

Organizational resilience

Are organizations ready to face the next unknown?

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Global shocks—pandemics, financial crises, extreme weather and climate change, supply-chain disruptions, labor shortages, political unrest—are happening more frequently and on a broader scale, putting organizations to the test.

Organizational resilience is the ability to survive and prosper in the face of sudden disruptions and incremental change. It requires organizations to constantly:

- ▶ Anticipate
- ▶ Prepare
- ▶ Respond
- ▶ Adapt

Resilience requires understanding how each part of an organization interacts—as well as the individual resilience of each division and stakeholder.

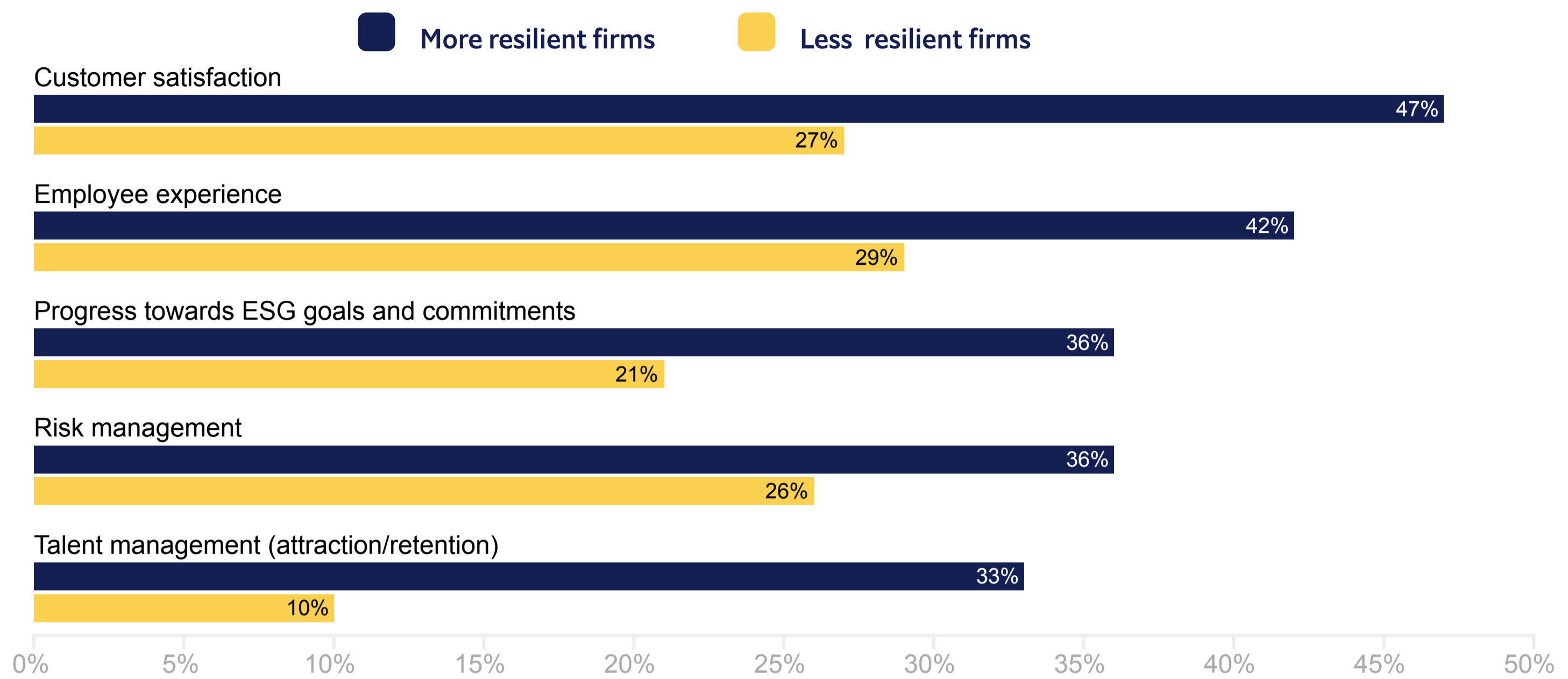
84%

of organizations agree that resilience must consider all parts of the enterprise.



Our data suggest a strong positive relationship between resilience and performance,

Resilient organizations are significantly ahead of peers on key performance metrics.

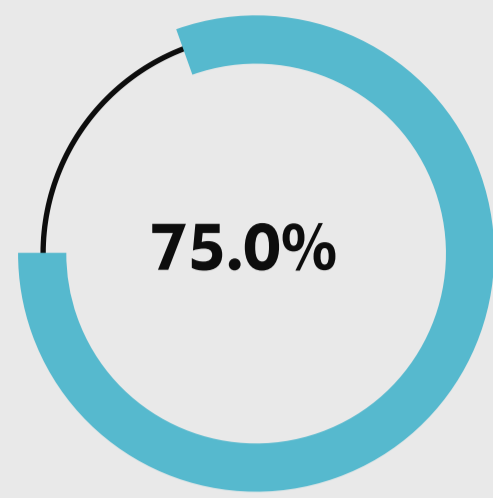


Since the beginning of the pandemic, a focus on resilience has more than doubled in key organizational functions, particularly among human resources, facilities and supply-chain managers.

