Adaptable Leadership

What It Takes to Be a Quick-Change Artist

By Allan Calarco

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Executive Summary

It's a truism of today's business environment that the only thing that remains the same is change — and change is more copious, rapid, and complex than ever before.

In today's business world, change and disruption are the new normal. Companies and even entire industries can find themselves turned upside down seemingly overnight. Adaptability is no longer merely a leadership asset; it's a prime requirement. Adaptable leaders recognize that leading and managing change is an imperative of today's business world, and they urgently seek new ways to solve novel problems, master new skills, and embrace new challenges with grounded innovation.

The need for leaders to be adaptable is generally acknowledged, but there has been little insight into what adaptability actually looks like. If the ability to lead and manage change is the great differentiator in today's increasingly fast-paced business environment, then executives who can adapt to change, rather than simply cope with it, will be the ones who consistently deliver outstanding results.
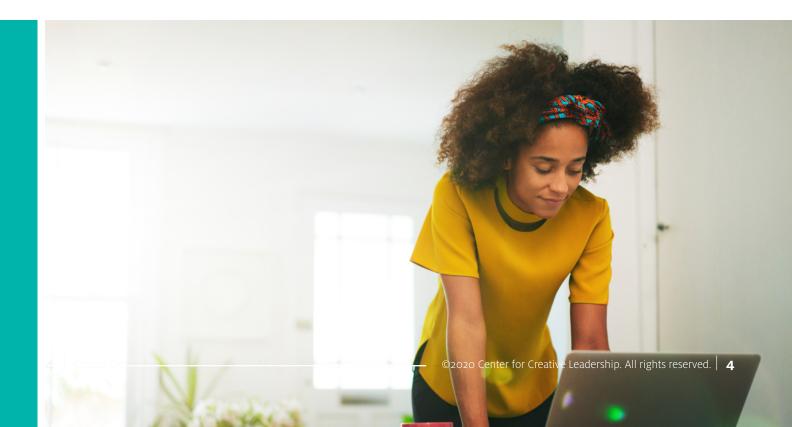
CCL has taken part in research to deepen the understanding of adaptability and the opportunities that exist for leaders to lean into change and look for the positive outcomes it can supply.

Change and Disruption:
The New Normal

Metathesiophobia. That's the tongue-tying word for the fear of change – a fear that most people, if they are honest with themselves, will admit to having experienced. Change, even when it's relatively minor and even when the individual wants a change, can be unsettling and unnerving – and as a result intimidating. And with fear usually come stress and resistance.

For leaders, fearing and resisting change and balking at venturing into the unknown can be their own, their followers', and their organizations' undoing. It's a truism of today's business environment that the only thing that remains the same is change – and change is more unpredictable and complex than ever before. Global pandemics, mergers and acquisitions, corporate restructurings, downsizings, increasing globalization, and market upheavals are just a few of the dramatic transitions that leaders and their organizations must deal with at an unprecedented level.

Another source of transition is the rapid evolution of technology, with increasingly fast rates of obsolescence and replacement requiring individuals and organizations to engage in a constant learning process. In addition, the people who make up organizations, work groups, and teams often shift at a breakneck pace. Institutional loyalty is hardly what it used to be (the Bureau of National Affairs has reported that employee turnover is occurring at the highest rate in nearly 20 years), and it's common for people in organizations to be quickly shuttled in and out of different assignments. Managers' ability to deal with this type of change – losing well-known team members and working with new and unfamiliar colleagues – has a profound impact on organizational effectiveness and productivity.

Feeling the Heat of Change

Statistics bear out the prevalence, increasing scope, and sometimes devastating effects of change in the business world. Of the 100 largest U.S. companies at the beginning of the twentieth century, only 16 exist today. And according to government figures, in the past decade in the United States more than 450,000 companies went under, more than 24 million jobs were lost, nearly half of all companies were restructured, more than 80,000 firms were acquired or merged, and more than 700,000 organizations sought bankruptcy protection.

The pace of change is accelerated even further during times of global crisis, including the unprecedented COVID-19 pandemic that threatens the global economy at large and has drawn comparisons with periods such as the Second World War, the 2008 financial crisis, and the 1918 Spanish flu.

