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Abstract

Organizational healing refers to the work of repairing practices, routines, and structures in the face of disruption and strengthening organizational functioning through social relationships. Healing, more than resilience, coping, or recovery, enables greater organizational strength than what previously existed. Its unique characteristics make it an important construct for further explaining what accounts for developing exceptional organizational systems. Based on the financial and economic challenges facing Prudential Real Estate after the housing market crash in 2008, and parallels from physiological healing processes, I provide an in-depth description of the process of organizational healing that is supported by four mechanisms: empathy, interventions, collective effort, and leadership. Together the process and mechanisms explain how organizational healing enables both resilience and strengthening. These mechanisms point to activities practitioners and leaders may consider when promoting virtuous human systems.

Keywords

organizational healing, leadership, positive organizational scholarship, organizational resilience, empathy, relationships at work, organizational culture

Organizations have and continue to encounter crisis. Crises may precipitate from a number of sources, but regardless of their severity or intensity, the challenges crises present prompt varying approaches to deal with them. The fields of crisis management and crisis communications have focused on mitigating challenges arising from crises (see Meyers, 1986), although research on high-reliability organizations tends to take a

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preventive stance; a primary theme is organizing for failure (Weick & Sutcliffe, 2001). Scholars of positive organizational scholarship offer an alternative framing to examine crises in the workplace (see Cameron & Spreitzer, 2012). In this article, I explain the process and underlying social mechanisms to restore and build stronger and healthier organizations.

Organizational healing refers to how organizations not only recover from difficulties and resume normal functioning but also explains how organizations enhance their performance after experiencing trauma or harm (Tedeschi & Calhoun, 1995; Tennen & Affleck, 1999). Organizational healing shares attributes with other commonly used concepts such as recovery, coping, and resilience (Haas, Kates, & Bowden, 1977; LaPlante, 1988; Lyons, Mickelson, Sullivan, & Coyne, 1998; Petterson, 1999; Powley, 2009; Sutcliffe & Vogus, 2003; Caza & Milton, 2012), yet healing possesses unique characteristics that make it an especially useful construct to explain processes and outcomes beyond those described by these concepts. The purpose of this article is to articulate the process of healing and its associated mechanisms. In so doing, I consider ways organizational leaders and members may foster principles of healing when their organizations face challenges. Methods for building and repairing organizations are particularly important during moments that call for healing.

I begin with a differentiation between healing and related concepts and establish the context for healing. Healing occurs in the context of disruption or crises to organizations. Crises include a range of disruptions from natural and technological disasters to business and economic failure. The recent economic downturn represents one such widespread crisis affecting many industries and organizations. In this article, I generalize healing beyond human trauma and consider healing from the perspective of economic crisis. Drawing on examples from Prudential Real Estate and how it navigated the economic fallout from the housing crisis, I examine parallels between physiological and organizational healing processes. Physiological healing includes a three-step process, and an analogous sequential process occurs in organizations. Along with an in-depth look at the process of healing, I suggest mechanisms that explain specific elements of the process of healing. Based on the mechanisms, I consider implications and recommendations with respect to practices that have the potential to foster positive organizational systems.

Organizational Healing and Related Concepts

Organizational healing refers to the work of repairing organizations and restoring continuity in support of recovery of vital practices, routines, and structures after significant crisis (Christianson, Farkas, Sutcliffe, & Weick, 2009; Powley & Piderit, 2008; Powley 2012). As noted in Powley and Piderit (2008), healing involves immediate repair and subsequent strengthening; that is, "it involves movement away from a wounded state toward a condition of strength" (p. 137) in preparation for long-term recovery. Healing is accomplished through social and organizational processes to restore relationships and organizational functions. This aspect of healing primarily describes the role of resilience or bouncing back from setbacks. But healing also

involves growth and strengthening from crisis. A key contribution of this article is that neither resilience nor growth alone is sufficient. Healing requires the presence of both.

Central to organizational healing—more than recovery, resilience, or coping—are the processes and mechanisms that enable organizational strength after harm (Sonnentag, Niessen, & Neff, 2012). Powley and Piderit (2008) presented largely a case study description of healing and outlined several elements after summarily defining the concept. This article examines healing in more depth and provides evidence from a different kind of crisis to suggest that healing is a generalizable phenomenon. In this article, I outline in more detail the process and organizing mechanisms based on human action patterns (Weick, 1979) that create and coordinate social interactions designed to enable and facilitate healing. The overlap between the two articles is in the explanation of what healing is, but this is important because healing is often confused with similar concepts. This article aims to reinforce the distinct definition, process, and mechanisms associated with healing.

Healing builds on the concept of resilience. Resilience historically refers to (a) the maintenance of positive adjustment under challenging conditions (Masten, Cutuli, Herbers, & Reed, 2009; Sutcliffe & Vogus, 2003), (b) the ability to bounce back (Gittell, Cameron, Lim, & Rivas, 2006; Zolli & Healy, 2012), and (c) how individuals overcome trials and learn from adversity (Janoff-Bulman, 1985, 1992; Tugade & Fredrickson, 2004). Resilience serves a maintenance function, one that represents a stable trajectory and maintains equilibrium in the context of trauma and crisis (Maitlis, 2012; Westphal & Bonanno, 2007). This view of resilience is consistent across academic disciplines. The physical and ecological sciences conceptualize resilience in terms of adjustment, adaptation, absorption of change and disturbance, and returning to equilibrium (Bodin & Wiman, 2004; Holling, 1973). In psychology, resilience "reflects the ability to maintain a stable equilibrium" (Bonanno, 2004, p. 20) and the ability to "maintain relatively stable, healthy levels of psychological and physical functioning" (p. 20). Results from a study in New York after September 11 showed that the "capacity to maintain healthy, symptom free functioning" (Bonanno, Galea, Bucciarelli, & Vlahov, 2006, p. 181) seemed to be more prevalent after major crisis than previously thought. Hobfoll, Ennis, and Kay (2000) represent resilience as an equilibrium of resources that "offset or minimize the impact of the loss" (p. 277) such that resilience in the context of loss and trauma is "the sustaining of resource reserves" (p. 277).

