

Schulze, Jonas Hermann; Pinkow, Felix

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Article

Leadership for Organisational Adaptability: How Enabling Leaders Create Adaptive Space

Jonas Hermann Schulze ¹ and Felix Pinkow ^{2,*} 

¹ Industrial Engineering and Management, Technische Universität Berlin, 10623 Berlin, Germany; jonas.h.schulze@campus.tu-berlin.de

² Institute of Technology and Management, Technology and Innovation Management, Technische Universität Berlin, 10623 Berlin, Germany

* Correspondence: felix.pinkow@tu-berlin.de

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Abstract: Organisational adaptability is the ability of an organisation to recognise the need to change and seize opportunities in dynamic environments. In an increasingly complex world, leadership must pay attention to dynamic, distributed, and contextual aspects in order to position their organisations for adaptability. The theory of dynamic capabilities constitutes a central concept for the requirements that enable organisational adaptability. Recent research suggested a model of “*leadership for organisational adaptability*” embedded in the theory of dynamic capabilities and ambidextrous leadership. This model ascribes leaders the task of creating “*adaptive spaces*”, which are ways to engage in tension that arises when new ideas collide with an organisation’s operational system, in order to generate and scale innovation. This work employs a qualitative research design by conducting expert interviews with participants from the management consulting industry as an exemplary object of research, and it identifies ways by which leaders can create such adaptive spaces. Findings indicate that leaders predominantly achieve this by providing employees with head space and opportunities to connect with others and promote diversity within their organisations. However, they could engage more actively in activities that pressure the organisation to change, leverage network structures to scale innovation, and in developing employees. It further emerged that organisations have not fully internalised the notion of distributed leadership, which is deemed crucial for coping with complexity.

Keywords: leadership; organizational adaptability; innovation; dynamic environment; adaptive organization; enabling leadership; shared leadership; ambidexterity; adaptive space; dynamic capabilities

1. Introduction

Organisations and their leadership face the significant challenge of becoming adaptable in complex environments, where change and uncertainty are paramount (Uhl-Bien and Arena 2018). Today’s fast-paced environments, driven for instance by technological progress, globalisation, and vastly increased customer expectations, require them to attribute an increased level of relevance to innovation and renewal (Jung et al. 2003). Organisational adaptability, the ability of an organisation to adapt to a changing environment and shifting market conditions (Birkinshaw et al. 2016; Uhl-Bien and Arena 2018), according to the seminal theory by Teece et al. (1997) and Teece (2012), can be attributed to a distinct set of dynamic capabilities. Organisations must be able to sense and assess new opportunities, to seize value from these opportunities, and ultimately reconfigure organisational structures in order to enable organisational change and maintain a competitive edge (Teece et al. 1997; Teece 2012). Since creating such organisational capabilities is first and foremost a leadership challenge

(Lopez-Cabrales et al. 2017; Schoemaker et al. 2018; Teece 2012), we must understand the specific leadership actions that propel organisational adaptability and thus long-term survival.

A recent conceptual model by Uhl-Bien and Arena (2018) integrates different research streams from a leadership perspective, and proposes a model of *leadership for organisational adaptability*. At the core, this model revolves around the extensively discussed ambidexterity theme (Rosing et al. 2011; Simsek 2009; Tuan Luu 2017; Uhl-Bien and Arena 2018) which has been identified to be acting as a dynamic capability (Birkinshaw et al. 2016; O'Reilly and Tushman 2008). On the one hand, it entails the tensions between an organisation's need to efficiently leverage existing capabilities and, on the other, to create new capabilities to ensure the future viability of the firm (Uhl-Bien and Arena 2018). These target dimensions require different forms of leadership. While scholars frequently created dichotomous concepts of leadership types, such as transactional and transformational leadership as described by Avolio et al. (1999), Uhl-Bien and Arena (2018) suggest *enabling leadership* as a third leadership style that combines the ambidextrous tasks of exploration and exploitation. By creating *adaptive space*, that is, the conditions required to engage in the tension between exploration and exploitation, enabling leaders initiate an adaptive process within an organisation.

However, since their work remains on a conceptual level, the authors stay very vague as to the actual manifestations of the proposed types of leadership, including enabling leadership. While they provide an exhaustive conceptualisation, they do not describe how enabling leadership, and the adaptive space that is thereby created, are applied in practice. Thus, following the authors' call to action, the purpose of this work is to "study the ... ways leaders enable (or stifle) the adaptive process" (Uhl-Bien and Arena 2018, p. 100), focusing on enabling leadership and using the example of management consulting firms. Consulting firms were chosen primarily because the consulting industry is shaped by ever changing market conditions and new requirements for their consulting portfolio. The following research question will further guide this work: How do enabling leaders create adaptive space in order to position their organisation for adaptability?

This work addresses the research question by applying a qualitative research design and conducting expert interviews. These will be analysed employing a template analysis approach in order to derive implications as to the role of enabling leadership for organisational adaptability in practice. This contributes to the literature by providing practical examples of the behaviour, processes, and structures that enabling leaders apply to create adaptive spaces, and of instances of adaptive space itself.

2. Theoretical Foundation

2.1. Organisational Adaptability

Adaptation to changing environmental conditions is a focal subject of organisational studies (Uhl-Bien and Arena 2018) and deemed a necessity for organisations in every industry. The dynamic nature of most competitive environments requires organisations to continuously or periodically innovate in order to create a competitive advantage and eventually to survive (Hauschildt et al. 2016; Henderson 2006; Hurley and Hult 1998; Schumpeter 1993; Teece et al. 1997; Teece 2012). Furthermore, Wiltbank et al. (2006) highlight the significant empirical support for adaptive organisations having higher chances to succeed: flexible and adaptive organisations are able to outmanoeuvre their competitors by quickly capturing new opportunities. This can ultimately lead to improvements in the competitive position of an organisation and increase the organisation's performance (Brown and Eisenhardt 1997; Hurley and Hult 1998).

A central concept capturing the notion of the need for organisations to change is organisational adaptability, which Birkinshaw and Gibson (2004) define as "the ability to move quickly toward[s] new opportunities, to adjust to volatile markets and to avoid complacency" (Birkinshaw and Gibson 2004, p. 47). Among the many theories that were established covering organisational change, a common parameter of all theories is that change is oriented towards a specific individual goal (van de Ven and Poole 1995). Thus,

initiating change in organisations is an active decision to achieve a certain outcome, and organisations must create readiness for change (Armenakis et al. 1993). Taking an active decision requires that organisational change should be managed consciously by considering factors that enable change, such as the required knowledge and skills, resources and commitment (Al-Haddad and Kotnour 2015). In other words, certain capabilities are required in order to successfully manage an organisational change process.

Teece et al. (1997) established a seminal theory on the capabilities required for change, and coined the term of dynamic capabilities. Dynamic capabilities refer to the ability of an organisation to sense or identify new opportunities, to provide resources and seize value from addressing the identified opportunities, and to continuously reconfigure the assets of an organisation (Teece 2007, 2012). Teece (2012) highlights that particularly top management and leadership skills are necessary to sustain dynamic capabilities, and emphasises that dynamic capabilities are primarily based on the abilities of individual executives rather than on organisational structures. Thereby, the abilities to sense new opportunities and to seize value from these opportunities in particular are considered front-line capabilities that originate from individuals (Birkinshaw et al. 2016). Following Teece (2012), many scholars attributed the ability to create dynamic capabilities for organisational change to leadership (Lopez-Cabrales et al. 2017; Schoemaker et al. 2018; Uhl-Bien and Arena 2018). Therefore, positioning an organisation for adaptability is first and foremost a leadership responsibility and in fact is considered one of the greatest present challenges for leaders (Uhl-Bien and Arena 2018). The role of leadership as a central element of dynamic capabilities that enable an organisation to adapt and change must therefore be clearly understood.

