



Adaptive Leadership

What It Takes to Lead Through an Era of Exponential Change

by Aneel Chima and Ron Gutman

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Summary. No, it isn't just you — the pace of change has picked up. More than that, whereas we used to experience disruptions followed by periods of stability, change now is increasingly perpetual, pervasive, and exponential. To keep pace, leaders need... [more](#)

To say that 2020 is a year of disruption and change is to understate the obvious. Our daily lives, from educating our kids, managing our health, and working from home, to simple social rituals like dinner with friends, underwent rapid multi-dimensional change. Nascent trends — virtualization of the workspace, online learning, virtual health, and e-commerce —

accelerated exponentially. Changes anticipated to take years occurred in months and, in some cases, weeks and even days. Understandably, leaders have struggled mightily to address these overlapping changes simultaneously, dealing with economic, health, and logistical crises that have unfolded at top speed.

Much as we might like to think of 2020 as an anomaly, it may not be. Conditions for accelerating change have been building for years. Advancements in information technology, automation, human interconnectivity, Artificial Intelligence, and the network effects among them, created a new reality where change is much more rapid, continual, and ubiquitous. Covid-19 and its derivatives laid bare a “new normal” of change, marked by three dimensions:

- It's ***perpetual*** — occurring all the time in an ongoing way.
- It's ***pervasive*** — unfolding in multiple areas of life at once.
- It's ***exponential*** — accelerating at an increasingly rapid rate.

This three-dimensional (3-D) change is defining our emerging future and, as a consequence, effective leadership will be defined by the ability to navigate this new reality.

The problem is, our models for leadership weren't built for this kind of 3-D change. Human minds evolved for thinking linearly and locally in the face of challenge, not exponentially and systemically. Noted futurist Ray Kurzweil asserted, “The future is widely misunderstood. Our forebears expected it to be pretty much like their present, which had been pretty much like their

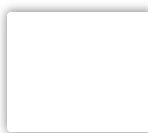


past.” But, projecting our pasts onto our futures exposes a fundamental error: Linear thinking can never catch-up and adapt to the perpetual, pervasive, and exponential change occurring around us — it’s simply too fast and too complex.

We need a new form of leadership, better equipped to navigate this unprecedented kind of change. For this purpose, we gathered, under the Stanford University umbrella, world-class luminaries — leaders who generate impact and change at a global scale — for conversations on the future of leadership and change-making. What emerged was a new vision of leadership, which we call Sapient Leadership. A Sapient Leader is characterized by being wise, sagacious, and discerning in navigating change while also being humane in the face of change that can often feel alien. This kind of leadership emphasizes — counterintuitively — an anti-heroic leader. Sapient Leaders exhibit authenticity, humility, and vulnerability, inspiring the necessary trust and psychological safety that drives shared learning and intelligence, resulting in enhanced collective performance and leading to a better future for all.

Limits of Linear Thinking in an Era of 3-D Change

In a world that’s relatively stable and mostly predictable, where change is incremental, punctuated by relatively few bursts of large change — what’s often called “disruption” — a model of leadership that relies on linear, local thinking can be useful. Much of the leadership literature focuses on the qualities, skills, abilities of the leader as an individual, and the linear and local maps they use to navigate the world. However, 3-D change presents a “high seas” environment where the leader navigates multiple domains — the waves and ever-evolving weather — of change simultaneously. In this environment, linear and local thinking can never adapt fast enough, leaving us increasingly ill-equipped to manage our rapidly changing business and work environments,

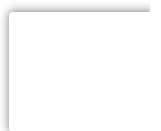


our physical and mental health and well-being, and the major trends that shape our societies and cultures.

Change, by its nature, leaves people and organizations feeling confused, vulnerable, and fractured at a time when resilience, cohesion, and collaboration are necessary to perform at the highest levels. An emerging body of literature points to psychological safety, shared purpose, and distributed cognition as powerful drivers of leadership, team, and organizational performance, particularly in rapidly changing environments. The days of “leader as hero” — the solo, individualistic leader who inspires certainty in a deterministic way forward — are over. This evolution in how we think about change and leadership has only accelerated in the past year.

Fortuitously, our spring course at Stanford University, LEAD 111 “Luminaries: Life Lessons from Leaders and Change-makers” became a study of how top tier leaders embodied this emerging approach to leadership. Finalized one week before the Covid-19 pandemic struck the west coast, our original plan was to create a new framework of leadership suitable for a time of disruption, accelerating change, and a highly polarized political and social environment, and we designed the course to engage leaders and change-makers in conversations across sectors, generations, and the political spectrum. We wanted to know how change-oriented leaders operate. As the pandemic unfolded, however, we expanded the course to create a new model of leadership. And recognizing that these questions were of immediate and broad interest, we invited more leaders within and beyond the Stanford community to weigh in on how they were navigating this 3-D change.