Organizational scholars refer to resilience as the maintenance of positive adjustment in the face of adversity (Luthar, Cicchetti, & Becker, 2000; Sutcliffe & Vogus, 2003). Moreover, it is seen as a latent capacity that enables bounce back from untoward events and the ability to withstand setbacks (Wildavsky, 1991). Resilience develops over time into adaptive capacity that involves learning, improvisation, and efficacy (Sutcliffe & Vogus, 2003; Wildavsky, 1991). This developmental perspective emphasizes precipitous growth and learning from challenging events, as an adaptive process that improves incrementally (Greve & Staudinger, 2006; Leipold & Greve, 2009). As a result, resilience accrues and is held in store, as it were, until it is drawn on in a crisis (Sutcliffe & Christianson, 2012).

Healing is also related to coping, which describes how well individuals handle setbacks and the extent to which they manage difficult situations. But coping implies simply getting by with limited, available resources. It is a means to tolerate discomfort associated with trauma or pain (Lyons et al., 1998). Individual coping often involves mechanisms such as stress mitigation, managing tension, and working through problems (Bartone, 2006). Furthermore, coping and resilience often go hand-in-hand when describing how to maintain and return to normalcy after crisis (Bonanno, 2004; Bonanno et al., 2006).

Like resilience, recovery is a process to repair and return to normalcy (Haas et al., 1977; LaPlante, 1988; Lilius, 2012; Petterson, 1999; Sonnentag et al., 2012), and yet conceptually recovery is distinct from healing. Temporally, recovery is a long-term process compared with healing (Powley & Piderit, 2008). In terms of level of analysis, organizational or community recovery is a process to restore system functioning (Mitchell, 1996), whereas psychological recovery includes cognitive processes to manage difficult work experiences. Recovery may positively affect changes in positive states such as well-being, job performance, or organizational citizenship behaviors, but much like resilience, recovery involves restoring what was once lost and then resuming a previous state (Sonnentag et al., 2012).

In addition to resilience or recovery, the posttraumatic growth (PTG) literature (Bonanno et al., 2006; Bonanno & Mancini, 2008; Janoff-Bulman & Berger, 2000; Tedeschi & Calhoun, 1995; Westphal & Bonanno, 2007) offers a way to think about healing in the context of organizations. In contrast with resilience, coping, or recovery, PTG highlights two fundamental aspects of healing: resuming organizational functions *and* strengthening the organization for future growth. PTG also includes mechanisms for making sense of trauma and moving on (Janoff-Bulman, 2004, 2006; Joseph & Linley, 2005), and deriving strength from setbacks, not just a return to normalcy. Explained as psychological improvement and narrative meaning making (see Maitlis, 2012), these cognitive mechanisms of PTG enable individuals to derive meaning and growth from difficulty. Growth refers to cognitive assessments that reorient individuals toward positive psychological health. Healing focuses on dynamics that support posttraumatic organizational growth. Underlying that growth are organizational mechanisms required to resume functioning and build strength to enhance future performance and thereby foster positive organizational systems and cultures.

Although a number of scholars have looked at the emergent organizing processes following crisis (Christianson et al., 2009; Dutton, Worline, Frost, & Lilius, 2006; Meyer, 1982; Shrivastava, 1987; Weick & Sutcliffe, 2001), and others have looked at the potential good that comes from setbacks or suggested ways to examine crisis as opportunity (Brockner & James, 2008; Tedeschi & Calhoun, 1995), how organizations undertake the process of healing and strengthening has been underinvestigated. Because crises challenge an organization's former certainty and continuity (Bartunek, 1984) and potentially threatens future possibilities, the process by which certainty is reestablished and organizational functioning and performance are elevated is in need of investigation. Moreover, scrutiny businesses face for disruption due to financial

losses or questionable activity prompts the need to understand healing as both resil-ience (maintaining the business) and strengthening (improving or enhancing perfor-mance) to foster positive cultures and systems.

The Process of Organizational Healing

Wound and bone healing in physiology (Schilling, 1968) constitute a rich metaphor to explore organizational healing (Powley & Piderit, 2008). In this article, I offer new conceptual material to further explain the process and mechanisms of healing. As developed in Powley and Piderit (2008), healing involves three sequential phases of repair and subsequent growth and strengthening (Kalfas, 2001; Schilling, 1968): *protective inflammation, relational proliferation*, and *remodeling*. Fundamental to the metaphor are analogous structures and processes that play a role in organizational healing. These processes provide the resources to enable functioning and promote growth. Taken in order, each phase involves internal building blocks necessary to rebuild and strengthen various functions.

The three-step process of organizational healing parallels physiological healing and occurs sequentially. Without each of the preceding steps, healing does not occur or may be compromised. As in physiological healing, inflammation precedes prolifera-tion, and proliferation precedes remodeling. Remodeling, for example, does not occur without the underlying structural matrix, and proliferation, which generates the struc-tural matrix, cannot come about without the infusion of needed resources that are injected into the wound during inflammation. Likewise, in organizational healing remodeling requires established underlying building blocks that come through rela-tional proliferation, and the proliferation of relationships and networks is initiated through the organization's early emphasis on relationships and people during protec-tive inflammation.

Context for Healing

The three phases of healing are illustrated with examples from Prudential Real Estate and Relocation Services, which suffered significant losses in the 2008 housing market crash. The economic turmoil from the housing market collapse and subsequent finan-cial crisis sent real estate and mortgage companies reeling (Krell, 2010). Prudential Real Estate lost $140 million in 2008, and another $70 million in 2009 (Cameron & Plews, 2012). About this time, Prudential appointed a new CEO, Jim Mallozzi, to help turn the company around. Low morale and satisfaction scores mirrored the anxiety and worry about job security. Departures loomed and several senior positions became vacant. With such severe financial losses, decreased internal morale, and declining customer satisfaction, the company certainly could have folded and divested its assets and debt like other companies at the time (Krell, 2010). Instead, through deliberate and sustained efforts, Prudential emerged stronger from the crisis.