2.2. Leadership for Organisational Adaptability

Contingency theories assume that appropriate leadership actions are determined by the respective situation or context. Hence, leaders are required to analyse a given situation and respond accordingly (Parry 2011). Current leadership scholars frequently differentiate two major sets of behaviour, or leadership styles, labelled transactional and transformational leadership (Avolio et al. 1999; Bass and Bass 2008; Díaz-Sáenz 2011; Jung et al. 2003). Transactional leaders utilise the concepts of contingent rewards and management by exception to motivate their followers, with whom they engage in an exchange relationship. They define tasks and goals, and set rewards, either psychological or material, thus constructing the desired follower behaviour. Furthermore, they correct follower behaviour towards target achievement, for instance through feedback (Bass and Bass 2008; Vera and Crossan 2004). Transformational leaders, on the other hand, demonstrate enthusiasm and question the status quo, and transform the desires of individuals in alignment with the overarching purpose of an organisation (Bass and Bass 2008; Vera and Crossan 2004).

While early proponents of this conceptualisation described transactional and transformational leadership as two ends of a spectrum, more recent research indicates that they are distinct, not mutually exclusive dimensions (Vera and Crossan 2004). Díaz-Sáenz (2011) and Bass and Bass (2008) further point out that transformational leaders' strengths lie in dealing with uncertainty and coping with adversity, whereas transactional leaders thrive in stable environments. Being intellectually stimulating and encouraging individuals to think outside the box, transformational leaders are also frequently associated with fostering creativity and innovation (Bass and Bass 2008).

However, due to our modern and highly complex world (Lichtenstein et al. 2006), the traditional, hierarchical approaches that greatly attribute organisational performance to individual leaders are considered oversimplified (Parry 2011). These leadership theories increasingly fail to account for the complexity of leadership in practice (Gronn 2002), as they overemphasise unidirectional influence processes and pay limited regard to reciprocal, dynamic, distributed, and contextual aspects (Yukl 1999; Uhl-Bien and Marion 2009). In fact, Lopez-Cabrales et al. (2017) find that combining and balancing transactional and transformational leadership increases the ability of managers to develop dynamic capabilities. This renders an assessment of either of these leadership styles separately an endeavour that fails to capture the full potential of the influence of individual leadership styles on dynamic capabilities.

Another stream in leadership research thus rejects these assumptions of hierarchical leadership, breaking with the notion that leaders possess an innate capacity to lead the fortunes of an organisation (Lichtenstein et al. 2006). They regard leadership as a phenomenon emerging from social processes and the interactions of individuals in organisations, and suggest a shared, distributed, collective, or horizontal view of leadership (Gronn 2002; Parry 2011; Yukl 1999). In this context, ambidextrous leadership suggests to create conditions for employees as well as leaders at all hierarchical levels to be able to simultaneously switch between the exploitation of existing and exploration of future capabilities in order for an organisation to be adaptable (Birkinshaw and Gibson 2004; Jansen et al. 2009; Probst et al. 2011; Rosing et al. 2010; Rosing et al. 2011; Vera and Crossan 2004). The creation of ambidextrous abilities, however, as Zimmermann et al. (2015) find, may not only be ascribed to senior executives, but also emerge bottom-up, by front-line managers and employees. They thus pick up on the notion of distributed leadership. Thereby, ambidexterity itself is considered a fundamental dynamic capability (Birkinshaw et al. 2016; O'Reilly and Tushman 2008).

Although the concept of ambidexterity and ambidextrous leadership has been researched for almost two decades, there is still no consensus on how organisations can manage the balance between exploration and exploitation (Luger et al. 2018). More concrete approaches are required in order to operationalise the theoretical construct of ambidexterity into practical leadership actions. In an attempt to integrate various theories capturing organisational adaptability, such as dynamic capabilities and ambidexterity, Uhl-Bien and Arena (2018) recently developed a conceptual model of *leadership for organisational adaptability*. They describe distinct sets of leadership behaviour: *entrepreneurial leadership*, which strives to create novelty, and *operational leadership*, which is concerned with efficiency of the day-to-day business. These are similar to the notions of opening and closing leader behaviour. Breaking with prevalent dichotomous theories, however, Uhl-Bien and Arena (2018) propose *enabling leadership* as a third type of leadership, bridging the former two.

2.3. Enabling Leadership and Adaptive Space

Enabling leadership, as illustrated in Figure 1, entails the ability to alleviate the tension between exploration and exploitation and occurs across all hierarchy levels (Uhl-Bien and Arena 2018). Rosing et al. (2011) connect the exploration task with opening leader behaviour, such as giving room to new ideas, allowing errors and encouraging learning. On the other hand, tasks related to exploitation are linked to closing leader behaviour, such as sticking to plans, adhering to rules and establishing routines (Rosing et al. 2011). Ambidexterity in this context refers to the combination of both leader behaviours (Rosing et al. 2011). However, both behaviours are in conflict concerning their individual goals. Enabling leadership as proposed by Uhl-Bien and Arena (2018) addresses this issue and suggests to actively engage in this conflict in order to generate new ideas and seize these ideas that can ultimately initiate organisational change. Enabling leaders facilitate the innovation process by creating and holding *adaptive space*, which refers to the conditions required to engage in this tension (Uhl-Bien and Arena 2018). Adaptive space comprises two major elements: *conflicting* and *connecting*. Conflicting concerns engaging tension to trigger the emergence of innovation. This tension occurs when heterogeneous individuals, that is, individuals for instance with different backgrounds or perspectives, must work together to produce a solution to an adaptive challenge. Conflicts arising from these tensions are often shut down by leadership in order to create stability and certainty. However, the authors (Uhl-Bien and Arena 2018) suggest that enabling leaders instead must consciously work to create spaces for tensions to occur. The connecting process first and foremost is about creating and enhancing relationships. Leaders aim to connect individuals and ideas in order to advance and scale novelty, and integrate it into the operational system. By facilitating information flow and interconnectivity, they help overcome innovation barriers present in many organisations. As a result, they eventually create new adaptive order through an adaptive response, that is, a way to solve an adaptive challenge.

The model of leadership for organisational adaptability is considered a meta-theory, synthesising the works from various research streams into an integrative conceptualisation. The authors thus refrain

from providing detailed descriptions of the ways how leaders enable the adaptive process, that is, how adaptive space is created and sustained. This work aims to address this issue by studying the ways by which enabling leaders create adaptive spaces, and engage the conflicting and connecting processes in practice, using the management consulting industry as the object of analysis. It employs a qualitative research design to identify enabling leadership practices and to enrich and extend the theoretical model introduced by [Uhl-Bien and Arena \(2018\)](#).

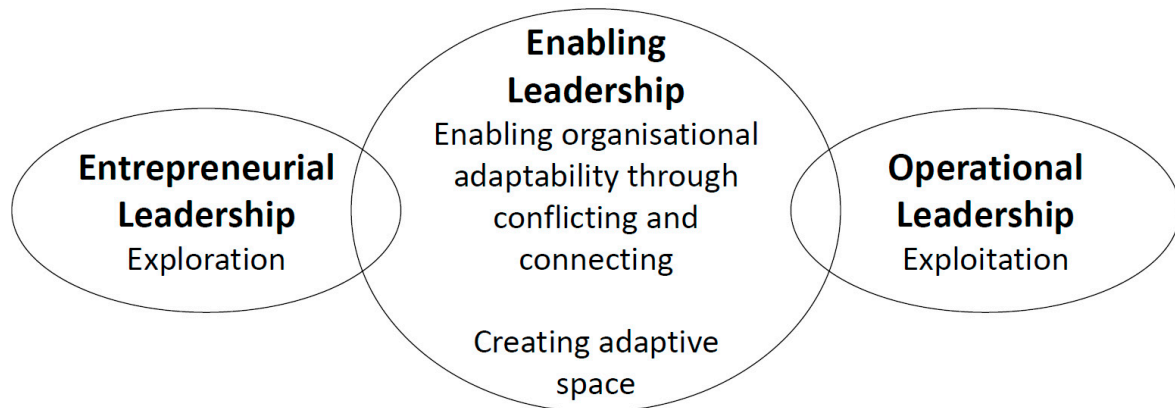


Figure 1. The model of leadership for organisational adaptability. Adapted from: ([Uhl-Bien and Arena 2018](#)).

