

Bradford's Exchange  
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## Adaptive Leadership Part Two: Principles for Leading Adaptive Change

In last month's article ([June 2019 Bradford Exchange](#)) we discussed the ever increasingly complex challenges we face in our industry. Dr. Ronald Heifetz notes that they require advanced methods of adaptive leadership to solve. Heifetz offers six principles for leaders dealing with adaptive challenges. The first two of those are now discussed in more detail:

### Get on the Balcony.

Athletes in fast moving team sports concentrate on their assignments and can easily get caught up in the frenzy of the game. But some have an uncanny ability to pay attention to everything happening on the field of play. Whether it was Joe Montana seeing a missed defensive assignment to throw a touchdown pass, or Magic Johnson blindly throwing the ball where he knew his teammate would be for an assist, these all-time greats could be in the midst of the action and still rise above it to know exactly what the whole game situation looked like.

Similarly, business leaders must pay attention to their environment, as if they were on a balcony overlooking the situation, without getting swept away by the action below. They need to give this big picture view to their team, see what's coming, notice how the team is reacting, and interject as needed. Today's challenges are too complex to solve if leaders are too engaged on the field, and not spending time on the balcony. This is a prerequisite for the other principles.

Getting on the balcony is the reflective and diagnostic part of leadership. It requires keen self and situational awareness, attributes that can be built by practicing mindfulness, as discussed in the [May 2019 Bradford Exchange](#).

### Identify the Adaptive Challenge.

Adaptive challenges are difficult to identify, but from up on the balcony, the leader is better able to see the situation and recognize that the challenge faced is not clear cut. Unlike technical problems to be solved with traditional expertise, adaptive challenges will require new approaches, likely requiring substantial changes to established behaviors and beliefs. This is important work of leaders; recognizing an adaptive challenge, understanding the root cause of the issue, identifying the various contradictions at play, and viewing the problem from multiple perspectives. These adaptive challenges often present a clash of values and require leaders to help organizations evolve their values to solve these tough problems. It is the skill needed to take a major business disrupter and turn it to an advantage.

For example, IoT devices have been a key growth area for electronics, yet the breakneck pace of innovation for smart homes and smart factories has shifted the emphasis from hardware to data and software. The value to customers is less about the electronics component and increasingly about the data insights from the collection of these IoT devices. An adaptive challenge to device manufacturers is the third parties that have inserted themselves between the devices and the users, taking over that relationship. Many device manufacturers are increasingly expanding their hardware offering to include software and cloud services. The additional principles of adaptive leadership will be discussed in future columns. In the meantime, to open your horizons to the many adaptive challenges facing our industry, network with your executive peers, and discuss solutions, please join us in Chicago, October 20-22, for our [Executive Conference](#). The theme, **Vision 2020: Leading with Clarity**.