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Welsh Government

# Adaptive Leadership

Embracing Chaos and Courage for  
Sustainable Change

*sowing seeds*





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# Introduction

Academi Wales plays a critical part in bringing current thinking and best practice in leadership and organisational development to Wales and the focus of our attention has now turned to the theories of Adaptive and Systems Leadership (sometimes called Whole Systems Leadership) which emerged separately in the last decade of the 20th Century.

The two theories are mutually re-enforcing and, increasingly convergent. Both draw heavily upon behavioural and natural science theories and are complementary to the principles of successful leadership that underpin High Performing Organisations.

Present and future public service leaders need to consider the potential of implementing the principles and practices deriving from adaptive and systems leadership in support of the continuing challenges and transformation reform agenda within Wales.







# Adaptive Leadership

Ronald Heifetz is credited with codifying the notion of Adaptive Challenges, together with the tools of Adaptive Leadership (Heifetz, 1994).

Heifetz identified that organisations are broadly confronted with two types of problems:

- Technical Problems – those for which there is already a known answer and which can thus be addressed on the basis of the organisation's accumulated knowledge, expertise and experience.
- Adaptive Challenges – those for which there is no known solution, often because they haven't been experienced before.

Because technical problems are known and thus understood, decisions on solutions are often taken by designated and recognised leaders in the hierarchy. Members of the workforce look to and expect these 'Authoritative Leaders' to diagnose a solution and direct the actions required to address the problem.

However, Heifetz argues that Adaptive Challenges require leaders to 'learn' their way through the problem. By definition this requires leaders to acknowledge that they initially don't know 'the solution'. To tackle these sorts of challenges requires leaders to take on a new role. They need to accept and welcome not knowing all the answers. More importantly, they need to accept that one person can't know, and to have

the confidence to engage their team in a different process to what they've known before.

For Heifetz, Adaptive Leadership is based on the premise that leadership is more of a process rather than individual personal capabilities (Heifetz et al., 2004). This process requires people to focus on the specific problems at hand and to modify the way they have worked in the past. According to Heifetz this type of leadership should compel all stakeholders involved to work towards a solution through debate and creative thinking, identifying the rewards, opportunities, and challenges they will face. The outcome of the process should be positive change that is non-threatening to those responsible for generating and executing the change.

Since Adaptive Leadership focuses on process, not person, this model employs the knowledge of all who have a vested interest in moving the organisation to a higher level, and provides a framework for attaining employee commitment to actively participate in seeking and implementing solutions to challenges. By engaging people to become active participants in the change process, Adaptive Leadership offers a route around historical constraints that reinforce the way change has been traditionally introduced. This approach has similarities with the key characteristics of High Performing Organisations and models of distributed leadership.





Heifetz does not suggest that leaders must act as Adaptive Leaders all the time:

**“...at any particular point in time many of us are not operating in an adaptive context. There are many areas of managerial and professional life where you can do exceedingly good work within the repertoire of your know-how and within the procedures and cultural design of your organization. Those contexts do not require adaptive leadership; they require the appropriate practices of managerial authority and expertise... The adaptive context is a situation that demands a response outside your current toolkit or repertoire; it consists of a gap between aspirations and operational capacity that cannot be closed by the expertise and procedures currently in place.”**

**Ron Heifetz: ‘Adaptive Leadership’,  
Creelman Research Thought Leaders,  
Vol 2.5, 2009.**

For Heifetz the critical leadership skill is to recognise that a problem or challenge requires an adaptive approach to its solution. Heifetz argues that failing to recognise that a problem requires an adaptive solution and instead applying a technical solution will not resolve the problem and could, indeed, cause significant organisational damage.