3. Materials and Methods

[Uhl-Bien and Arena \(2018\)](#) call to action by suggesting to “study the . . . ways leaders enable (or stifle) the adaptive process” ([Uhl-Bien and Arena 2018](#), p. 100). They highlight that in other areas of organisational research, theories have been primarily built on qualitative case studies ([Uhl-Bien and Arena 2018](#)) as a means to generate propositions. As [Baur and Blasius \(2019\)](#) state, case studies are regarded as a paradigm from the field of qualitative empirical social research. Approaches from this field aim to “observe a certain section of the social world in order to contribute to the further development of theories with these observations” ([Baur and Blasius 2019](#), p. 13). Guided by theories, they observe social reality and draw theoretical conclusions from the observations ([Gläser and Laudel 2009](#)).

Case studies, in particular, analyse social processes, for example at the level of organisations, and generally limit themselves to a single case ([Baur and Blasius 2019](#)). This clearly defined object of investigation is examined in depth in order to present it as comprehensively as possible in its complexity. With regard to existing theories, as is the case in this work, the epistemological interest of a case study lies in the further refinement or scrutiny of these theories, or in pointing out a typical example of the same ([Hering and Schmidt 2019](#)).

As a research strategy which is directed at the examination of social processes, case studies can employ various research methods. While a direct observation of these processes would be the most suitable approach, as [Bogner et al. \(2014\)](#) explain, it is unfeasible for the ex-post examination of non-reconstructable processes or when field research is not possible. Under said conditions, expert interviews can be the means of choice to collect information which is available in the form of process knowledge of the experts to be interviewed. Additionally, from an economic perspective, expert interviews frequently are the most viable option ([Bogner et al. 2014](#)).

According to [Gläser and Laudel \(2009\)](#), anyone with the required knowledge for the subject of research is relevant and can be considered as an interview partner. Thus, an interviewee is deemed an expert if he is or was involved in any situation or process related to the subject of research ([Bogner et al. 2014](#)). [Alvesson and Ashcraft \(2012\)](#), however, advise to account for a balance between the principles of representativeness and quality of interviewee responses. Hence, in order to allow

for a sufficient breadth and variation among experts, and for extensive coverage of the management consulting industry as the object of research, interviewees were chosen across hierarchy levels, from different organisations, and from different countries. This complies with the defined concept of distributed leadership as the underlying notion of enabling leadership (Uhl-Bien and Arena 2018). Furthermore, to ensure a sufficient depth and quality of responses, only participants with an industry expertise of at least one year were considered. Thus, it is assumed that interviewees have deeper knowledge of the organisation and have experienced at least one cycle of annually recurring processes.

Since the epistemological interest of this work is to point out the different ways by which leaders in management consulting firms create adaptive spaces, it was deemed appropriate to follow a non-standardised, semi-structured interview approach. The interview guide was constructed based on the theoretical fundamentals, specifically on the work of Uhl-Bien and Arena (2018), and was structured into three blocks: a general section, that served as an introduction and comprised questions regarding innovation within the organisations, and two sections that each addressed a core process introduced in the model of leadership for organisational adaptability, that is, conflicting and connecting. The questions were used in a variable order and in variable formulations, and were supplemented by ad hoc additions in the course of the conversations (Gläser and Laudel 2009). In a natural conversation flow, interviewees thus were guided to move in directions which were of relevance to the research, covering all aspects necessary to reconstruct a social process (Gläser and Laudel 2009), without restricting them in bringing up thoughts, topics, and themes they regarded as important (Alvesson and Ashcraft 2012).

Participants received a brief textual introduction and information about the purpose of the study in advance, and further information regarding the subject of the work immediately prior to the interviews. Interviews were conducted in person where possible, otherwise by telephone, and were recorded (Gläser and Laudel 2009). Furthermore, with regard to the conduct of the interviews, the recommendations in (Saunders et al. 2009) were considered. Increased attention was paid, e.g., to using open questions and not to create interviewer bias through formulations or behaviour (Saunders et al. 2009).

The evaluation process began already during data collection as an early analysis of the gathered data helped to further shape the ongoing data collection. This concurrent approach in terms of an interim data analysis allowed us to reflect on the interview technique and interview guide, “to go back and refine questions . . . and pursue emerging avenues of inquiry in further depth” (Pope et al. 2000, p. 114).

A total of six interviews were conducted, transcribed non-verbatim and resulting in an extensive body of complex textual data, as is regularly the case with qualitative research (King 2012). In order to “produce an understanding of the experiences captured in the texts” (King 2012, p. 426), this work employed a template analysis technique as proposed by King (2012). He positions this type of thematic analysis in the middle ground between bottom up styles of analysis, such as grounded theory or interpretative phenomenological analysis, and top down styles of analysis, such as the framework analysis technique proposed by Pope et al. (2000). The approach leverages an iterative process to identify themes, as is the case in grounded theory, but does not completely avoid existing theoretical or practical knowledge. Instead, some a priori themes that were defined in advance were used tentatively, and refined, supplemented or discarded later. That is, an initial coding template was developed based on existing theory, specifically considering Uhl-Bien and Arena (2018), and then applied for analysis, revised, modified, and re-applied (King 2012). Emerging themes were aggregated and structured hierarchically into three levels: *first-level codes* on the lowest level, *second-level themes* as a first layer of aggregation, and *third-level themes* as a further aggregation into top-level concepts. This resulted in four third-level themes: Conflicting, Connecting, Adaptive Spaces, and Innovation Approach. The final coding template is illustrated in Figure 2.