Market fluctuations and changes in leadership at Prudential induced a liminal period—a critical, transition period (Jencson, 2004; Stein, 2004) or space between organizational states (Powley, 2009; Turner, 1967). Positions of status and key roles within the organization, along with their established interaction patterns, practices, and relationships, became secondary until the crisis subsided. At Prudential, Mallozzi emphasized what was working rather than focusing on the severity of market conditions. Immediate attention toward others received higher priority over operational processes. In this liminal space, organization members at Prudential engaged in actions that supported one another and formed what Turner (1967) referred to as "communitas," the social bond that holds individual members in relation one with another. As will be shown, supportive actions helped heal the organization's social fabric, sense of continuity, expectations, culture, and identity (Dutton, Dukerich, & Harquail, 1994). The three phases of organizational healing described next detail the process that occurred during the liminal period.

Protective Inflammation

In healing, *protective inflammation* represents a focused response to crisis that activates resources to the wound site. That activation process then stabilizes the trauma, mitigates potential harm, and prepares the wound site for future growth. By protective inflammation in organizational healing, I am referring to actions both organization leaders and members take to deploy social, organizational, and material resources to stabilize decline and decreased performance, protect against potential threats, and prepare for additional stages of healing. Protective inflammation involves organization leaders and members who have a sense of urgency to restore the organization's effectiveness and profitability. Their initial actions are meant to generate positive energy for change and growth and thereby set a tone for subsequent elements of the healing process.

As with the deployment of key proteins and nutrients in a physical wound, protective inflammation for an organization refers to organizational leaders and members who identify needed resources and direct those resources to specific purposes. Critical first reactions in protective inflammation aim to secure and ensure the collective well-being of organizational members. These actions reflect the organization's orientation to its people, culture, and internal capacity to restore group efficacy and long-term health. This involves both prioritizing needs of individuals or organizational units and ensuring minimization of potential problems (Powley & Piderit, 2008). To do so requires both substantive and symbolic actions—actions that signal the end of former processes and practices and mark the transition toward regrowth and development (Cameron, 1984). Substantive actions include things such as invoking policies and procedures to prevent further loss, whereas symbolic actions refer to decisions to reinforce the organization's vision and culture.

Prudential initiated both symbolic and substantive strategies in the inflammation stage of healing. Jim Mallozzi identified and prioritized resources and then directed those resources to specific areas in the company. Their response was something akin

to a buffering effect in threat-rigidity (Staw, Sandelands, & Dutton, 1981) by those who made timely decisions early to mitigate against potential degradation of the current state of the wounded organization. From a symbolic standpoint, he turned to his most trusted, internal leaders and petitioned their confidence and vision. Then with their support, he sought to calm fears among employees and rebuild morale, an action to decrease potential for fault finding and waning psychological safety. The expediency for resolution prompted Prudential leaders to demonstrate concern for colleagues and others and to increase the speed of decision making on critical issues (Haas et al., 1977). The first substantive task was to mitigate losses from the financial crisis, and the steps he took early prevented further financial decline. Vacant positions in sales, marketing, and risk management also needed immediate attention. To address these issues, Mallozzi mustered his top 30 senior managers and engaged them in practices that would help prevent further deterioration—the equivalent of rushing to the site of the wound to deploy needed resources. Their intensive interactive approach enabled them to find the right people.

Protective inflammation differs from inflammation generally. The latter carries a negative connotation associated with pain, discomfort, and infection. It's very presence is harmful and dysfunctional. It implies that certain interventions are necessary to reduce tension, swelling, and pain, particularly when it persists as a chronic condition. When inflammation is characterized by not-so-positive or dysfunctional social dynamics such as blaming, faultfinding, or incendiary language, inflammation loses its protective quality and healing is less likely to occur. Failing to address these social dynamics and other critical substantive challenges risks leading to chronic, prolonged inflammation that prevents the opportunity for complete healing. On the other hand, protective inflammation involves the activation of critical resources that limit damage, remove injurious stimuli, and cleanse the wound site—all processes that initiate the healing process. Such acute inflammation is not only good and normal but also necessary (James & Wooten, 2010).

Symbolic actions by key organization members or leaders have potential to generate positive energy, inspire trust, and motivate actions to improve performance. One of Mallozzi's first experiences at Prudential helped him recognize the acute and sullen organizational climate.

> Before I arrived, they had shown the beach scene from *Saving Private Ryan* in an attempt to motivate our associates. If you remember, there is a scene on D-Day where people are being killed all over the place. Body parts are flying and bombs are going off. The trouble is, our associates interpreted this as: "Anyplace but here." Some of the folks in my company actually had encouraged me to play it again to show that I was symbolically in alignment with the previous CEO in terms of cost-cutting. (Cameron & Plews, 2012, p. 100)

He rejected the suggestion as he recognized the lack of confidence and low morale within the company and the decreased satisfaction among the customers. Refusing to

use the movie to motivate employees was a symbolic action to cleanse the wound and thereby reduce negativity, toxicity, and fear in the organizational climate. He then immediately went to work to allay fears in the same way antibiotics and wound dressings provide temporary relief from suffering and prepare the wound site to build important underlying structures. One way to soften fears among his staff was to foster positive energy through coordinated social interaction. He brought his senior leaders together and they offered support for each other's challenges: "We started to see the energy in the group increase. They recognized that when they readily shared their challenges and openly asked others for help, they couldn't predict where help would come from" (Cameron & Plews, 2012, p. 100).

The degree to which protective inflammation enables relational proliferation depends in large measure on the organization's capacity for positive social connections (Dutton & Heaphy, 2003; Gittell et al., 2006; Powley, 2012). Protective inflammation, characterized by initial intensive interaction coupled with substantive and symbolic efforts to reorient overall motivation patterns, produced the energy and the social resources in the next phase of healing.

Relational Proliferation

Almost simultaneous to protective inflammation is *relational proliferation*. Whereas inflammation infuses resources at the wound site, proliferation in human physiology signifies an active growth process and a rapid increase in cellular tissue that thereby begins to strengthen an underlying cellular matrix. By relational proliferation in organizational healing, I am referring to the activity of organization members who draw on and strengthen internal and external networks of relationships. And, whereas protective inflammation initiates the activation of social connections, relational proliferation—like the proliferation of collagen and the supportive function of connective tissue—enables the scaffolding for social networks by identifying, building, and strengthening key relationships that support the overall recovery.

