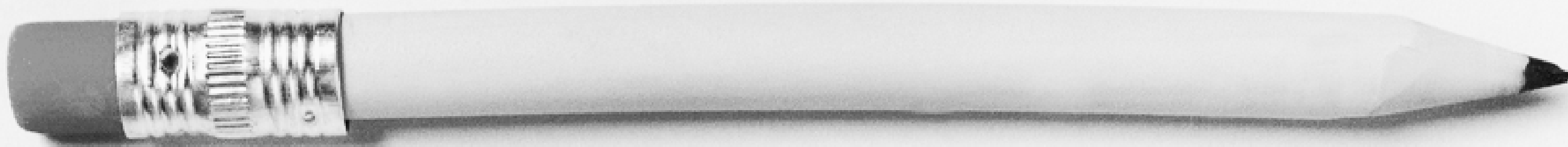


**dynamically
adaptive
organisations**



building
resilience
to survive

written by

remoteaf
remote agility framework



dynamically adaptive organisations

We find ourselves in the midst of shifting circumstances, facing pandemics, economic downturns, climate change, and geopolitical tensions. These challenges, though substantial, serve as catalysts for innovation and adaptation.

It's no longer acceptable to rely on the strategies and tactics of yesterday. Our tact must be as dynamic as the world we're operating in. Remember, for instance, how our teams, pivoted in response to the global health crisis. This ability to bounce back, to adapt and evolve, is what we need more than ever; and ideally without a global crisis to fuel it.

As far as problems go, the currently climate presents a self-evident motive and target state. Firms that want to be sustainable must become comfortable with adapting. Many of the most meaningful influences to an organisations prosperity sit outside it's locus of control. The question is how do we navigate this mire of uncertainty?

In the pages to follow, our Vice President of Community and Product, Tony Ponton has collated the key factors that we see limiting or enhancing potential in businesses around the world. He'll explore strategies and solutions that will not only help us survive but indeed thrive amid these complex times.

My genuine hope is that this document sparks new ideas, generates conversations, and prompts action. Our goal is to convert today's challenges into tomorrow's opportunities, and understanding what makes a dynamically adaptive organisation is the compass guiding us in that direction.

John Tooth

Chief Executive Officer

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remote agility framework

dynamically adaptive organisations

Organisations today face a business environment that is more volatile, uncertain, complex, and ambiguous (VUCA) than ever before. The unprecedented challenges of pandemics, economic downturns, climate change and wars that we are currently experiencing serve to emphasise this point. In order to survive and continue to thrive, organisations must be able to dynamically adapt and build resilience.

Those organisations that are able to embrace and apply a culture of dynamic adaptation to these challenges, therefore becoming dynamically adaptive organisations, will be better equipped to navigate this complex landscape.

In light of this, allow me to introduce the idea of "Dynamically Adaptive organisations" (DA organisations). I've been using the phrase "DA organisations" and working with it for some years now to refer to a variety of both established and developing structures of the contemporary organisational environment. I'm sharing now because, as a result of that work, it has become increasingly clear to me that, in the current context, this idea is necessary for enterprises to develop resilience and survive.

Before going into further depth regarding DA organisations, let me explain why I use this description. In order to do that, let's begin with the existing situation. These days, terms like "Agile adoption/transformation," "Business agility," "Adaptive organisations," "Agile scaling," etc. are common. They are widely touted as the only solution to coping with the complex environment of today, or at least that is the belief.

This is not the case, as anyone who has gone through one of these transformations will attest to. In my opinion, they simply do not adequately address the complexity and dynamic adaptation that are required for modern, evolving organisations to operate successfully. This is as someone who has spent many years studying, interacting with, and working in the modern organisational landscape both here in Australia and throughout the rest of the world. To be clear, though, I do not wish to minimise the worth of such approaches in any way; rather, under the appropriate conditions, they are valid in and of themselves. Unfortunately, those conditions where they only solve the problem are extremely uncommon.

