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Adaptive Leadership in an AI World

A practical field guide for project leaders

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CHAPTER ONE

AI Is Being Treated Like a Technical Problem

That is the mistake most organizations are making right now.

> *Buy the tools. Run the training. Deploy the pilots. Declare progress. That approach works when the problem is clear and the solution already exists. AI is not that.*

Walk into any mid-sized or large organization right now and the AI playbook looks about the same. Microsoft Copilot licenses are being added to Enterprise 365. A champion gets named. A training session goes on the calendar. A pilot team is picked. And the executive sponsor says the organization is now doing AI.

Six months later, usage is lower than forecast. The time savings nobody can quite measure. Nobody at the executive level actually touches the tool. The team that was supposed to lead the charge is quietly asking IT to turn licenses off before the renewal date. The problem is not that AI failed. The problem is that leadership treated an adaptive challenge like a technical one.

AI is not a drop-in tool

AI changes what expertise means. It changes who holds authority. It changes how work gets defined. It changes what people believe they are good at. Those are not technical questions. You cannot solve any of them by picking a vendor.

The organization that redesigns around AI will outperform the organization that bolts AI onto an existing design. That redesign is not a procurement decision. It is a leadership project. It

requires people to let go of old skills, old authority structures, and old self-images that worked for the last twenty years. That is adaptive work.

AI is also a tree technology

Systems thinkers talk about seeing the forest and the trees. AI is a tree. It is a specific solution for a specific challenge. It is not a system technology. When you add AI to a workflow, the constraint does not disappear. It moves to the next step downstream. If you have not thought about where that constraint will land next, you will deploy AI into a system and watch something unexpected break three months later.

The right way to deploy AI is with a systems-thinking lens applied first. Where are the current constraints? Which one are you trying to solve? What new constraint will show up when you solve this one? What is the plan to adjust and pivot when it does?

Most organizations are deploying AI based on where leaders think it will work, not where the constraints actually sit. Then they are surprised when the gains do not materialize.

The status quo is an invisible killer

If this feels urgent, it is because the numbers are urgent. The average tenure of a company on the S&P 500 was 33 years in 1965. It was 24 years in 2016. The 2027 forecast is 12 years.

Of the ten largest companies on the S&P 500 ten years ago, two are still in the top ten today. Everything else has been replaced or displaced. Big companies have a very difficult time pivoting at the pace that a hot unicorn pivots. That gap is not getting smaller.

THE RULE

In a VUCA environment, the status quo is not a safe harbor. It is accumulating risk. The longer you live in it, the more you accumulate. The faster the environment changes, the faster the risk accumulates.

A career built on a single skill that is reliable over 30 years used to be a sound strategy. It is no longer sound. A company built on optimizing a single widget used to be a sound strategy. It is no longer sound. Adaptive leadership exists because the old assumptions no longer hold.

The rest of this book is about what to do about that. Not in theory. In practice. Starting with how to tell what you are actually looking at when a challenge lands on your desk.

CHAPTER TWO

Technical, Adaptive, or Both

The single most important call a leader makes.

> *Most failed change efforts are adaptive challenges being solved like technical ones. If you misdiagnose, you will burn resources on the wrong approach and lose credibility doing it.*

Ronald Heifetz drew the distinction between technical and adaptive work decades ago at the Kennedy School. The framework is simple and keeps proving itself. Three categories matter.

Technical challenges

The problem is clear. The solution is known. An expert can execute. Authority decides. Your car battery is dead and you need to replace it. You call AAA, your mechanic, or you do it yourself. There is no learning required. You already know what to do. You are just doing it.

Technical plus adaptive challenges

The problem is clear. The solution requires learning. Authority decides on the goal but has to consult stakeholders on the path. This is where agile really earned its keep. The target is known. The route is not. You test, learn, adjust, test again.

Adaptive challenges

The problem must be learned. The solution requires learning. Stakeholders own the work because they are the ones who have to change. Values and beliefs are involved. There is no

expert who can hand you the answer, because the answer requires people to think differently about who they are and what they do.

The 10-flag test

You know you are looking at an adaptive challenge when three or more of these flags show up.

1. No known solution exists.
2. People would rather avoid the issue.
3. Reason and logic alone will not get you there.
4. The problem keeps coming back after you fix it.
5. It triggers an emotional response in people.
6. There are competing priorities with no clean trade-offs.
7. Moving forward feels risky.
8. Some people will be left behind.
9. It requires work across boundaries.
10. Progress is not linear. Trial and error is required.

