

## Organizational Resilience: The Perspective of Strategic Human Resource Management In the Disruption Era

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### Abstract

The disruption era includes the fourth industrial revolution, climate change, and the Covid-19 pandemic. Education, the economy, business, and tourism, among other areas, are all affected by the disturbance. The purpose of this research is to examine how organizational resilience is implemented in a hotel from the perspective of strategic human resource management. The study employs a qualitative approach, with data collected through in-depth interviews and data processed through narrative. According to the conclusions of this study, the strategic roles of human resource executives or leaders are critical in dealing with organizational crises. This study contributes to knowledge by constructing propositions to establish a mini-theory.

### Keywords

Organizational resilience; strategic human resource management; disruption era; sustainability.

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### Introduction

The disruption age, which began with industrial relation 4.0 and continues with climate change and the covid-19 pandemic, has stunned and affected the world in recent years. This circumstance had an impact on a number of businesses, including business, economics, tourism, and other sectors. The covid-19 pandemic had an impact on operational issues as a result of Indonesia's social isolation and activity restrictions. Everyone's actions are limited by time and distance as a result of this situation. Many people have decided to stay at home. The ability of people to move from town to town will be greatly restricted. Government

restrictions on these limited activities and the mobility of people hinder the spread of the corona virus-19. This issue had a major influence on Malang's tourism and hospitality industries (hotels). Several 3 and 4-star hotels were closed during the activity restrictions. Larger crises routinely confront organizations, jeopardizing their ability to function and perform. Only the most flexible, nimble, and dynamic enterprises will succeed in times of crisis and instability. Organizations must respond and be able to do more than just survive in complicated, uncertain, and hazardous environments; they must actually prosper.

Organizations, without a doubt, face more critical difficulties that undermine their ability to function and succeed. Only adaptive, agile, and constantly evolving enterprises will thrive in times of crisis and turbulence. Organizations must respond and be able to do more than just survive in complicated, uncertain, and hazardous environments; they must be able to thrive (Williams et al., 2017, Lengnick-Hall, et al., 2011).

To deal with such a disaster, human resource management makes the strategic decision to build organizational resilience. Organizational resilience, according to academics, is defined as an organization's ability to deal with change and continue to thrive by allowing for learning and adaptation (Folke et al., 2010). Organizational resilience appears to be a vital attribute for firms looking to prepare for, recover from, and adapt in the face of crises, shocks, and other adversity, according to Bhamra (2016). Kantur and Iseri-Say (2012) define organizational resilience as the ability to respond, adapt, and transform in the face of unexpected circumstances (Linnenluecke & Griffiths, 2012). (2010). Meanwhile, Morais-Storz et al., (2018) discuss the relevance of transformation and innovation in demonstrating that resilience is about repositioning businesses.

Following are a few research questions to assist in gathering evidence from the field, based on organizational resilience theories, and in order to seek a solution to the problem as outlined. First, how do firms respond when they are compelled to function in a crisis, such as covid-19? Second, how can a company decide whether or not to survive in a crisis that includes covid-19? Third, what strategic initiative is employed to handle a crisis? Finally, what are the operational strategies for dealing with crises?

### *Dimension of Organizational Resilience*

Operational and strategic resilience are two dimensions of organizational resilience identified in the literature (Linnenluecke & Griffiths, 2010; Välikangas & Romme, 2012). Välikangas & Romme (2012) define strategic resilience as an organization's ability to quickly convert risks into opportunities, uncover one-of-a-kind prospects, and act decisively in a competitive context. Operational resilience, on the other hand, is concerned with dealing with crises and returning to a prior condition and is typically tied to the ability to change interpretation and action (Pasteur, 2011). According to an earlier study (Bhamra et al., 2011; M. K. Linnenluecke, 2017), organizational resilience is multi-dimensional, requiring a multi-disciplinary approach and a wide range of conceptualizations and sources. Organizational resilience, on the other hand, is concerned with capabilities related to strategic readiness.

### *The Perspective of Strategic Human Resource Management*

Strategic human resource management functions are designed in accordance with the organization's strategy, as well as its strengths and weaknesses, opportunities, and threats from the outside world, in order to increase the organization's ability to achieve success and remain competitive (Al-Saedy, 2017). According to Armstrong (2009), this method was used to make decisions on the organization's goals and strategies, which were expressed in the form of human resource policies and programs.