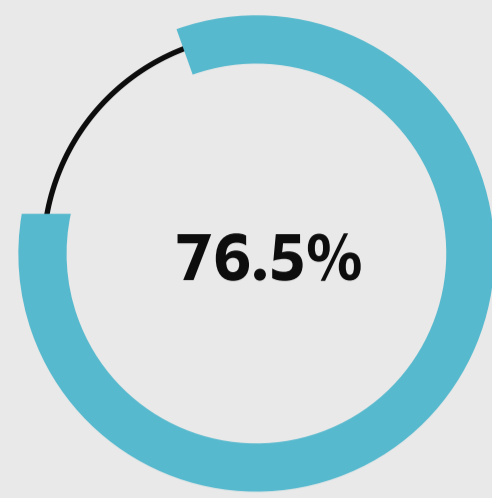
Cross-functional collaboration and a dedicated resilience budget have received the greatest attention among the resilience-building efforts since the onset of the pandemic.



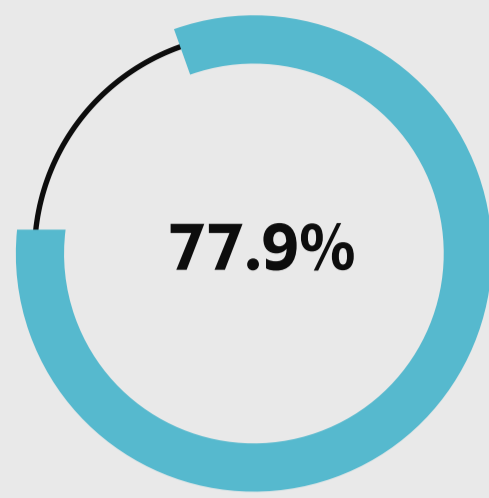
An overwhelming majority of executives across different functional areas are highly optimistic about their resilience efforts.



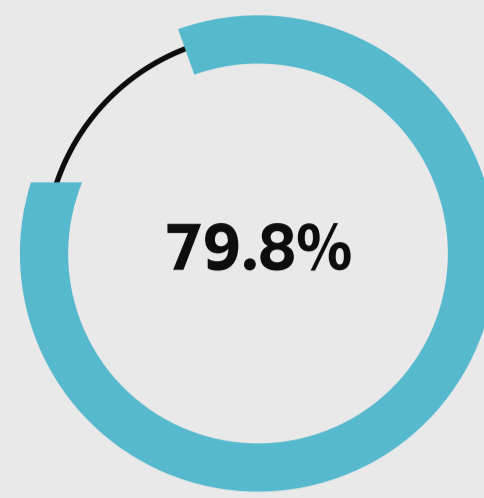
Sustainability



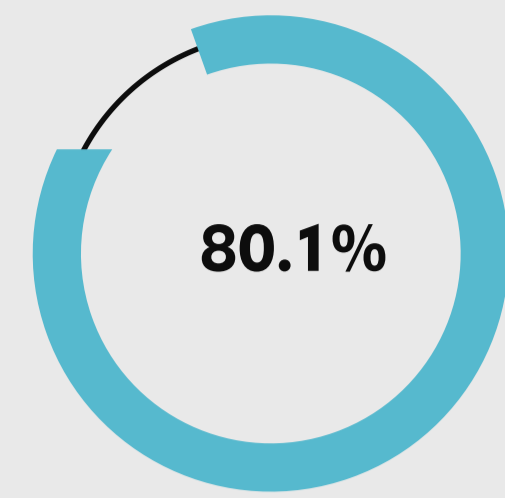
Operational efficiency



Workforce



Data & cyber



Digital transformation

But the approach towards resilience is fragmented, signalling a considerable gap between perceptions and realities.

Only
26%

of respondents reported that the CEO is most directly responsible for driving resilience initiatives; and executives overseeing key pillars of resilience do not always work together or are not included in resilience building efforts.

Despite the increased focus in today's world.



75% of organizations agree that the lack of standardized metrics to measure resilience makes it challenging to show progress, which in turn makes getting leadership buy-in difficult.



Only **12%** of respondents say that a resilience/governance committee is involved in resilience initiatives within their organization; and just **3%** report that the committee is most directly responsible for driving resilience initiatives.

Organizations can take a disciplined approach towards organizational resilience by making the following core areas central to their overall resilience strategy:



Workplace transformation

Since the beginning of the pandemic, **49%** of respondents accelerated investments in offering flexible work and scheduling options and hybrid work technology platforms.

43% reported increased investments in diversifying approaches to the physical office/workspace.

