

A Conceptual Overview: Awareness of Adversity Quotient and Need for Organizational Resilience in the Contemporary Era

Dr. Venkatesh. J¹, Shivarajani. G², Thenmozhi. S³, Dr. Balasubramanie. P⁴ and Manjula Gandhi. S⁵

¹Associate Professor, Department of Management Studies, Anna University, Regional Centre Coimbatore, Jothipuram, Coimbatore. Tamil Nadu, India. Email: drjvmba@gmail.com

²Full Time Ph.D. in Management Sciences Research Scholar, Department of Management Studies, Anna University, Regional Centre Coimbatore, Jothipuram, Coimbatore. Tamil Nadu, India. Email: ranjani.rrb@gmail.com

³Assistant Professor, Department of Computer Applications, Gnanamani College of Technology, AK Samuthiram, Pachal, Namakkal District, Tamil Nadu, India. Email: Thenmozhi.s1983@gmail.com

⁴Professor, Department of CSE, Kongu Engineering College, Perundurai, Erode, Tamilnadu, India. Email: pbalu_20032001@yahoo.co.in

⁵Assistant Professor (Senior Grade), Dept of Computer Applications, Coimbatore Institute of Technology, Tamil Nadu, India. Email: manjulagandhi@cit.edu.in

Abstract — One's workforce is the foundation of one's organizations ability to remain resilient. The concept of organizational resilience was born out of organizations strong sensitivity to perturbations on any scale. It is essential for organizations and individuals to become more agile as disruption seems to be everywhere these days with more and more industries collapsing, shutting down of major urban centre's and financial markets getting imploded due to increase in volatility. This paper aims to throw light on Adversity Quotient, Organizational Resilience and how companies can improve their abilities to withstand disruptions.

Keywords — Workforce, Adversity Quotient, Organization, Resilience, Adversity, Self Efficacy.

INTRODUCTION

To state we live in challenging times is an irony but crisis may also be understood as an opportunity as those who cultivate a resilient organization will be better positioned to prosper when others tail off. Recent events teach us that crisis and even disaster occur far more frequently than previously anticipated. To list a few lets recall the Japan's post tsunami crisis, repeated tornadoes of the Southern and Midwestern US, Wall Street's meltdown, the subsequent recession and the consequent demise of discretionary spending remind us that human made disasters can be shocking in other ways. The key is to not only survive such events but to prosper during such upheavals by the tool human resilience. While human resilience may be thought of as a personality trait, in the aggregate, groups, organizations, and even communities can learn to develop a 'culture of resilience' which manifests itself as a form of 'psychological immunity' to or the ability to rebound from the unpleasant effects of adversity. Just as individuals can learn to develop personal traits of resilience, so too can organizations develop a culture of resilience. Many argue that a culture of organizational resilience is built largely

upon leadership, what we refer to as 'resilient leadership'. As the belief is key leadership personnel often frontline leadership and appear to have the ability to 'tip' the organization in the direction of resilience and to serve as a catalyst to increase group cohesion and dedication to the 'mission and vision' by demonstrating four core attributes of optimism, decisiveness, integrity, and open communications while serving as conduits and gatekeepers of formal and informal information flows throughout the organization and enjoying high source credibility. Using the insightful and well researched formulations of Albert Bandura, Self-efficacy may be thought of as the belief in one's agency and the ability to be a catalyst for change. He argues that the perception of self-efficacy shapes key human behaviours.

1. The courses of action people choose to pursue.
2. How much effort they put forth in given endeavors.
3. How long they will persevere in the face of obstacles and failures.
4. Their resilience to adversity.
5. Whether their thought patterns are self-hindering or self-aiding.
6. How much stress and depression they experience in coping with taxing environmental demands.
7. The level of accomplishments they realize.

All of the aforementioned behaviours we believe are not only essential in resisting that is developing immunity to or rebounding from adversity they are the foundations of a resilient organizational culture and can be used to increase resilience throughout the organization.