The purpose of strategic human resources management is to respond quickly to the emergence of a crisis by taking important steps such as organizing a general meeting of all stakeholders in the business to explain the crisis plan and how it will affect the organization (Liang & Cao, 2021). We can describe strategic human resource management as aligning with the organization's strategy to develop organizational competence in order to

obtain a competitive advantage based on the above.

### **Methodology**

In this study, a qualitative research method is utilized to interpret a company's competitive tactics in reaction to a disruption-caused crisis. In-depth interviews were conducted with two key informants from the company's management, a marketing manager and a food and beverage manager, as well as one key informant who has a crucial position in the organization, the Senior Human Resource Manager. The survey's semi-structured questions are used to collect data from one-on-one interviews. Narrative analysis was utilized to analyze the data from the case study investigation. (M.D. Myers, 2013).

As a result of data analysis, patterns emerge as concepts. A proposition is created by joining two ideas together. Qualitative research is accomplished by paying attention to the reality encountered in the field by the researcher (Ihalauw, 2008; 2018). You will need to develop or construct a small theory after you've molded your assertions. Connecting two or more statements or forming a system of propositions creates a mini-theory. When a researcher uses an inductive strategy to build a mini-theory, he or she has arrived in the qualitative research estuary (Ihalauw, 2008). Following a thorough review of the literature, five questions were included in the interview form. The research was conducted in one of the 3-star hotels in Malang which was operating during the activity restrictions caused by the covid-19 pandemic.

### **Result and Discussion**

Despite the activity restrictions imposed by the covid-19 pandemic, one of the two hotels in Malang remains open. The hotel's distinctiveness originates from its survival strategy in the face of countless other hotels that have decided to close. In this study, a

Senior Human Resource Manager was interviewed as a significant informant. He went on to add that he had discussed with the hotel's stockholders whether the hotel should be closed or kept open during the activity restrictions. He suggested either keeping the firm open and making a profit, even if it was a tiny profit, and risking losing it, or terminating the business and risking losing it. The stockholders opted for the first alternative, which resulted in a small profit.

The first and most crucial strategic step was for human resource management to persuade the government to provide permission to operate and accept stringent terms. The next step was the human resources operational approach that was established to grant layoff rules to 50% of permanent employees who were on unpaid leave. Employees that continue to work for the company, as well as management, will have their pay reduced. Employees are motivated by a sense of belonging to the company, which has been instilled in them for a long time and fosters employee engagement. The human resources department also develops cross-training to boost employee competencies to cover the lack of employee availability.

The Marketing Manager was also interviewed. The result of the interviews was that MICE, social events, promotion, email and WhatsApp blasts, social media postings, and Instagram posts are all part of the marketing operational approach. Most of the marketing activities remained digitalized. The remaining activities relied on offline client engagement while still obeying health and safety regulations. Furthermore, to preserve partnership, it was also necessary to remind corporate clients that the hotel will continue to operate at a subsidized rate throughout the crisis. The hotel's continuous acceptance of events with health-related restrictions, as well as hybrid banquet gatherings, are examples of other marketing approaches. The key strategy for keeping guests is to focus on the

guest experience rather than service performance.

In such dire circumstances, the company's actions during the pandemic astounded many, as they were still able to practice corporate social responsibility by distributing groceries to people in need and disinfecting the surroundings near the hotel. The Food and Beverage Manager, the third informant, provides further operational strategy. He implements a game-changing strategy, such as distributing outside food to a big number of offices and offering restaurants special menu prices. The management has made the strategic

decision not to admit visitors who have chosen to self-isolate as a result of the covid-19 illness.

The data collected in the field was reviewed using the aforementioned Table 1. in order to uncover the pattern and concept. The result shows a pattern of strategic effort from senior HR managers to become resilient, with the purpose of driving and enforcing shareholders or top management to make a quick strategic decision about whether to close or stay open in the face of the covid-19 pandemic crisis.

