

Building the resilient organisation

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What five traits of resilience can help organisations thrive under extreme conditions? Deliberately cultivating these attributes can better position your organisation to overcome disruptions and usher in a better normal.

In the wake of a tumultuous 2020, Deloitte Global's fourth annual readiness report explores the concept of organisational resilience. We wanted to know how organisations were coping with the unexpected challenges they faced in the past year and get their opinions about what made their organisations more or less able to withstand chaos. From that analysis, we sought to identify what traits define resilient organisations—traits business leaders can emulate to build greater resilience into their own organisation.

We identified five characteristics of resilient organisations that enable and promote nimble strategies, adaptive cultures, and the implementation and effective use of advanced technology. Businesses that can bounce back from unexpected challenges typically are:

- **Prepared.** Most successful Chief Experience Officers (CXOs) plan for eventualities, both short- and long-term. More than 85% of CXOs whose organisations successfully balance addressing short- and long-term priorities felt they had pivoted very effectively to adapt to the events of 2020, whereas fewer than half of organisations without that balance felt the same.
- **Adaptable.** Leaders recognise the importance of having versatile employees, especially after a year like 2020. To that end, flexibility/adaptability was, by far, the workforce trait CXOs said was most critical to their organisations' futures.
- **Collaborative.** CXOs indicated the importance of collaboration within their organisations, noting that it sped decision-making, mitigated risk, and led to increased innovation. In fact, removing silos and increasing collaboration was one of the top strategic actions CXOs took before and during 2020.
- **Trustworthy.** CXOs understand the challenge of building trust. More than a third of responding CXOs were not confident their organisations had succeeded in developing trust between leaders and employees. Those who are succeeding are focusing on improving communication and transparency with key stakeholders, as well as leading with empathy.

- Responsible. Most CXOs acknowledge that the business world has a responsibility beyond the bottom line. Eighty-seven percent of surveyed CXOs who said they have done very well at balancing all of their stakeholders' needs also felt that their organisations could quickly adapt and pivot in response to disruptive events. That's nearly 50 percentage points more than the proportion of CXOs who said the same at organisations that haven't done well at balancing their stakeholders' needs.

Our resilient world

Most resilient organisations focus on all of these traits to some degree, not just one or two of them. In part, this is because these characteristics often overlap and support one another. For instance, companies that practice stakeholder capitalism are likely focused on trustworthiness and ethical behaviour.

Further, these five attributes aren't immutable, nor do they just occur organically. They require desire, effort, investment, and action to cultivate and maintain. The survey suggests that organisations that deliberately build these attributes into their mindsets and cultures are better positioned to overcome disruptions and help usher in a "better normal" postpandemic. For example, CXOs who said their organisations had done very well in cultivating resilient cultures were about three times more likely than those lacking resilient cultures to say they weathered the events of 2020 well.

Leaders can't be sure their organisations are truly resilient until they're tested by adversity. The toughest and most important test most have ever taken arrived in 2020, and for some CXOs, revealed that their organisations were more resilient than they realised. Before 2020, only 24% of CXOs felt completely ready to lead through potential disruptions, and only 21% felt completely confident their organisations could quickly adapt and pivot, if needed. In the midst of the pandemic, however, these numbers jumped to 34% and 30%, respectively, indicating that the events of 2020 have given some CXOs a confidence boost about their organisations'—and their own—resilience. Yet that still leaves 66% of CXOs who don't feel completely ready to lead and 70% who don't have complete confidence in their organisations' ability to pivot and adapt to disruptive events.

Perhaps most importantly, the data suggests that speed matters. Organisations that made early investments in resilient strategies during the COVID-19 crisis - or, even better, had already made strategic, workforce, and technology investments in capabilities that enhance resilience - outperformed their competition. This finding points to a fundamental lesson that the pandemic brought home: that resilience is as much about thinking ahead as it is about doing what it takes to respond and recover from a crisis.

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