Relational proliferation occurs through positive relationships and high-quality connections (Dutton & Heaphy, 2003), social support (Fazio & Fazio, 2005), and relating (Christianson et al., 2009) that enable growth (see Powley & Piderit, 2008). Organization members who come together to form bonds and to connect emotionally (Mooney, 2009) strengthen ties and foster cohesion between organization members. The relational work that takes place during this phase is often improvised, taking shape as new conditions and situations emerge within networks of relationships at work (Powley & Piderit, 2008). The social network of relationships represents underlying minimal structures (like the underlying cellular matrix in a wound) that further enable close communal ties. Social psychological research supports the idea that social support has a positive effect on reactions to stress under crisis conditions and restoration from a sense of loss and ambiguity (Chisholm, Kasl, & Mueller, 1986).

When individual organization members develop close relationships within and outside the organization, they generate positive social capital (Baker & Dutton, 2007) and

positive social networks (Baker, Cross, & Wooten, 2003). Organizational network analysis demonstrates that "energizers" perform better than those who de-energize fellow organization members. This implies that energizers are better equipped "to develop a network of energizing relationships" (Baker et al., 2003, p. 339)—a network that serves as an important mechanism to stabilize organizational networks in times of crisis. Research on organizational networks suggests that in the face of significant change and/ or traumatic crises such as market decline, downsizing, or reengineering, the stability of networks affects performance (Agranoff, 2007; Berry et al., 2004; Milward & Provan, 2000). Likewise, developing friendship ties and trust networks (Gibbons, 2004a, 2004b) serve as an important resource to facilitate positive connections. Though they may appear to be redundant, particularly in times of crisis (Powley, 2009), they help to reestablish supportive networks that aid the restorative work. Network relationships, therefore, become an important source of strength to the organization because stable network structures foster trust and overall performance and thereby strengthen relationship structures (Axelrod, 1984; Ostrom, 1990; Williamson, 1999).

The declining housing market and its impact on the relocation business dissatisfied customers, so as a result, a key part of Prudential's strategy included strengthening ties with customers and the supply chain. To reinforce customer focus, Mallozzi created the "Shots on Goal" program. He empowered line managers to "try different experiments aimed at delighting customers and the supply chain" (Cameron & Plews, 2012, p. 102). Line managers identified positive relationships with clients and sought specific ways to "delight" them. Synonymous with the proliferation of key proteins to facilitate healing, the relationships, mentoring, and building on best practices established through the "Shots on Goal" program helped strengthen existing relationships internally. These efforts began to restore consumer confidence. Managers achieving results with the clients then became unofficial mentors to others faced with similar challenges. These activities thus strengthened positive perceptions of client relationships, and some units achieved 100% satisfaction with the toughest clients (Cameron & Plews, 2012). Just as in wound healing, where key connective tissues such as collagen and fibrin restore damaged tissue, the connective relationships enabled healing between Prudential and its most influential clients.

Proliferation not only connotes positive but also negative growth patterns; the process of proliferation is similar in both normal and cancer cells. Cancer cells proliferate out of control, may remain undetected, and have unregulated functions. Persistent cancerous proliferation results in metastasis. Likewise, organizations characterized by depleting and de-energizing relationships will likely inhibit an organization's capacity and ability to achieve full healing. Relationship structures characterized by high levels of redundancy such as board interlocks (Davis, 1996; Kaczmarek, Kimino, & Pye, 2012) and dense social ties (Oh, Myung-Ho, & Labianca, 2004) may have greater potential for collusion and unethical behavior because they may be less likely to integrate and balance internal and external relationships. In addition to redundant ties and overly dense networks, there is the problem of departures. Relational proliferation is likely to be ineffective if following disruption the organization loses a significant number of organization

members and leaders. Departures break up cohesive relationships and disrupt day-to-day work. The effects from these types of structures likely decrease such assets as morale, satisfaction, commitment, engagement, and performance and further prevent opportunities to rebuild and strengthen relationships.

Relational proliferation, on the other hand, emphasizes building positive relationships to reenergize and inspire commitment in units with low morale. Strengthening relationships both inside and outside an organization involves tough decisions about what is most important for the organization's strategy. In relational proliferation, making tough choices such as where to spend energy is as important as discontinuing certain client relationships, if found to be counterproductive to the company. At Prudential, Mallozzi asked his senior team to strengthen current client relationships while deciding which clients drew too much energy from the company. The challenge was to find five new clients, not 50 or 500, and discover new approaches to "wow" or impress them. To strengthen the relationships with clients further, he encouraged them to focus on what clients expected: "Don't tell me what it means to 'wow' a client. Ask the client. Make it positively deviant" (Cameron & Plews, 2012, p. 103). Simultaneously, he recognized that this targeted approach was not complete without giving his team permission to discontinue relations with certain customers: "We're going to stop merely counting clients. Instead, we're going to have clients who count" (p. 103). Then the senior team actively worked closely with those select clients. Mallozzi later reported, "One of the clients we selected was so dissatisfied with us, they were ready to leave for one of our competitors. That client went from being ready to walk out the door to being our biggest advocate" (p. 103). And at the same time, the company quit clients who "exuded" negative energy, allowing Prudential to "channel energy back to those where we had the chance to be successful" (p. 103). The result: Through the "wow" initiative, Prudential enabled relationship building that produced loyal and committed clients, thus strengthening relationships with both satisfied and previously disappointed customers.

Remodeling

Relational proliferation progresses to *remodeling*. With decreased inflammation and initial formation of underlying networks of tissue, a wound begins to return to functionality, thereby facilitating resilience—the return of structures and maintenance of positive adjustment. Yet beneath the surface, additional tissue growth continues, making it stronger than before. In other words, the wound site does not simply resume a previous state but increases in strength, thus enhancing protection and structural integrity (Kalfas, 2001; Schilling, 1968). By remodeling in organizational healing, I am referring to a phase that involves not only resumption of former function (resilience) but also generates core strength in the organizational culture to reinforce and protect against potential harm or a return to decline in terms of morale, satisfaction, and well-being. Remodeling involves practices and relationships that (a) produce more strength than existed before and (b) promote longer-term recovery (Mitchell, 1996). In an important sense, remodeling represents the foundation for posttraumatic

organizational growth. Organization members strengthen family-like bonds and initiate ceremonies and rituals that create a sense of closure and renewal (Powley & Piderit, 2008). Moreover, remodeling encourages organization members to reassess the social relationships and social structures so that when future incidents occur, the organization has available social and material resources.

