

Organizational Resilience and Crises Confronting Cities

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Natural disasters, terror attacks, and fiscal crisis have increased curiosity about how some organizations get stretched to the breaking point but bounce back and recover. Janet Denhardt and Robert Denhardt refer to resilience as the capacity to recognize and manage challenges in a manner that leaves the organization more flexible and better able to adapt to future challenges. As interest in organizational resilience rose, researchers found that “it is actually the practice of everyday resilience in responding to those thousands of daily stresses and disjunctures that may best equip organizations to also handle catastrophic and unexpected challenges to their health...” Organizational resilience forces managers to building the capacity to adapt.

The Denhardts report research that argues that organizations that emphasize power relationships, resources, patterns of authority, and rules and procedures often limit the capacity of leaders to change followers’ frames of reference. Instead, flexible practices are recommended that permit an organization to “flip from one kind of organization to another and back again by shifting the system configuration, in the same way that a soccer [or a basketball team but not a football or baseball] team will flip from offensive to defensive alignments.” The best way to build successful resilience and capacity to adapt lies in consistently overcoming “just manageable” threats over time, meeting challenges in a way that leaves managers and groups in the organization flexible rather than brittle.

People in resilient organizations have a realistic view of capacities and challenges they face. They frame new challenges on their own terms, rather than categorize them in terms of past experience and response. Resilient organizations are free of denial. Rather than spending excessive time optimizing existing capacities and systems, resilient organizations have a capacity to recognize and exploit opportunities on the spur of the moment.

Resilient organizations often have excess capacity that allows groups within the organization to survive even if other groups fail; managers build redundancies against the risk of the failure of any part of the organization. Managers in resilient organizations also build the physical and psychological health of organization members. Resilient organization members try new approaches rather than rely solely on standard operating procedures. Leaders of resilient organizations prize reliable organization infrastructure –

the capacity to generate and analyze reliable and accurate data, provide communications channels that work in every direction, and achieve financial sustainability.

Finally managers in resilient organizations build a culture that rewards the willingness to take necessary risks and experiment rather than punishes mistakes and failures.

Researchers have found that managers have a natural tendency to respond to threat – to events that seem to be flying out of control – by placing further controls within the organization through more strict hierarchical management practices, greater dependence on standard rules of procedure, and limitations on the variability of communications.

Resilient organizations, these researchers find, act in the opposite way, building the capacity to act in the moment, through imagination, ingenuity, spontaneity, creativity, rapid shifts in networks and patterns of communication, and improvisation.

Well-managed local government organizations often pursue a strategy of “bricolage” or doing what’s necessary with what’s at hand. Fiscal sustainability is the capability of a government to meet consistently its financial responsibilities, in the short term by adjusting spending to revenues and revenues to spending, and in the long term by protecting future generations’ fiscal abilities. Judging the necessary from the “just good to do,” local managers decide what’s necessary.