**Table 1. The Quintessence of Interview with Informants**

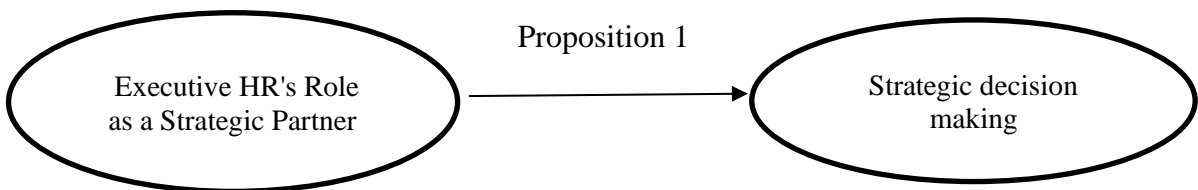
Research Problems	Informant A Senior HR Manager	Informant B Marketing Manager	Informant C Food and Beverage Manager	Pattern and Concept
How do firms respond when they are compelled to function in a crisis, such as Covid-19?	Propose to the company's stockholders the option of continuing to operate at a loss or closing the business.	Support the concept of continuing to operate while working on a strategic endeavor.	Support the concept of continuing to work on a strategic effort.	The senior human resource manager's strategic aim is to become resilient and make a swift decision on behalf of the shareholders on whether to close or remain open in the event of a crisis. The notions that emerge from the above patterns are as follows: 1. Executive Human Resources' position as a strategic partner in crisis management 2. The requirement for top management or shareholders to make strategic decisions in order to deal with a crisis and become more resilient.
How can a company decide whether or not to survive in a crisis that includes Covid-19?	The facility is still operating with strict health protection and is refusing guests, with the purpose of self-isolation caused by covid-19 disease.	The facility is still operating with strict health protection and is refusing guests, with the purpose of self-isolation caused by covid-19 disease.	The facility is still operating with strict health protection and is refusing guests, with the purpose of self-isolation caused by covid-19 disease.	

<p>What strategic initiative is employed to handle a crisis?</p>	<p>Human resources and operational efficiency</p>	<p>Optimizing marketing strategy</p>	<p>Food sales make a strategic breakthrough.</p>	<p>Each department has its own strategic initiative, which is then cascaded into operational strategy and action plan initiatives. The evolving concepts of organizational resilience, based on the above pattern, require: 1. A department-wide strategic initiative to deal with crises 2. As an operational strategy, the strategic initiative cascades into programs and action plans.</p>
<p>What are the operational strategies for dealing with crises?</p>	<ul style="list-style-type: none"> <li>• Lay-off (50% of the total permanent employees).</li> <li>• Reduce employee salaries by 50% and management salaries.</li> <li>• Develop cross-training of employees.</li> <li>• Apply strictly health protection to employees and guests only.</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue MICE and social events to enhance promotion by sending email blasts, WhatsApp blasts, social media posts, and Instagram posts.</li> <li>• Maintain corporate customers</li> <li>• Hybrid functions (offline and online).</li> <li>• Limited events</li> </ul>	<ul style="list-style-type: none"> <li>• Provide catering services to a variety of offices.</li> <li>• Create a specific menu for low-cost restaurants during the pandemic.</li> </ul>	

*Shape Proposition*

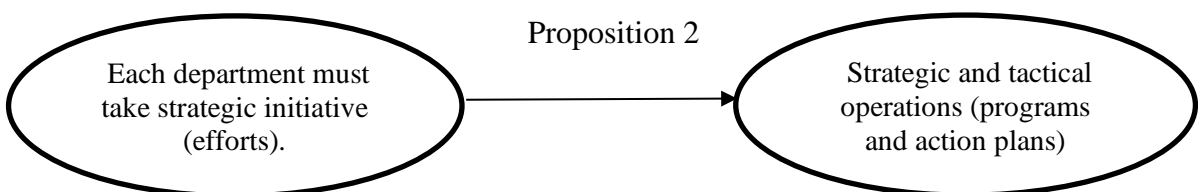
Furthermore, the previously selected notions can be combined to form a

proposition. The following assertions are based on perceptions that emerge as a result of the area's quintessence of facts.