That led me to the formation of the concept of DA organisations. A Dynamically Adaptive organisation encompasses all of these concepts and more. Let's pause a moment to consider those two words and the context in which I employ them. "Dynamically" is defined as "in a way that reacts to what is happening in a particular situation, making the necessary changes." Adaptive is defined as "having the capacity to change in response to varying circumstances." Using the combination of these two factors means that DA organisations are dynamically evolving, changing, and adapting to meet the difficulties of the internal and external VUCA environments that enterprises must navigate every day in order to weather and thrive through the storms of disruption.

As previously stated, this is an expansive concept for including and describing the methods that DA organisations include in their ecosystems. I frame those methods using the following elements: adaptive leadership, dynamic operating and teaming models, deliberately developmental cultures, adaptive governance, and remote-async working. Due to the speed of change and the fact that, by their very nature, DA organisations are constantly evolving, I want to point out that other elements will have emerged since this article was written.

adaptive leadership

The traditional top-down leadership approaches and trendy consultancy-led flavours of the moment (as you are reading this, I am sure some come to mind) are no longer singularly sufficient to address the challenges of the ever-changing world.

DA organisations and their leaders recognise this and utilise what has become known as Adaptive leadership.

Admittedly, this concept is not new; it's originally from "Ron Heifetz's book Leadership Without Easy Answers". In 1994, it became the catalyst for new thinking in leadership and has been expanded upon in many ways over the years.

"Adaptive leaders emphasize articulating goals, facilitating interactions, improving team dynamics, supporting collaboration, and encouraging experimentation and innovation."
Jim Highsmith

Jim Highsmith, signatory of the Agile Manifesto, also wrote about it in his 2016 article on Adaptive Leadership: Accelerating Enterprise Agility. "Adaptive leaders emphasize "articulating goals, facilitating interactions, improving team dynamics, supporting collaboration, and encouraging experimentation and innovation." However, while it's not new, it has evolved to encompass and leverage approaches such as agile, servant, and intent-based leadership. It has become eminently more important for organisations to enable themselves and their people to move with the speed of change.

True Adaptive leadership is a flexible and dynamic style of leadership that prioritises adaptability, innovation, autonomy, learning, and agility.

A culture of continuous learning is promoted, change is accepted, and teams' collective wisdom is used by adaptive leaders to negotiate complex and uncertain settings.

Through adaptive leaders, DA organisations encourage their people to embrace change as an opportunity for growth and development rather than a threat to stability. They do so by fostering a culture of adaptability, which enables swift adaptation to market shifts, emerging technologies, and customer demands. However, there is also a cognisant recognition that the ability of leadership to do so is critical in enabling organisational and individual adaptation to changing circumstances and challenges. Therefore, the organisation regularly invests in improving its leaders skills. Remote:af® guide Dave Martin talks about this in his [leadership articles](#) and discusses approaches to enabling leaders to continuously improve.

There has been much research on Adaptive leadership's effectiveness in organisations. One such study that was conducted for the National Library of Medicine by Muhammad Salman Chughtai, Fauzia Syed, Saima Naseer, and Nuria Chinchilla was on the "Role of adaptive leadership in learning organisations to boost organisational innovations with change self-efficacy." The study found that "adaptive leadership is imperative not only for higher change self-efficacy of the individuals but also helps the organisations for organisational innovations with the utilisation of learning organisations phenomenon. Additionally, it highlighted the importance of change self-efficacy, which plays a vital role in learning organisations for organisational innovations." As you can see from this, Adaptive leadership is a necessity for organisations to develop and sustain their dynamically adaptive market edge.

deliberately developmental cultures (DDCs)

Deliberately Developmental Cultures (DDCs), which represent a paradigm shift in how organisations encourage growth and unlock the potential of their employees, have emerged as a transformative approach to employee development. The commitment to lifelong learning, developing a growth mindset, accepting change, and incorporating deliberate feedback practices are at the core of DDCs. These cultural factors promote increased performance, creativity, and employee satisfaction. Dr. Robert Kegan and Dr. Lisa Laskow Lahey's renowned book "An Everyone Culture: Becoming a Deliberately Developmental Organisation" made a significant contribution to the study and popularisation of DDCs.