# Definition of Adaptive Leadership

Heifetz defines Adaptive Leadership as:

***“...the practice of mobilizing people to tackle tough challenges and thrive.”***

The Pre-conditions for Adaptive Leadership

In the book the ‘Practice of Adaptive Leadership’ (Heifetz, Grashow and Linsky, 2009) the authors set out the following four pre-conditions for Adaptive Leadership:

- Get rid of the broken system’s illusion

There is a myth that drives many change initiatives into the ground: that the organization needs to change because it is broken. The reality is that any social system is the way it is because the people in that system want it that way. In that sense, on the whole, on balance, the system is working fine, even though it may appear to be “dysfunctional” in some respects to some members and outside observers, and even though it faces danger just over the horizon. As Jeff Lawrence poignantly says, “There is no such thing as a dysfunctional organization, because every organization is perfectly aligned to achieve the results it currently gets.” No one who tries to name or address the dysfunction in an organization will be popular. When you realize that what you see as dysfunctional works for others in the system, you begin focusing on how to mobilize and sustain people through the period of risk that often comes with adaptive change, rather than trying to convince them of the rightness of your cause.

- Learn to live in the Disequilibrium

To practice adaptive leadership, you have to help people navigate through a period of disturbance as they sift through what is essential and what is expendable, and as they experiment with solutions to the adaptive challenges at hand. You need to be able to do two things: (1) manage yourself in that environment and (2) help people tolerate the discomfort they are experiencing.

- Engage above and below the neck

If leadership involves will and skill, then leadership requires the engagement of what goes on both above and below the neck. Courage requires all of you: heart, mind, spirit, and guts. And skill requires learning new competencies, with your brain training your body to become proficient at new techniques of diagnosis and action.

- Connect to purpose

It makes little sense to practice leadership and put your own professional success and material gain at risk unless it is on behalf of some larger purpose that you find compelling. What might such a purpose look like? How can you tell whether a particular purpose is worth the risks involved in leading adaptive change in your organization? Clarifying the values that orient your life and work and identifying larger purposes to which you might commit are courageous acts. You have to choose among competing, legitimate purposes, sacrificing many in the service of one or a few. In doing so, you make a statement about what you are willing to die for, and, therefore, what you are willing to live for.

**“Heifetz R, Grashow A and Linsky M,  
“The Practice of Adaptive Leadership”,  
Cambridge Leadership Associates, 2009.**



# The Seven Mindsets of Adaptive Leaders

Heifetz has identified that successful adaptive leaders possess the following seven mindsets:

- Conserves essential values and capacities

Recognises what is valuable and worth keeping, while adapting those things that need to change.

- Experiments pervasively

Everything is open for trial and error investigations.

- Scans 360 for new challenges

Does not wait for challenges to come to them. Rather they seek them out. Heifetz states that this is not just formal 'environmental scanning' but instead a way of thinking rather than merely a process.

- Improvises responsively

Applies fast-paced improvisation, which requires taking a lifetime of experience and bringing it together to respond to unique new circumstances.

- Models consistent, orienting values

Models what the values mean by their real-life expression; wall-charts with lists of values are empty words.

- Has the stomach for losses

Accepts that change will entail loss as well as gain and that organisations and the individuals within them will have to move on from the past to create the future. Leadership is hardly ever a win-win game, and leaders have to take tough decisions but also "hold people tightly", with compassion and clarity, through the changes.

- Distinguishes leadership from authority

When you have the know-how and a technical problem presents itself, then authority is all you need. But in an adaptive situation, we need leaders: people who know what to do when no-one knows what to do.

**"Heifetz R, Grashow A and Linsky M, "The Practice of Adaptive Leadership", Cambridge Leadership Associates, 2009.**



# The Six Step Model of Adaptive Leadership

The process of adaptive leadership involves six stages (Heifetz, Kania and Kramer, 2004). These include identifying the adaptive challenge, focusing attention on the problem to make stakeholders aware that change must occur, framing the issues in such a way as to sustain their attention, maintaining stress at a productive level to ensure continued efforts toward change, securing ownership of both the problem and solution from the stakeholders themselves, and creating a safe environment for them by providing the resources and the “right cover” so no retribution will occur (Heifetz and Laurie, 1997)

- Step one – Identify the type of problem

Technical: every day issues with common solutions; adaptive: challenging, new, uncommon situations.

- Step two – Focus attention

Get people to pay attention to key issues. Secure commitments from those who will help you sell the initiative. Engage those who have yet to climb on board with the change issue. Adopt the behaviour you expect from others, and take responsibility for problems facing the organisation.

