Chapter 4

The Ability to Adapt

Abstract The competence to adapt to a fast-changing environment influences sustainable outcomes. Adaptability refers to “an individual’s ability, skill, disposition, willingness, and/or motivation to change or fit the different task, social, or environmental features.” Adaptability is considered by many researchers to be a key source of mental resources. Mental resources are especially important for new employees who are facing a totally new environment. The increasingly changing nature of modern organizations requires employees to constantly improve their ability to adapt.

Keywords Adaptability · Agile talent · Personal traits · Sustainable performance

4.1 Introduction

Our world is getting smaller and smaller, increasingly more digital, and undergoing constant change. Technological advancements follow one another ever more rapidly and the life cycles of organizations and teams are getting shorter. We can all sense it; what is considered new and successful today, might be obsolete tomorrow.

In a changing world, the only constant is change itself. This seems particularly true for organizations. Growing markets, expanding businesses, stronger competition, privatization, deregulation, mergers, and the rise of network organizations and new technologies have made change management a fact of life for our organizations. Large, new (job) markets are emerging and new technologies have thrown existing business models out of the window (Aguirre and Alpern 2014). Nevertheless, so far no research has shown that change processes have become any more successful than they were twenty years ago (Cozijnsen and Vrakking 2013). Instead, the opposite might be true. Several studies show that over 50%—some would argue over 70%—of planned organizational changes end prematurely or fail eventually (Kotter 1995; Hammer 1996; Beer and Nohria 2000; Burnes 2004; Kodden and Van Ingen 2019).

4.2 The Importance of Adaptability

The speed with which organizations have to adapt is increasing exponentially. On average, they also do not survive as long as they used to. In his book, *Serial Innovators: Firms that change the world*, Claudio Feser states that the average life cycle of American businesses today is only fifteen years. In the mid-twentieth century, the average was forty-five years. If this trend continues, the life cycle might be down to only five or ten years in the near future (Knegtmans 2016). Adaptability is key if organizations and teams want to survive.

Adaptability is not just something old and well-established organizations struggle with. Start-ups, young businesses, and mature organizations also deal with it. It is all about adaptability. Or more specifically; it *continues to be* all about adaptability. After all, change has always been around. What is different today though is the speed at which change is taking place, mostly as a result of information technology. Furthermore, these technological changes are not linear, but rather exponential. Moore's Law states that the processing power of computer chips doubles every two years. In order to remain successful, we have to adapt to exponential growth instead of linear growth. That has significant consequences and applications. The world's fastest-growing media company (Facebook) does not own any content, the world's largest taxi company (Uber) does not own any cars, the world's largest retail business (Alibaba) has no stock and the world's largest provider of short-term lodging (Airbnb) does not have any real estate. New start-ups are emerging ever more quickly and through innovative use of information technology, manage to conquer a major market share in very little time. Of course, this exponential growth also has downsides, one being the failure of many competitors that are not able to adapt.

4.3 Vuca

A popular acronym in the US is "VUCA," which is also becoming more common in the Netherlands. The four letters stand for:

- *volatile* (rapidly changing);
- *uncertain* (unpredictable);
- *complex* (complexity);
- *ambiguous* (haziness of reality).

VUCA is the rapidly changing world we now live in as individuals and as organizations. A world that is defined by a high level of uncertainty and complexity. VUCA also shows the importance of adaptability now that it is becoming increasingly difficult to create detailed plans for five or ten year periods. All aspects are changing more and more rapidly and small factors can have increasingly significant and complex consequences. That is why both as individuals and as organizations, we need to be more flexible and sustain that flexibility. That way one can quickly and easily adapt

in ways that have a positive effect on the most important stakeholders (Knegtmans 2016).

4.4 Radical Changes

Consider the developments in organizations such as Nokia and Kodak. Although Nokia managed to reinvent itself several times and transformed from a wood pulp manufacturer into a rubber manufacturer and then into a producer of personal computers and mobile phones, the company failed to make one crucial step. Despite the fact that the Finnish phone giant had a record year in 2007 and had been the market leader for a long time, a lack of innovation brought the company to the brink of ruin. It waited too long to switch to a new operating system, allowing Apple and Google to quickly overtake the Finns. Despite its long history of change, innovating too slowly led to the marginalization of this once renowned global brand in only a few years (Knegtmans 2016).

