

Adaptive leadership and open management practices

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Abstract: *An increasingly volatile, uncertain, complex, and ambiguous (VUCA) world requires better working methods, which can only be unlocked by better work management methods. The authors summarize global trends in working as “open” and apply this to open management and work. They also recommend some implications for government entities to achieve effectiveness in their operations in a changing environment.*

Keywords: *Open management, adaptive leadership; open approach; public sector.*

1. Introduction

In an era characterized by rapid change and increasing complexity, traditional management approaches are often insufficient to navigate the volatile, uncertain, complex, and ambiguous (VUCA) environment faced by organizations today. In response to these challenges, the principles of open management and adaptive leadership have emerged as critical frameworks for fostering organizational resilience and agility. This article examines the application of these principles within the context of commercial organizations, exploring their potential to transform business practices and public sector administration.

Open management emphasizes transparency, collaboration, and

inclusiveness, empowering organizations to adapt swiftly to changing circumstances by leveraging collective intelligence and shared decision-making. Complementing this, adaptive leadership focuses on leaders' capacity to navigate uncertainty and guide their organizations through complex challenges. These approaches offer a powerful paradigm for organizations seeking to thrive in a rapidly evolving landscape.

2. The need to change the mindset and approach of leadership and management

The contemporary landscape presents significant challenges for leaders and managers due to the environment's rapidly changing and unpredictable nature, often

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described as volatile, uncertain, complex, and ambiguous (VUCA). Over 30 years old, it has been used by the military to describe the new geopolitical world, and increasingly, it is used to describe daily experience. Dave (2015) confirms, “[VUCA] does not use complexity in the sense of complex adaptive systems.”

Traditional management models, including Taylorism, Lean Six Sigma, and ITIL, are increasingly inadequate for addressing the needs of modern organizations. These models were developed for more stable environments and are less effective in managing knowledge workers, fostering organizational agility, and addressing stakeholder values.

The primary driver of the current VUCA conditions is the swift advancement in technology across digital, biological, and materials domains. Technological progress outpaces societal adaptation, disrupting social structures, governance, and behavioral norms. The accelerating rate of technological change necessitates a shift from conventional management approaches to those that can better accommodate continuous change.

Traditional management practices focused on optimizing efficiency for repetitive tasks are less relevant in environments where most work involves continuous adaptation and problem-solving. Consequently, adaptability has become a critical capability, surpassing the importance of efficiency alone. Adaptability is the essential survival skill forward, not efficiency. Stanley (2016) explains, "The 21st century is a different game with different rules... The pursuit of efficiency was once a laudable goal. Still, being effective today is less a question of optimizing for a known (and relatively stable) set of variables than responsiveness to a constantly shifting environment. Adaptability, not efficiency, must become our central competence."

Modern management practices, such as open management, emphasize transparency, collaboration, and empowerment, enabling organizations to respond more effectively to ongoing changes. This approach reflects a broader trend towards agile methodologies, complex systems theory, and stakeholder capitalism, prioritizing iterative processes, long-term sustainability, and responsiveness over rigid planning and control.

Therefore, organizations must evolve to embrace these new practices and values, shifting from traditional project management approaches to a more flexible, product-centric model. This shift emphasizes continuous adjustment and adaptation in response to changing conditions, highlighting the importance of agility and responsiveness in achieving organizational success.

3. Defining open leadership and open management

The term “open” has increasingly become pivotal in modern management practices, shifting from traditional, rigid frameworks to more flexible and inclusive approaches. This term applies across various contexts, such as open architecture, open systems, open source, and open communication, emphasizing the need for management practices that prioritize transparency, collaboration, and empowerment.

Rogers et al. (2013) defined “Openness as a willingness to accept, engage with, and internalize the different perspectives, even paradigms, to be encountered when dealing with diverse participants in an interdisciplinary situation. An open frame of mind requires conscious acceptance that notions such as ambiguity, unpredictability, serendipity, and paradox will compete strongly, and legitimately, with knowledge, science, and fact.”