- Step three – Frame the issues

Determine the time when issues must be presented to stakeholders, and focus on the opportunities such problems can provide. Step back and see the big picture. Heifetz describes this as ‘Going to the balcony’. The principle being that the adaptive leader needs to get above the organisation and look down to see the bigger picture, the

emerging patterns and connections and to see the nuances and dynamics of the group.

- Step four – Secure ownership

Sustain the conditions through which stakeholders take responsibility for problem solving. Place the work where it belongs. Challenge employees’ expectations.

- Step five – Manage stakeholder conflict and maintain stress

Stakeholders with different agendas need to be aligned to achieve a higher purpose, while confronting conflict resulting from stakeholders’ personal issues. This may be accomplished establishing “rules of engagement” for discussing heated issues, and defining reporting structures. In addition, it is often necessary to uphold the productive stress required for change to occur; especially as adaptive problems often require time to resolve. Adaptive leaders need to induce enough discomfort for change to take place but not so much that it leads to organisational paralysis. Heifetz describes this as ‘holding the feet to the fire’.

- Step six – Create a safe haven

Counterproductive measures need to be minimized by slowing the pace of change when possible and by creating a secure place to discuss disparate perspectives.

**Heifetz R., Kania J. and Kramer M., “Leading boldly”, Stanford Social Innovation Review, Vol. 2 No. 3, pp. 20-32, 2004.**



# Resistance to Adaptive Leadership

Adaptive challenges demand learning, as they require new ways of thinking and operating. In these instances it is people who are the problem, because an effective response to an adaptive challenge is almost always beyond the current competence of those involved. Inevitably this is threatening, and often the prospect of adaptive work generates heat and resistance.

Heifetz warns that there are a number of perils involved in adaptive leadership, because such challenges require experimentation, the discovery of new knowledge and various adjustments throughout the organisation. Only by adjusting attitudes, values and behaviours will participants adapt to a new environment and sustain such change over time. This shift in values or perspective is the most difficult. For change to occur, participants have to be disloyal to their past and some of the constructs and relationships that shaped it.

Adaptive leadership can thus be threatening to organisations and can elicit different forms of resistance. Marginalising, diverting, attacking and co-opting are strategies that organisations use to shut down adaptive change with the latter being the absorption of the adaptation into the existing culture and values of the organisation and by so doing halting the change.

Another important lesson that Heifetz offers is that leaders frequently avoid or do not listen to those who disagree with them. Heifetz recommends doing the opposite. In order for the leader to refine their strategy and respond to the questions of adversaries, they needed to listen carefully to the reservations others express. Listening does not mean abandoning the goal but does push the leader to become better informed of others reservations and thus work more effectively for change.

Mobilising people to meet adaptive challenges is at the heart of leadership practice. In the short term leadership helps people to meet an immediate challenge. In the medium to long term leadership generates capacity to enable people to meet a continuing stream of adaptive challenges. Ultimately, adaptive work requires individuals to reflect on the moral purpose by which they seek to thrive, and demands diagnostic enquiry into the obstacles to those purposes.



# Systems Leadership

Systems Leadership has grown out of the Systems Thinking movement that emerged in the management literature in the 1980's. Systems Leadership is the formal name for a body of work that seeks to provide a set of coherent models to assist in understanding the behaviour of people in organisations. As such it specifically, but not exclusively, focuses upon the 'people' dimension of Systems Thinking (policies, processes, practices and people). The models of systems leadership have been developed and modified through application since the 1980's by researchers such as Ian MacDonald.

Systems Thinking is a management discipline that concerns an understanding of a system by examining the linkages and interactions between the components that comprise the entirety of that defined system.

The whole system is a systems thinking view of the complete organisation in relation to its environment. It provides a means of understanding, analysing and talking about the design and construction of the organisation as an integrated, complex composition of many interconnected systems namely, policies, processes, practices and people that need to work together for the whole to function successfully.

Systems Thinking questions the traditional assumptions about the nature of leaders and leadership and as a consequence, the methods currently employed to develop individual leaders.