REVIEW OF LITERATURE

Adversity Quotient (AQ) is a construct which evolved out of researches by Paul Stoltz and his team over

two decades. AQ is seen as a quantitative measure of a person's resilience. Research in resilience predates the use of the term AQ, other synonymous terms that appear in literature include coping skills and hardiness. Resilience has been defined as the ability to bounce back after a set-back. Individuals as well as organizations demonstrate resilience, or its absence, when they are faced with difficult circumstances. The majority earlier research on resilience deals with people in various traumatic and extreme conditions and studies how they cope and rise out of their adverse conditions. A large number deal with correlating resilience and coping to social/environmental conditions and various psychological constructs. The main sources for the researcher's conceptual understanding of adversity quotient and its correlates came from the two books by *Stoltz* and the website of Peak Learning, Inc. While the two books elaborate their own research and findings, the website provides leads to other research in the area as well as a summary of their own work in several different organizations.

The first book *Adversity Quotient: Turning Obstacles into Opportunities* elaborates the concepts of adversity response and adversity quotient® (AQ) as well as its dimensions. The theories on which AQ is based are explained and an analogy with mountaineers facing severe physical and naturally caused adversity on mountains is explained in great detail. All of these form the background on which this research is based. The book provides a version of the tool prepared to measure AQ along with a user's manual and an interpretation of scores on total AQ and its four CORE dimensions. The last part of the book provides a sequence of strategies (The LEAD sequence) which can be practiced to improve one's AQ level and move from quitting to camping to climbing. The sequence can also be used to help others improve their AQ and in creating a climbing culture in an organization. The steps in the LEAD sequence include Listening to your adversity response, Exploring all origins of the adversity and establishing ownership and responsibility for finding a solution to the problem, Analysing the evidence to understand your own reactions with respect to the dimensions and Doing something to gain control, limit the reach of the adversity and how long you allow it to endure. The author recommends doing this every time one faces an adversity, so that by force of habit one is led to continuously improve AQ.

The second of *Stoltz's* books *Adversity Quotient @ Work* is a take-off from the first. It is more specific to the application of the concepts of AQ to the work place. A basic change is in the definition of the second dimension. Where earlier it was defined as Origin and ownership and written as O the two are now combined and it is referred to merely as ownership. The definition is now changed to the extent to which you take it upon yourself to improve the situation at hand regardless of the cause. This is the definition adopted in this research. The author provides a tool to measure the adversity quotient of an individual as well as of his team. This provides a picture of the organizational operating system and gives an idea of how the team and organization is handling adversity. The author then relates this to the quitters, campers

and climbers in the mountain analogy explained in the first book. The tool Adversity Response Profile and its interpretation along with examples of real people with high and low adversity quotient and their reactions to adversity. He contends that persons with low AQ may be able to perform with a certain measure of success, but in the face of severe adversity the price they pay is too high. A higher AQ would help them weather the inevitable storms more easily. He makes a case for an intervention programme to develop AQ. The author then provides a more thorough explanation of high and low scores on each of the dimensions and how the limitations can be overcome. The author recommends a continuous programme to improve one's response ability and suggests entering a climbing school. The focus of the climbing school is to improve one's AQ, one's response ability and the overall culture of the organization. It emphasizes improving the CORE dimensions through use of an abbreviated version of the LEAD sequence and some newer methods and strategies. The climbing school operates at two levels. The first level aims at bringing about an awareness of the CORE dimensions. The second level uses the LEAD sequence as its strategy. Finally, it suggests how this sequence can be used by organizations to help nurture climbing and climbers. The book concludes by explaining how the concepts can be used at various levels and in various tasks within organizations. Siebert (2005) defines resiliency as the ability to adapt to life's changes & crises. It is the key to a healthy and productive life. Siebert believes that there is a science of resiliency and his research explains how and why some people are more resilient than others & how resilience can be learnt at any age.

Siebert's book The Resiliency Advantage details five levels of resiliency and provides a programme of activities to increase resilience. The character traits at the two ends of the continuum that is resilience vs. vulnerability, such as resisting change vs. embracing change, acting morally vs. living morally, emotional stupidity vs. emotional intelligence, following role instructions vs. being an author of one's life story etc., are listed and the path to bringing about that transformation is charted out. The author relies extensively on a reflective approach in the activities suggested.

