Innovation or Adaptability?
A Complexity View

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What is Complexity?

Complexity involves rich interconnectivity.

- Complexity does not mean complicated
  - Jumbo jets are complicated, but mayonnaise is complex
Key Finding

• “It takes complexity to beat complexity.”
  — Law of Requisite Complexity (Boisot and McKelvey, AMR, 2010)

• Despite this, leaders respond with order
The Adaptive Process

The Order Response:

THE NEED TO INNOVATE

THE NEED TO PRODUCE
The Adaptive Process

THE NEED TO INNOVATE

ADAPTABILITY

Future Viability

Current Results

THE NEED TO PRODUCE

ADAPTIVE SPACE
We need to enable adaptive space
We need to enable adaptive space

ADAPTABILITY

THE NEED TO INNOVATE

ADAPTIVE SPACE

THE NEED TO PRODUCE

Current Results

Future Viability
How Adaptive Space Works in Organizations
The Tension Dynamic

Entrepreneurial System

Operational System

Tension
The Order Response

Entrepreneurial System

Operational System

Pressures
The Order Response

Entrepreneurial System

Operational System

Tension

Pressures
Responses to Complexity

Chaos Response

Adaptive Response

Order

High

Low
Operational System

INNOVATING:

Entrepreneurial System

ADAPTING:

Adaptive Space

EXECUTING:

Operational System

Emergence
The Problem of Bureaucracy
The Brick Wall

Entrepreneurial Leadership
- Ideate
- Iterate
- Socialize
- Scaling

Operational Leadership:
- Aligning
- Executing
Local Iteration
Connecting
Connecting

Conflicting
Adaptability
(New Order)

Sponsoring
(Connecting)
Conclusion
We need to enable the adaptive process:

ADAPTABILITY

Push for Novelty

THE NEED TO INNOVATE

Adaptive Space

Future Viability

Current Results

THE NEED TO PRODUCE