A key to remodeling is fostering a positive organizational culture, not just positivity for individuals. Research verifies that positive cultures and their leaders enable positive practices and support positive performance (Cameron, Mora, Leutscher, & Calarco, 2011). The positive social networks (formed in relational proliferation) so vital for high-quality connections enables the culture to act as binding agent, much like fibrin and collagen in a physical wound that bind new cells together. Organizational culture functions as a transformational mechanism (Schein, 2010) that organizational leaders use to instill values of inclusion and collaboration and strategically focus across functional boundaries. The positive culture includes rituals and ceremonies, which reinforce a sense of community and encourage individual members to look toward an optimistic future. Ritual practices exist to celebrate moments in human life and death and to demonstrate sensitivity for others' positive and negative emotions (Turner, 1967). In essence, rituals and ceremonies following crises serve as a holding space for organization members to grieve, regroup, and reorient themselves toward the future (Kahn, 2001). Organization members experience rituals together to celebrate their relationships and to reinforce a positive future. They symbolize the positive change that the organization attempts to achieve, marking the end of practices and processes that do not support a desired future, and a transition toward growth.

Prudential emerged stronger because leaders infused the organizational culture with the philosophy of building on strengths and what was working well, despite losses and frustrations with the economy at large. Mallozzi took a proactive stance and fostered innovative and flexible thinking throughout his organization. He had promised earlier to do the *Māori Haka* war dance should they make their expectations, and so in 2010 when the company announced $20 million profits, doubling the company's projections, Mallozzi and 17 of his top management team publicly performed the *Haka* at a barbecue (Cameron & Plews, 2012).

More significantly is how the senior leadership team cascaded the positive culture throughout the organization in seven countries. The company chose two dozen "positively energizing and positively deviant people" (Cameron & Plews, 2012, p. 103) and taught them about what they had been doing to transform the company. Mallozzi explained: "I talked about how we wanted to change the company, and I told them that I needed their help" (p. 103). He charged them to introduce the principles and philosophy of positive deviance to 90% of associates worldwide in 60 days. By positive deviance, he meant to foster positive behavior that challenged the status quo and signaled a departure from norms (Spreitzer & Sonenshein, 2003, 2004) and the uncommon (Lavine, 2012). His challenge was to ensure that organization members had a working knowledge of the change process and the movement toward positive practices and a positive organizational culture. Within 60 days, 93% of the organization knew about

the culture change, and internal satisfaction scores increased significantly. The process, which started with senior management initiating a turnaround strategy for the company, now became a self-sustaining effort that strengthened the organization in the same way that physical therapy enables further flexibility and strength. In the process, the change agents developed new capacities for working with each other, and the positive principles promoted throughout the organization increased and fostered growth.

When remodeling is compromised though, wounds or broken bones do not fully heal or fail to heal correctly. In these instances, the underlying structure has not latticed properly, which produces limited flexibility and lacks full reinforcement to withstand normal tension, pressure, and exertion. Bone may be more likely to refracture or a wound may be more likely to reopen. When remodeling in organizational healing is not complete, the organization's culture does not serve as a unifying agent, and underlying processes and structures inhibit growth. Without positive practices to reinforce cultural values of inclusion, positive deviance, and collaboration across functional and geographic boundaries, cultural integration processes would likely be undermined and the ability to withstand future decline would be lost.

Over time, Prudential worked on cultural integration and building a positive culture. Their cultural transformation promoted the development of a virtuous human system. Through ceremonies and rituals, organizational leaders publicly and consciously lifted an aura of decline that had cloaked the organization and its future. Because it had valued positive relationships, built on what was going well, and encouraged a climate of trust, Prudential celebrated positive outcomes. The company showed concern for reaching out to its members regardless of monetary benefit or reward. Moreover, based on the scaffolding established early in the healing process, the company reinforced a culture founded on principles to generate energy that ultimately transformed their organization.

Mechanisms of Healing

Organizational healing described above points to several social mechanisms that govern the process of healing. Stinchcombe (1991) defines social mechanisms as "bits of theory about entities at a different level (e.g., individuals) than the main entities being theorized about (e.g., groups), which serve to make the higher level theory more supple, more accurate, or more general" (p. 367). The "bits of theory" to which Stinchcombe refers are elements of the healing process that describe individual behavior or group-level action and in turn make for a "more supple, more accurate, and more general" organization-level theory. Furthermore, mechanisms represent one way to understand action in its entirety (Anderson et al., 2006); that is, they represent the *what* and the *how* of action (Hernes, 1998).

In this section, I describe four mechanisms that govern and explain the process of organizational healing: empathy, interventions, collective effort, and leadership. These mechanisms provide theoretical explanations for (a) the steps of the healing process and (b) positive adjustment and growth. These mechanisms activate relational resources to rebuild morale and reduce fears in protective inflammation, activate social resources

for building positive connections in relational proliferation, and enable actions to promote positive culture in remodeling. In addition, embedded within these mechanisms are practices managers and practitioners may find useful when thinking about healing organizational systems. First, these mechanisms explain different aspects of the healing process and why healing is likely to occur, and second, the mechanisms suggest different practical approaches an organization may attempt when facing similar situations.

Empathy

The first mechanism, empathy, is associated with each phase of healing, but is particularly salient in protective inflammation and relational proliferation. Empathy enables a sensitive response early in the process and fortifies relationships as they grow during proliferation. Disruptive events induce (a) awareness of mortality, particularly in this case, an organization's mortality, decline, and possible death or eventual closure (Sutton, 1987; Walsh & Bartunek, 2011); and (b) cohesion, or the collective experience of drawing together so as to increase strength. In the first place, awareness of mortality "encourages a more intersubjective view of . . . relations to others in organizations" (Reedy & Learmonth, 2011, p. 125). Intersubjective experience is empathic experience and refers to the subjective involvement organization members experience together because they view each other as social relations, not as objects. Empathy operates during the inflammation stage to turn organization members toward each other who then support and sustain work processes, particularly through leaders attuned to needs of the organization at large (Boyatzis, Smith, & Blaize, 2006). In the second place, the experience of intersubjectivity "increase[s] a sense of human solidarity illuminating the lives of others in organizations in empathetic ways" (Reedy & Learmonth, 2011, p. 125; see also Rorty, 1989). Intersubjectivity through "human solidarity" enables cohesive organizational membership (Jones & Jetten, 2011), such that embedded within organizational networks are the social resources needed particularly in the proliferation stage. The extent to which the organization encourages empathic concern and initiates supportive and positive actions indicates the degree to which the process of organizational healing will unfold.

