

Organizational Resilience. How Learning Sustains Organizations in Crisis, Disaster, and Breakdown by D. Christopher Kayes

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Organizational resilience: a brief introduction

Since the early years of this century, resilience has become an emerging topic in the business and management literature, well-known and applied in other sciences as psychology, ecology and engineering. Creating an organizational capacity for resilience requires, first, resilient individuals.

While personal resilience refers to the psychological ability to bounce back from negative emotional experiences and the flexible adaptation to environmental changing demands, the organizational resilience – following [Lengnick-Hall *et al.* \(2011\)](#) – could be defined as a firm's ability to efficiently absorb, develop specific responses and ultimately engage in transformative activities to capitalize on disruptive surprises that potentially threaten organization survival. Thus, the organizational resilience concept includes resistance, adaptation and adaptability as main properties and implies shock absorption, reorganization and learning and adapting as main capacities.

Applied at the system level, resilience has three main approaches: the engineering (focused on the equilibrium notion), the ecological (linked to robustness, efficiency and return to equilibrium characteristics) and the adaptive (finding a balance between efficiency and adaptability to change). Although the adaptive approach may seem to fit the concepts of learning organization and organizational learning, recent literature on company resilience has emphasized the hypothesis that continuous innovation influences long-run sustainability and resilience and greater than having merely an adaptive capacity. Therefore, organizational resilience-focus management could be understood as a strategy of continuous anticipation and adjustment to disturbances by balancing efficiency and adaptability and, accordingly, an organization's ability to continuously create competitive advantages based on innovations.

In [Menéndez and Montes \(2016\)](#), several factors contributing to developing nurtured company resilience have been explored in a conceptual and practical approach. A recent empirical research based on this theoretical framework has noted the extraordinary contribution of human capital (defined in a broad sense) to company resilience: Human capital develops adaptation and adaptability through training, skills development, research and development (R&D) and changing company human resource structure by recruiting more qualified R&D personnel, engineers and graduates.

An overview of Kayes' book: the main hypothesis and research strategy

By mixing the topic of organizational resilience (in a section of three) with the classic of organizational learning (in two sections), Professor Kayes argues and develops his



main hypothesis on organizational resilience: A failure in organizations comes from a breakdown in learning, although fortunately the process of breakdown is itself a way of learning, latter being the key source of resilience in the aftermath of events. Hence, learning – especially from experience – is the valuable intervention to maintain resilience in the face of crisis, disaster and breakdown. Learning helps individuals understand the breakdown and how to develop an effective response in the future. In fact, the book is focused, mainly, on the processes and mechanism whereby learning breaks down.

Throughout the book, Professor Kayes shows how learning can help organizations become more resilient. One of two main research strategies to discuss the main hypothesis assumed is to explore how learning theory, research and practice influence the study of organizational resilience by rethinking Dewey's vision of learning from experience (the experiential learning theory). Professor Kayes considers organizations as systems of interrelated learnings, in which routines and novelties interact to form learning and performance-based outcomes. At this point, Professor Kayes – as expected – is critical of certain popular management practices such as goal setting and rational thinking because they limit learning and can threaten resilience. The second main research strategy is related to the multiple study cases exposed for discussing his main thesis.

As expected, learning is the central source of resilience and the primary force for survival: learning, especially learning from experience, explains how organizations sustain resilience in the face of disaster, crisis and breakdown. When learning from experience breaks down, organizations become vulnerable; as a result, the breakdown of learning contributes to and is responsible for many organizational failures.

The structure and organization of the book

The structure of the book is as follows: In Section 1, Professor Kayes discusses the role that experience plays in learning in organizations by considering insights from the theory of experience and learning in organizations, especially from evidence-based learning, learning direct experience, counter experience and exploration. The theoretical references are grounded on Dewey and Kolb developments, mainly in the premise that the three aspects of experience (habits, emotions and cognitions) are the sources for learning in organizations.

In Section 2, Professor Kayes applies concepts of learning from experience to organizational processes, explores different characterizations of failure in organizations and discusses a new conceptualization of organizational breakdown based on how organizations learn or fail to learn from experience: in fact, failure could be considered, oftentimes, an inability of an organization to respond appropriately to external circumstances. Professor Kayes supports, greatly, in the contents of this section the claim that organizational failure comes from a breakdown of learning. He also illustrates this statement by examining recent collapses examples of the breakdown of learning: The 2008 financial crisis, in general, and the bankruptcy of Enron and Lehman Brothers, in particular, are examples of the breakdown of learning. Specifically, the case of Enron is related to the discussion on performance vs learning oriented systems in the sense that some pays for performance and other reward systems contribute to the breakdown of learning in organizations.

Finally, Professor Kayes devotes Section 3 to analyze the case study called the greatest intelligence failure in a generation: the misinterpretation of intelligence of weapons of mass destruction in Iraq in 2002 and 2003 and how certain players in the oil and gas industry have

recovered from catastrophic failure to build organizations that rely on continuous learning. Amongst the different types of learning considered as interventions (cross-training across different functions, perceptual contrast training, coordination training self-correction training, scenario-based training and guided error training), the experiential one is broadly discussed because the ability to learn from experience is a key factor in organizational resilience.

The theoretical framework of Kayes insights combines management learning with organizational disaster research in a four stage model of learning breakdown built from Turner's model of organizational and inter-organizational disaster. According this framework, organizational resilience is a function of an organization's abilities to manage shifts in learning across the four stages of breakdown. Therefore, the meaning of organizational resilience is related to the role of learning from prior breakdowns and the introduction of learning into the daily company routines. In this context, based on the analysis of two industries – commercial aviation in the USA and the oil and gas industry – Professor Kayes shows how learning drives to resilience (Chapter 11: Building Learning in Organizations).

Positive discussion and implications

Although the main thesis of the book is well discussed, theoretically grounded and articulated with the help of several study cases, greater attention and detail about the concept of resilience is necessary. For readers unfamiliar with this topic, a brief definition, description and scope of the three most important approaches existing and a precise framework under which the topic is studied would be desirable. However, the crucial question is if learning is the pivotal source of organizational resilience. To a large extent, I agree, but in my opinion is the company human capital or human capability – and learning is a variable included in it – the main source of organizational resilience – as exposed in the introduction section – although more empirical research is needed in this regard. Entrepreneurial leadership is also necessary to mobilize the organization's resources, capabilities and employees.

Methodologically, an alternative way to take advantage of Kayes' insights could be by developing propositions and discuss them considering the study cases. Both for scholars and practitioners, the lessons learned from the multiple study cases discussed are valuable as well as the analysis and conclusions about the links between organizational resilience and the performance vs learning systems. Is it possible to develop organizational resilience only with learning?

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Further reading

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