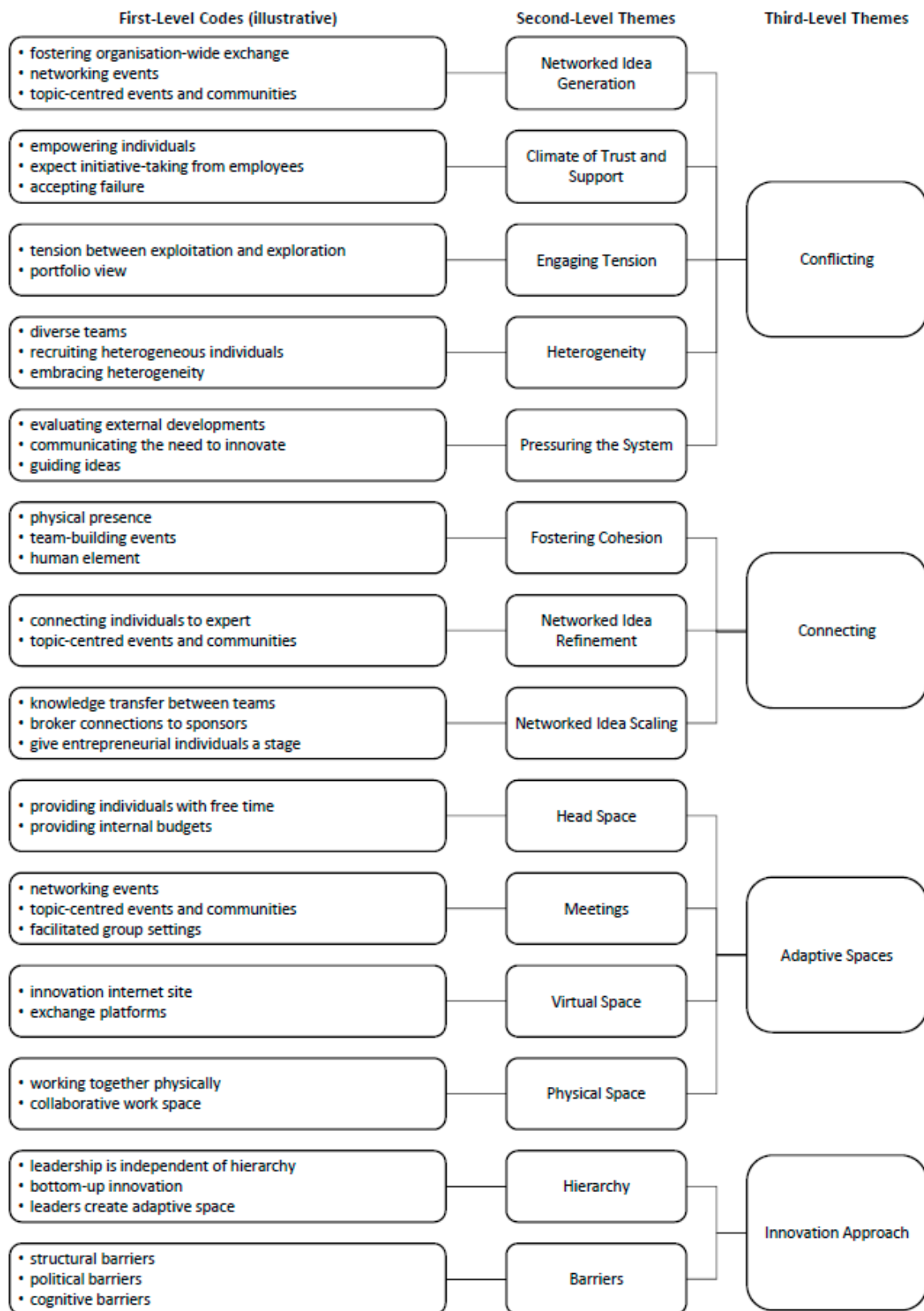


Figure 2. Final coding template.

4. Results

4.1. Conflicting

4.1.1. Engaging Tension

In most of the interviews the *tension between exploitation and exploration* could be observed. Interviewees described leaders engaging this tension by applying a *portfolio view* to their work, trying to strike a balance between the organisation's core business and pursuing future topics. One respondent described this as a "chicken-and-egg problem" (Expert 06), referring to the allocation of personnel on a team level to either exploitative or exploratory tasks. He described the consultants staffed on billable client work, pursuing the firms project-based day-to-day business, as "cash cows, so to speak" (Expert 06), whereas exploratory, innovative tasks would be driven forwards by consultants who temporarily are not working on client projects. The time spent on the latter, however, would decrease naturally with an increase in project utilisation:

"There's room for this because consultants who are not on a client project can take care of these topics. Because we are working to full capacity, which is actually a very good starting point, there is less and less of this room for innovation". (Expert 06)

Other respondents emphasised that this could also occur as a trade off on an individual level, where individual consultants are required to split their time between exploitation and exploration:

"I do see leaders within the organisation strategically balancing their own portfolios of work. And this can be on an individual level or business unit level". (Expert 04)

Furthermore, tensions were observed that stem from the interaction of individuals. These conflicts were described by respondents to occur on both a professional level, and a personal level (*personal conflicts* and *professional conflicts*). The ways leaders coped with these conflicts differed greatly, varying from avoiding them and declining responsibility for resolving personal tensions, to resolving them by finding compromises, actively engaging, or even encouraging, professional tensions by taking a *moderating role*.

4.1.2. Heterogeneity

Most respondents reported that there usually are highly *diverse teams* in terms of functional or technical expertise, education, personality, or organisational allocation:

"As we have very different backgrounds when it comes to education, as we are working with different clients on a daily basis, sitting in different offices, and have different personal backgrounds, I believe that this diverse composition of team members is given". (Expert 06)

They further stated that attention is being paid to the heterogeneity of individuals as early as in the recruiting process (*recruiting heterogeneous individuals*):

"[A]ttention is already paid to this [diversity] during the recruitment process. So we are a team, which does very technology-savvy consulting and nevertheless have very many different competences from very many different areas". (Expert 05)

Adding to that, one respondent raised *embracing heterogeneity* as one of the main challenges for leaders, who therefore have to cope "with a lot of different personalities". (Expert 01)

4.1.3. Pressuring the System

One respondent described leaders to be constantly observing and *evaluating external developments*. They assess novelties in the market, new trends, topics, and technologies, anticipate changes in the business environment, and "consider ... whether it can actually add value for ... clients" (Expert 06).

Another participant has even referred to such activities as part of the core business: “It is actually the case that we live from this” (Expert 05). However, he also stated that he would expect leadership to engage more in such activities and communicate upcoming changes to their employees. He would further urge leadership to also encourage employees “to look into the next three to five years [themselves] and see how a business is likely to change” (Expert 05). An opposing view was observed, indicating that leadership in the respective organisation “tend to be pretty good at [*communicating the need to change*]” (Expert 04). Eventually, one respondent described how leaders would give impulses and provide *guiding ideas* to employees in order to steer them towards certain innovative topics.

4.1.4. Climate of Trust and Support

As stated by Uhl-Bien and Arena (2018), a climate of trust and support is required to create safe environments where conflicting can take place. The majority of respondents agreed that leadership in their organisation is *empowering individuals* and giving them space to drive their own agenda in a self-determined and self-organised way:

“Everybody’s responsible for innovation and therefore, what leadership are doing is working out how do they empower the bulk of the workforce to be innovative in everything that they do”. (Expert 04)

However, interviewees emphasised that leaders expect *initiative-taking from employees*, that is, employees must proactively use the space provided to them and pursue their areas of interest:

“So, spaces are created. Of course, that depends on your own commitment. You can choose what you like from this buffet of possibilities”. (Expert 01)

Two respondents stated that leadership is *accepting failure*: employees are encouraged to apply a ‘fail fast approach’, validating the value of ideas early on in the process, and considering both positive and negative outcomes “just as valuable bits of information each” (Expert 04). A positive work atmosphere is further promoted by creating *trust through cohesion* within the group, demonstrating *honesty, transparency, and caring about employees*.

4.1.5. Networked Idea Generation

Although networked idea generation involves the connecting of employees, the process of idea generation is typically characterised by the clashing of various ideas, different mindsets and opinions, thus this study links the idea generation process to be a possible source of conflicting rather than connecting. Respondents described a variety of leadership actions where leaders connected individuals to spark ideas, of which the most frequently mentioned were *fostering organisation-wide exchange*, creating *networking events*, and *topic-centred events and communities*. This comprises, e.g., cross-departmental events and trainings, or building communities within an organisation. It was highlighted that an active exchange across units is considered an organisational strength:

“So we have very, very many offers . . . where such an exchange can take place and where this exchange is encouraged. I also believe that this is one of our strengths, that we promote this openly and welcome it openly when people come together and help each other”. (Expert 06)

Other instances where individuals were brought together were *facilitated group settings* such as guided leadership meetings, hackathons, or ideation sessions, and *interdisciplinary training*. On a less active note, however, as respondents agreed, leaders are *encouraging employees to maintain broad networks*, leaving the individual in charge of action: “I think everyone forges their own destiny, in the sense of creating networks”. (Expert 03)

4.2. Connecting

4.2.1. Fostering Cohesion

Fostering cohesion is about supporting and *encouraging strong relationships* between individuals, that is, promoting trust and support between individuals. The main factor contributing to this, according to respondents, is *physical presence* of employees, be it in meetings, on work trips, working together in one location, or coming together for other activities outside of working hours. Physical presence creates trust among individuals, and is deemed more suitable for building rapport than digital means of communicating:

“[B]ut actually, being physically together, you can build the relationships, the human element of the relationship that gets you to trust in each other, that allows you to be some degree confident that the people aren’t going to stab you in the back”. (Expert 04)

When it comes to digital communication, however, “[l]ittle things like maintaining eye contact when on a webcast with somebody . . . can make all the difference with building up rapport” (Expert 04). The *human element*, as two participants raised, is critical for building strong relationships in a professional environment and to increase team cohesion. Leaders further strengthen cohesion through *team-building events*, frequently in a rather casual setting outside core working hours, such as informal kick-offs for projects, celebrating employees’ birthdays, informal team events, or even company trips:

“I would see the exchange formats, the team events, the company trip that we make every year with the entire company, where we go somewhere for a long weekend. . . . These are all supporting measures, which cost money, but accordingly also promote this cohesion, this friendship”. (Expert 06)

Leaders reportedly could also contribute to stronger relationships between employees by *resolving personal conflicts*. However, whilst one respondent described a culture of conflict avoidance, where “conflicts are swept under the carpet rather than carried out openly” (Expert 06), another participant indicated that leaders would not intervene in conflicts at all.