**“On its own, a model that locates leadership in individual managers, especially in a limited number holding senior positions, is incapable of transforming the organisations of which they are a part. The alternative is to think of leadership as a property of those organisations, indeed a special asset, with relational and social capital to be realised beyond the individual managers.**

**Those organisations themselves, rather than the individual managers, Human Resources (HR), or trainers and developers, hold most of the trump cards when it comes to taking improvement action, that is action grounded in the organisation's ways of working, action that will have a lasting corporate benefit. Organisational assets need managing: ergo leadership needs managing if it is to be applied and to ensure that it is used beneficially.**

**We have allowed a preoccupation with leadership's need to be developed to happen at the expense of its need to be managed. And we have allowed the grounding of leadership in the individual to obscure the organisation's interest in building and using its leadership capability effectively, functioning as a whole system.”**

**Tate W., “The Search for Leadership: An Organisational Perspective”, Triarchy Press, May 2009.**



# Definition of Systems Leadership

The published literature makes it clear that interpretations vary and the definition of systems leadership is elusive. Systems leadership is an emergent concept and it will, ultimately, be defined by practice, as it evolves and reshapes itself.

The definition which follows is derived from the organisational development (OD) 'school' of systems leadership. However, as will be seen in the following section, other researchers are addressing systems leadership from a more behavioural/social science perspective. It is, therefore, offered as an illustrative definition only:

**'An improvement model based on an understanding of the organisation as a system that uses an OD approach to improve both leadership and the organisation, affecting the way leadership is applied, managed and developed.'**

**"The Search for Leadership: An Organisational Perspective", Tate W., Triarchy Press, May 2009**

The literature consistently refers to the process of 'leadership' rather than the roles and functions of individual 'leaders'. This is an important distinction when determining strategies for implementing system leadership development interventions.

Systems Leadership endorses the principles of distributed leadership within organisations where potentially all 'players' are engaged and can make a contribution to leadership of the system, a principle that also appears in the Adaptive Leadership literature.



# Underpinning Principles of Systems Leadership

MacDonald (Bartlett, 2007) states that the fundamental purpose of systems leadership is to create the conditions in organisations where people can work to their potential while contributing to the achievement of the organisation's goals.

The model is based on the following principles:

- Work is a fundamental human process and as such human beings engage in work the majority of the time i.e. not just for payment but in all aspects of their lives.
- As work is done by people it is primarily a social process, i.e. the interaction of social beings to achieve a purpose. As such the social processes in organisations needs to be analysed as clearly as the technical and commercial aspects are.
- In order for people to give of their best in performing their work, they need to have clarity around the nature of that work, how well or not they're perceived to be doing and the future impact of their continued behaviour.
- People need to believe that they will be treated in accordance with the core values of social cohesion namely, trust, love, honesty, fairness, courage and dignity.
- The opportunity for this clarity best exists in a direct relationship between an individual and the person who manages their work. It allows the relationship to be founded on clear mutual expectations, providing the basis for the development of trust.
- The nature and the effectiveness of this relationship will be social in nature and is, therefore, affected by the culture of the organisation.
- The culture(s) in organisations is formed through the interaction of behaviour, systems and symbols with the shared mythologies (beliefs about the value of behaviour) of various cultural groups.
- All individuals and groups will rate their leaders and others behaviour based on placing value on it to themselves and the group.
- Over time, people will prefer to follow individuals whose behaviour and systems and symbols and decisions demonstrate positive value and foster relationships, which facilitate the clarity mentioned above.

**Bartlett P., "Systems Leadership – An Introduction", MacDonald Associates Consultancy, July 2009.**







# Systems Leadership in the Public Sector

Just as whole Systems Thinking views an organisation within the context of its wider environment, Systems Leadership has increasingly focussed on leading across organisational boundaries. This extra-organisational 'locality/community' focussed approach to leadership has proved attractive to the public sector and development processes based on systems leadership theories and models have been adopted across the globe. In particular, it has been most enthusiastically embraced by the education sector.

To paraphrase from a National College of School Leadership on educational systems leadership (2006);

**“System Leaders operate in networks and it is networks of organisations that are creating the kinds of environments in which leaders can respond to the challenge of leading development work and learning beyond their own organisations with wider locality challenges driving their concerns.**

**Networks are where system leaders work; they are how system leaders work and they are where system leaders learn to extend their leadership influence to lead beyond their own context.”**


Ballantyne P, Jackson D, Temperley J, and Jopling M, with Lieberman A  
“System leadership in action: Leading networks leading the system”, National College for School Leadership, 2006.

