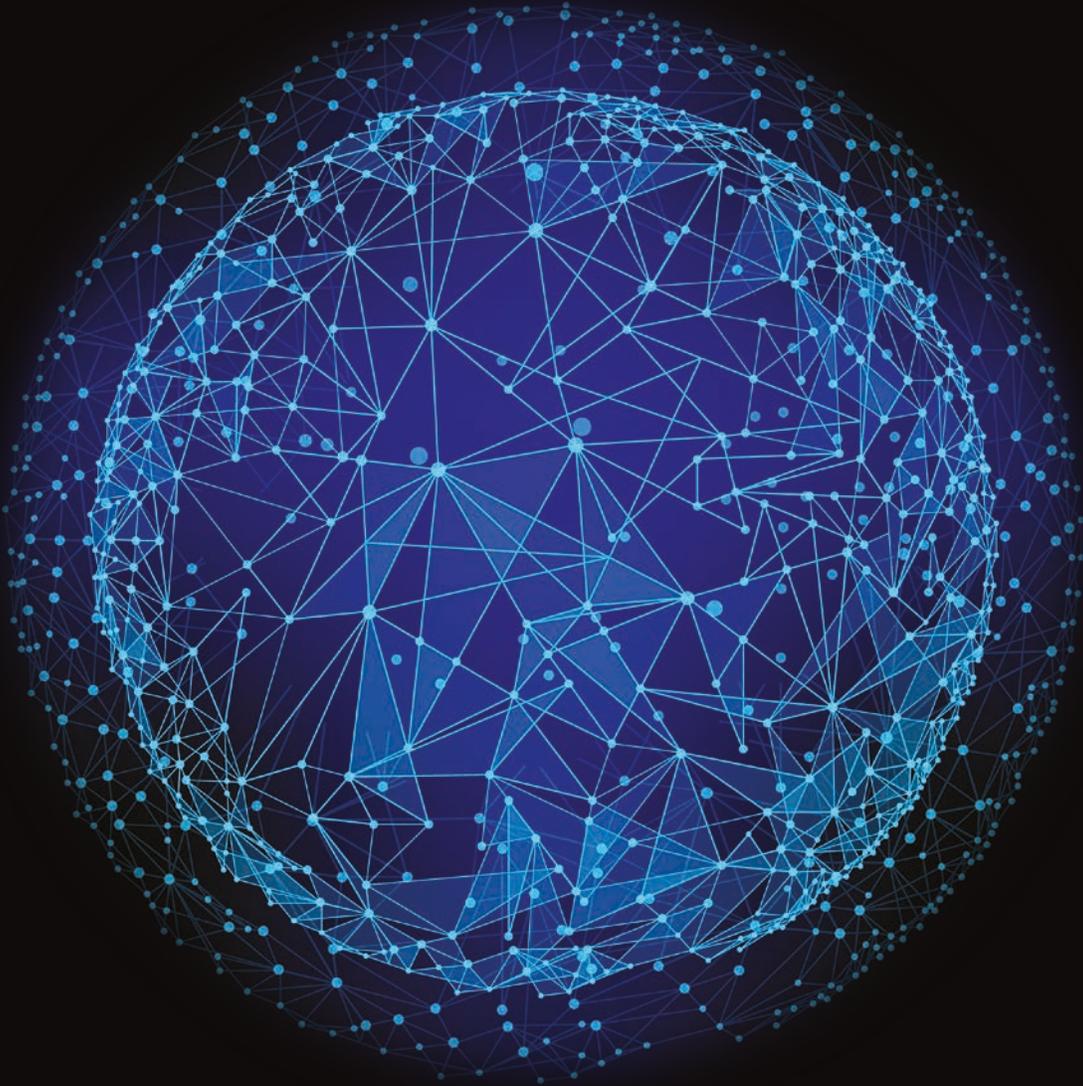


**Deloitte.**



**The Adaptable Organization**

Harnessing a networked  
enterprise of human resilience

## **The Adaptable Organization**

is a fundamental shift in operating and management philosophy that enables large-scale global organizations to operate with a start-up mindset and drive modern people practices that enable enterprise agility through empowered networks of teams

# The leader

As organizations pivot and adapt to shifting contexts, the adaptability of leaders becomes essential. Leaders should be versatile, able to energize, empower and connect people across the ecosystem and to lead any team in any context.