4.2.2. Networked Idea Scaling

There was no consent among respondents as to whether and how leadership in their organisations would facilitate a *knowledge transfer between teams*. Three respondents stated that this would happen on an individual level, on one’s own initiative, and sometimes by leaders themselves:

“[T]hat happens, but that happens at the level of individuals, where certain leaders of teams or sub teams simply seek contact with their friends and neighbouring teams on their own initiative and simply exchange ideas with them”. (Expert 03)

An example was given where an example of a new standard for client deliverables was shared across teams, changing the way these documents would look in the future and scaling the novelty across the organisation:

“[The report] was sent out by one of the partners to just a broad team of people, saying this is now the new benchmark. . . . And then all out of a sudden we have this massive change in the style of the reports that we would put together. . . . And that is . . . something that leadership really quick try and scale across teams”. (Expert 04)

However, as one respondent raised, this is very much dependent on the respective person, with some leaders trying to *broker connections to sponsors*, in order to provide innovators with the necessary means and mandate to scale their novelties, but others not demonstrating any interest in engaging such activities. Participants agreed that employees are not actively encouraged by leadership to engage with their network for the purpose of building momentum for change. Nevertheless,

two formats could be observed that contribute to this. First, an *innovation catalysts programme* was described, where a number of selected individuals would spread certain innovative approaches and tools throughout the organisation. Second, a respondent reported that leaders would *give entrepreneurial individuals a stage* to present their ideas at events, share them with attendees, and thus scale them across teams.

4.2.3. Networked Idea Refinement

Two behaviours were identified which, with regard to the connecting process, aim at *connecting individuals to experts*, to exchange knowledge and refine ideas. Most respondents described that leaders connect entrepreneurial individuals with others who potentially would have expertise within the respective field:

“[N]ormally, if there’s an idea that somebody’s come up with, leaders will more often than not connect them with the relevant individuals to discuss the idea. So, from a facilitating and connecting point of view that happens”. (Expert 04)

Leaders further create *topic-centred events and communities* in order to enable an exchange of perspectives on specific topics and provide a space where individuals can refine their ideas.

4.3. Adaptive Space

4.3.1. Head Space

The most prominent example of adaptive space provided by leaders was head space, which to a significant extent is created by *providing individuals with free time*. All respondents fully agreed that free time is one of the major requirements for employees to be able to pursue innovative ideas and projects—some even to the extent that they would equate ‘space’ and ‘free time’: “just give them space and that’s only possible with time” (Expert 03). Free time here refers to the part of their working time that individuals can spend on other tasks than client project work. They use it “for the exchange of experience” (Expert 03) with co-workers, to be creative and for “doing something that is innovative” (Expert 04), or to “build up higher competencies in the fields [of individual interest]” (Expert 01). This can also occur in the form of *providing internal budgets* against which employees can offset the part of their working time that they do not get to spend on client projects and which thus does not contribute to the achievement of their utilisation targets. Respondents agreed that leadership provide them with “plenty of space . . . beyond [client] project work” (Expert 03, 30) and that they are encouraged to divide their time at their own discretion: “So, you can choose how much you put into [the development of original ideas]” (Expert 01).

4.3.2. Meetings

All respondents described various instances of adaptive space in the form of meetings, of which *networking events* were the most prevalent. These are either work-related events, but more frequently take the form of after-work events. Interaction between employees at work-related networking events reportedly occurs at cross-departmental training, or regular business update meetings with presentations about current projects and topics. One respondent described an extreme case, where all consultants from one geographic region are brought together every six to eight weeks for such a meeting. Non-work-related events comprised team events such as outings or dinners with other teams or teams from abroad, regular informal office get-togethers over food and drinks, or even beer garden visits. These formats are reported to foster interaction between individuals from other parts of the business and in some cases identify common problems or approaches:

“It so happens every six or seven weeks, that the entire location is invited to eat or drink something, and in that setting this leader actively promotes this exchange and usually first informs himself, perhaps about . . . another department and then specifically asks questions

that might play a role in our department, or perhaps recognises where we can also support them, or actively communicates where we need help. And depending on how well this fits together, it goes so far that we then really sit together and adopt approaches from other parts of the business". (Expert 05)

Respondents further stated that there are *topic-centred events and communities* which connect individuals with differing background and from throughout the organisation around specific functional or technological topics. Finally, leaders open up adaptive space by setting up *facilitated group settings*, where individuals come together around a problem and develop a solution within a guided setting. This can take the shape of, e.g., guided leadership meetings, ideation sessions or hackathons. One respondent highlighted that the quality of ideas generated in innovation-oriented meetings is "heavily dependent upon the environment and facilitation" (Expert 04).

4.3.3. Virtual Space

Two examples of virtual space which is provided to employees for the exchange of ideas emerged from the interviews. First, several organisations offer an internal *innovation internet site* that allows individuals to submit ideas to the platform, which then undergo an approval process, or, in some cases, can be reviewed and commented by other employees:

"[A] central component [is] a dedicated bulletin board, on which everybody can contribute innovative ideas, so to speak, and in any depth and scope, if necessary, backed with a business case, which is then also supported by the wider organisation". (Expert 03)

Second, two respondents described digital *exchange platforms*, such as enterprise social networks, that allow individuals to connect across teams or business unit boundaries, to ask questions, spread ideas, and to form communities:

"There are different channels where you can ask questions and get answers. Also the Enterprise Social Network or various Teams groups, communities and so on, which are put together across departments". (Expert 06)

4.3.4. Physical Space

Physical spaces were the least prevalent instance of adaptive spaces with only two participants commenting on it. One respondent stated that *working together physically* would be beneficial for fostering innovation, referring to a dedicated "innovation team that simply sits physically together" (Expert 03). Another respondent raised a *collaborative workspace* as a means to enable encounters and casual interaction between employees:

"[S]ome of the floors have been organised in a way where . . . all of the seating is much more collaborative team-sat seating. None of them is bookable. You just go there and hot-desk . . . to allow that [informal exchange] to happen on the off-chance". (Expert 04)

4.4. Innovation Approach

Two themes emerged that can be linked to the organisations' innovation approach. On the one hand, several interviewees addressed the hierarchical structures in their organisation in the context of how these organisations innovate and, on the other hand, barriers to innovation were a recurring topic. These will be described in the following section.

4.4.1. Hierarchy

Although not considered in the initial template, several items were raised with regard to the relevance of hierarchy within an organisation. Respondents unanimously were of the opinion that leadership for innovation only has little to do with hierarchy:

“I actually think that the hierarchy point, like, it’s such a strong opinion on the idea that leadership has almost nothing to do with hierarchy”. (Expert 04)

Respondents agreed that, essentially, *leadership is independent of hierarchy*, so that individuals “can demonstrate leadership of . . . [themselves], demonstrate leadership of others that are people that are more senior than . . . [them]” (Expert 04). Examples were given of such informal leaders, or behind-the-scene leaders, that demonstrated a specific “technical know-how” (Expert 01), that would “produce and drive certain innovations” (Expert 03), or strive “to get time and budget again and again to actually develop (incomprehensible), improve or look at new things that the market might want and to evaluate whether . . . [it is worth] doing it or not” (Expert 05). They emphasised that they observed *bottom-up innovation* approaches within their organisation where everyone is responsible for innovation:

“[B]ecause innovation isn’t something that’s led by a single individual. It’s a little bit like ‘who’s responsible for picking up the litter at Disneyland?’ and the answer is ‘every single employee’”. (Expert 04)

It is the responsibility of leadership to create the space and conditions for individuals, and to “empower the bulk of the workforce to be innovative in everything that they do” (Expert 04). *Leaders create adaptive space* “for employees to have any chance at all of being able to produce these innovations” (Expert 03). However, as two respondents pointed out, *formal legitimacy is required to remove barriers* to innovation, that is, leaders must “have the hierarchical position and also the reputation in the company in order to . . . make these things possible” (Expert 05).