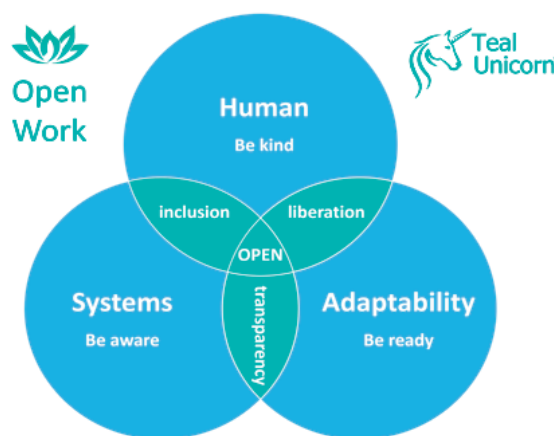
The following fundamental principles underpin openness in management. Inclusion is the first key component, signifying the importance of integrating diverse perspectives and fostering a culture of collaboration within the organization. This principle facilitates the incorporation of varied viewpoints, which can lead to more innovative and effective solutions. Additionally, liberation is crucial, as it emphasizes the empowerment of individuals and teams by removing barriers and providing them with the autonomy necessary for optimal performance. This approach necessitates that managers transition from a controlling role to a supportive one, ensuring employees have the freedom and resources to excel. Transparency also plays a vital role, involving clear communication and openness regarding organizational processes and decisions. Such transparency builds trust and enhances decision-making capabilities.

The implementation of the open approach to management involves a significant transformation in organizational practices. Within this framework, managers act as attractors, assembling resources and personnel to enhance performance. This process involves proactive recruitment and effective resource coordination, thereby fostering a diverse and dynamic team environment. In addition, managers assume the role of nurturers by creating conditions that support individual and systemic growth. This support encompasses facilitating continuous learning, providing guidance, and offering constructive feedback.

Furthermore, contemporary management emphasizes liberation by inverting traditional hierarchies. Rather than micromanagement, managers focus on enabling and empowering teams, removing impediments, and granting decision-making authority. This approach

requires managers to remain involved with work processes while avoiding actions that might disrupt the workflow. Regarding motivation, managers provide vision and establish goals, creating an environment where individuals are intellectually and emotionally invested. This focus on motivation aims to restore a sense of purpose and humanity within the workplace.

Figure 1: Open work



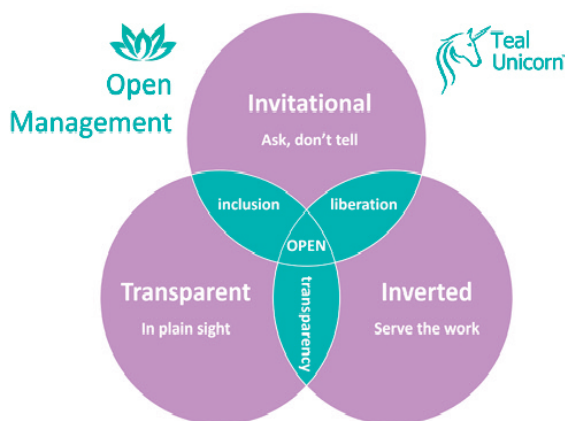
Source: Compiled by authors

As navigators, managers align team efforts with the organization's broader strategic direction. They must balance guiding with allowing teams the autonomy to make decisions and adapt as needed. Exploration is also essential, with managers encouraging innovation, taking calculated risks, and viewing failure as an opportunity for growth. By closely observing work processes, managers can offer timely feedback, analyze performance, and track trends to ensure continuous improvement.

Moreover, managers fulfill the role of representatives, advocating for their teams and ensuring their needs and interests are effectively communicated and addressed within the organization. This outward-facing role involves listening, reporting, and protecting the team's welfare. According to

Henri Fayol, traditional management models, commonly referred to as "Command - and - Control," have historically focused on forecasting, planning, organizing, and controlling. However, these models are increasingly considered inadequate for addressing the complexities of contemporary organizational environments. In contrast, open management advocates for an invitational, inverted, and transparent approach, which promotes participation, empowers individuals and enhances openness in decision-making processes.

