CRESTCOM®

Adaptive Leadership: Navigating Constant Disruption in the Modern Workplace

Table of Contents

Introduction

Since 2020, business leaders have been navigating an increasingly unpredictable work environment. Rapid changes like the move to remote and hybrid work— and the current push to move back to in-office work— combined with trends like the Great Resignation, Quiet Quitting and Quiet Firing have drastically changed the workplace. Additionally, supply chain disruptions and shortages, the evolution of artificial intelligence, increased political and social divides, and a possible looming recession have created leadership challenges many managers have not seen before.

That is not to say that business leaders have never faced rapid change and disruption in the past. Many executives can remember electric typewriters, fax machines, and carbon copies suddenly being replaced with computers, internet connections and email. It is also easy to think of once-booming businesses that are now obsolete due to advances in technology: Blockbuster Video, Polaroid, Nokia, and more. Research shows that between 2000 and 2017, 52% of companies in the Fortune 500 were acquired, went bankrupt or ceased to exist due to technological disruption alone!

Mark Sanborn once said, "Your success in life isn't based on your ability to simply change. It is based on your ability to change faster than your competition, customers and business." The challenges of today require leaders to be both willing and able to adapt to new circumstances despite the uncertain outcomes. Today's executives and management teams must respond quickly and effectively to complex problems, recognizing when the usual solutions are no longer working and adopting new approaches when needed.

Now more than ever, leaders must create a culture of adaptation and learning, where mistakes are seen as learning opportunities, and all employees are encouraged to problem-solve and innovate. An adaptive approach to leadership can help any organization develop the resilience and agility necessary to thrive in today's complex and rapidly evolving business environment.

Learn how to be a more adaptive leader as we explore common disruptions, define adaptive leadership and take a closer look at the key competencies and skills needed to navigate change and disruption in the modern workplace.

Chapter One:
What is Disruption?

Willful Disruptions

Serendipitous Disruptions

Natural Disruptions

There are three common types of disruption in the workplace: business, technology, and societal. To be considered a true disruption, it cannot be a passing trend but rather something that causes a fundamental shift in the business landscape. For example, nearby construction may temporarily interfere with customers getting to your business; however, that is not on the scale of disruption. However, if that construction is a direct competitor setting up shop across the street, that could be an ongoing business disruption. Whether positive or negative, disruptions can upend industries, affect global economies or change people's lives.

Willful Disruptions

Disruption can be either willful, serendipitous or natural. Some examples of willful disruptions are:

- **Innovation** - Disruptive innovation is the introduction of a product or service in a previously established industry, usually performing better and at a lower cost than the existing alternatives. This type of disruption can displace market leaders and transform industries.

- **Competition** - Competitive disruptors take an existing product or business model and upgrade or update it.

For example, Uber disrupted the taxi business by creating an app and business model that made car service more convenient and slightly less expensive than traditional taxi services.

- **Reinvention** - Reinvention is when a business disrupts itself before the competition can. Apple is famous for this type of disruption. For example, when they created the iPhone, it could store and play music, making their iPod product obsolete. However, sacrificing the iPod paved the way for creating a phone brand that continues to dominate today's market.