4.4.2. Barriers

The interviews revealed a number of barriers to innovation, that is, factors that stifled for example the emergence of novel ideas, the refinement of ideas, or ultimately the transition of novelty into the core business. *Structural barriers* are particularly striking in this respect. Most participants reported time constraints, stating that the time they had available for innovation would frequently be restricted by the core business. They stressed that they were dependent on their formal superiors to provide them with the mandate, time, and budget, and to release them from client work to a certain extent. This, however, requires formal legitimacy and a strong standing within the organisation:

“The second is definitely influence and position within the company, because providing budgets, providing time is of course always a kind of struggle, . . . because in the end initially no sales are made”. (Expert 05)

Respondents further indicated that bureaucracy in some instances and top-down decision-making, e.g., with regard to further pursuing a given topic, would slow down the innovation process: “Of course, at some point decisions are also made from the top, which then partly slow things down” (Expert 01).

Internal politics were also reported to play a major role in stifling innovation. A number of *political barriers* were described that first and foremost revolve around performance metrics of business units, teams, and individuals, such as utilisation targets and financial figures: “[I]n a business that’s so keen on numbers . . . it’s that type of thinking that’s in direct conflict with being able to experiment and to fail fast” (Expert 04). When working together across teams, there are additional limitations. Leaders want to stay in control of the process, which becomes increasingly difficult “if you invite too many people that are from outside of my sphere of influence” (Expert 04). This entails the fear of idea theft, where “people take my ideas and drive them within their own part of the organisation” (Expert 04), thus receiving the credentials for that innovation. Eventually, uncertainty of the outcome may impose constraints on the process, as leaders see themselves at risk of losing credibility when they are not “too confident over what it is that they want done in the first place because it’s only an early idea at this point and they may be not that comfortable with not looking like they know everything” (Expert 04).

In some instances, *cognitive barriers* were discovered. Most prevalent is the lacking ability to recognise the relevance of specific developments, to assess whether a topic is “a trend, it’s a temporary trend, or it’s a sustainable topic” (Expert 06), and subsequently to “understand the consequence of not being able to move something quickly” (Expert 04). “Because they’re often very busy dealing with lots of other priorities” (Expert 04), this sometimes results in blockers not being removed. One respondent further described leaders to often be overly prohibitive gatekeepers for innovation when they insisted on old structures, a behaviour that “creates a certain hurdle that blocks innovation a little” (Expert 01).

5. Discussion

In the following, the findings from the interviews will be discussed in relation to the research question and to relevant existing research. Connections, contradictions, differences, and similarities between the findings will be laid out. This section roughly applies the structure of the final coding template (see Figure 2), but aggregates second-level themes where relationships were discovered.

5.1. Nurturing and Harnessing Creative Potential

The heterogeneity of individuals within organisations became apparent during the interviews. Respondents reported a high degree of diversity in terms of backgrounds, education, industry and functional expertise, locations, and personal backgrounds, which permeates the entire organisation. Heterogeneity is a core element of adaptive space (Uhl-Bien and Arena 2018), first and foremost because it has been found to be a factor positively contributing to what is labelled an organisation’s *creative potential*, and thus for idea generation and innovation. This is due to diversity in perspectives and knowledge sets within a group, and an increased idea space (Paulus 2000; Sarooghi et al. 2015) which can be leveraged to create novelty. It is considered essential for coping with difficult problems, as their complexity makes it imperative to unite skills from multiple domains (Amabile and Pratt 2016).

Leaders seem to recognise and actively harness heterogeneity and creative potential. Firstly, they do so by paying attention to team composition, bringing together individuals with vastly different backgrounds to work on a given problem. Secondly, by encouraging the hiring of individuals from different fields of study, they build a diversity-promoting recruiting practice that further nurtures heterogeneity and creative potential.

Proposition 1. *Enabling leaders nurture and harness the organisation’s creative potential by fostering team heterogeneity and diversity, thus creating adaptive space.*

5.2. Constructing Pressure to Trigger the Adaptive Process

The adaptive process in organisations is triggered by pressures on the organisational system, that otherwise would be resistant to change and stay in equilibrium. These pressures, elsewhere described as activation triggers (Zahra and George 2002) or disturbing elements (Uhl-Bien and Arena 2018), can be both external, such as technology shifts or market developments, and internal, such as new product ideas generated by entrepreneurial leaders, who sense opportunities in changing environmental conditions (Uhl-Bien and Arena 2018). However, the role of enabling leaders in this regard remains largely untouched in the model of leadership for organisational adaptability. The interview findings give an indication here.

Enabling leaders seem to be able to translate opportunities or external developments into a constructed form of pressure, thus stimulating change within the organisation. By constantly observing and evaluating external developments, highlighting their relevance and subsequently communicating the need to innovate, and framing employees’ activities with guiding ideas, leaders encourage or even persuade employees to address an adaptive challenge. They thus foster endogenous entrepreneurship (Uhl-Bien and Arena 2018) and trigger the adaptive process. In other words, enabling leaders sense relevant market developments, without being required to provide an immediate response to the newly imposed challenges. They pass the developments on into the organisation, relieving their co-workers

of the need to possess sensing capabilities, and encouraging them to seize the opportunity (Teece 2012). This could be deemed to be both external and internal forms of pressure, as it is internally created but to employees suggests the existence of external pressure. However, although the respective behaviours were found during the interviews, they were demonstrated by very few individuals only, and no common practice emerged. This weak evidence indicates that leaders do not exhaust their full potential, or are not even aware of their role in initiating the adaptive process. This is particularly noteworthy considering that some participants, and scholars as set out above, regard adapting to changing market demands as their organisation's core business, which requires scanning of the environment for potential shifts.

Proposition 2. *Leveraging their sensing capabilities, enabling leaders identify relevant external developments and translate them into internal pressure to activate employees' seizing capabilities, which can subsequently trigger an adaptive process in the organisation.*

5.3. Ambidexterity on Different Organisational Levels

Strong evidence for the existence of tensions on different organisational levels could be identified across multiple second-level themes. Respondents described tensions between exploitation and exploration on team level or business unit level, as well as individual level. The fact that they view their work as portfolios of both types of activities emphasises this. This tension is what sits at the core of organisational ambidexterity (O'Reilly and Tushman 2013). On an individual level, it has been labelled contextual ambidexterity, which is considered more sustainable than structural separation of both types of work. This is because contextual ambidexterity "manifests itself in the specific actions of individuals" (Gibson and Birkinshaw 2004, p. 211), thus deeply rooting the concept in the organisation.

In order to engage this tension and to enable individuals to be ambidextrous, leaders must provide space for employees to "use their own judgment as to how they divide their time" (Gibson and Birkinshaw 2004, p. 211). In this respect, individuals are heavily dependent on their superiors to provide them with free time or internal budgets, as set out previously. It was further described, however, that leaders indeed successfully put this into practice, with consultants being enabled to split their time between both types of work. Similar observations could be made on other levels. On a team level, leaders were described to consciously assign personnel to either exploratory or exploitative tasks, therefore compromising between generating additional revenue and innovating. An instance of organisational separation, as a solution to structural ambidexterity (Lavie et al. 2010), could also be observed. One respondent described a dedicated innovation unit that was decoupled from the core business.