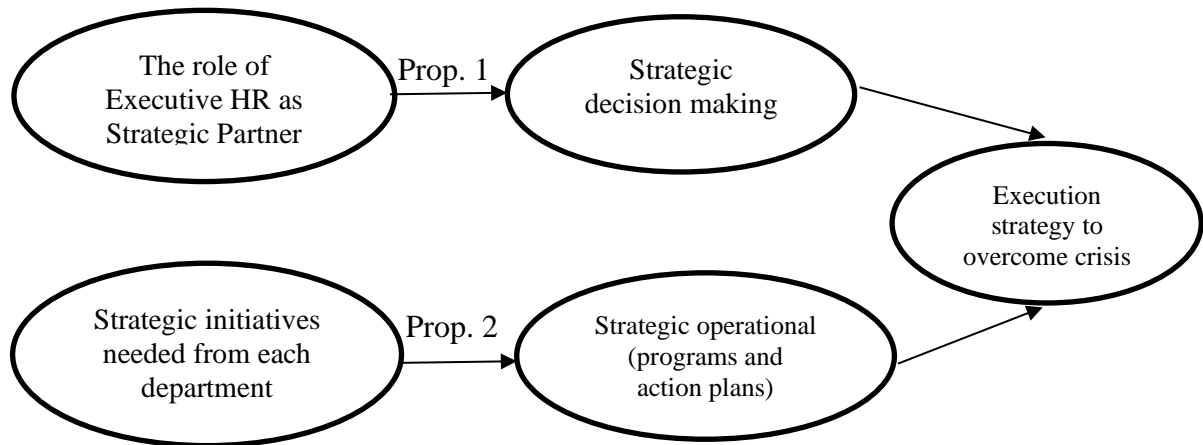


*Proposition 1*, which states that "the larger the role of executive human resources as a strategic partner in crisis management, the easier it is for top management or

shareholders to make strategic decisions," demonstrates the link between the role of the human resources leader as a strategic partner and strategic decision making.



*Proposition 2* states that "the more essential strategic initiatives (efforts) from each department, the easier it is to implement operational strategies." Programs and action plans serve as the link between each department's strategic initiatives and strategic operations. The final stage is to Figure 2 shows that male respondents constituted 68 percent of this study's participants, while female respondents



Human resource professionals can encourage shareholders or senior management to make crisis-related decisions by playing a strategic role as strategic partners of the organization. And this is support Liang and Cao's (2021) study that must quickly respond to the commencement of the crisis by working with top management to arrange a general meeting of all business stakeholders to discuss the crisis plan and how it will affect the organization. As a result, an effective leader who is focused on superior performance and transformation is necessary to integrate organizational resilience as a strategic decision in crisis management. This result is aligned with the study of Suryaningtyas et al. (2019).

The organization (the research object) uses organizational resilience to withstand crisis both strategically and tactically by deciding to operate during activity restrictions when practically all competitors are shut down. This action indicates the research result is in accordance with Välikangas and Romme's study (2012) about strategic and operational resilience. The organization also prepares

link all of the previous claims together to construct a mini-theory.

The final stage is to link the above propositions together to create a mini-theory.

by implementing strategic initiatives and programs to make the organization more robust, which is known as operational resilience, and this is in line with Pasteur (2011).

The organization decides strategically to make changes to the operational activities in all departments, keeping the operations running although the profit is very low. This indicates the capability of the organization to keep surviving and finally can obtain a competitive advantage. Refer to the statement of Bhamra et al., (2011) and M. K. Linnenluecke (2017) that organizational resilience is the strategic ability of a multi-dimensional company to respond, adjust to returning to a previous state, and then make necessary changes to obtain a competitive advantage (Välikangas and Romme, 2012) so that those activities of the organization are in line with their studies. Overall, the research findings mentioned that organizational resilience both strategically and operationally is needed by the organization to handle crises.

This trend is fueled by the concept of organizational resilience and the role of executive human resources in crisis management. The strategic role of human resource management as an organization's strategic partner needs business acumen and competency in order for them to lead the organization and take strategic action to achieve organizational resilience while in place.

### Conclusions

The strategic involvement of human resource executives or experts in the event of a crisis, such as the covid-19 pandemic, is crucial, according to this study. Organizational resilience as a strategic human resource management choice must be implemented both strategically and operationally to gain a competitive advantage. The findings help to build a micro theory based on the relationship between patterns and concepts. The study's weakness is that constructing a mini-theory requires more assertions. The use of a big number of questions to produce a large number of propositions in order to develop a mini-theory, which would subsequently be tested through quantitative research, is a prescription for future research.

### Notes on Contributors

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