Viscott (1996) in his book on *Emotional Resilience* deals with the bouncing back from an emotional setback. While one's work and career may take up most of one's time, it is relationships that take up most of one's life. Interpersonal relations and the emotions attached to them can have the deepest influence and endure for the longest when they disturb a person's emotional equilibrium. What one then needs is emotional resilience. The book guides one through the process of natural therapy so that one can deal better with the adversity. On the face of it the book appears to be meant for psychotherapists. The fact however that is any adversity affects one's emotions as every adversity has a feeling component and it is this effect which lasts for a long time in the form of anxiety, causing dysfunctionality when it diffuses to other areas of his life. Thus, when emotional resilience is taken care off then general resilience will automatically

improve as well. The book is a detailed account of how one can help oneself out of an emotional trauma and back to emotional mental health.

ADVERSITY QUOTIENT

Intelligence Quotient (IQ), measurement of raw intelligence and Emotional Quotient (EQ), measurement of emotional intelligence, to judge the success of individuals are outdated now. Today the new predictor of success is Adversity Quotient (AQ). The present day high velocity economy with its increasing uncertainty and complexity of jobs, requires employees who can thrive in the face of adversity. While adversity can take any form and magnitude, from major tragedies to minor annoyances, adversity quotient is a measure of how an individual perceives and deals with challenges. Individuals with high AQ levels take greater responsibility to fix problems and do not blame others for their setbacks. They feel that the problems they face are limited in scope and can be dealt with quickly and effectively. Those who can't handle adversity can become easily overwhelmed and emotional, then pull back and stop trying. According to Stoltz, "Some people possess a high IQ and all the aspects of Emotional Intelligence, yet tragically fall short of their potential. Neither IQ nor EQ appear to determine one's success. Nonetheless, both play a role. The question remains, however, why do some people persist while others perhaps equally brilliant and well adjusted fall short and still others quit? AQ answers this question.

AQ takes three forms:

First, AQ is a new conceptual framework for understanding and enhancing all facets of success: based on research it offers a practical, new combination of knowledge that redefines what it takes to succeed. Second, AQ is a measure of how one responds to adversity: it provides to measure, understand and change one's response to adversity. Finally, AQ is a scientifically grounded set of tools for improving how one responds to adversity.

AQ is comprised of four CO2RE dimensions. CO2RE is an acronym for the four dimensions of AQ. These four dimensions determine one's overall AQ. They can be described as follows:

C: C stands for 'control'. It is the perception of the degree of control one has over an adverse event. Control begins with the perception that something, anything can be done.

O2: O2 stands for 'origin and ownership'. It is the extent to which a person holds himself or herself accountable for improving a situation.

R: R stands for 'reach'. It is the perception of how large or far reaching events will be.

E: E stands for 'endurance'. It is the perception of time over which good or bad events and their consequences will last or endure.

TABLE I
DIMENSIONS OF ADVERSITY QUOTIENT

Dimension	What it is	What it determines
Control	The extent to which someone perceives they can influence whatever happens next	Resilience, health and tenacity
Ownership	The likelihood that someone will actually do <i>anything</i> to improve the situation regardless of their formal responsibilities	Accountability, responsibility, action and engagement
Reach	The extent to which someone perceives an adversity will "reach into" and affect other aspects of the situation or beyond	Burden, stress, energy and effort, it tends to have cumulative effect
Endurance	The length of time the individual perceives the situation / adversity will last or endure	Hope, optimism and willingness to persevere

Source: Peak Learning, Inc

Stoltz contends that:

- AQ can be measured reliably and validly
- AQ can be used to predict performance and other critical variables
- AQ can be rewired and strengthened
- AQ can be applied to a variety of situations across cultures and industries

Stoltz (2000) further indicated that people who successfully apply AQ perform optimally in the face of adversity the challenges, big and small, that confront us each day. In fact, they not only learn from these challenges but they also respond to them better and faster. For businesses and other organizations, a high Adversity Quotient workforce translates to increased capacity, productivity and innovation as well as lower attrition and higher morale.

