

# DO RESILIENT ORGANIZATIONS ENHANCE ORGANIZATIONAL PERFORMANCE?

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**Abstract:** The economic crisis of 2008 and the Ebola outbreak in 2014 sent massive disruptive shocks across the healthcare systems. The concept of resilience has been studied for a while now and has been applied to various sectors. It was only after the Ebola epidemic that the vulnerability of healthcare systems has gained importance. In today's uncertain environment, organizations must respond and adapt quickly in order to maintain the sustainability of their businesses. Organizations need to be resilient. The purpose of this paper is to study how resilient organizations impact the organizational performance. The sample for the study consisted of 100 doctors from six hospitals from the list of ADR Monitoring Centre's of pharmacovigilance programme of India in the state of Himachal Pradesh. The results of the study revealed that the organizational performance is positively and significantly associated with organizational resilience.

**Index Terms:** Healthcare, Organizational Resilience, Organizational Performance,

## 1 INTRODUCTION

After the Ebola virus epidemic the fragility and vulnerability of healthcare systems has gained importance. The failure to provide the basic health-care services as a result of enormous social disruption, along with the loss of life highlights effects that a crisis can have when the health systems is not prepared. The capacity of the healthcare system to recover, absorb shock and sustain the gains is defined as the resilience in healthcare systems. Resilience in the health systems is often measured through health outcomes. Resilience is defined as the ability to respond to the unpredicted, unforeseen and unexpected demands and still continue the normal operations. The economic and social stability of the general public is susceptible to disasters and crises. Only a resilient organization would be able to reciprocate and recover effectively and efficiently after the hazard has occurred. Thus enhancing organizational resilience essential. The concept of organizational resilience being multi-disciplinary and multi-dimensional, is relatively new in the field of healthcare sector. Folke(2006), "the concept of resilience was first identified in context of ecosystems in the late 1960's". "The focus was on the capacity of systems to cope with change and still persist" (Petak,2002). According to Lele, (1998) it was only by the middle of 1980 that the human environmental interactions were referred to as resilience which were also delineated in the discourse of sustainability. In 1988 Wildavsky used the concept of resilience with respect to organizations for the first time. The concept of resilience in organizations gained popularity in the 1990's. Organizational resilience is the capability of an individual or organization to absorb strain and retain functioning despite difficulty or it may also be defined as the ability to bounce back from disastrous events. Resilience has been studied within the organizational context but not many researchers studied it in context of organizational performance (Parsons, 2010).

The present study thus aims to study the resilient healthcare organizations and evaluate how the organizational performance is associated by their resilience

## 2 LITERATURE REVIEW

Organizational resilience can be understood on the basis of two perspectives. Some researchers, Mallak (1998b); Robb(2000); Rudolph & Repenning (2002); Sutcliffe & Vogus (2003) to name a few, were of the opinion that resilience is the ability to bounce back from unanticipated, stressful and unpleasant situations and be able to pick up from where the left. When resilience is studied from this perspective, organizational resilience is bouncing back and the emphasis is solely on the coping strategies and it is further expected that the performance levels are resumed. Guidimann (2002); Jamrog et al.(2006); Layne(2001); Lengnick-Hall & Beck (2003) were of the opinion that the second perspective of resilience goes beyond just restoring itself to the initial point. This perspective of resilience focuses on developing new capabilities and enhancing the existing ones so as to be able to generate new opportunities for it and stay ahead. This perspective of organizational resilience is seen as flourishing since organizations are not solely focusing on restoring themselves but are focusing on how they can build better opportunities for themselves. Resilience is a dynamic condition where organizations may vary themselves over time depending on the consequences of the crises. de Carvalho et.al (2016) analyzed the relationship between innovation and resilience from the financial performance analysis. The results obtained from the analysis were indicative that the innovative companies performed better as compared with the non-innovative companies. Mitroff (2005) was of the opinion that organizational resilience requires high adaptability and reliability (Durodie, 2003) along with the ability to manage the disruptive challenges (Weick et al., 2005) which would result in improved organizational performance. Also, knowledge sharing plays a vital role in building resilience and improving performance of the organizations (Emmons, 2013).

## 3 RESEARCH METHODOLOGY

### 3.1 Research Objective

The objective of the present study to evaluate how organizational performance is associated with organizational resilience.

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Hypothesis H1 : Organizational resilience is positively associated with organizational performance

Research Design: The study is descriptive in nature. 6 hospitals from the list of ADR Monitoring Centre's of pharmacovigilance programme of India were selected from the state of Himachal Pradesh.

**Methodology:** A five point Likert scale questionnaire was used and it contains 23 items on organizational resilience and performance. The cronbach alpha value was 0.938 signifying a good fit. Around 180 doctors were randomly chosen and administered the questionnaire. We received 100 responses.

Table 1: Model Summary

Model Summary <sup>a</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.853 <sup>a</sup>	.728	.728	.29349	1.625
a. Predictors: (Constant), ORGREGI					
b. Dependent Variable: PERF					

Table 2: ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.505	1	96.505	1120.353	.000 <sup>a</sup>
	Residual	36.006	418	.086		
	Total	132.511	419			
a. Dependent Variable: PERF						
b. Predictors: (Constant), ORGREGI						

The responses received were then statistically analyzed using SPSS software

### 3.2 Analysis and Findings

To study the stated hypothesis linear regression model was used.

Table 3: Coefficients

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.828	.050		16.527	.000
	ORGREGI	.662	.020	.853	33.472	.000
a. Dependent Variable: PERF						

As seen from Table 1 above, the R value is 0.853. R is defined as the multiple correlation coefficients between the predictors and the outcome. The value of R<sup>2</sup> represents the proportion of the variance for the dependent variable i.e. performance that's explained by the independent variable organizational resilience in the present study. The value of R<sup>2</sup> is 0.728. The Durbin-Watson statistic value is 1.625 which is closer to 2. This indicates that the assumption of independent variables is acceptable. The closer the value is to 2, the better it is. The Table 3 gives the model of relationship between OR and Performance. As the t values are higher, sig values are less than

0.05, the model is a good fit. And it shows that Performance is positively associated with Organizational Resilience. Thus the stated hypothesis is accepted.

## 4 DISCUSSION AND CONCLUSION

The findings of the present study reveal that organizational performance is positively and significantly associated with organizational resilience. The present findings are in sync with the results of the study conducted by Parsons' (2010). By being resilient, the organizations develop adaptive capabilities and reliability that ensures disruptive challenges can be managed efficiently and effectively which eventually contribute to organizational performance. These findings support Durodie's (2003) and Weick et al. (2005) findings. To conclude, the research findings reveal that in the healthcare management systems, organizational resilience directly enhances organizational performance. From diagnostics to treatment to follow-up, a flawless transition needs to be pursued in health care sector. Any gaps in care threaten well-being of a patient. How a system responds to fill gaps so as to be able to provide continued care reflects the resilience of the system. The more resilient the healthcare systems are, the more resistant they become to crises and the more efficient they are in delivering their services which ultimately results in improved performance. Resilience not only adds vigor and urgency to the health systems but also strengthens and gives opportunity to learn and adapt.

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