Serendipitous Disruptions

While serendipity and innovation often go hand in hand, serendipitous disruption happens by chance rather than intention. These disruptions can take the form of happy accidents such as the discovery of penicillin or the failed attempt at making a super strong adhesive that led to the invention of the Post-It® note. Serendipitous disruption can also happen when circumstances align to allow an existing product to dominate the market. For example, the rapid growth of Zoom since 2020 was made possible due to the pandemic—and because it already offered an affordable, easy-to-use product. Because they adapted to
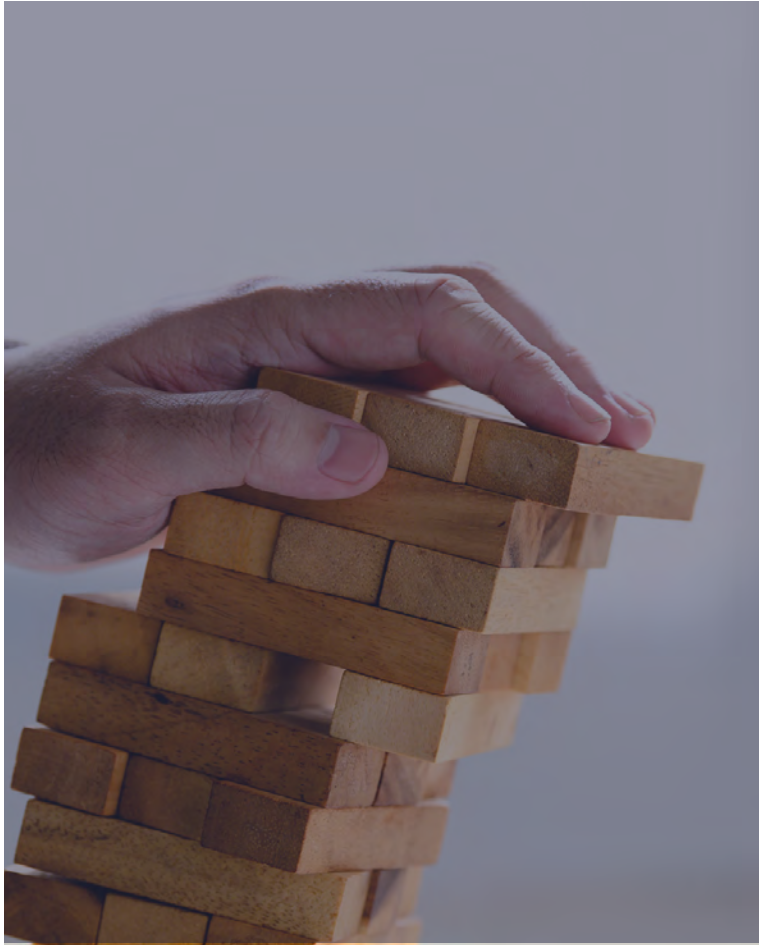
increased demand quickly, scaled their services and made their product easily accessible, Zoom is now a household word. It has even become a verb synonymous with video conferencing.

Natural Disruptions

Natural disruptions occur due to forces of nature out of our control. The COVID-19 pandemic was an example of a natural disruption. A rapidly spreading virus changed how people do business, how consumers behave, and how work gets done. Another example could be climate change and other environmental issues. As the availability of natural resources changes, so do the people and businesses that depend on them. Likewise, natural disasters such as earthquakes, hurricanes, tornadoes and wildfires can change business viability throughout entire regions.

Regardless of the type of disruption, leaders must accept disruptive change as a part of life. Rather than trying to merely cope with disruption, they must learn to adapt and thrive.

Chapter Two: What is Adaptive Leadership?

Adaptive leadership is a term coined by Ronald Heifetz and Marty Linsky, who define it as a leadership approach that enables individuals and organizations to adapt and thrive in changing and uncertain environments. This leadership style focuses on identifying and addressing the root cause of problems rather than only treating the symptoms. Or, as Linsky explains, "Adaptive leadership is not about solving technical problems. It's about leading people through adaptive challenges where the solutions are not clear or easy to find."

Heifetz and Linsky first introduced the concept of adaptive leadership in their book "Leadership on the Line: Staying Alive through the Dangers of Leading," published in 2002. Since then, the concept of adaptive leadership has been widely adopted by organizations and leadership development programs around the world.

While Heifetz and Linsky are credited with popularizing the concept of adaptive leadership, the roots of this approach can be traced back to earlier work on adaptive change and organizational learning by scholars such as Chris Argyris and Donald Schön. Argyris and Schön developed the concept of adaptive change in leadership, arguing that leaders must be able to engage in reflection and inquiry to examine their assumptions, values and mental models. By challenging their biases and assumptions, leaders can adapt their leadership approach to better meet their organizations' changing needs.

Adaptive leadership involves the following key elements:

- Identifying and addressing the adaptive challenge or underlying problem rather than just treating the symptoms.

- Mobilizing people to tackle the challenge by engaging and empowering people to collaborate effectively to solve problems.

- Experimenting and learning by trying new approaches and learning from failures and successes.

- Reflecting on progress and lessons learned, then adjusting strategies as needed.

- Building resilience to improve the capacity of individuals and organizations to adapt and thrive in changing and uncertain environments.

Adaptive leadership requires leaders to be flexible, creative, and willing to take risks. It requires leaders to take a collaborative approach that involves engaging and empowering people at all levels of an organization to work

together to solve complex problems. It also requires a commitment to continuous learning, adaptation and reflection. In the words of Heifetz and Linsky, "Leadership is an improvisational art. You may be guided by an overarching vision, clear values, and a strategic plan, but what you actually do from moment to moment cannot be scripted. You must respond as events unfold. While today's plan may make sense now, tomorrow, you'll discover the unanticipated effects of today's actions and have to adjust accordingly. Sustaining good leadership, then, requires first and foremost the capacity to see what is happening to you and your initiative as it is happening and to understand how today's turns in the road will affect tomorrow's plans."