The empathic turn toward others is a mechanism that promotes and encourages positive social relations throughout the healing process to further strengthen relationships, enable a flourishing human system, and foster positive organizational dynamics. In protective inflammation, empathy is reflected in Mallozzi's response to employees, his attempt to allay fears, and his intentional shift away from negativity, low indicators of morale, and cost cutting. His symbolic actions generated energy among employees. In relational proliferation, empathy appears in the emerging and strengthened social networks. For example, the campaign to delight customers was one example where the organization displayed empathy. The underlying intention was to discover—from the client's perspective—what was most important rather than delivering what the company thought was important. Whereas the company could have focused on cost cutting and downsizing, instead it emphasized strengthening relationships with clients to

rebuild a customer base that had declined because of the housing market crash. In remodeling, empathy, as a social mechanism expressed by the organization and its leaders, signifies recognition that more involvement and participation has potential to further strengthen the organization's culture. That is, Prudential expanded its "positive energizing" initiative beyond senior strategic decision partners in order that they might teach others how they too could help reenergize the company. Senior leaders, in an empathic way, saw the effects of the initiative and believed that cascading the positive practices would enable a more positive culture.

Interventions

Interventions represent a critical mechanism of healing, particularly in protective inflammation and relational proliferation. Healing interventions include the deployment of and access to internal resources as well as external support and help. They may include critical internal and external resources that help protect against fear and intimidation, stimulate social processes, and enable growth and rebuilding. Internal interventions promote healing and growth from within, whereas external interventions facilitate healing from beyond an organization's boundaries. Both enable an organization to resume processes (e.g., bounce back) and prepare for future growth and strengthening.

First, internal interventions include actions that activate the rebuilding of social connections due to disruption. Kahn's (2011) examination of two wounded care-giving organizations highlights the role of an organization's internal social networks to show that interpersonal connections serve to activate the rebuilding of group and individual well-being. Interventions may include social processes, actions by leaders, time, interest, and willingness to engage with the organization. The organization looks inward to identify its core purpose and identity, as did Prudential following the housing market crash. It often includes reprioritizing goals and objectives, and in the case of Prudential, included voluntary and involuntary departures of members of the senior leadership team. Mallozzi's refusal to show scenes from *Saving Private Ryan* to inspire employees somehow also represents an action by a leader to "cleanse the wound" and introduce positive interventions and practices that would truly reinvigorate his staff. This internally focused work is characteristic of protective inflammation.

Second, entities outside the organization provide external resources to support organizational processes. External resources may include networked stakeholders who come to an organization's aid, hosted client engagement meetings, or interventions that recognize the organizations challenges. Newly recruited leadership also represents an external intervention. Filling the gaps in Prudential's senior leadership team with new leadership from external organizations equates to applying a medical intervention into a wound. Inasmuch as new leaders espouse and embody the vision and mission of the renewed organization, when they assume their roles and become acquainted with the organization's challenges and opportunities, they are in a position to infuse the organization with new perspectives and insights that promote potential

growth. Likewise, the positive energizing initiatives engage external stakeholders. The absorption of new leadership and connection with clients and customers is distinctive of building and strengthening social networks in relational proliferation.

The social capital embedded within social networks of established relationships both internally and externally acts as the social glue that enables joint activity, cooperation, and mutual benefit, thus binding organization members together as in tight-knit communities (Putnam, 1993, 2000) and thereby strengthening the organizational culture. Organization members find ways to rebuild practices and innovate on existing work, and they discuss the ways to foster future growth and change (Christianson et al., 2009). This was the purpose of Prudential's client engagement initiatives. Garnering external support was particularly significant especially when the organization may have been inclined to retract business and cut costs. Prudential's "wow" program, directed toward influential stakeholders, intended to generate more commitment and energy from them. In supporting Prudential's strategy and vision, committed clients conveyed a positive message to other clients of the company's potential for growth despite a depressed economic outlook. Moreover, the cascading of positive deviance practices at Prudential, as in remodeling, represents an internal intervention to strengthen further the organization's culture change.

Collective Effort

The third mechanism of organizational healing is collective effort. Collective effort is the extent to which organization members have strong sense of identification with the organization and the organization's mission and vision, which translates into their collective effort to resume and reinforce the social and organizational processes that further strengthen the organization. The theoretical grounds for collective effort in organizational healing are found in structuration theory, which emphasizes the dual nature of human agency and structure. The "undoing" of organization caused by crisis is tempered with calls of collective action to maintain order as organization members act together to reproduce necessary structures and routines. As they share and legitimize meaning of everyday experiences and interactions, organization members reproduce their social structure (Giddens, 1984)—actions and interactions being "both a reflection and revision of the social order" (Meyerson, 1994, p. 630). In this way, organizations are remade (Barley & Tolbert, 1997) as social structures resume through the actions and interactions of individual agents.

Central to collective effort is the role of social relations among individual actors: how they interact, the types of relationships they form, and the extent to which the quality of their relations affects the process of reproducing the organization's operational routines and organizational culture. This is consistent with Gittell and Douglass (2012) who argue that relations within organizations can be organized as structured roles to coordinate collective action to produce caring, timely, and knowledgeable responses. Collective effort from within and outside an organization conjoins structure, action, and agency to enable restoration of basic organizing practices and relationships within an

organization—this is resilience. It also facilitates strengthened positive relationships in protective inflammation and relational proliferation, and a shift toward a positive organizational culture in remodeling. And while collective effort occurs in all phases of healing, it is closely associated with the relational proliferation and remodeling. Through joint effort, cross-boundary relationships are strengthened to produce supportive scaffolding for cascading the change and culture throughout the organization.

