Leadership for organizational adaptability: A theoretical synthesis and integrative framework

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\textbf{A B S T R A C T}

One of the biggest challenges facing leaders today is the need to position and enable organizations and people for adaptability in the face of increasingly dynamic and demanding environments. Despite this we know surprisingly little about this topic. In this paper we provide a theoretical synthesis and integrative review of research from strategy, organization theory, innovation, networks, and complexity to provide a framework of leadership for organizational adaptability. Our review shows that leadership for organizational adaptability is different from traditional leadership or leading change. It involves enabling the adaptive process by creating space for ideas advanced by entrepreneurial leaders to engage in tension with the operational system and generate innovations that scale into the system to meet the adaptive needs of the organization and its environment. Leadership for organizational adaptability calls for scholars and practitioners to recognize organizational adaptability as an important organizational outcome, and enabling leadership (i.e., enabling the adaptive process through adaptive space) as a critical form of leadership for adaptive organizations.

\begin{quote}
As leaders, if you don't transform...if you don't reinvent yourself, change your organization structure; if you don't talk about speed of innovation—you're going to get disrupted. And it'll be a brutal disruption, where the majority of companies will not exist in a meaningful way 10 to 15 years from now.”

John Chambers, Executive Chairman of Cisco, March 2016
\end{quote}

Leadership for organizational adaptability differs from leading change in that, rather than focusing on how leaders can drive change top down, e.g., through vision and inspiration (Baur et al., 2016; Griffith, Connelly, Thiel, and Johnson, 2015; Margolis and Ziegert, 2016; Zaccaro and Banks, 2004), it addresses how leaders can position organizations and the people within them to be adaptive in the face of complex challenges. It taps into current requirements for organizations and those within them to be flexible, agile and adaptive in response to changes associated with a volatile and often unpredictable world (Doz and Kosonen, 2010; Keister, 2014; Reeves and Deimler, 2011; Uhl-Bien, Marion, and Mckelvey, 2007; Worley and Lawler, 2010). As described in the opening quote, it is a multi-faceted concept that uses a systems-level approach to designing adaptive organizational structures, enabling networked interactions, nurturing innovation, and providing leadership development that fosters collaboration (e.g., social capital) along with individual performance (e.g., human and intellectual capital) (Chambers, 2016; see also Day, Fleenor, Atwater, Sturm, and McKee, 2014; Davis and Eisenhardt, 2011; Hollenbeck and Jamieson, 2015; Janssen and van der Voort, 2016; Winby and Worley, 2014; Uhl-Bien and Arena, 2017).

Leadership for adaptability is being touched upon in emerging research on leadership. We see it in discussions of leadership and ambidexterity (Havermans, Den Hartog, Keegan, and Uhl-Bien, 2015; Rosing...
et al., 2011; Turner, Swart, and Maylor, 2013; Zacher, Robinson, and Rosing, 2016; Zacher and Rosing, 2015), dynamic capabilities (Chen and Chang, 2013; Eisenhardt and Martin, 2000; Martin, 2011; Teece, 2016), leadership and networks (Balkundi and Kilduff, 2006; Li, 2013; Marion, Christiansen, Klar, Schreiber, and Akif Erdener, 2016; Mehra, Smith, Dixon, and Robertson, 2006; White, Currie, and Lockett, 2014, 2016), complexity (Lichtenstein and Plowman, 2009; Plowman et al., 2007; Schneider and Somers, 2006; Uhl-Bien et al., 2007), innovation (Carmeli, Gelbard, and Gefen, 2010; Howell and Boies, 2004; Makri and Scarduna, 2010; Marcy, 2015; Osborn and Marion, 2009), paradox and tension (Fairhurst et al., 2016; Kan and Parry, 2004; Schad, Lewis, Raisch, and Smith, 2016; Smith, 2014), and collective leadership (Foldy, Goldman, and Osphka, 2008; Osphka and Foldy, 2010). While these advancements are addressing issues related to leadership for adaptability, they are occurring in disparate literatures across a range of fields. What is needed is a careful examination and integration of this work that informs us about the ways in which leaders enable people and organizations for adaptability.

The purpose of this article is to provide a theoretical synthesis and integrative review of research across fields that, when combined, can provide understanding of leadership for organizational adaptability. We begin by reviewing the literatures with an eye toward leadership implications for enabling adaptive organizations. We then synthesize these literatures into an integrative framework of leadership for organizational adaptability. Using this integrative framework, we offer research and practice implications regarding leadership for organizational adaptability. We conclude by discussing the importance of advancing research on leadership for adaptability and its critical relevance for practice.

Organizational adaptability

The need for organizational adaptability is a core premise of organization studies. Since the earliest writings of Barnard (1938), Simon (1947), Selznick (1957) and Thompson (1967), we have known that for organizations to survive they must adapt in accordance with their environment (Schumpeter, 1949). Because of its importance, the topic has been addressed in a variety of literatures across a range of fields. The sheer vastness of the literature (O’Reilly and Tushman, 2008) has generated snapshots of findings, each through the lens of a particular disciplinary perspective. Moreover, because the work is being conducted in fields other than leadership, the leadership implications are not always clear. To build an integrative framework of leadership for adaptability, consolidation of these findings through a leadership lens is needed.