Chapter Three: Key Skills and Competencies of Adaptive Leaders

Emotional Intelligence

Strategic Thinking

Decision-Making

For leaders responding to a crisis or disruption, it can be helpful to think about the 4 A's of adaptive leadership:

- **Anticipation** of future trends and needs.

- **Articulation** of these needs to create understanding and foster collaboration.

- **Adaptation** through learning and making adjustments as necessary.

- **Accountability** through transparency in decision-making and openness to feedback.

Several key skills and competencies are needed to execute the 4 A's successfully. Disruption and change can be tumultuous for leaders and their teams, and developing skills like emotional intelligence, strategic thinking and decision-making is essential to adaptive leadership.

Emotional Intelligence

Arguably the most important skill for leading through disruption, emotional intelligence is the ability to recognize, understand, manage and effectively communicate one's emotions and the emotions of others. Finding adaptive solutions will require people to let go of the familiar and try new things. Change can be incredibly stressful, especially in times of uncertainty. Adaptive leaders must manage their stress levels and be aware of their emotions during difficult conversations. Managing through disruptions often requires admitting mistakes and changing course, which can be difficult for leaders lacking emotional intelligence.

Emotional intelligent leaders are also good at building trust, managing conflict and motivating and inspiring others. Making sincere connections with internal stakeholders will increase employee retention and engagement, which is vital for effective collaboration. Fortunately, emotional intelligence is a skill that can be learned and developed. Crestcom believes that emotional intelligence is a fundamental skill needed at every level and partners with leading subject matter experts to create interactive management training to allow leaders to improve their skills through hands-on learning.

Strategic Thinking

Strategic thinking is also a crucial competency for adaptive leadership because it enables leaders to identify and anticipate changes in their environment and to proactively adjust their strategies and plans in response to those changes. An adaptive leader skilled at strategic thinking is better equipped to navigate uncertainty and guide their team through periods of transition. Strategic thinkers can identify and anticipate potential shifts in the market, technology or social trends and adjust their plans accordingly. Strategic leaders also excel at developing contingency plans, realigning resources to new priorities and encouraging innovation.

Strengthening strategic thinking skills will improve any leader's ability to see the big picture, analyze opportunities and vulnerabilities and find solutions to problems. Leaders can boost their strategic skills by keeping up with industry trends, connecting with peers, reading trade publications, participating in leadership training programs and staying informed about current events. Encouraging discussions and debate with colleagues can also be helpful. Getting input and feedback from others helps guard against biases and blind spots and sharpens communication skills.

Decision-Making

Leaders skilled at decision-making are better equipped to guide their organization through predictable and unpredictable challenges. In times of disruption, leaders must make tough decisions based on changing

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-Mark Sanborn,
Author, Speaker, and Entrepreneur

circumstances, often with limited information. Evaluating available options, weighing risks and benefits, and taking action that aligns with the goals and values of an organization are central to leadership in every situation.

To face today's disruptive challenges, leaders not only need to make effective decisions quickly, but they also need to make them ethically. Fostering collaboration and implementing innovative solutions to complex problems requires trust. To build trust, leaders must practice transparency and respect and operate by a robust code of ethics. Crestcom recently partnered with ethical consultant and professor Christopher Gilbert, Ph.D., to create a leadership class that examines ethical decision-making. In his book, The Noble Edge, he explains, "Your choices either enrich or impoverish your trustworthiness. A lifetime of building trust can be shattered in moments. On the other hand, opportunities from building trust are limitless, and the climb toward better ethical decision-making is part of the purpose of our lives."

Chapter Four: Building Adaptive Capacity

Organizational Justice

Diversity, Equity & Inclusion

Traditional top-down leadership is not fast or flexible enough to respond to complex challenges in today's working environment. Adaptive leadership requires transparency, inclusion and accountability to be the norm at every level of the organization. For that to work, leaders must create an environment in which employees feel valued and respected, which can prepare them to embrace change and work collaboratively to address challenges and seize opportunities.

Organizational Justice

Creating an adaptive workplace culture requires a commitment to organizational justice. Organizational justice refers to employee perceptions of fairness in the workplace. When employees feel treated fairly, they are more likely to be motivated and committed to the organization, leading to better job performance and higher levels of job satisfaction. Lack of engagement and lower productivity—now called "quiet quitting"— is often a reaction to a perceived lack of fairness at work.