Leaders are well aware of how important change – and the way they and their colleagues react to change – has become to their effectiveness and the success of their organizations. In a survey conducted by Ernst & Young and Cap Gemini Ernst & Young, 86 executives identified the top 3 threats that they and their organizations will face in the coming years. The executives cited regulatory changes (38%), competitive dynamics (29%), and market uncertainty (19%). All these concerns are related to transition.

Managers who attend CCL's Leading for Organizational Impact program and participate in The Looking Glass Experience indicate that change is omnipresent in today's organizations. Most of these managers say they've been through not just one but multiple acquisitions, mergers, reorganizations, or other significant organizational changes during their careers. They indicate that the pace and degree of change continue to spiral upward.

But recognizing that change inevitably exists is not the same as dealing with it effectively. Even though organizations rise or fall based largely on their ability to react to, manage, control, and introduce change, many managers have little or no understanding of or training in navigating the process of change.

Factors That Contribute to Leadership Success or Derailment

Since 1983, the Center for Creative Leadership has studied the career derailments of male and female executives around the world. By comparing successful executives with those who derail, CCL has identified specific characteristics that lead to success and other characteristics that force formerly successful careers off track.

Derailed executives are those who, after reaching the general manager level, are fired, demoted, or held on a career plateau. Our research has identified 10 flaws that can contribute to derailment. Of these 10 flaws, **the inability to develop or adapt** was the most frequently cited reason for derailment among North American managers. Conversely, the most frequently cited success factor for North American managers was **the ability to develop or adapt.**

Executives who are flexible in the face of change are described by their bosses, peers, and direct reports in the following terms:
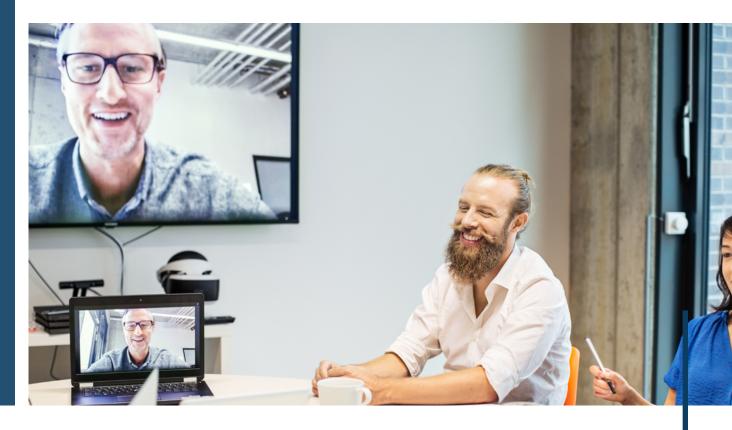
- Handles mistakes with poise, and learns from them.
- Is open to feedback, and learns from it.
- Is self-assured, and stays composed under pressure.

Many executives who derail do so because they are unable or unwilling to adapt. This can be a result of an inability or unwillingness to change their management style, or their own fear of change.

Executives who are unable or unwilling to adapt are described by their bosses, peers, and direct reports as:

- Avoiding risk.
- Disliking authority figures.
- Defensive.
- Not open to diversity.
- Resistant to learning from mistakes.
- Closed to feedback.
- Not handling pressure well.
- Having narrow interests.

If leaders don't consider their own adaptability and the adaptability of their subordinates, new initiatives can be halted or stifled before they're given a chance, or simply left to die on the vine. When a fresh vision emanates from an organization's top leadership, for instance, managers and their teams are expected to embrace the vision and move it toward implementation as quickly as possible. To understand and get on board with the new vision and to inspire subordinates to do the same, managers need to be adaptable.

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Defining Adaptability

During times of change and uncertainty, adaptability is required to foster progress and to help the organization and its members remain effective and productive. It's not enough for leaders to be adaptable themselves, however; they also must be able to recognize adaptability in their employees. This skill helps leaders choose people who are most suited to doing work involving change and who can motivate and act as role models for others during the transition period that accompanies any new initiative.

So it's clear that adaptability is crucial to leaders' effectiveness and success. This probably doesn't strike you as revelatory news. Yet even though the importance of adaptability in leaders is now widely regarded as a given, not much is known about what adaptability actually looks like. Until now, little research has been done on the specific behaviors that constitute adaptability. If leaders can gain insight into what these behaviors are, it will help

them not only recognize but also take the first steps toward developing adaptability in themselves and others.