**In the Adaptable Organization, leaders exist at all levels and are inclusive orchestrators who foster an environment for high-performing teams.**

To be able to transition successfully to the Adaptable Organization, leaders must drive change. Leadership has traditionally been hierarchical and somewhat monolithic; leadership roles have conventionally been bestowed upon those considered most expert or experienced. But flattening hierarchy to a distributed, team-based model demands leadership at every level and allows leaders to emerge in the “hidden networks.”

This represents a shift to multi-focus, multi-context leadership, in which individuals lead regardless of function, technical discipline or hierarchy. Direction, vision and inclusivity define leadership rather than just technical knowledge. The leader demonstrates inclusiveness by words, actions, and priorities and measures success differently. And when they possess commitment, curiosity, cultural intelligence and cognizance of bias they can be nimble in the face of diverse talent, customers, ideas and emerging markets.<sup>11</sup>

In a model that puts the team at the center, it is tempting to view leadership as distributed, collective and somehow shared. But leaderless teams do not generally function effectively. As the context in which leaders operate becomes more complex, it is more important than ever that organizations invest in developing leaders, and more people need to become skilled in aspects of leadership.

**The influence of leadership style on an organization’s adaptability can be illustrated through Deloitte’s recent work with a well known US based organization. The organization had previously been rooted in a culture of fear and avoidance, where decisions were escalated to the CEO by default because leaders (at all levels) feared making mistakes for their decisions. It was only after the CEO stood on stage in front of employees and shared a story of personal failure, that this mindset began to shift. Leaders in the organization began to recognize the need for vulnerability, risk-taking, inclusivity, and the breaking down of traditional role barriers. This ultimately led to more empowered teams who were comfortable with autonomous decision-making, which is an integral component of an agile, constantly-adapting organization.**

**Complexity demands leadership and versatility.**

In an adaptive context, three leadership capabilities become paramount: the ability to Energize, Empower and Connect.

Where change is constant and disruption rife, oftentimes skill sets are increasingly redundant and fear and apprehension are prevalent. Leaders should Energize their people, articulate a compelling vision, instill a common sense of purpose, and provide belonging. To build and sustain an Adaptable Organization, leaders should be able to energize all people, regardless of personality, background or motivation (see figure 8). With Deloitte’s support, leadership at the aforementioned organization took their teams through structured exercises to build a collective mission and define working norms.

The Adaptable Organization also requires a culture of innovation and flex to respond to shifting customer, environmental and

market needs effectively; thus, leaders should Empower others. It is unrealistic and inaccurate to expect a handful of people at the top of an organization to always have the best answers and ideas. Instead, a major predictor of creativity is subject matter expertise. Those closest to challenges and opportunities often have the greatest potential to innovate. Leaders should delegate responsibility and relinquish control to leverage the collective abilities of the entire organization. Encouraging experimentation, continuous learning, and instilling a fail-fast mentality in those they lead should become their role.

The ability to Connect means encouraging collaboration across boundaries, connecting silos and unlocking potential synergies to cultivate and strengthen networks of teams. It’s important for leaders to be optimistic about the capabilities of others, drive collaboration, be inclusive and value the contribution of a diverse range of individuals to unlock latent potential.

**Identifying and developing leadership qualities at all levels of the organization drives adaptive potential.**

With the shift to purpose-driven teams in an Adaptable Organization, it is critical that talented leaders exist at all levels. Therefore, organizations should focus sharply on developing the ability to Energize, Empower and Connect in their leaders and leadership pipeline. Identify individuals who are naturally 'wired' to lead in this way and who have the raw material to develop these capabilities at speed – and then invest in initiatives that focus on their development.

How leaders lead is the key factor determining the transition to an Adaptable Organization. Effective leaders must embrace change, navigate ambiguity and complexity, and harness an increasingly diverse workforce.

**Figure. 8:** The adaptable leader requires capabilities stripped back to the core elements of people leadership — the return of the psychological leader



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