In the sections below we review major theories from across these literatures to identify implications of these approaches for leadership of organizational adaptability. Because the implications are not always obvious, we focus on managerial and employee activities that can imply how leaders enable adaptability. We begin with ambidexterity and dynamic capabilities from strategy, organization theory (OT) and entrepreneurship, since these provide the classic approaches. We then briefly review theories of innovation, networks and complexity.

Ambidexterity

The basic premise of organizational ambidexterity theory is that to maintain long-term adaptability and viability, organizations must balance the tension between the need to innovate and the need to produce (Duncan, 1976; Tushman and O’Reilly, 1996). March (1991) depicts these competing demands as two aspects of organizational learning: (1) exploration, i.e., creating new knowledge, skills and processes to sustain future viability through search, variety, risk taking, experimentation, play, flexibility, innovation, discovery, etc.; and (2) exploitation, i.e., using existing knowledge, skills and processes to produce results for current success through selection, refinement, choice, efficiency, implementation, execution, etc. The theory proposes that organizations that effectively manage these competing demands are ambidextrous—they both exploit current capabilities (i.e., exploitation) and explore fundamentally new competencies (i.e., exploration) (Levinthal and March, 1993). Stated differently: “While renewing to adapt for tomorrow requires change, flexibility and creativity, profits for today require order, control and stability” (Cegarra-Navarro and Dewhurst, 2007, p. 1721).

According to Birkinshaw and Gibson (2004), organizational adaptability is “the ability to move quickly toward new opportunities, to adjust to volatile markets and to avoid complacency” (p. 47). Leading to achieve this is not easy, however, as it requires simultaneously leveraging organic (decentralized) structures for exploration and mechanistic (centralized) structures for exploitation (Burns and Stalker, 1961; Duncan, 1976; Thompson, 1967). When out of balance, organizations fall into traps: a “competence trap” (Leonard-Barton, 1992) from exploiting obsolete competencies and a “failure trap” (Levinthal and March, 1993) from frenzies of exploration that drive out exploitation. Because balance can be “highly difficult or simply impossible” (Boumgarden, Nickerson, and Zenger, 2012, p. 588), some adopt vacillation approaches (Nickerson and Zenger, 2002), which argue that exploration and exploitation are achieved by dynamically alternating, both temporally and sequentially, between the dual structures (Boumgarden et al., 2012; Gulati and Puranam, 2009; Siggelkow and Levinthal, 2003). In a vacillation approach, the role of leaders is not balance or simultaneity (Boumgarden et al., 2012) but striving for high levels of both exploration and exploitation.

Although ambidexterity could arise in formal structure or vision statements of a charismatic leader, Birkinshaw and Gibson (2004) argue that it is more likely achieved through the creation of supportive contexts in which individuals choose how and where to focus their energies. Leadership of ambidexterity is a characteristic displayed by everyone in the organization, and not just the top: “The impetus toward ambidexterity may sometimes be driven by top-down initiatives, but the goal is to allow leadership to emerge from the organization at all levels and for that ubiquitous, emergent leadership to be inherently ambidextrous” (Birkinshaw and Gibson, 2004, p. 50). This emergent leadership involves employees choosing how to divide time between alignment-oriented activity (e.g., exploiting the value of proprietary assets, rolling out existing business models quickly, taking costs out of existing operations) and adaptation-oriented activities (e.g., being nimble, innovative, proactive).

Ambidextrous employees are “sufficiently motivated and informed to act spontaneously, without seeking permission or support from the superiors” (Birkinshaw and Gibson, 2004, p. 50). They recognize the need to aim for adaptability while still remaining clearly aligned with strategy. Leadership of ambidexterity thus involves encouraging ongoing small adaptations that continually update and adapt the strategy without losing alignment (Birkinshaw and Gibson, 2004). To do this, leaders should promote and support initiative taking, cooperation, brokering and multi-tasking. They should also engage in self-criticality (i.e., always looking to improve), as well as an informal style of management encouraging alternative views and novel approaches.

Tension/conflicting

Exploration and exploitation are fundamentally different logics involving very different structures. Therefore, at the core of ambidexterity is tension. According to March (1991), ambidexterity is the “fundamental tension” at the heart of an enterprise’s long-run survival. It enables the organization’s ability to adapt but can be very hard to reconcile (Tushman and O’Reilly, 1996). It must be well managed or firms may end up worse off (He and Wong, 2004).

When engaged effectively, ambidexterity serves as a synthesizing capability that creates competitive advantage out of conflicting forces (He and Wong, 2004; Nonaka and Toyama, 2003). As described by O’Reilly and Tushman (2008, p. 199):
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دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات