"Hiring for Who: Mastering Change Through Adaptive Cultures" By Kristen Kenton, President, Kenton Talent Management | October 25, 2021

We all know the business climate, and our world overall, is evolving at an extraordinary pace. The constant pressure to anticipate and embrace the unexpected is creating "mass change obsession". Change can be positive, refreshing, and exciting. It creates space for innovation, learning, transformation, and true greatness. For me, change means hope.

In the classic book, "Who Moved My Cheese", Dr. Spencer Johnson encourages us to defy our biological urge to resist change. He warns us that the real danger lies in the *illusion of comfort* we experience by maintaining the status quo. Most people avoid change because they mistakenly assume maintaining the status quo will bring them comfort, consistency, stability, and safety. Change is especially difficult if we don't perceive that anything is "broken". Most people fear the uncertainty and unpredictability that comes with change. We choose to tolerate what is flawed and familiar, versus braving the unknown. After all, change poses the risk that things could get worse!

Accepting a life, a job, a relationship, or a future that is just "good enough" robs us of the opportunity to achieve our full potential, experience fulfillment, and share our gifts with the world. If we are unwilling to change, we limit our ability to grow, learn, innovate, and achieve our dreams. Change forces us to challenge our current thoughts and beliefs. It can inspire us to reimagine and redefine what's possible. However, handled poorly, change can be frightening, exhausting, and destructive.

The pandemic reminded us that the only constant is *change*. Our ability to adapt and foster adaptability in others is paramount to achieving sustainable business viability. Look around - tomorrow's most viable and successful businesses are building "adaptive cultures" today.

What is an "adaptive culture"? John Kotter, an influential scholar in the field of organizational culture wrote, "adaptive cultures help organizations anticipate and adapt to environmental change and maintain superior performance over long periods of time". In adaptive cultures, leaders are focused on both internal and external constituency needs. This means they can sense when the competitive landscape is changing. Companies with adaptive cultures value talent that can respond nimbly to various changes. Most importantly, they know how to leverage resources and implement new strategies - especially when it comes to changes within culturally engrained behaviors (or what I call "organizational behavioral norms").

The adaptive leadership model was originally introduced by Ronald Heifetz and Marty Linsky. Heifetz defines it as "the act of mobilizing a group of individuals to handle tough challenges and emerge triumphant in the end". The Corporate Finance Institute's article on adaptive leadership breaks the model into four main components. I took the liberty of enhancing some of their definitions below:

1. <u>Emotional Intelligence:</u> An adaptable leader can recognize, self-regulate, and express their own feelings, as well as empathize with the feelings of others. With this awareness, an adaptive leader can build relationships with diverse stakeholders through trust, credibility, and empathy.

- 2. <u>Organizational Justice:</u> I prefer to call this organizational "equity and inclusion". Adaptable leaders are enterprise thinkers that implement policies in the company's best interest. They prioritize the company and team above personal agendas. They know how to introduce change in a way that people will embrace. Adaptive leaders are not only willing to seek out other people's views, ideas, and opinions but they do it proactively and passionately.
- 3. <u>Development:</u> Adaptive leaders are continuous learners. They have fierce curiosity that fuels innovation and creative problem solving. They are willing to shift gears, accept when a strategy isn't working, and embrace new techniques and possibilities that enable personal and professional development.
- 4. <u>Character:</u> Adaptive leaders have a deep sense of character, and they value transparency, honesty, collaboration, and creativity. They believe organizational success trumps the desire to be right. They earn respect and create followership because they honor their commitments and "practice what they preach".

Creating an adaptive culture starts with building and/or "buying" *adaptable talent*. Then, we must foster an environment that embraces and celebrates adaptable talent. Adaptable leaders possess *all four* of the components outlined above. Hiring and developing adaptable leaders will require many of us to reimagine the way we view and manage talent. It can feel uncomfortable, and even a bit risky. Change sets the stage for resistance and discomfort because it challenges our current and past decisions, philosophies, and beliefs. For some, change carries the implication that our current strategies and tactics are ineffective or wrong.

Building an adaptive culture requires us to focus on "who" versus "what". What is comprised of hard skills — teachable, quantifiable, measurable qualifications such as specific industry experience, systems knowledge, certifications, education, training, geographical boundaries, etc. Unfortunately, most companies hire, develop, and manage talent via what-based decisions because they trick us into believing we are increasing our probability of success and mitigating risk. "Who" represents intangibles and "soft skills" such as values, emotional intelligence, and innate strengths. Unfortunately, "who" can be more complex and challenging to assess and verify. However, with the right infrastructure and insight, who-based talent systems foster sustainable, adaptive cultures.

I certainly don't advise my clients to throw "what" out the window when making critical talent decisions. However, "what" should be secondary to "who". Building a values-based, behavioral interviewing and talent model is essential to hiring for "who". Kenton Talent Management has been partnering with businesses to align talent strategy to business strategy for many years. Contact us to learn more.