These findings strongly suggest that formal leaders and individual employees do engage the tension between the pressure to innovate and the pressure to produce, which is deemed a core element of the conflicting process (Uhl-Bien and Arena 2018). They create ambidextrous structures on various organisational levels to embrace this tension, and aim to strike a balance between exploration and exploitation.

Proposition 3. *Creating adaptive space by providing necessary recourses in terms of free time and budgets is a substantial requirement for enabling leaders and their organisations pursuing a contextual approach to ambidexterity.*

5.4. Leveraging Network Structures throughout the Innovation Process

It has been observed in leadership behaviour that network structures open up adaptive spaces and facilitate the innovation process. The behaviour described with regard to networked idea generation, fostering cohesion, networked idea scaling, and networked idea refinement works towards fostering interaction or strengthening relationships between employees within the organisation. When applying

a process view to innovation, and relating the behaviour to the individual process steps, it becomes apparent that it partially resembles the networked innovation process as suggested by [Perry-Smith and Mannucci \(2017\)](#) and described by [Uhl-Bien and Arena \(2018\)](#). They divide the innovation process into the four stages of idea generation, elaboration, championing, and implementation, and highlight network structures that are beneficial for each stage.

At an early stage, leaders can foster idea generation by creating connections between individuals throughout the organisation, thus providing them with access to diverse knowledge ([Perry-Smith and Mannucci 2017](#)). Corresponding behaviour was observed with regard to the conflicting process: interviewees described that leaders would strengthen organisation-wide engagement, encourage employees to maintain broad networks, and create a multitude of different formats to connect with others. Acknowledging the notion that the generation of ideas is a social process which primarily requires interaction through weak ties ([Perry-Smith and Mannucci 2017](#)), broad networks among employees facilitate this process. This is because the strength of ties in a broad network tends to be rather weak due to the cost of maintaining strong ties in terms of time, attention, and reciprocity ([Perry-Smith and Mannucci 2017](#)). These types of networks can also be considered a form of creative potential, which was introduced above.

Proposition 4. *To facilitate the idea generation phase of the early innovation process, enabling leaders engage the conflicting process by creating weak ties amongst individuals through organisation-wide engagement formats and encouraging broad networks.*

Subsequently, when it comes to idea refinement or elaboration, group cohesion is deemed beneficial ([Uhl-Bien and Arena 2018](#)) for the development of innovation. Entrepreneurial individuals require a few trusted and supportive contacts who encourage them to share and further pursue their innovative ideas, instead of keeping them to themselves or abandoning them ([Perry-Smith and Mannucci 2017](#)). In the interviews, two common practices were identified that contribute to team cohesion. Leaders were described to hold regular team-building events and promote physical presence of individuals, which are both supposed to build trust and personal relationships between employees. However, even if these means are deemed conducive to the emergence of strong relationships, it remains questionable to what extent leaders, or any other third party, can actively shape such social structures. Arguably, following the notion that these strong tie contacts can also be from a private environment ([Perry-Smith and Mannucci 2017](#)), with regard to the innovation process, it may not necessarily be an obligation for leaders to foster strong relationships within the work environment.

Proposition 5. *In the process of idea refinement and elaboration, the conflicting process benefits from group cohesion, which results from interaction of individuals with strong ties. Strong ties can be fostered by enabling leaders through team-building events and encouraging teams to physically work together.*

An additional cluster of leadership behaviour has been identified, that leverages networked interactions, is relevant to the elaboration stage, and supplements the findings of [Perry-Smith and Mannucci \(2017\)](#) and [Uhl-Bien and Arena \(2018\)](#). It was found in Section 4.2.3 that leaders regularly enable what can be labelled networked idea refinement by connecting entrepreneurial individuals with experts and creating topic-centred events and communities. While, arguably, this appears to be similar to what [Uhl-Bien and Arena \(2018\)](#), with regard to the conflicting process, described as “linking up ‘poised’ agents (i.e., agents with innovative approaches or seeking change)” ([Uhl-Bien and Arena 2018](#), p. 99), two differences can be recognised. First, networked idea refinement is about the elaboration of existing, novel ideas, whereas the linking activities in the conflicting process are supposed to work towards idea generation. Second, in order to enable networked idea refinement, enabling leaders connect entrepreneurial individuals with experts or specialists from the respective field. The linking activities in the conflicting process, on the other hand, are described to seek to connect multiple entrepreneurial individuals with each other.

In order to promote an innovative idea, entrepreneurial individuals are required to possess influence and legitimacy in order to persuade sponsors and obtain the mandate to scale it into the operational system. It is argued that, as innovators frequently lack these characteristics and because novel ideas come with a high degree of uncertainty, influence and legitimacy can be borrowed “to reduce the perceived uncertainty by associating with well-regarded contacts” (Perry-Smith and Mannucci 2017, p. 58). Enabling leaders can support in this championing phase by brokering connections to sponsors and lending their influence and legitimacy (Perry-Smith and Mannucci 2017; Uhl-Bien and Arena 2018). However, there was little evidence found for this in the interviews. Few instances of leaders were observed that broker connections between entrepreneurial individuals and sponsors in order to promote novel ideas. This leads to the conclusion that enabling leaders contribute little to the network characteristics which would be beneficial in the championing phase. Interestingly, as demonstrated in a literature overview provided by Perry-Smith and Mannucci (2017), there is also a significant research gap with regard to the social drivers in this phase.

Finally, during implementation, network closure and cohesion are beneficial within a group that is set to adopt an innovation, due to normative pressure and enhanced information sharing. Furthermore, relationships between individuals of different teams or organisational units, spanning the boundaries between groups, help circulate and scale an innovation (Perry-Smith and Mannucci 2017; Uhl-Bien and Arena 2018). The leadership behaviour working to create cohesion, which has already been described with regard to the elaboration stage, can also be understood to work towards network closure within a group, especially through the regular team-building events that were mentioned. Furthermore, the activities which have already been associated with the idea generation stage can be conducive here, as they work towards building networks and creating closure by connecting individuals throughout the entire organisation. Lastly, evidence has been found in the interviews regarding the knowledge transfer between teams via boundary-spanning connections. As became apparent in the interviews, however, leaders assume a rather passive role here, and interaction occurs on employees’ own initiative without any encouragement. This indicates that leaders focus on idea implementation within their own teams, with little interest or awareness as to their role in scaling an innovation throughout the organisation.

Proposition 6. *There is unexploited potential for enabling leaders in the idea championing and implementation phase to encourage individuals to create network structures within an organisation which could support leveraging and scaling new ideas. In view of the concept of distributed leadership, individuals may in this context be encouraged to adopt leadership responsibilities and build networks on their own initiative.*

5.5. Passively Creating a Supportive Climate

Conflicting, as Uhl-Bien and Arena (2018) describe, requires a climate of trust and support in order to be productive. Birkinshaw and Gibson (2004) integrate these characteristics of a work environment into what they call social support, “which is concerned with providing people with the security and latitude they need to perform” (Birkinshaw and Gibson 2004, p. 51). They explain that this demands leadership to put effort into developing employees, shift decision-making authority to lower-level individuals, accept failure, and to take risks. As described above in Section 4.1.4, to a large extent, this is the behaviour demonstrated by leaders within the examined organisations. They allow individuals to work in a self-determined way and make their own decisions, consider failure as learning opportunities, and give away control, which can be considered a risk for leaders.

However, this behaviour appears to be rather passive. There was little evidence for leaders actively devoting effort to the development of their subordinates. This can be interpreted as a first step towards embracing a distributed form of leadership, where leaders pass responsibility down the hierarchy, and only in a subsequent step start developing their employees to enable them to effectively assume their new responsibilities.

