Being adaptive is the single most important quality for leaders today

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As the pace of change increases worldwide owing to globalisation and technological developments, it's become more and more important for leaders to be adaptive, says UCT leadership expert, Dr Tim London.

It is an old refrain, but the rate of change in the business environment continues at a speed that makes it difficult for most leaders to keep up. And those who are not perceptive or agile enough to do so will suffer, says the leading academic at the UCT Graduate School of Business (GSB).

Dr Tim London, whose field of specialty is leadership, says that the greatest advantage for a business leader today is the gift of "setting the curve": "the ability to develop new insights into not only what people are doing now, but also what may be coming down the line in the future".

"We don't know what the markets of tomorrow will look like, but we do know they will be different in some way," he says. "This remains the biggest challenge for successful leaders: running their businesses in the best way possible now, while being prepared to change to meet the needs of tomorrow."

This trend has been some time coming, and is increasing exponentially now, believes London.

Martin Reeves and Mike Deimler identified the pattern a few years back in *Harvard Business Review* in a feature titled 'Adaptability: The New Competitive Advantage', where they noted increasing difficulties facing CEOs from the 1980s onwards. "We live in an era of risk and instability," they wrote. "Globalisation, new technologies, and greater transparency have combined to upend the business environment and give many CEOs a deep sense of unease."

Market leadership is even more precarious, they reported. "The percentage of companies falling out of the top three rankings in their industry increased from 2% in 1960 to 14% in 2008. What's more, market leadership is proving to be an increasingly dubious prize: The once-strong correlation between profitability and industry share is now almost non-existent in some sectors.

"According to our calculation, the probability that the market share leader is also the profitability leader declined from 34% in 1950 to just 7% in 2007...it has become virtually impossible for some executives even to clearly identify in what industry and with which companies they're competing."

The best defence against these challenges is an agile and adaptive response, believes London.

"The best leaders are able to be proactive in these scenarios: setting the standards, identifying new markets, and developing innovative products and services," he says. "There is, of course, the need to be reactive at times too, particularly in light of increasing global competition."

London is not alone in this thinking. Travis Bradberry, author of the book *Emotional Intelligence 2.0*, writes on Forbes.com: "Adaptive leadership skills are what set great leaders apart: these skills represent the otherwise intangible qualities that great leaders have in common.

"Adaptive leadership is a unique combination of skills, perspective, and guided effort that enable true excellence. Adaptive leadership skills can take a leader at any level to places others cannot go."

Interestingly, adaptive leadership skills are the single advantage that leaders overestimate in themselves the most.

"We had leaders from a large cross-section of industries rate themselves in 22 core and adaptive leadership skills," Bradberry explains. "We had the leaders' peers, boss(es), and direct reports answer the same questions about them, and compared the scores." In all adaptive leadership skills, leaders overestimated their capabilities.

This is bad news for businesses looking to increase their adaptability in an era of rapid change. So what is to be done?

Leaders can certainly attempt to educate themselves or gain more insight into their leadership style, believes London, who teaches the Executive Development Programme at the GSB, which is aimed at senior executives.

"The best courses are those that bring together brilliant lecturers and facilitators with the highest calibre of students," he says. "The course allows successful leaders to challenge their thinking in an engaging environment, sharing ideas amongst their colleagues, and being exposed to cutting-edge thinking and practices.

"We develop new insights into not only what people are doing now, but also what may be coming down the line in the future, adding value to participants' existing skill sets, introducing new conceptual paradigms, and facilitating an environment where all of these smart people, lectures and participants alike, can develop their ideas together."

For more information about the course, visit http://www.gsb.uct.ac.za/.

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