We engaged leaders across sectors to analyze — in real time — how they adapted: captains of industry, such as Doug McMillon,



president and CEO of Walmart and chairman of the Business Roundtable; innovators in health care such as Toby Cosgrove, former CEO of the Cleveland Clinic, heart surgeon, and White House advisor; global social change-makers such as Halla Tómasdóttir, CEO of The B Team, investor, co-founder of Reykjavik University, and runner-up in Iceland's 2016 presidential elections; leading-edge technologists and innovators such as Bret Taylor, president and COO of Salesforce, co-creator of Google Maps and the "Like" button, and board member of Twitter.

The essential question we had was this: If leadership is significantly defined by the ability to skillfully navigate 3-D change, what type of leadership is most effective for our emerging future, one defined by perpetual, pervasive, and exponential change? The answers that emerged formed the basis for Sapient Leadership.

How to Practice Sapient Leadership

The four pillars of Sapient Leadership emerged out of the discussions with our luminaries as they were navigating 3-D change in real-time — each leader, in some capacity, articulated a version of these ideas. Leader humility, authenticity, and openness instills trust and psychological safety. In turn, trust and psychological safety empower individuals and teams to perform at their highest capabilities. Additionally, continuously learning teams are essential for keeping pace with and effectively navigating 3-D change. Finally, shared purpose and common values enhance focus, cohesion, and resilience in the midst of 3-D change.

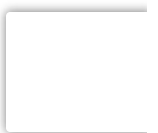
1. Leader humility, authenticity, and openness instills trust and psychological safety.



In times of uncertainty, leaders often posture themselves, maximizing perception of power and control. In contrast, Halla Tómasdóttir modeled authenticity and humility when she reflected on her challenges as a candidate during the Icelandic presidential election. She, along with many of our luminaries, openly questioned the traditional paradigm of a leader as an individualistic hero. Instead, she highlighted the need to build trust through openness, saying, “what this crisis has shown us is that the leadership style of ‘I know it all’ is not a good leadership style for this moment or any other challenge we are going to continue to face and need to deal with collectively, collaboratively, with compassion, and with care.”

In a world of 3-D change, leaders need to continuously evolve themselves in order for their organization to evolve and grow. Rather than bending the organization to the will of the leader, a leader must be willing to instead exhibit humility and flexibility and change according to what the organization and circumstances require. Tómasdóttir exemplified this notion in her personal philosophy: “leadership is not given to the few — it’s inside of all of us, and life is all about unleashing that leadership.” This leadership style, which engenders trust and psychological safety within teams and organizations, animates much of her work with the B Team members that she’s leading — Sir Richard Branson, Arianna Huffington, Ajay Banga, Mary Robinson, and Marc Benioff, among others.

Our other luminaries echoed Tómasdóttir’s message about Sapient Leadership in the context of 3-D change. Doug McMillon said: “I don’t run Walmart, I help lead Walmart” asserting that leadership of this sort needs to go beyond words. Leaders, he said, “have to live it. It has to be authentic. It has to be habitual.”

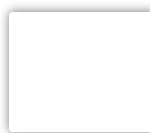


2. Trust and psychological safety empower individuals and teams.

3-D change amplifies our innate and evolved human tendencies to skew towards threat perception, anxiety, and divisiveness when experiencing stress and encountering ambiguity. As such, psychological safety is even more important during these times change. Individuals and the teams they comprise thrive in environments where trust and psychological safety are present. In a recent extensive study at Google, code-named Project Aristotle — for the maxim frequently attributed to him, “The whole is greater than the sum of the parts” — researchers found that the most important factor associated with the highest performing teams was psychological safety. When team members feel safe to be vulnerable in front of one and to take risks, they perform at their best.

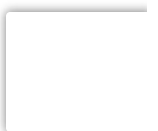
A consistent theme running throughout conversations with all of our luminaries was the essential nature of empowering teams and individuals to perform at their highest capabilities, especially now. “Change is not a solo sport,” said Bret Taylor, president and COO of Salesforce. “All great change has been done by great teams, great communities, and great networks.” When recalling times of rapid change throughout his career — from the creation of Google Maps to inventing the “like” button to scaling rapidly worldwide during the early days of Facebook — Bret asserted the importance of leadership that motivates strong relationships, fluid communication, and a foundation of trust to driving exceptional team performance.

3. Continuously learning teams enable effective navigation of 3-D change.



In a world where change is perpetual, pervasive, and exponential, Sapient Leaders, their teams, and their organizations must continually learn, update mental-maps, deploy new tools, and course-correct based on the best ideas and practices. “If you want to make a change in something you have to get into it deep,” said Toby Cosgrove, describing his openness to learning transformative ideas from anywhere he could. When he was the CEO of the Cleveland Clinic he regularly immersed himself in contexts where he could learn a better way. “If I heard somebody was doing something someplace in the world, I would pick up my pencil and paper and I would go and watch them do it,” he said. “I traveled someplace, learned something, and tried to bring it back and incorporate it.” What he was doing as a leader was both modeling leadership as a process of continual learning so others would replicate in their way, as well as disseminating what he learned throughout the organization in order to improve on existing processes and innovate new ones.