Three cases to make this real

CASE | WORK FROM HOME

Before COVID, work from home was an adaptive challenge. Nobody knew what the problem actually was. Who should be allowed? How many days? What technology stack? We were trying to solve it technically with policies and tools, and we were not getting anywhere.

COVID made it technical overnight. Do it or die. Everybody worked from home. Decision made. Problem solved.

Then COVID ended. The adaptive challenge did not go away. It had been masked. Mindset about where work gets done, who gets autonomy, what trust means at a distance. None of that got resolved. Companies pulled people back, lost talent, lost productivity, and are still working through it. Because the adaptive work was never done.

CASE | WEIGHT LOSS

I have lost about 400 pounds in my life. I have gained about 500. Every time I try to attack it as a technical problem, with a new program, a new app, a new routine, the weight comes back.

The actual problem is adaptive, and it lives at the bottom of the iceberg. Two beliefs run it. First, I value today more than tomorrow, which is time discounting. Second, I would rather be fat and happy than skinny and neurotic. Until I work on those beliefs, no technical program sticks. Three stressful days and I am back at McDonald's.

CASE | ONE WORD AT SOFTED

SoftEd was losing revenue on a consistent basis and cost-cutting its way toward stability. When you dug down to what was driving the challenge, the whole thing came down to one word. Agnostic.

Half the company thought agnostic meant we only trained on traditional Agile. No Scrum Alliance. No SAFe. Just Agile the discipline, the way the Agile Alliance defined it. The other half thought agnostic meant we delivered whatever the customer wanted. If they wanted SAFe, we did SAFe. If they wanted Scrum, we did Scrum.

The downstream effects were enormous. Sales was built on one interpretation. Marketing was built on the other. Product strategy got pulled in both directions every quarter. The owner ultimately sold the business because the adaptive problem of a single word could not be worked through.

Applied to AI

Here is where to point the test when it is AI on the table. The tool rollout is technical. Vendor selection, tenant setup, security review, writing the usage policy. These are known problems with known solutions.

The work transformation around AI is adaptive. What do your senior analysts do all day when AI can do their analysis in seconds? What does expertise mean when the AI can produce a

PhD-level answer in two seconds? How does authority flow when the person doing the work with AI knows more than the person who manages them?

Different work. Different leader. Different tools. If you treat the whole thing as one project and manage it like a tool rollout, you will deploy the technology and leave the adaptive work undone. That is the pattern that defines most AI failures right now.

THE DISCIPLINE

Run the 10-flag test on the next AI initiative that lands on your desk. Count the flags. Three or more means the real work is adaptive. The tool rollout will not finish the job.

CHAPTER THREE

People Don't Resist Change. They Resist Loss.

Resistance is not irrational. It is biology.

> *The brain is built for survival and efficiency. Loss feels about twice as painful as an equivalent gain feels good. If you are arguing people out of their resistance, you are arguing with their biology.*

Your brain processes change through a negative lens. If it was up to your brain, you would be wrapped in bubble wrap watching Netflix every day. Perfect protective bubble. That is not a flaw. That is what evolution selected for.

When you understand that resistance is biological rather than attitudinal, you stop seeing resistant teammates as jerks or dinosaurs. You start seeing them as people responding to real or perceived loss. That changes the moves you make.

The research

Daniel Kahneman and Amos Tversky published Prospect Theory in Econometrica in 1979. It is one of the most-cited papers in the history of economics. Kahneman won the Nobel in 2002 for the body of work. Loss aversion is settled empirical finding, not opinion.

The specific result that matters here is that losses are experienced about twice as intensely as equivalent gains. A $100 loss hurts about twice as much as a $100 gain feels good. In a change initiative, that asymmetry explains why the arguments for the benefit never seem to land as hard as the fear of what people will lose.