Adaptive leaders must be aware of and actively monitor the three components of organizational justice:

1. **Distributive justice**, or the perceived fairness of outcomes, such as payment, rewards and punishments.
2. **Procedural justice,** or the perceived fairness of processes used to determine outcomes, like how promotions are decided or decisions about how time off requests are approved.
3. **Interactional justice**, or the perceived fairness of interpersonal treatment. For example, do employees feel respected? Do they feel safe and free from harassment in the workplace?

To show a sincere commitment to organizational justice, leaders should focus on transparency and communication. Include employees in the decision-making processes, and ensure that employees feel they have input on decisions that will affect them personally. Even if employees are not pleased with a particular outcome, when they understand why a decision was made, they are more likely to accept it and move forward.
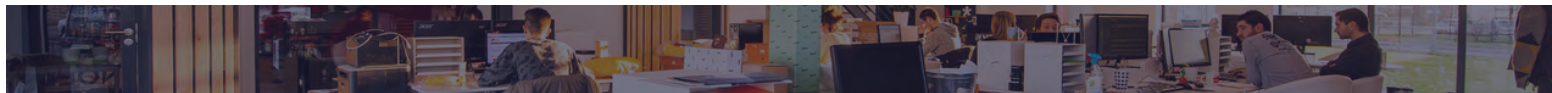
Diversity in perspectives, backgrounds, experiences and ways of thinking
is necessary when solving new and complex problems.

Diversity, Equity & Inclusion

Diversity, equity and inclusion are also essential to building an organization's adaptive capacity. By fostering a culture of diversity and inclusion, leaders can harness the collective intelligence of their teams, leading to greater innovation and creativity in problem-solving. Diversity in perspectives, backgrounds, experiences and ways of thinking is necessary when solving new and complex problems. Bringing a broad range of ideas and knowledge to the table is critical to better decision-making, brainstorming and strategy execution.

Chapter Five: Leading Through Change

Effecting change throughout an organization is difficult under the best circumstances. During a crisis or disruption, change initiatives will often meet significant resistance. Therefore, change management is an integral part of adaptive leadership. To facilitate change, adaptive leaders use a variety of change management techniques, including the following:

- **Creating a Sense of Urgency** - Develop a sense of urgency around the need for change by communicating the risks and opportunities associated with the change and the consequences of not changing.

- **Building a Coalition** - Create a coalition of support for the change by identifying key stakeholders and enlisting their help.

- **Communicating a Clear Vision -** Articulate a clear vision of the change, including the goals, objectives, and expected outcomes. Be prepared to explain why the change is necessary.

- **Empowering Action** - Enable and trust individuals and teams to take action to implement the change by providing the necessary resources and support.

- **Creating Short-Term Wins** - Create short-term wins that demonstrate the benefits of the change while also building momentum for further change.

- **Anchoring New Approaches in the Organization's Culture** - Adaptive leaders anchor the new approaches in the organization's culture by reinforcing the values, beliefs, and behaviors that support the change.

Managers at every level can benefit from learning effective change management. In an episode of The Leadership Habit Podcast, subject matter expert L. Bonita Patterson explained why including and empowering middle management can be especially beneficial for executing significant changes, saying, "Is middle management on board? Because guess where change dies? Change dies in middle management. Boom. Period. End of story. It's been that way since the dawn of time, and it will be that way till the end. So if you don't get middle management on board, so they can start modeling the new behavior and have the right attitude when their people are going through change, it will die on the vine. Meanwhile, if you do get them on board- Whoa! It just fuels the change and fuels the excitement and makes it that much easier, that much more successful."

Chapter Six: Increasing Organizational Resilience

Fostering a Growth Mindset

Encouraging Open Communication

Promoting and Modeling Self-Care

Providing Resources

Encouraging Teamwork

At its core, adaptive leadership is about increasing organizational resilience. Organizational resilience is not just about surviving a crisis or disruption— but also about emerging from it stronger and more capable than before. It is the ability to anticipate, adapt to and recover from challenges like economic downturns, natural disasters, cyber-attacks and more. Resilient teams maintain critical business functions during and after a crisis and bounce back better than before. To do this, adaptive leaders start by helping their team strengthen their individual capacity for resilience.