In a world of 3-D change, no one person or organization can master all knowledge across all domains, no single person or organization can master enough skills in breadth, depth, or pace, to keep up. Instead, learning must be inspired by leadership, reinforced by culture, occur across a variety of domains, coordinated through the whole and shared openly and actionably to create the broader picture. The analogy here is to mosaic vision, or the compound eye, where thousands of specific receptor units, oriented in different directions, work in coordination to create a composite perspective with a very wide angle of view, continually updating in real time as the organism moves through time and space. Without data and input to synthesize into understanding and action, a team or organization will be perpetually impoverished. To keep pace with 3-D change, Sapient Leaders need to enhance the breadth, depth, and pace of



learning in their organizations to meet the extent and velocity of change.

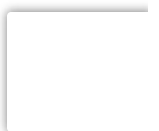
4. Shared purpose and values enhance focus, cohesion, and resilience during 3-D change.

Professor Bill Damon, our esteemed colleague at Stanford University and one of the world's leading purpose researchers, defines purpose as a stable intention to accomplish something that is both personally meaningful and serves the world larger than the self. Purpose, necessarily informed by our values and arising from a sense of personal meaning, unites our inner world with our actions in the world around us in a unique and powerful way in service of a vision larger than ourselves.

In times of 3-D change, which by its nature amplifies uncertainty and ambiguity, shared purpose and values increase organizational focus, enhance team cohesion, and amplify personal and collective resilience. They can also powerfully mobilize large numbers of people to solve complex problems together.

Doug McMillon, CEO of Walmart and chairman of the Business Roundtable, recounted Walmart's Five Guiding Principles, which provided the organization focus, resilience, and a basis for cohesive action during the early challenging stages of the pandemic.

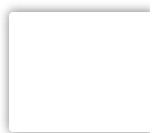
1. Start with the people: "Support our associates financial health, physical health, and emotional health and well-being. They are on the front line."
2. Focus on the fundamentals and first principles: "Serve our customers — we had to keep the food supply chain going to avoid chaos."



3. Make sure our own home is in order: “Managing the business through the crisis — making sure inventory is under control, making sure we have cash flow, etc.”
4. Keep building for the future, not for the past: “Continue assertively into online e-commerce, grocery delivery, leverage what’s already been put into play that customers want.”
5. We’re all in this together: “What can we do to help other people through this crisis that does good for this company and society?”

Doug recounted how these principles guided Walmart’s actions during the early turbulence of the Covid-19 pandemic. “We received a call from the White House with a request to open drive-through testing stations throughout the nation in Walmart parking lots,” he recalled. “Although we didn’t know exactly how to do it and didn’t have a way to charge for it, Walmart’s response was fully committed, rapid, at scale, and across distributed geographies. Walmart’s ethos during this time: ‘Don’t worry about the short-term financials. Go do what’s right and it will all eventually work out.’”

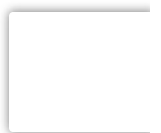
The shared purpose and values articulated in Walmart’s Five Guiding Principles allowed collective action that was focused, cohesive, and resilient by many people across multiple geographies in the early times of 3-D change. Focus and cohesion allowed rapid learning of new skills, it allowed decisiveness during uncertainty, and it promoted working together towards a shared goal bigger than any individual or the company. Further, resilience allowed the courage to try something new and execute quickly, without giving up, in the face of ongoing change and challenge.



The Future of Leadership

Along with the myriad challenges it brought, the singular realization of 2020 is that 3-D change is the new normal. Navigating perpetual, pervasive, and exponential change is the quintessential test of effective leadership in this era. Leaders, teams, and organizations that don't skillfully navigate change will fail. Mastering this new reality requires fundamental enhancements to our collective capabilities. Sapient Leadership enables the creation of perpetual, pervasive, and exponential capacity building necessary for handling 3-D change effectively. In addition, our recent conversations with Sapient Leaders have uncovered new ways in which exponential and transformative technologies can further enhance and amplify human capabilities. This topic is the basis for a future article we are preparing.

The key of Sapient Leadership is that it fits into the long history of the evolution of our species. Sapient, in its definition, refers to the nature of humans — it is in our nature to adapt or risk perishing. The challenge of 3-D change is that it amplifies the pressures on leaders, teams, and organizations to evolve and adapt faster, or become irrelevant. Change that used to take place over years and decades is now taking place in weeks or days. We, as a species, have never confronted change of this magnitude or at this pace. Sapient Leadership is a framework that enables accelerated adaptation in a wise and humane way. It builds into its structure the imperative for leaders, teams, and organizations to continuously evolve in order to overcome the challenges of 3-D change. Sapient Leaders and their successful organizations change with change itself.



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