Figure 2: Open management



Source: Compiled by authors

The conventional management model has been the same for a century since Henri Fayol defined it as forecasting and planning, organizing, staffing and commanding, directing and coordinating, and controlling, classic 20th-century management, so-called "Command-and-Control." In addition, G Hamel and Zanini (2020) state that "Strategy gets set at the top. Power trickles down. Big leaders appoint little leaders. Individuals compete for promotion. Compensation correlates with rank. Tasks are assigned. Managers assess performance. Rules tightly circumscribe discretion... That constitutes the operating system for virtually every large-

scale organization on the planet." A better way is required. According to Cherry and Rob (2021), open management is defined as eight primary activities: attracting, nurturing, liberating, motivating, navigating, exploring, observing, and representing (Figure 2).

At the forefront of this approach is open leadership, which integrates various modern management philosophies. This leadership style is characterized by its emphasis on prioritizing humanity over bureaucracy, adopting a systemic perspective that views the organization as a whole, and embracing adaptability over stability. Such leadership highlights the importance of continuous improvement and responsiveness to change as critical factors for organizational success. Although a detailed examination of ideological principles such as truth, beauty, and goodness is beyond the scope of this discussion, open leadership represents a broader commitment to enhancing both individual and organizational effectiveness.

4. Some solutions to approach open management

The success of the open approach in organizations worldwide is underpinned by four critical insights derived from global studies on effective management practices and our extensive business experience.

The primary insight is that achieving better working methods, particularly fostering openness and agility, hinges on focusing on the management layer rather than solely on the work itself. This realization underscores the central tenet of the open management approach: the most crucial aspect of enhancing organizational effectiveness is not the end state, a predetermined template, or a set of principles but the management itself.

To facilitate improved work practices, it is essential to influence five interrelated levels: governance, executive leadership,

management, systems of work, and the individuals performing the work. While all these levels are significant, the key to driving meaningful advancement lies in the management layer, specifically at the apex executive level. The managers must fundamentally alter their management practices for an organization to evolve. Often, there is a misconception that advancements are primarily about improving the practitioner workforce rather than transforming management practices. However, for substantive change to occur, management itself must transform.

The second insight emphasizes that individual change is insufficient in isolation; rather, the focus should be on modifying the system within which individuals operate. Since individuals exist within a broader system, efforts should target systemic changes rather than attempting to fix individuals or directly address abstract concepts of organizational culture.

The third insight asserts that directly altering a system of humans is overly complex. Effective change requires adjustments to external factors such as governance structures, policies, key performance indicators (KPIs), products, services, and employee development practices. In essence, managing the system effectively will subsequently drive changes in culture and work practices.

Directly targeting culture and work practices often yields limited success, particularly at a team level. For broader and more sustained change, a systemic approach is necessary. This involves modifying governance structures to influence management practices, affecting work conditions, system operations, organizational behavior and culture. This causal chain highlights management as a critical constraint in organizational change.

The fourth insight, derived from our experience with over twenty client organizations, is that unlocking change in management and work systems is fundamentally dependent on the behavior of the apex executive or the top leader. This individual must embody and model the new approaches, providing explicit leadership and sanctioning others to follow suit. Such leadership, which we term open leadership, is essential for initiating and sustaining organizational change.

At its core, the methodology emphasizes that transforming work practices necessitates a prior shift in management practices to unlock changes in work. Consequently, our approach focuses on shifting the mindsets and behaviors of executives and managers, coupled with experimenting with modifications in work systems to observe emergent results.

The open approach can be encapsulated through the following steps:

- (1) Introduce theoretical concepts relevant to open management.
- (2) Develop mechanisms that advance improved practices.
- (3) Promote values and principles aligned with the open approach.
- (4) Visualize workflow and workload to enhance transparency.
- (5) Assist managers at all levels in exploring and understanding the system.
- (6) Create "headroom" to facilitate experimentation and exploration.
- (7) Encourage collaborative problem-solving and solution development.
- (8) Conduct experiments and explore various scenarios.
- (9) Implement changes and adapt the organization iteratively.