At Prudential, one of Mallozzi's primary tasks was to strengthen ties across the organization and build cultural capital to restore confidence internally. He recognized the need to draw people together and inspire collective action "not just from the biggest and most obvious places, but from the small or obscure places as well" (Cameron & Plews, 2012, p. 102). His efforts to rekindle social relations throughout the company demonstrate relational proliferation. To accomplish this goal, he traveled widely to visit associates, clients, and real estate franchise agents in all parts of the business. During these visits, he laid out his objectives to return the company to profitability. In simple terms, "[Our company] needed to be welcoming in our approach and welcomed for our expertise, as we helped people who are at very vulnerable times in their lives" (Cameron & Plews, 2012, p. 101). His road trip was one effort to strengthen networks within the organization. The effect: employee satisfaction scores increased in 9 out of 12 categories.

Moreover, collective effort requires more than individual organizational members or an individual leader; they are not solely responsible for effort to shift the culture. At Prudential, culture change involved at least three stakeholder groups whose collective efforts enabled growth and strengthening. First, the senior leadership team drew on their collective resources and knowledge to make critical decisions about recruiting vacant senior positions and to define a strategy for generating a positive culture. Second, as part of that strategy, they reached out to external partners such as longstanding and influential clients to reinforce positive relationships or sever ties with de-energizing clients in relational proliferation and remodeling. Finally, Prudential identified and recognized critical internal stakeholders (e.g., internal change agents) who ensured the establishment of positive connections and communicated Prudential's strategy internally. The cascading effect produced by internal partners help drive the positive culture change (Cameron & Plews, 2012).

Leadership

The fourth mechanism, leadership, constitutes a mechanism critical for each phase of the healing process and is the primary driver for the three mechanisms previously described. Leaders play a significant role in reducing tension and showing empathy during inflammation. Often their critical first steps send a message to organization members about their intentions and direction for their organization in crisis. Early on they prioritize needs, guard against decreasing morale, and inspire a positive vision. During the relational proliferation, leaders foster and support positive "energy" network development internally and externally. Steps taken by leaders during this phase

encourage trust both from internal stakeholders as well as clients, customers, and shareholders. Those leading healing also guard against potential for unethical or collusive behavior. As was shown above, leaders also influence remodeling. They create and encourage opportunities to strengthen the organization's culture, not only at the top but also throughout the management ranks. They also ensure continuity through celebratory events that give purpose and meaning to organization members.

A key to leadership in healing is the awareness of others and acting on internal values that support the development of individuals and positive organizational dynamics. Organizations and their leaders may respond by turning inward, displaying self-protective behaviors, blaming others, becoming critical or cynical, and turning down opportunities to connect with others or to share information. Alternatively, they may respond virtuously, with compassion, caring, mutual support, courage, and faith (Cameron, 2003; Lawrence & Maitlis, 2012), as in the case of Prudential. Leaders acting with care and compassion demonstrate the power of leading with values, and people are affected more personally and more deeply when leaders express their core values than when the formal roles of leadership are carried out (Powley & Taylor, 2006). One alternative does not exclude the other, of course, but formal leadership roles may omit the expression of core values that further foster an exceptional human system. Organizing, controlling, establishing vision, setting strategy, and administering rewards all are critical parts of the leader's responsibilities, but as demonstrated at Prudential, values-driven leadership had an important effect on strengthening the organization.

Leaders' actions and interactions with organization members and other leaders convey the organization's direction and their values. At Prudential, Mallozzi, his senior leaders, and internal change agents played a key role in fostering responses toward others that had a transformative effect as they helped their units return to productivity and profitability. In the process, they showed concern for the social relationships within the organization and for its overall health. Early on, Mallozzi's efforts to assemble his top 30 leaders to discuss their challenges demonstrated his ability to empower others, a value he then passed on to others internally and to clients and customers through the "wow" initiative (Cameron & Plews, 2012).

A poignant example of the leadership mechanism involved a crisis not directly affecting Prudential at all. A few weeks before the BP Deepwater Horizon oil spill in the Gulf of Mexico (2010), Mallozzi visited with BP in London—one of Prudential's key clients in Europe—to engage them in the "wow" program. Then the oil platform explosion triggered a major and very public disaster, and BP was under significant pressure regarding their actions. Mallozzi called the senior HR person in the United Kingdom and said,

> Listen, I can see what's going on in the States. I'm sorry this is happening to you. I understand you are trying to move a lot of people into the Gulf area to deal with the crisis. I know you have vendors there probably helping you, but . . . I would like to offer the services of our company to you, free of charge, for the duration of the crisis. (Cameron & Plews, 2012, p. 103)

Moreover, Mallozzi made this offer during the hardest financial times for Prudential. He did so because he felt a shared responsibility for what happened in the Gulf. At first BP declined Prudential's offer, and at the time only expressed gratitude for Mallozzi's generosity. Six months later BP cut ties with their relocation vendor and began the process to engage a new provider. Because Mallozzi had established a positive relationship with BP, Prudential was a strong candidate to assume the account. And even though a deal with BP in the United States had not yet been made, Mallozzi shared the experience with associates to encourage them to build and strengthen relationships with clients.

In all the phases of healing, leaders supporting the healing process consciously care about making connections with, between, and among organization members and external stakeholders. Relief from suffering is likely to come from a leader who is close to affected individuals and who also demonstrates patience and shows compassion (Dutton et al., 2006; Madden, Duchon, Madden, & Plowman, 2012). They may or may not have experience in healing, but they choose to reach out. They do not selectively help others; instead, they support those who will receive their help. They are aware enough of others that they know how to support in time of need. That awareness of how and what needs to be done comes from experience but also from being in tune with their own personal values (Taylor, 2010). They recognize that they alone do not resolve all pain, but that through their relational actions during or after crisis, they engage with, encourage, offer support, and build up those affected by the circumstances. This was Mallozzi's strategy when he traveled to many parts of the company and his offer of help to BP. His purpose was to build strength by gathering organization members—what Kahn refers to as "convening others" (2011, p. 80), or drawing people together for collective support and work. In the process, leaders create spaces for organization members to share innovation, stories of success, and challenges. As a result, the organization's social fabric strengthens, bound together by the relationships created in these moments.