DDCs are intrinsic to successful DA organisations due to the dynamic business landscape, where they must constantly develop and adapt to stay competitive. DDCs foster an environment where employees feel safe to experiment, learn from failures, and continuously evolve. In this context, collaborative teams and an innovative, creative culture that actively embraces change become crucial elements for success.

The importance of leaders in shaping and sustaining DDCs within organisations cannot be underestimated. This is due to the fact that they are responsible for deliberately championing the growth mindset and promoting a culture of continuous learning and development.

They set the tone for the organisation by actively engaging in developmental practices themselves and motivating their team members to do the same. As I discussed in the section on Adaptive Leaders, exemplifying the ability to accept change fosters a climate of psychological safety that encourages workers to accept their own transition journeys.

For an organisation that demonstrates this, look no further than Pixar Animation Studios. In the book "Creativity, Inc.: Overcoming the Unseen Forces That Stand in the Way of True Inspiration", authors Ed Catmull and Amy Wallace, write about how Pixar promotes "plussing," a practice in which leaders and staff members provide helpful criticism to enhance each other's work without disparaging or ignoring ideas. This strategy encourages ongoing learning and teamwork, creating a favourable environment for growth and change.

As you can see, DDCs have become a cornerstone for success in DA organisations, nurturing a culture of change, growth, and continuous improvement. By adopting DDC principles, DA organisations position themselves for sustained success and create an environment where both individuals and the organisation as a whole thrive on the challenge of change and dynamic adaptation.

The importance of leaders in shaping and sustaining DDCs within organisations cannot be underestimated.

dynamic operating and teaming models

In order to structure for the flow of value in response to organisational, customer, and market needs, DA organisations use operational models and teaming designs that are dynamic. They can no longer simply use a pick-and-stick approach. What was successful yesterday can spell disaster tomorrow.

Hence, DA organisations continuously evolve their operating and teaming models to stay competitive and effective.

There has been a long-standing belief that the solution to organisational flow and business agility is to create static, sticky, or persistent teams.

Organisational teams that have a propensity for maintaining a consistent structure or membership are referred to as persistent or sticky teams.

However, in reality, this form of teaming is rarely permanent, and change is always necessary owing to a variety of reasons, such as shifting organisational needs, shifting market demands, advancing technology, and attrition among the team members.

**The reality is that they
are going to change,
whether organisations
like it or not.**

The reality is that they are going to change, whether organisations like it or not. In Heidi Helfand's book "Dynamic Retesting," Heidi asserts that "Team change is inevitable, and how organisations deal with it is critical". The authors of the 2018 paper "Rethinking Teams: from Bounded Membership to Dynamic Participation" suggest "a shift from viewing teams as clearly bounded groups of members towards instead viewing teams as dynamic hubs of participants." As you can see, this kind of thinking is not new; however, because of how quickly things are changing, we are now seeing it become more understood and adopted. I, however, would expand on this to include operating models as well; as a consequence of change they must also be subject to dynamic evolution. Both teaming and operating models must align with the organisation's vision, goals, and customer needs.

DA organisations understand this and continually tune their operating and teaming models to context on a regular cadence. They realign on their design principles and explore changes to the customer, supply chain, and strategy. Based on this, they challenge constraints on how they are organised in order to adjust how the work flows through the organisation, teams, and ultimately to the customer.

The rise of remote work has significantly influenced the dynamics of DA organisations. Embracing remote work as a part of the operating model opens up new possibilities for talent acquisition and team dynamics, providing them with unparalleled opportunities for flexible organisational and teaming configurations.

Here at remote:af®, we have spent considerable time helping organisations do just this, and you can find our guidance and experiences in a [series of articles](#) from our founder, Andrew Blain.

adaptive governance

When I use the terms "governance" and "governing," I'm referring to how organisations manage the entire system of work. Projects and PMOs are only a small part of how you manage how work flows through the organisation as a whole.