These steps provide a framework for initiating and managing the transition towards more effective, open management practices.

5. Challenges and recommendations in open management application for leaders and managers in the public sector

Government has its unique challenges, distinct from the commercial world, with not-for-profits somewhere between them. Key challenges may include:

Firstly, government entities are accountable to the public and various governing bodies. Unlike commercial businesses, which can operate with greater flexibility and forgiveness, government entities often face scrutiny and must navigate a public opinion landscape. This accountability constrains the scope for innovation until there is a clear public understanding and support for new initiatives.

Secondly, governments are bound by optics, necessitating adherence to formal policies and stringent documentation to appear fair and transparent. This requirement often results in bureaucratic inefficiencies that surpass those in large corporations. The focus on maintaining a facade of fairness and honesty can stifle innovation and adaptability.

Thirdly, the zero-risk environment within government organizations exacerbates the challenge of innovation. Any decline in performance can attract negative public opinion and political opportunism, leaving little room for experimentation or acceptance of the necessary J-curve associated with innovation. This aversion to risk further complicates efforts to embrace new methodologies.

Fourthly, governments' rigid formal planning cycles make it challenging to adapt and respond to changing circumstances. These fixed schedules and procedures can hinder the implementation of agile and responsive changes.

Fifthly, government agencies often operate under significant resource constraints, focusing on efficiency rather than innovation due to their role in managing public funds rather than generating revenue. This emphasis on efficiency can suppress agility and limit the scope of creative solutions.

Despite these constraints, public services can learn valuable lessons from the successes of open practices observed in the private sector. The nature of government work does not preclude the adoption of open methodologies; rather, it necessitates adaptation to fit the specific context. Constraints should be viewed as enabling factors, and similar levels of success can be achieved in government, albeit potentially at a slower pace, provided leaders are committed to enhancing productivity, public service satisfaction, and societal contribution.

Some implications are recommended for leaders and managers in the public sector in applying open management as follows:

First, leaders should adopt an open approach with their staff. Effective leadership does not rely solely on the expertise of higher-level individuals but values all members' diverse knowledge and ideas. Leaders who respect and engage with their teams and are receptive to the insights of those directly involved in the work can achieve better outcomes. By fostering an environment where ideas flow freely, and all contributions are valued, leaders can enhance decision-making and alleviate the pressure to have all the answers themselves.

Second, empowering employees is crucial. With the shift from transactional to knowledge work, including in government roles, granting employees the autonomy to perform their jobs effectively is essential. Distributing authority allows workers to leverage their expertise while ensuring necessary controls are in place to prevent misconduct. Avoiding micromanagement and excessive oversight enables the free flow of value and promotes optimal performance.

Third, government organizations should minimize reliance on formal long-term planning. While planning is essential, excessive focus on detailed plans can be counterproductive. Embracing the reality of an unpredictable future requires a shift towards incremental, adaptive approaches. This means making decisions based on current conditions and learning through experimentation rather than rigidly to predetermined plans. As noted by Russell Ackoff, increasing the capacity to respond to unforeseen events is more valuable than attempting to predict the future.

Fourth, governments should adopt a gradual, iterative approach rather than pursuing large-scale, high-risk changes. Implementing minor, incremental improvements allows for experimentation and minimizes the impact of potential failures. This approach, rooted in methodologies such as the Toyota Improvement Kata and the Shewhart/Deming Plan-Do-Study-Act cycle, reduces risk by continuously refining processes based on emerging insights.

In conclusion, the open approach represents a synthesis of modern management principles that can be effectively applied within government contexts. Although government organizations face unique challenges, there are opportunities to

enhance performance and morale by embracing open methodologies. Leaders who are committed to these changes can drive meaningful improvements in productivity, public service satisfaction, and overall societal benefit.

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