Implications

Implications for Practice

Healing has implications for organizational practice. Underlying the process and mechanisms of organizational healing is the idea that organizational leaders are oriented toward positive deviance and building a positive organizational culture. Leaders' efforts to encourage positive deviance become critical to the success or failure of healing. Leaders like Mallozzi who engage in the process of healing seem to have a propensity for positive deviance, despite positive deviance not being a normative tendency (Lavine, 2012; Spreitzer & Sonenshein, 2003, 2004). Healing too depends on the extent to which organizational leaders are able foster positive practices with other senior leaders and share their vision with mid-level and front-line managers who then engage clients and customers. Prudential's success with such practices is the

result of leadership support for the positive deviance and the ability to involve clients and customers in the vision.

For practitioners and leaders, organizational healing promises to be an important process to restore organizational routines and processes and enable change toward a positive culture and the establishment of virtuous, ethical systems. The process and mechanisms of healing include suggestions for those leading the healing process. In protective inflammation, leaders ought to marshal resources that can begin the repair. This means leaders must be able to recognize and respond to cues from the internal and external environment. In so doing, they will activate empathic responses as they address the needs of individuals and stakeholder groups. Moreover, they then will need to foster ways to communicate with organization members about the present challenges.

During relational proliferation, leaders will continue to demonstrate empathic concern. They will want to identify internal and external interventions that support the practices and routines set in place to help organization members in the transition period. Leaders should initiate supportive actions designed to generate positive energy for growth. It means emphasizing symbolic and substantive activities and initiatives that support individuals and organizational unit's positive practices and performance. And even though attention is centered on what is going well and celebrating successes, leaders should not lose focus of the challenges. They balance the delicate healing process with a deep understanding of the crisis's severity.

Finally, remodeling provides leaders the opportunity to strengthen a positive culture where new practices and realities have potential to transform the organization. Leaders ought to focus on ways to create institutional support for a positive organizational culture. They do this by creating ways to celebrate success through ceremonies and rituals. Celebratory events are opportunities to communicate the organization's vision and emphasize its direction. Leaders should focus on ways to develop momentum from within (e.g., change agents) and outside the organization (e.g., key customers) and simultaneously support initiatives from across the organization as they engage those that will champion collective efforts.

Implications for Research

There are several implications for future research. The first implication relates to the nature and source of crises internal or external to an organization. Although organizational healing connotes a desirable process with favorable outcomes, the nature and source of organizational wounds makes healing more or less likely. When the intensity and severity of wounds are too great, healing requires space and time, or may not be possible. For example, when financial losses or ethical lapses are too widespread, among other things, relationship structures may become too toxic (de-energizing) and day-to-day work will be driven by fear and a lack of trust for managers and the organization. The source of the crisis also dictates the likelihood of healing. Large-scale external crises may likely bring an organization together and increase and activate

compassionate responses, whereas small-scale internal crises may create inner turmoil and loss of trust. Whether due to the source or the nature of crises, healing may not be possible or even desirable.

Another important implication for research involves a typology of healing based on implicit and explicit dimensions discussed in this article. In physiology, for example, a physical wound may not return to normal, previous functioning nor grow from the trauma. In this case, there is no healing but rather dysfunction and deterioration. Alternatively, a physical wound that fully heals restores basic physiological functioning and increases strength. Two other conditions also exist but neither condition is healing. For example, a wound may return to normal functioning but may not experience growth and improvement. On the other hand, there may be strength and growth despite comprises to normal functioning. In organizations, there are potentially four types of healing based on resilience and organizational growth: (a) the crisis situation does not resolve and growth does not come about (not organizational healing); (b) the crisis does not result in a resolution, but growth is possible and occurs (posttraumatic organizational growth); (c) the crisis does resolve, but no growth comes about (organizational resilience); and (d) the crisis resolves and growth occurs (organizational healing). Future research could explore these different types of healing in more depth.

Organizational healing is a process specified by key mechanisms, and as shown through the examples in this article, it highlights how organizations enhance their performance after crisis. The process outlined in this article indicated the idea that healing produces positive outcomes, collective well-being of individuals and organizational groups, better organizational functioning, organizational performance, and the like. Moreover, the mechanisms of healing point to the critical role leaders play to bring healing about. The question remains however, When does one know that an organization has healed? An important implication for future research concerns the outcome measures associated with organizational healing, and an important first step is to specify outcomes of the process as they pertain to the mechanisms described in this article, which differ from PTG in that posttraumatic growth may result in enhanced well-being but not enhanced performance.

The role of leadership in organizational healing is critical. Leaders whether in formal or informal organizational roles may either facilitate or inhibit the process of healing. This is dependent on any number of factors, including their desire to empathize with others, ability to motivate employees and other managers to collective action, or secure needed social or organizational resources. The emphasis in this article has focused on formal leaders who have top-down influence, yet a worthy empirical project would be to look at whether more leaderless organizations or groups would heal more quickly than comparable organizations with formal leadership. The key question being, To what extent does the formal or informal role of leadership matter for healing?

Finally, this article has posited that healing is desirable and advantageous; yet healing may be problematic or involve some risk. In the first place, as the processes of healing suggest, healing may be difficult to achieve if certain conditions are not met. For example, too many resources or chronic problems may create strained relationships over the

long term and thereby prevent healing. In proliferation, de-energizing relationships may inhibit the establishment of supportive practices and routines that attenuate the positive outcomes associated with healing. If the first two phases of healing are compromised, remodeling may not occur such that key relationships and networks will likely be absent or lack the energy and momentum needed for healing. These contingencies suggest potential research that might include setting organizational healing in the context of threat-rigidity to examine different pathways for healing or additional processes.

Conclusion

Organizational healing—a relatively new field of inquiry—bridges resilience and posttraumatic growth. Healing offers restorative qualities and strengthening qualities that build on and contrast with other related constructs. Organizational healing implies not only return to normal routines and previous states but also builds on known concepts to suggest a growth process whereby healing enables organizational strength. Moreover, healing is not a uniquely individual concept—even though its effects may create healing in individuals' livelihoods in work organizations. Healing enables organizational strength through positive practices, collective action, leadership activities, and associated structures and routines. The explanations in this article describe how healing builds organizational dynamics that have potential to develop organizational strength and virtuous organizational systems. The process and mechanisms of organizational healing represent an important direction for developing organizations in the face of challenges and harm. When the mechanisms of healing are present, organizational healing represents a process to strengthen relationships, enable positive outcomes, and restore organizations to positive health.

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