencies in response to changing environments. Authors showed how dynamic capability combines with prior theories to explain competitive advantage in different industry contexts. [9].

**Resource-Based View**: It emphasizes the importance of a firm's resources and capabilities in building resilience. Organizations should have valuable, rare, and non-substitutable resources to adapt effectively [10- 12]

**Complex Adaptive Systems Theory**: This theory views organizations as complex, adaptive systems that can self-organize and evolve to cope with shocks and uncertainties. It emphasizes flexibility and adaptability. In addition, it explores the nature of interaction and adaptation in such systems and how they influence such things as emergence, innovation, and fitness [13].

**Resilience Engineering**: This approach focuses on understanding how organizations can anticipate, respond to, and recover from unexpected events. It often involves studying high-risk industries like aviation and healthcare to learn from their practices. According to Paulo Victor R. de Carvalho and al. [14] „resiliency is generally defined as the inherent capability of a system to adapt and maintain its functionality when faced with disruptions and unforeseen alterations".

**Sensemaking and Weick's Theory**: Karl Weick's theory of sensemaking [15, 16] highlights the importance of how organizations interpret and make sense of crises. Effective sensemaking can lead to more resilient responses.

**High Reliability Organizations (HROs):** HRO theory suggests that some organizations, such as nuclear power plants or aircraft carriers, maintain high levels of reliability and resilience through a commitment to safety, mindfulness, and continuous learning. Namely, the HRO theory provides insight into adaptive organisational forms for complex environments [17].

**Cybernetics and Feedback Loops**: Cybernetic theories [18] explore how organizations can use feedback loops to adapt and self-regulate in response to disruptions, similar to how a thermostat controls temperature.

**Adaptive Cycle Theory**: This theory draws from ecological concepts and describes how organizations go through phases of growth, conservation, release, and reorganization [19, 20]. Understanding these cycles can aid in building resilience.

**Resilience as a Cultural Attribute**: Some theories focus on the role of organizational culture in resilience [21,22,25]. A culture that encourages open communication, learning from failures, and adaptability can enhance resilience.

**Network Theory**: Organizations can build resilience by creating and leveraging networks of partners, suppliers, and stakeholders. These networks can provide support and resources during disruptions [24] .

These theories and concepts provide different perspectives on how organizations can enhance their resilience, and their applicability may vary depending on the specific context and industry.

## CONCLUSION

Organizations today should rapidly adapt to business environment dynamic changes. In this context, in order to achieve success organizations should think and act outside the traditional framework [7]. This implies using new knowledge in the application of the best practical experience, as well as the experience of other organizations which are involved with the same or similar services. In line with this, successfully managing diversity is increasingly recognized as an imperative for the contemporary business world. In this context, managers might find themselves in foreign assignments; managing a workforce that differs in needs and attitudes. In line with this, managing global companies poses many opportunities and challenges for the leadership of the company. Namely, resilience begins with enterprise leadership setting the priorities, allocating the resources, and making the strategic decision to establish organizational resilience throughout the enterprise.
Boosting resilience to the risks of economic, social, and environmental shocks should be a top priority and goal. It requires a defensive resilience posture, consisting of recovery, hardening and redundancy – that are widely recognized as vital ingredients for successful business continuity plans. Those organizations that are highly resilient are therefore more adaptive and able to respond rapidly to unforeseen change. Also,

based on our research [7],[8], the winners in changeable business environment will be the unbridled firms that are responsive to challenges and adroit in both creating opportunities. Future research is needed to clarify how organisations develop their capabilities and resources to achieve positive outcomes in the face of challenges.

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