Creating a resilient workplace culture is most effective when it is in place before a significant disruption. If your team is already stressed out, overworked and on the verge of burnout when a crisis happens, how will they take on additional challenges? Remember that part of adaptive leadership is anticipating potential problems, which includes guarding against employee burnout. There are five strategies a leader can use to boost team resilience: fostering a growth mindset, encouraging open communication, promoting and modeling self-care, providing resources and encouraging teamwork.

Fostering a Growth Mindset

A growth mindset is a belief that abilities and intelligence can be developed through dedication and hard work. It is the opposite of a fixed mindset, which is the belief that abilities and intelligence are fixed traits that cannot be changed. Encouraging continuous learning in the workplace is a great way to promote a growth mindset. Leaders can also model curiosity when faced with problems. Instead of reacting to failures and mistakes with frustration or

Organizational resilience is not just about surviving a crisis or disruption— but also about emerging from it stronger and more capable than before.

anger, get curious about what went wrong and what can be done differently in the future. Remember to reward actions and not just outcomes. The results may vary when someone tries something outside of their comfort zone. However, trying new things is the key to opening the mind to new possibilities.

Encouraging Open Communication

Adaptive leadership is dependent on encouraging input from many voices. People must feel safe sharing their thoughts and feelings for this to happen. Likewise, increasing team resilience requires leaders to facilitate (and model) open communication. Leaders must be approachable and practice active listening. Modeling respectful behavior, such as not interrupting others during meetings, keeping feedback focused and helpful, and insisting on respectful interactions, are all essential to creating a workplace where people are willing to share their ideas.

Promoting and Modeling Self-Care

Encourage team members to prioritize self-care by taking breaks, getting enough rest, and engaging in activities that improve mental and physical wellness. Leaders must set

an example for this to be effective. Leaders can tell employees to use their vacation days and rest on their days off, but unless the leader models that behavior, employees will not feel comfortable doing so. For example, top executives often work odd hours, but it is important to resist emailing employees outside of working hours. They may think their employees know they can respond during their typical workday, but it sends a subtle signal that they should also be working at all hours, quickly leading to burnout. Simply scheduling that email to send during regular work hours can prevent employees from mistakenly feeling they should monitor their email twenty-four hours a day.

Providing Resources

Building team resilience will require resources, and having these resources in place before they are needed is critical. Ensuring employees have the tools and equipment to do their jobs safely and effectively is just the beginning. Providing team members with training, coaching and mentoring will support their growth as individuals and prepare them to handle challenging situations and complex problems in the future. In times of uncertainty, organizations often make the mistake of cutting back on resources that will help them bounce back from hard

times. However, adaptive leadership requires a firm commitment to learning and personal growth, as it is vital to preparing for things to come.

Encouraging Teamwork

The word team is used frequently at work, but sometimes we lose sight of its real meaning. A team is an interdependent group working together towards a common goal. To succeed, teams must trust and rely on each other. Building trusting relationships in teams takes time, so leaders must create opportunities for teams to get to know each other and learn to work together effectively. With the current prevalence of remote work, this is more important than ever. No matter where they work, teams can set aside meeting time for icebreaker questions, share something they learned that week, or play a cooperative game. Team building doesn't need to be time-consuming or complicated, but it does need to happen consistently.

Conclusion

French philosopher Voltaire once said, "Uncertainty is an uncomfortable position. But certainty is an absurd one." Even though navigating disruption can be uncomfortable and frightening, achieving absolute certainty is impossible and attempting to is counterproductive. Embracing adaptive leadership allows leaders to accept change and disruption as a natural part of life and focus on building the key skills and competencies needed to strengthen resilience and creativity in their teams.

Adaptive leaders must create a work environment where everyone feels safe to take ownership, share ideas, and take risks. Prioritizing learning and development in the workplace is the first step to preparing for future disruptions. An adaptive approach to disruptions can lead to increased innovation and creativity, helping organizations stay ahead of the curve and remain competitive in their markets.

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About
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Crestcom International specialized in developing managers into leaders… **and we're different.**

Crestcom is a trusted leadership training partner for firms ranging from small and medium-sized businesses to Fortune 500 enterprises. Over the last 30 years, our accredited and award-winning leadership development programs have impacted more than 1 million executives in over 60 countries worldwide.

We've leveraged a proprietary training process that emphasizes measured development, effective implementation and ultimate accountability to create consistent and sustained behavior change. Our subject matter experts and live facilitated classes help participants develop lifelong skills that yield long-term results.

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