The five losses that show up when AI arrives

LOSS	WHAT IT LOOKS LIKE	LEADER MOVE
COMPETENCE	The way you used to be excellent is no longer what the organization needs.	Create a visible path to new expertise. Name what the old skill produced that still matters.
STATUS	Hard-won expertise becomes table stakes. Juniors catch up overnight.	Give senior people roles that use judgment AI cannot replicate. Mentoring, calibration, trade-offs.
CERTAINTY	How the job worked yesterday is not how it works tomorrow.	Shorten the planning horizon. Pair every change with a short, visible feedback loop.
IDENTITY	The professional self-image you built your career on is being rewritten.	Separate the role from the person. Write new role descriptions out loud with the people in them.
BELONGING	Team rituals and information flows change. The group feels different.	Protect rituals that still work. Replace the ones that do not with something intentional.

COMPETENCE | THE GURU WHO HATES AI

One of my clients has an in-house guru. He is a true subject matter expert on a complex regulatory domain. Everything he spent twenty years mastering, a modern AI can replicate in seconds when you feed it the regulatory document and ground it with retrieval. He hates AI with a passion.

He is not being irrational. He is losing the one thing his career was built on. The leader move is not to argue him out of hating AI. The leader move is to help him see where his judgment still matters, which is in deciding what gets fed to the AI, in catching the places where AI confidence does not match AI accuracy, and in mentoring the people who will do the work going forward.

CERTAINTY | WHY CONSISTENCY BEATS GOOD NEWS

I have run businesses where cash flow forced me to pay contractors in sixty days. If people knew that was the deal and it was consistent, they were fine. If I tried to pay in fifteen days but always ended up paying in thirty-five, they were not fine.

Thirty-five was better than sixty on an absolute basis. The thirty-five story still felt worse because it violated the certainty they had been promised. The lesson applies directly to AI change. People do not necessarily want to hear good news. They want to hear real news as fast as possible and on a predictable cadence. If you promise weekly updates and deliver bi-weekly, you have done more damage than if you had promised bi-weekly from the start.

BELONGING | WHY PEOPLE LEAVE TEAMS

People leave jobs for money. But people leave teams for belonging. The tribe is built with specific rituals and connections and information flows. Those feel invisible until they are gone.

When AI disrupts a team, the rituals that held the tribe together are usually the first casualty. The weekly review changes shape. The handoff pattern breaks. The expert who everybody checked with is no longer in the loop. That matters more than most leaders realize. Protect the rituals that still work. Be deliberate about what you replace.

THE PRACTICE

When resistance shows up, do not argue with it. Name the loss. Ask the person which of the five they are experiencing. Then help them see what still matters, what to let go of, and what the new identity looks like. You will get further in one honest conversation than in five rounds of pitching the benefits.

CHAPTER FOUR

What Adaptive Leaders Actually Do

Four moves. Learnable. Repeatable. Hard.

> *Not plans. Not solutions. Four specific things you do when you are leading through adaptive change. Get on the balcony. Name the adaptive work. Regulate the heat. Give the work back.*

Move 1. Get on the balcony

Picture yourself at a wedding reception. You are on the dance floor. You can only see the people right next to you. If you move to the west side of the room, you only see what is happening on the west side. Move to the balcony and you can see the whole floor at once. The patterns become visible. You see who is dancing with whom, who is leaving the room, who is clustered around the bar, where the energy is building and where it is dying.

Adaptive leaders step onto the balcony on purpose. They stop being swept up in the field of action. They take time to see patterns. They look at the system, not just the next task.

Being on the balcony also means looking outside your organization. The best thing I do for consulting clients is bring tactics in from other clients I have worked with. Not confidential material. Just real-world patterns from one industry showing up in another. You cannot do that if you never leave your own dance floor.

Move 2. Name the adaptive work

Half the problem with adaptive challenges is that nobody has said out loud that it is adaptive. The team keeps treating it as technical, keeps throwing solutions at it, keeps being confused when nothing sticks. The leader move is to say the word. "This is adaptive work. The problem itself is not fully understood yet. The solution does not yet exist. We are going to learn our way to both."

Naming the adaptive work is permission for the organization to stop pretending there is an easy answer. It changes the posture of the meeting. It changes who gets invited. It changes what good progress looks like.

Move 3. Regulate the heat

Adaptive learning happens inside what Heifetz calls productive distress. Not panic. Not comfort. Enough discomfort that the system has to change, not so much that it shuts down.