According to the AQ theory of Stoltz, employees in any organization are of three kinds - climbers, campers and quitters.

Climbers: Climbers are employees who seek challenges and have high AQ levels. Entrepreneurs and sales people who work on commission basis are among the climbers. The organizations that are adventure centric also fall into this category. Microsoft has been quoted as one such climbing organization. Climbers have an utter refusal to be insignificant. What they do and who they are, has to matter to them is Stoltz's opinion.

Campers: Campers constitute about 80% of the typical workforce in any organization. These people resist giving up their comforts, no matter what the price.

Quitters: Quitters are those who are risk averse and flee from challenges. They are usually inclined towards education and take up teaching and mentoring. Campers and quitters are tension creators and often frustrate climbers. They are the cause for organizations losing climbers their key talent. Organizations are increasingly adopting the AQ concept to capitalize on its benefits. Understanding an individual's AQ can not only help organizations to hire and retain highly motivated and talented employees, but also help in developing employees to their full potential, and create a leadership culture. This can in turn help in encouraging employees to put forth their best efforts and maximize their performance capabilities leading to overall better organizational performance. AQ training has been successful in improving the average AQ level of the companies by 23%. One can expect anything between 5% and 15% improvement just by raising people's awareness of their own AQ. At Florida Water Services in US, about 250 managers and key employees half of their workforce, who underwent the AQ training, got stunning results in converting the campers into climbers.

ORGANIZATIONAL RESILIENCE

Resilience is defined as an organization's capacity to anticipate disruptions, adapt to events and create lasting value. The concept of resilience is rapidly advancing as a practical response to the needs of an organization, enterprise or government to effectively address the combined issues of security, preparedness, risk, and survivability. Resilience is an organization's capacity to maintain its functions and structure in the face of internal or external change or threat. Being resilient is a proactive and determined attitude to remain a thriving enterprise despite the anticipated and unanticipated challenges that will emerge. Resilience moves beyond a defensive security and protection posture and applies the entity's inherent strength to withstand crisis and deflect attacks of any nature. Resilience is the empowerment of being aware of your situation, your risks, vulnerabilities and current capabilities to deal with them, and being able to make informed tactical and strategic decisions and Resilience is an objectively measurable competitive differentiator having more secure, increased stakeholder and shareholder value. It is logical to expect that an organization that realizes the benefits of the above definition of resilience will have a high likelihood of maintaining a successful and thriving enterprise.



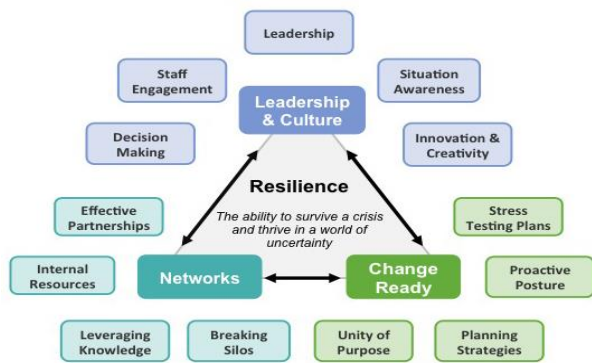
Source: www.suntiva.com

INDICATORS OF RESILIENCE

The 13 key indicators which assess the resilience of an organization:

1. **Leadership:** There is need for a strong crisis leadership which will ensure in providing better decision making and good management of all the resources during the time of crisis by continuous evaluation of the strategies and work programs that were set against the organizational goals.
2. **Staff engagement:** Staffs are empowered to use their skills to solve problems during crucial situations, the engagement and involvement of staff is essential to understand their role between their own work and the organizations resilience for delivering long term success.
3. **Situation awareness:** Staffs are given training and are encouraged to be vigilant about the performance and potential problems that prevail within the organization. Staffs are appraised for sharing and reporting positive and negative news about the organization by reporting quickly to their organizational leaders for intimating early warning signals to wake up and prevent crisis situation.
4. **Decision making:** The staffs are given with appropriate authority to make any decisions related to their work and authority is given with an intension of accountability where staffs are delegated responsible for any crisis situation arising out of their poor decision making, so highly skilled staffs are involved in decision making where their specific knowledge adds significant value where their involvement will aid in implementation giving profitable results.