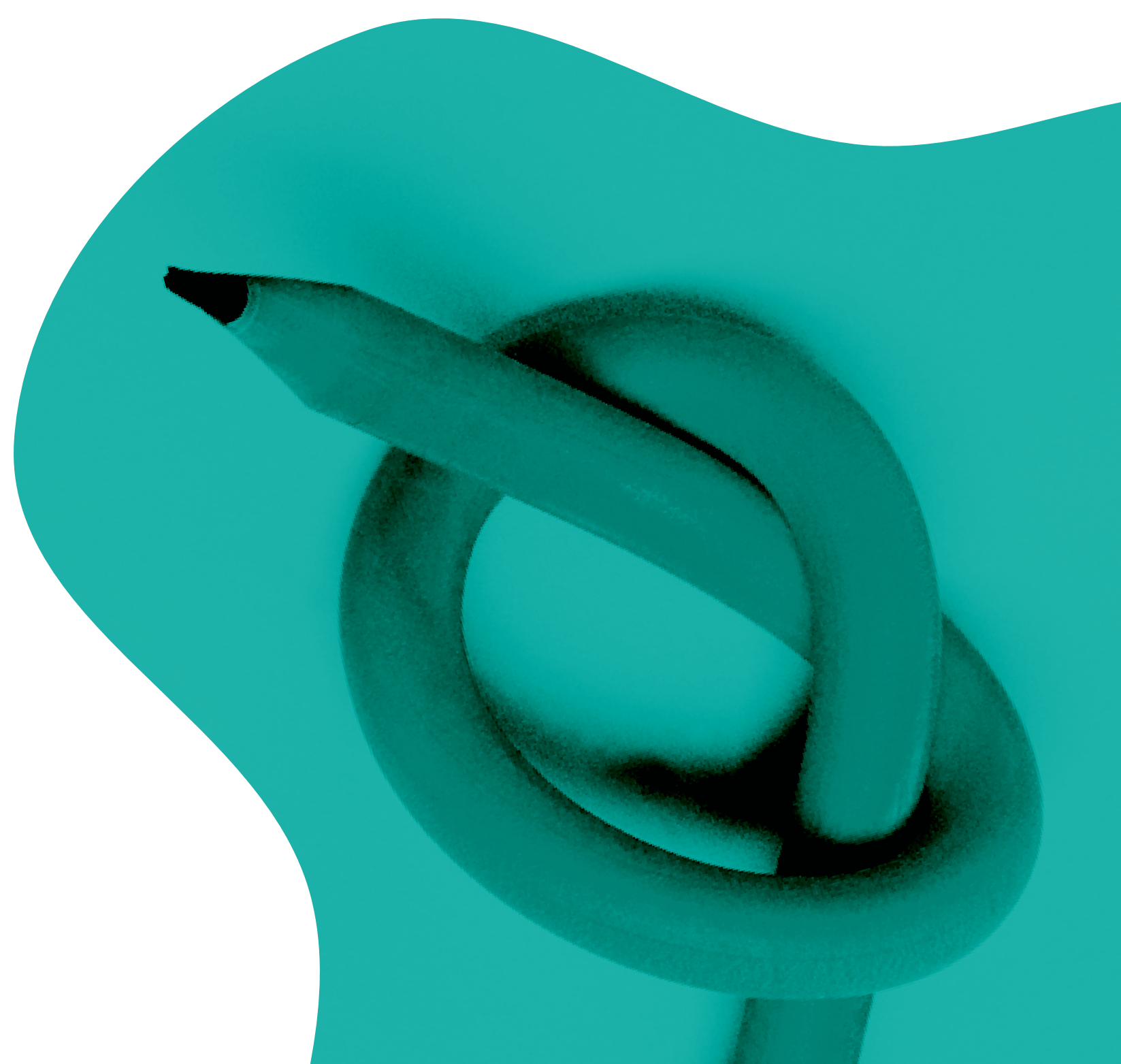
To that point, many organisations, as they attempt transformation, only effect change to their teaming and operating models and really only achieve a transition to the state of flow in how the work gets done.