To clarify what it means to be adaptable, and to describe what adaptability looks like, CCL has conducted research in collaboration with George Mason University and the U.S. Army. (See "Through the Looking Glass," on page 10.) Adaptability is a term that is thrown around a lot without a concrete definition or understanding of what it is. By explicitly identifying and describing the behaviors that make up adaptability, the research helps leaders approach adaptability in a more practical way and provides a foundation for recognizing and developing the skill in themselves and others.

The study focused on 3 main components of adaptability: cognitive, dispositional (personality related), and emotional. Following is a look at the behaviors that signify proficiency in each adaptive component.

Cognitive Flexibility

Adaptability requires effective interpretation of change, and the first step is acknowledging that change has occurred. Successful adapters then address key aspects of the change – for example, how a new vision will create new markets, competitors, and organizational roles. Identifying how the change will affect the way the organization functions is also important.

The ability to formulate alternative strategies is another aspect of cognitive adaptability. Leaders who are adaptable are able to let go of old roles and ideas, identify and embrace new roles, and come up with new tactics and action plans that address the implications of the change and the situation at hand. Specifically, their language often shifts from past tense ("We used to do this…") to future tense ("Now we will do this…")

Cognitive adaptability also involves divergent thinking – for instance, contemplating a totally new direction that turns the change into an advantage, or acknowledging and putting to use the skills of new members of a team. Finally, cognitive adapters are good at spanning boundaries – they consider the implications of the change for others in the organization and communicate this information to the various organizational units and top management.

Dispositional Flexibility

The ability to remain optimistic – but at the same time realistic – is one of the linchpins of adaptability. Successful adapters approach change not as a threat but as an opportunity. They take the attitude that they can continue to be effective in the new environment. Optimism also appears to boost managers' self-confidence in their ability to be effective during times of change.

It's debatable whether optimism can be developed, but next time you are in a situation of change, try identifying something that's positive about the situation and building on it. Make a list of the opportunities presented by the change and communicate those opportunities to others in the organization.

Personality-related adaptability also entails remaining highly involved during times of change – not "checking out" emotionally or physically, staying excited and energetic, consistently and usefully contributing to brainstorming on new strategies, and successfully integrating into a new team or working across new organizational boundaries.

Leaders who are adept at the dispositional aspects of adaptability also encourage others in the organization or team to go with the flow of change. They elicit contributions from others, sincerely commend others for their innovative contributions, and make formal introductions of those who are new to the organization or team as a way of acknowledging that change has occurred and new group dynamics will emerge.

Emotional Flexibility

It's all right for managers to admit resistance to change – in fact it's preferable, because emotions that are denied will eventually resurface and have to be dealt with. Resistance to change is natural; recognition and awareness of change are the keys to the emotional element of adaptability.

Conceding your resistance to a change enables others in the organization to help you cope with the change. At the same time, it's important to not let emotions get the best of you, to maintain a balance, and to remain on task.

Addressing the emotions of others is a large part of the emotional component of adaptability. Managers should encourage others to express their emotions about a change – whether those feelings are positive or negative – and should not be critical of the expression of such emotions. One way to do this is to take some time on a weekly basis for an organizational or group discussion and let everyone express his or her thoughts and feelings about the change that is occurring and the effect it's having.

Through the Looking Glass

Managing change is one of the biggest challenges faced by leaders today, yet there is little understanding of what adaptability looks like. The research was conducted during selected sessions of The Looking Glass Experience, a component of CCL's Leading for Organizational Impact program.

In this 5-day program designed for experienced managers, participants develop the ability to recognize opportunities and avoid pitfalls, gain a more complete view of their strengths and weaknesses in the context of the organization, and set goals that can help them navigate complex leadership situations. A major part of the program is a business simulation in which participants operate a fictional glass company. The simulation so closely parallels real life that participants invariably find that their performances mirror the behaviors they exhibit in their actual jobs.

The simulation includes a period of significant change, and as part of the research into adaptability, observers rate program participants on 11 dimensions of adaptability during this transitional time. Also, in the week before the program, participants are measured on 3 behavioral elements that may predict adaptability during a period of change – optimism, emotional intelligence, and metacognition (thinking about thinking). The study explored relationships between these 3 elements and ratings on the 11 dimensions of adaptability.