Proposition 7. *The conflicting process benefits from a supportive climate within the organisation, which enabling leaders create by nurturing the concept of distributed leadership while developing their employees.*

5.6. Strong Focus on Head Space and Meetings

Just like head space, which has been found to contribute to ambidexterity, the findings regarding meetings, virtual space, and physical space seem to affect the networked innovation process as set out above. Uhl-Bien and Arena (2018) view these as instances of adaptive space, as they combine different enabling leadership actions which are assumed to be opening up such space.

In a number of different forms of meetings, such as networking events or facilitated group settings, diverse individuals are brought together consciously in order for their different sets of knowledge to clash and to spark ideas. Thus, with regard to the conflicting process, this combines the characteristics of heterogeneity with the networked idea generation theme. In view of the connecting process, meetings can also be understood to enable networked idea refinement, e.g., through connecting individuals around specific topics.

Virtual space, primarily in the form of an organisation-wide innovation website, again supports networked idea generation by connecting diverse individuals. However, as they function in a similar way to topic-centred events and communities (but in a virtual way), they can mainly be seen to be conducive to networked idea refinement.

Physical spaces were reportedly not shaped very actively by leaders. However, the few observed instances differed greatly. A collaborative workspace, as described by one participant, clearly allowed employees to meet at random, thus contributing to the emergence of weak ties and broad networks, embracing heterogeneity, and enabling networked idea generation. Physically working together, like the dedicated innovation unit described by another respondent, on the other hand, works to create network closure and cohesion within the team. This creates a safe environment where individuals would share and refine their ideas.

Proposition 8. *Individual enabling leadership actions with the aim of fostering collaboration and networking can impact both the conflicting and the connecting process, and are therefore crucial throughout the entire innovation process.*

5.7. Abstract Nature of the Distributed Leadership Concept

As shown previously in Section 4.4.1, interview findings seemingly suggest the prevalence of a distributed type of leadership in practice. As mentioned by Uhl-Bien and Arena (2018), enabling leadership happens across all levels of hierarchy, and this study found further evidence to support this claim. When the question was raised, respondents agreed that leadership was independent of hierarchy and formal roles. However, when talking about leaders during the interviews, it became apparent that respondents in many cases were nevertheless referring to their superiors, with formal decision-making authority over personnel and budgets. Arguably, in bureaucratic forms of organisations, characterised for example by hierarchical structures and coordination by rules, this is legitimate, as some means to create adaptive space are reserved to formal leaders, who have the authority to dispose certain resources. Other actions, however, such as maintaining broad networks, evaluating external developments, and brokering connections between employees, do not require any formal legitimacy, but are equally considered examples of enabling leadership. Similar to the findings discussed in Section 5.5 regarding a supportive climate, this indicates that the idea of distributed leadership is still too abstract, intangible, and contradictory to traditional, focused leadership, and is therefore not fully internalised in the observed organisations.

Proposition 9. *The establishment of the concept of distributed leadership is currently limited by the constraints of bureaucratic forms of organisation, as the disposal of resources remains with formal leaders.*

5.8. Operational Leadership Is Perceived to Stifle Innovation

The barriers identified in the interviews provide further support for the findings discussed previously. Most hurdles were identified to be related to the characteristics of operational leadership that strives to order and leverages existing structures and processes. Being an opposing force to entrepreneurial leadership, they can be understood to work largely to create the tension between exploration and exploitation, and thus ambidexterity. [Rosing et al. \(2011\)](#) state that ambidextrous leadership comprises *opening leadership behaviours*, such as promoting heterogeneity and encouraging experimentation, and *closing leadership behaviours*, such as keeping routines and adhering to rules. In line with the top obstacles to innovation observed by [Loewe and Dominiquini \(2006\)](#), the most prominent barriers to innovation identified in this study reportedly were the constraints imposed by the core business and a lack of free time, which worked against the availability of head space, as they hinder individuals from engaging in exploratory activities. Bureaucracy, top-down decision-making, and certain performance metrics, the fear of losing control, or an over-persistence on old structures can further be interpreted as examples of operational leadership behaviour. Thus, this study relates operational leadership to *closing leadership*, imposing specific barriers to organisational adaptability. It should be noted that although this behaviour may be perceived as detrimental to innovation, it is still necessary for the effective operation of an organisation's day-to-day business. In fact, [Rosing et al. \(2011\)](#) propose that the interplay of both leadership behaviours, opening and closing, positively affects innovation.

With regard to [Uhl-Bien and Arena's \(2018\)](#) framework, entrepreneurial and operational leadership can be related to opening and closing leadership, respectively, and thus to the concept of ambidextrous leadership.

Proposition 10. *The pursuit of exploratory activities is currently limited largely by operational leadership or closing leadership behaviours, which, at the same time, play a crucial role in operationalising novelty.*

6. Conclusions

With regard to the research question of how enabling leaders create adaptive space that enables organisational adaptability, this study presented exemplary means by which adaptive space is created within organisations, in particular in management consulting firms. Leaders are reportedly proficient in creating ambidextrous structures and embracing the tension between exploration and exploitation, predominantly by providing employees with enough space to pursue innovative ideas. They also actively promote heterogeneity by composing diverse teams and recruiting individuals with greatly divergent backgrounds. Leadership further fosters cohesion and succeeds at enabling networked idea generation by providing numerous opportunities to connect with others and holding regular team-building events.

On the other hand, leaders do not seem to sufficiently translate external developments into internal pressure. Unused potential was identified with regard to leveraging network structures to scale innovation. Furthermore, leaders empower employees to make their own decisions, but were shown to be passive in developing their subordinates.

The most prominent instance of adaptive space was head space, where leadership would provide employees with free time to pursue their own agenda. What also stands out are the various events that leaders hold, such as networking formats or team meetings, in order to create connections between employees. It emerged, however, that leadership was not very active to create virtual or physical forms of adaptive space, since there was little evidence for both.

Furthermore, findings strongly suggested that the organisations had not internalised the notion of distributed leadership. While first steps reportedly were taken to implement a shared form of leadership, for example by moving responsibilities down the hierarchy, the idea seemed too abstract

and too much of a departure from traditional concepts of leadership, as emerged from participant responses. The task of creating adaptive space is thus mostly left to formal leaders.

Eventually, a number of barriers were identified that work against the emergence of innovation. They were shown to be associated with operational leadership and thus stand in a natural tension relationship with innovation-promoting behaviour. However, both this operational type of leadership and entrepreneurial leadership need to be accepted as co-existing forces. Ambidexterity, and hence organisational adaptability, after all, are not about overcoming operational leadership and solely prioritising innovation, but about finding a balance between both.

This work offers an insight into the structures and processes leaders leverage to open up adaptive space and positively influence the adaptive process in organisations. However, due to the qualitative nature of this research, which bases findings on the views of respondents, it is not possible to derive implications that are universally valid (Saunders et al. 2009). This study is limited to a sample in the consulting industry, which was considered a suitable industry due to the pressure for consulting firms to continuously adapt their portfolio to rapidly changing market conditions. Although the questionnaire was not designed to address specific aspects the consulting industry, there might be different findings in industries that operate in a less dynamic environment. Future research is encouraged to explore how, for instance, manufacturing firms holding a dominant market position that may limit the need for change and adaptability incorporate the notion of enabling leadership.

Moreover, the model of leadership for organisational adaptability is a meta-theory, or a framework, that integrates multiple theories. Hence, due to the large number of underlying theories and concepts, an in-depth consideration of each of these was not possible. Network structures, as an example, which play a significant role in both the conflicting and connecting processes, could not be analysed in detail. Thus, for the sake of depth of research, future research could address this by focusing on a single or a subset of the theories integrated into the framework. Furthermore, while the applicability of the model of leadership for organisational adaptability could be shown to some degree, it presumably requires an organisation to undergo a major transformation process to fully internalise the concept. Future work should therefore study this process in order to provide implications as to the successful implementation of the theory, and identify success factors. As distributed leadership entails an increased level of responsibility on lower hierarchical levels, scholars should seek to shed light on the acceptance of this notion by both employees and leaders.

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