In the public sector, whole system thinking can be as broad as setting and implementing public policy across a whole domain of public services. The boundary of a whole system may be geographically local, regional, national, or even on occasions international. For example, a whole systems view of children's services would encompass housing, leisure, education, health, welfare and criminal justice.

As the scope of coverage of a system increases, the number of variables that can affect decision making increases significantly. The system becomes a complex system where even knowing everything there is to know is insufficient to determine an outcome.

For some time hospitals, community health and social care services have been seen as an integrated and mutually dependent system. This view has now moved beyond the boundaries of health and social care to encompass systems leadership within the wider society, effectively creating a complex system.





A report commissioned by the Kings Fund (2012) noted that 'Complex systems succumb to attributes of leadership, not those of management.' The report identified the following seven characteristics commonly associated with success in whole complex systems leaders:

- Goes out of their way to make new connections.
- Adopts an open, enquiring mindset, refusing to be constrained by current horizons.
- Embraces uncertainty and is positive about change and adopts an entrepreneurial attitude.
- Draws on as many different perspectives as possible; diversity is non-optional.
- Ensures leadership and decision-making are distributed throughout all levels and functions.

- Establishes a compelling vision which is shared by all partners in the whole system.
- Promotes the importance of values and invests as much energy into relationships and behaviours as into delivering tasks.

**Welbourn D, Warwick R, Carnell C, Fathers D, "Leaders of whole systems", The Kings Fund, 2012.**

Complex adaptive systems are those which have the ability to respond to the loss of control inherent in complex systems. Complex adaptive systems have the ability to learn from experience and respond effectively to achieve the desired goals, however much the external circumstances change. The principles of complex adaptive systems represent the convergence of Adaptive Systems theories and those of Systems Leadership.



# Governance in Systems Leadership

Just as definitions and models of systems leadership are still in the process of evolution, so too are approaches to governance across systems and the term 'Systems Governance' has appeared in the literature.

Whilst the potential problems of effective governance in systems leadership have been identified, the current literature offers limited remedies. One research paper summed up this limited understanding of governance in systems leadership as it applied to school systems leadership:

**"...new purposes and activities are occurring in contexts where the governance framework was designed for individual and separately functioning institutions... Once leadership begins to function beyond the boundaries of a single school, new variables emerge which raise questions about legitimacy and accountability. Even more vexing is the question of how the authority of system leaders butts up against the institutional autonomy of other schools and the role of each school's governing body. Such issues of 'subsidiarity' have to be resolved on a case by case basis."**

**"System Leadership and Governance – Leadership beyond institutional boundaries" The Innovation Unit, Undated"**


Some writers have proposed the establishment of formally constituted federations in order to develop stronger mechanisms for joint governance and accountability. How such arrangements might function within the context of the numerous legal frameworks which govern different aspects of public service delivery is not explored in the literature.

Others writers have proposed less formal 'bridging governance' arrangements, where members of each of the constituent organisations in a system and their related stakeholders are represented. However, as the scope of a system increases and includes increasingly more organisations and sectors, then this approach would appear to be untenable. 'There would be more people than chairs around the table.'

The maintenance of good governance is essential to all 'enterprises'. A cornerstone of public sector governance is the creation and protection of the 'public good'. This responsibility has often driven public sector organisations to adopt what might be described as 'tight fit' governance processes. Namely:

- compliance with legal requirements;
- management of risk;
- adherence to best practice sector standards;
- accountability to relevant stakeholders.





These processes might be fit for purpose within the context of individual, relatively stable organisations. However, the social and economic imperatives that have driven the development of both Systems and Adaptive Leadership theories would indicate that such stability, if indeed it ever existed, has passed. A new paradigm of public service governance will be needed which, whilst maintaining public confidence, is capable of adapting and flexing to meet future unknown challenges.