Traditional models of governance, with their heavy reliance on direct and indirect control mechanisms, face significant challenges in the context of dynamic teaming and operating models, creating choke points in how they get funded, how decisions are made, and when work gets done. Gartner's 2022 study, "Choose Adaptive Data Governance Over One-Size-Fits-All for Greater Flexibility," validates this, stating that "Responding to varying levels of uncertainty in today's world requires speed and agility, and traditional approaches to governance are becoming obsolete."

DA organisations, leverage the use of governing systems that are adaptive to match the dynamic environment. They deliberately design and regularly inspect and adjust their governing systems to address how the work is funded; they facilitate information flow in order to create transparency and trust, ensure knowledge is not bifurcated, ensure alignment and rapid decision-making.

In order to do this, decision-making is decentralised, autonomous, and closer to where the work gets done. Demand management is based on continuous value flow supported by prioritisation that is decentralised, in short-cycles, and adaptive with clear guide rails. This is supported by decentralised short-wave adaptive planning and dual information flow (top-down, bottom-up). Funding is incremental or team-based capacity funding, and lastly, real-time or short-wave progress reporting.

At remote:af®, we have been working with this for some time now alongside Esther Derby to generate a system to enable organisations to navigate the complexities of dynamically adapting their systems of governance. Esther and I talked in depth about this at the Agile Freestival conference; you can find more on the system on the [remote:af® website](https://remote.af/).



asynchronous working

Of course, this is nothing new; organisations have been experimenting with it in some shape or form for a very long time. However, for DA organisations, this is the "new normal" as a result of the pandemic. They are no longer constrained by geographic boundaries or restricted in their ability to adapt by relying on companies that provide teams of individuals from other countries. DA firms leverage a worldwide talent pool, gaining access to qualified workers who would not be available or ready to relocate for typical office-based employment.

Additionally, async working's productivity and flexibility advantages give organisations a competitive edge over others who are still pursuing a brick-and-mortar physical strategy. This has long been a source of debate, but recent research is demonstrating that it is in fact the case.

A study conducted by FlexJobs and Global Workplace Analytics found that remote workers are 35% to 40% more productive than their in-office counterparts. The freedom to choose when and where to work allows employees to optimise their schedules and create an environment that suits their preferences, resulting in higher productivity levels. Owl Labs, a company specialising in remote work research, showed in their study that 62% of workers feel more productive when working remotely.

DA organisations recognise and leverage the fact that async working allows for the completion of work and communication at a time that is convenient for individuals without requiring an immediate response. This allows their leaders to focus on important tasks without being distracted by continual context shifting. It provides them with a competitive edge that is garnered from a happier, more productive, and more engaged workforce than ever before. This is validated even more in Stanford Professor Nick Bloom's 2023 "The Future of Work From Home" report, where he covers these points and more.

Since the inception of remote:af®, we have seen and collaborated with numerous organisations across the world who have adopted or are in the process of adopting asynchronous working.

These experiences have led us to believe that organisations seeking to be dynamically adaptive will consider nine-to-five office work as an odd remnant of the industrial age and that asynchronous working will be an integral component of their capacity to be dynamically adaptive.

This allows their leaders to focus on important tasks without being distracted by continual context shifting.

finally

I believe that as you have been reading this, the obvious question of what organisations are dynamically adaptive? will have come to mind. My answer is that there are many that are on the journey; however, a couple that I would say are further advanced than most and that stand out to me from my travels are Redoxengine, Automattic, and, of course, my own organisation, remote:af®, are worthy of your attention.

As you can see, this is indeed an expansive concept. The goal of this article is to introduce you to Dynamically Adaptive Organisations and perhaps spark your curiosity enough to challenge your organisational constructs. Each of the elements, in its own right, is deserving of an in-depth examination. I am looking forward to publishing those in the coming months.



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Tony Ponton

Vice President
Community & Product



end notes

<https://thunderbird.asu.edu/thought-leadership/insights/adaptive-leadership-vuca-world-tale-two-managers>

Adaptive leaders emphasize “articulating goals, facilitating interactions, improving team dynamics, supporting collaboration, and encouraging experimentation and innovation.” (Highsmith J. 2009)

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Please note that the references provided are not exhaustive and should serve as a starting point for further research on the topic.