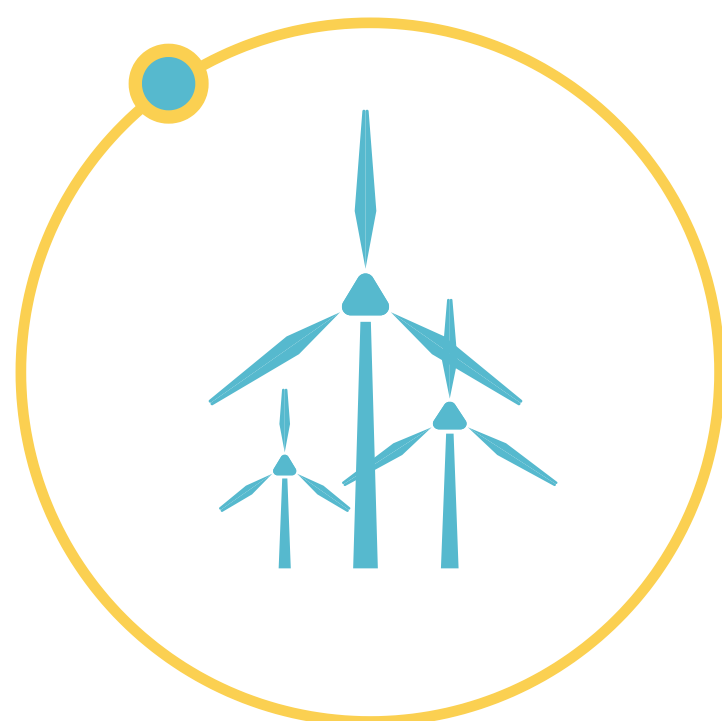


Data governance and security

Leaders expect work and business to stay digitalized post-pandemic. Increased investments in hybrid work data protection and security applications during the pandemic were reported by **48%** of respondents.

93% of organizations have implemented initiatives to clean up legacy physical and digital documents, files and data.

Four pillars of modern resilience



Sustainability

Supply-chain leaders, in particular, have increased their focus on ESG considerations (**46%** pre-pandemic compared with **89%** today).

94% of organizations have integrated ESG goals and commitments into their organization's overall strategy.

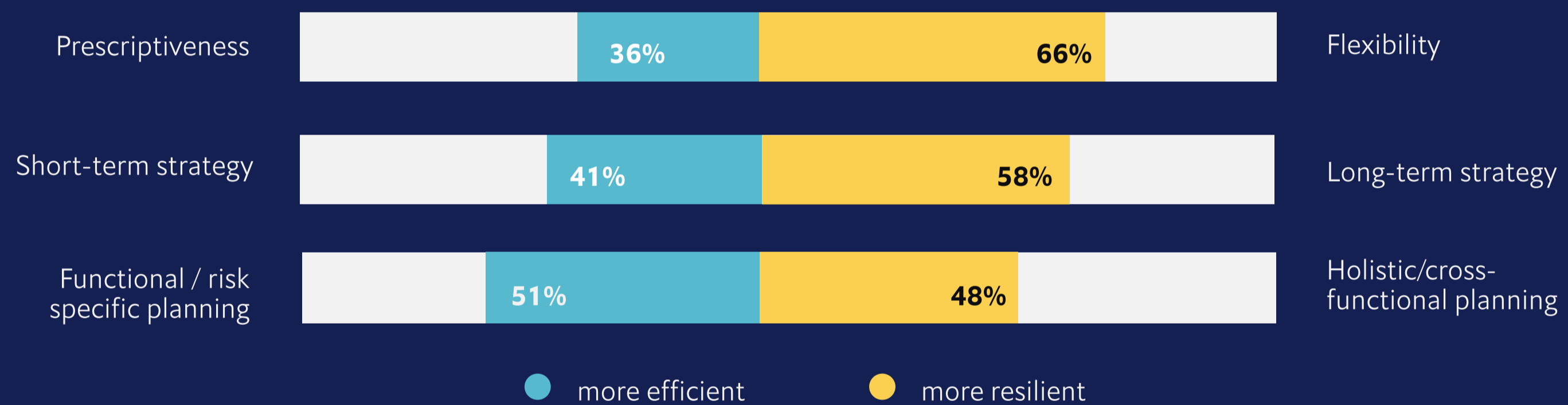


Operational efficiency

Despite an increased focus on resilience building, **66%** of respondents still see a trade-off between operational efficiency and long-term resilience building.

This may explain why leaders seem divided when it comes to balancing resiliency and efficiency considerations. The data show there is no one-size-fits all approach.

% of executives who prioritize:



Our research points to key best practices for the future of modern resilience:



Senior leadership demonstrating a strong vision and supporting resilience



Establishing organizational structures that facilitate system-wide communication and coordination on resilience efforts



Developing indicators and evaluation indices/metrics to measure resilience and create accountability