Resilience Indicators



Source: <http://www.resorgs.org.nz/Content/what-is-organisational-resilience.html>

Figure 2: Indicates the Resilience Indicators of an Organization

5. **Innovation and Creativity:** The employees are encouraged and optimally rewarded for using their knowledge in novel ways to solve new and prevailing problems and for utilizing innovative and creative approaches to develop positive solutions.
6. **Effective partnerships:** Is established with an understanding of the relationships and resources the organization might need to access from other organizations during a crisis and requires meticulous planning and management to ensure this access.
7. **Leveraging knowledge:** There is sharing of critical information which is stored in a number of formats and locations for ease of decision making. Staffs have access to expert opinions when required and the job roles are shared where the staffs are trained so that there is multi tasking done so as there will be someone who will always be able to fill key roles.
8. **Breaking silos:** The Company should aim in minimization of conflict ridden social, cultural and behavioral barriers which are most often manifested as communication barriers creating disjointed, disengaged and damaging ways of working.
9. **Internal resources:** The optimum management and mobilization of the organizations resources to ensure its ability to operate during business as usual as well as being able to provide the extra capacity required during a crisis.
10. **Unity of Purpose:** An organizations wide awareness of what the company's priorities would be following a crisis which is clearly defined at the organizations level as well as a clear understanding of the company's minimum operating requirements.

11. **Proactive posture:** Where organizations strategic and behavioral readiness to respond to early warning signals of change in the organizations internal and external environment before they enter into crisis stage.

12. **Planning strategies:** The firm majorly concentrates on the development and evaluation of planning strategies in order to combat the volatility of the market with regard to its business environment and stakeholders.

13. **Stress testing plans:** The organization insists in the participation of its staffs in simulations and scenarios designed to practice response arrangements and thereby validate the plans.

CONCLUSIONS

Each organization has their own perfect storm say a combination of events or circumstances that has the potential to bring their organization to its knees. For a Financial system, the worst nightmare might be sudden loss of customer confidence creating a snowballing run on the bank. For other organizations it may be the failure of a key supplier, contamination on the production line, a discontented employee wreaking havoc, etc. It isn't just about getting through crises a truly resilient organization has two other important capabilities say the foresight and situation awareness to prevent potential crises emerging and an ability to turn crises into a source of strategic opportunity. While this paper focuses on the resilience of organizations (businesses, government agencies, institutions etc) an organization sits within an ecological like system and resilience is required at all levels of this system. The resilience of an organization is directly related to the resilience of the other organizations on which it depends (customers, suppliers, regulators, and even competitors). An organization is also dependent on and also contributes to the individual resilience of its staff and the resilience of the communities that they live in. Similarly, an organization's resilience is directly related to the resilience of its sector, and the sector's resilience is intertwined with the resilience of the nation.

REFERENCES

1. Al Siebert, 2005, The Resiliency Advantage: Master Change, Thrive Under Pressure and Bounce Back from Setbacks, Practical Psychology Press, New York.
2. Bandura, A 1986, Social Foundations of Thought and Action: A Social Cognitive Theory, Prentice-Hall, Inc.
3. Bandura, A 1997, Self-Efficacy: The Exercise of Control, WH Freeman: New York.
4. Bhamra, R, Dani, S & Burnard, K 2011, 'Resilience: the concept, a literature review and future directions', International Journal of Production Research, vol. 49, no. 18, pp. 5375-5393.
5. David Viscott, MD 1997, Emotional Resilience: Simple Truths for Dealing with the Unfinished Business of Your Past, Harmony, U.S.A.

6. Paul G. Stoltz, 1997, Adversity Quotient: Turning Obstacles into Opportunities, John Wiley and Sons, New York.
7. Paul G. Stoltz, 2000, Adversity Quotient @ Work: Make Everyday Challenges the Key to Your Success-Putting the Principles of AQ Into Action, Harper Collins, New York.