This less prescriptive, 'loose fit', governance model would incorporate the following:

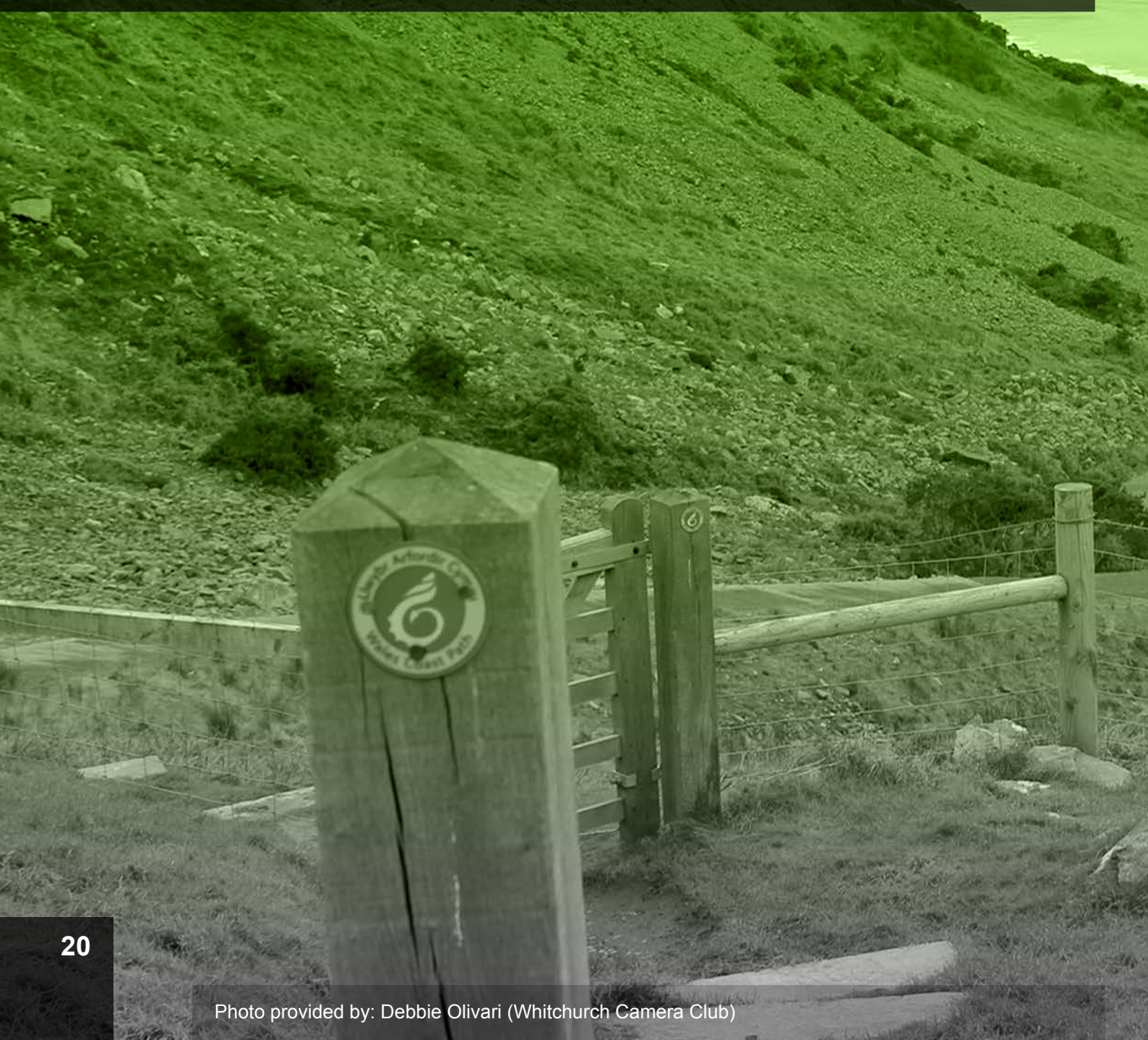
- monitoring the performance of the organisation and the senior management team;
- setting organisational goals and developing strategies for achieving them;
- being responsive to changing environmental demands, including the prediction and management of risk.



# Conclusion

Combined, the Adaptive and Systems Leadership model have the potential to offer a powerful and self-sustaining model of transformation, capable of addressing both currently known challenges and equipping organisations with the skills to address as yet unknown problems arising in the future.

Implementing such a strategy does not, however, come without potential attendant risks. These will need to be identified, quantified and managed before moving forward with implementing actions to develop adaptive and systems leadership competence across organisation and their boundaries.





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