Tribes

Many organizations are currently working to become as agile as possible, for instance by structuring themselves as tribes. Agile organizations work with different squads; small multi-disciplinary teams of no more than nine people. All these squads have their own objectives and they bear the responsibility to achieve them. In a squad, colleagues from all disciplines are required to achieve the objective work together to succeed. Once the assignment has been completed, the squad is dissolved and the members are assigned to different squads.

New ways of organizing such as agile management and working in tribes—approaches that we recognize from companies such as Spotify, Netflix, Google, and ING—are radical and revolutionary for many organizations. But many studies have shown that changes to organizational structures and methods are in no way a guarantee for success (Kotter 1995; Hammer 1996; Beer and Nohria 2000; Burnes 2004; Kodden and Van Ingen 2019). In the end, it always comes down to employees that may or may not be able to function in the new structure and work method. After all, not everyone is equally adaptable to change. Successful change management in organizations mainly depends on the adaptability of its professionals.

4.5 Agile Talent

According to a 2016 report by the World Economic Forum, 35% of skills that are currently crucial to professionals will change significantly within the next five years. *Harvard Business Review* says that 70% of current top performers lack the qualities necessary for their future roles (Martin and Schmidt 2010).

An important new requirement for sustainable performance, according to Ralf Knegtman (author of the book *Agile Talent*), is therefore the ability of business to

respond to technological developments as well as being able to attract and recruit future, or agile, talent. Knegtmans defines agile talent as talent that is able to adapt quickly to new circumstances and in doing so, is able to stay future-proof. These professionals are innovative and eager to learn and renew a business from within. “Only by using this talent, can businesses themselves become more agile,” explains Knegtmans (2016). Agile companies exist by the grace of talent. Because the world is changing so quickly, organizations also need different people, according to Knegtmans. “That means that we need to have different selection criteria.”

Higher education will also need to respond to this changing need. After all, knowledge expires quickly. We are currently training people for jobs that we know will not be around much longer. In that sense, higher education still seems to be structured like a nineteenth-century factory that puts students on a conveyor belt curriculum. “Drop-out rates are 35% and the ones that do make it, end up with a diploma if we continue like that, we will never be able to make life-long learning a reality,” says Henk Hagoort, chairman of the board for Windesheim University of Applied Sciences. Financial economics professor Sylvester Eijffinger, who in his role as chairman of Tilburg University Society advises the university board about renewing the curricula says, “We must realize that the roles we are currently training people for, will no longer be relevant for the job market in five or ten years. We should be training competences, not jobs” (Het Financieel Dagblad 2017).

I wondered how important a professional’s adaptability currently is for their own performance and that of their organization. As I was asking myself, I considered that it may actually be a rhetorical question...

4.6 Results of the Study

For this study, adaptability was defined as the willingness (to change) and the ability of a person to adapt to a changing environment, work methods, work hours, tasks, responsibilities, and behavior by others. Willingness to change was defined similarly to Cozijnsen and Vrakking (2013): A positive behavioral intent by an employee regarding the introduction of changes in the organizational or departmental structure, culture, or work method, resulting in an effort by the employee to support or even speed up the change process.

The adaptability of professionals is indeed the main factor for sustainable performance, as shown by this study as well. As it turns out, adaptability is vitally important for personal and team performance. With the exception of self-efficacy (Chap. 5), it is even the most important factor!

Research and studies (Strauss et al. 2015) show that adaptability is a personal trait that is very difficult to learn in a course or training seminar. Some professionals are more resistant to change because they experience inconsistency. Things are not going as they expected. And if those changes are then also imposed on them by others, for instance, through a reorganization, this may lead to stress, uncertainty, and lack of productivity. Some people are (much) more adaptable than others, studies show.

As Roy Baumeister also concluded with regards to willpower, adaptability can be trained to a certain extent, but will also simply snap at some point. How soon depends on the person.

The trick for managers in rapidly organizations, therefore, appears to be more than just creating support for methods like Agile and Scrum, or sending employees to courses and training seminars related to those methods. They also need to select employees who have this important personal trait. After all, the agility of an organization is largely determined by the agility of its people (Knegtmans 2016).

The Dutch CEOs I approached, however, did not pay a lot of attention to adaptability as a selection criterion and put it in a dismal 11th place on the list of personality traits they use to hire professionals. A surprising, perhaps even shocking result considering the importance of adaptability for an organization's survival, and considering the fact that adaptability is a trait that is difficult to improve.

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