The experience of one manager during one Looking Glass Experience exemplifies just how traumatic change can be for some people. The manager had been so adversely affected by change in his organization that when it became clear during the simulation that there were going to be changes, he refused to participate further. He took his laptop computer into the hallway and didn't return until 2 hours later, after the simulation was over.

Action Steps for Increasing Leadership Adaptability

Change can be unsettling, unnerving, and intimidating. Even anticipated or welcomed change can cause fear, stress, resentment, and resistance. For leaders, these reactions to change are often viewed as a roadblock that must be overcome. But rather than denying emotions and negative reactions, or being tough and bulldozing through change, effective leaders allow the transition process to take place. Reactions to change often follow a series of stages: denial; resistance; exploration, questioning, and reflection; and finally, commitment. Through this process, people can develop greater adaptability in the face of change.

Below are 5 action steps leaders can take to improve their adaptability and guide their team through times of change and transition.

1

Embrace curiosity. Curiosity drives leaders to ask questions that help them understand how new information affects their business, their customers, and their employees. It's a crucial factor in successful leadership.

2

Remain open to change. It's important that leaders don't get too attached to a single plan or strategy, as the pace of change in today's world is only growing faster. Adaptable leaders will have Plan B (and C) at the ready.

3

Create support systems. Leaders shouldn't feel the need to go at it alone, but should call on mentors, friends, coaches, trusted peers, professional colleagues, family members, and others to serve as support systems in times of change.

4

Increase self-awareness. The capacity to adapt is improved when we understand our own reaction to change and can better manage our emotions and reactions.

5

Embrace new environments and situations. Reframe threatening situations as challenges and opportunities to grow. We can put this into action when we're confronted by change — but we can also get practice by welcoming in new experiences on a regular basis.

Developing adaptability takes practice, but by taking action, leaders can become more adaptable and effective – a benefit to themselves, their teams, and their organizations.

Conclusion

Recommendations for Senior Leaders

Leaders can improve their adaptability if the necessary conditions for personal learning are in place. Challenging assignments combined with opportunities to reflect with others who are willing and able to provide honest and constructive feedback, coaching, and support create a powerful developmental process.

A continuous learning culture enables both individuals and organizations to recognize how they can improve the essential executive capability of adaptability. Successful leadership and organizational development strategies include opportunities for assessment, practice of new behaviors in combination with ongoing support and encouragement, timely feedback, and rewards for development and execution of innovation and business performance improvement.

Does your organization have mechanisms in place to provide executives with regular and valid feedback on the effects of their behaviors at work? Does the organizational culture encourage and respect learning from mistakes? Are executives given opportunities for periodic retreats from the action to find space for reflection and renewal?

These are some of the questions that must be asked by organizations that want to encourage executive adaptability. When these questions are adequately addressed, organizations will be able to develop the leadership talent needed to effectively address key strategic challenges. Adaptable leadership will drive innovation and change, and both individual and organizational performance will rise to new heights.

Ready to take the next step?

Adaptability is no longer merely a leadership asset; it's a prime requirement. CCL can help prepare your leaders to adapt quickly to change and turn challenges into opportunities with online leadership development that's flexible and scalable to your organization's unique needs.

To learn more and get started, visit ccl.org/onlinelearning.

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About the Author

Allan Calarco Global Solutions Faculty - Health Sector – Societal Advancement

Allan Calarco has been associated with the Center for Creative Leadership (CCL®) for over 20 years. He currently serves as a Global Solutions Faculty Member and Executive Coach, and in his role he provides program design, team and group facilitation, and Executive Coaching. As a certified CCL Executive Coach, Allan brings a practical approach to work, helping individuals translate theories into application. Allan is also an Associate Certified Coach with the International Coaching Federation.

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CCL Locations

Americas

Colorado Springs, Colorado
Greensboro, North Carolina (global headquarters)
San Diego, California
+1 336 545 2810

Europe, Middle East, Africa

Addis Ababa, Ethiopia
Berlin, Germany
Brussels, Belgium (EMEA headquarters)
Dubai, United Arab Emirates
Johannesburg, South Africa
London, United Kingdom
Moscow, Russia
+32 (0) 2 679 09 10

Asia Pacific

Gurgaon-NCR, India
Singapore (APAC headquarters)
+65 6854 6000

Greater China

Shanghai, China
+86 21 6881 6683

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