INCREASE THE HEAT	DECREASE THE HEAT
Give the problem back to the system	Address the technical aspects first
Bring conflict to the surface	Employ structure and rhythm
Protect dissenting voices	Reclaim responsibility temporarily
Seek other perspectives, add cognitive diversity	Slow the pace
Shorten the feedback loop	Name a small early win

Comfort kills in volatile environments. Comfort is where BlackBerry lived while Apple built the iPhone. Comfort is where Nortel lived while voice over IP built the next generation of telecom. Comfort does not mean nothing is happening. It means nothing meaningful is changing.

Panic kills too. People stop talking. The informal information flow dries up. Heads go down. Birthday celebrations get skipped. Nobody experiments. Nobody learns. Everything is survival.

The leader's job is to notice which zone the team is in and act accordingly. Too cold means you need to turn the heat up. Too hot means you need to turn it down. The specific moves above are your dial.

> **THE LEADER FALLING ASLEEP**
>
> I ran a business where I would occasionally start to fall asleep. Not literally. I would get too comfortable. The rhythms were working. The numbers were fine. I was coasting without noticing.
>
> I built a short list of people whose job was to wake me up. Peers who would throw a new idea at me, debate with me, challenge my assumptions on something that mattered. I had to actively seek the heat because the system was not generating it on its own. Comfort is not a sign of health. It is the first symptom of risk accumulating.

Move 4. Give the work back

The hardest move for most managers is to stop rescuing people. Somebody has a hard project. You want to jump in. You want to help. You want to show them. Do not. They need to live and die on this one themselves. You can coach. You can support. You can set the frame. They have to do the actual work.

When I set expectations with someone taking on new work, I say the same thing every time. I do not care how the sausage is made. As long as it is ethical, moral, and will not put me in jail, this is the value we need and this is the frame. Go figure out how to deliver it.

Giving the work back requires autonomy, and autonomy requires accountability. Not the overused corporate version of accountability. The real version. Can the person honestly say what they did, what they did not do, why, and what they are going to change about it going forward? That is accountability. Everything else is theater.

THE MENTOR WHO LET ME NEARLY HANG MYSELF

The best mentor I ever had would let me get all the way to the edge. He watched me walk out there, kept his mouth shut, and let me figure out the recovery. I was two decisions away from catastrophic failure more than once.

I loved it. The things I learned by being allowed to walk to the edge were worth more than everything else I was taught combined. The value I created for him afterward dwarfed what he would have gotten by stepping in and fixing it for me. That is what giving the work back looks like when it is done right.

THE DISCIPLINE

The four moves are not a sequence. They are an ongoing cycle. On any given week, you need to be doing all four. Checking the view from the balcony. Naming what is adaptive and what is not. Watching the heat. Pushing ownership down. Repeat.

CHAPTER FIVE

The Power of Unlearning

What made you effective before AI does not guarantee your effectiveness after it.

> *In a VUCA environment, there is a diminishing return on expertise. The expertise that got you here is losing value even if you keep practicing it. The leader move is to notice what to let go of and act on it before the market makes the choice for you.*

The decay rate is accelerating

A doctor used to see roughly a hundred percent of their field refresh over five years. Recent estimates put that number closer to eighteen months. Where does the old information go? There are two kinds of doctors in that world.

Doctor A refuses to learn anything new because they already know how to be a doctor. Doctor B accepts that some of what they knew is no longer current and actively works to replace it. Which doctor do you want to see?

The same question applies to your own career. If your expertise was built in 2015, how much of it still matters in 2026? If you are honest about the answer, you will see why unlearning is now a required leadership capability, not an optional self-improvement project.

The water bottle problem

There is a SpongeBob episode where SpongeBob tries to learn everything about fine dining to help Squidward impress his rival. SpongeBob crushes it for most of the episode. Then he tries

to learn one more small thing and his whole brain blows up. Everything he had absorbed falls out all at once.

That cartoon is accurate. You cannot overfill the bottle. New knowledge does not fit until you let old knowledge go. Unlearning is the discipline of making room on purpose.

The cognitive behavioral chain

Cognitive behavioral therapy models the chain this way. Beliefs and values generate thoughts. Thoughts generate feelings. Thoughts and feelings together generate behaviors and actions. If you want new behaviors to stick, you have to change the belief at the top of the chain. Otherwise the moment stress hits, the old behavior comes back.

My own weight loss is the example I use. My old belief is "I would rather be fat and happy than skinny and neurotic." Until I work on that belief, every new program lasts about three stressful days before I am back at McDonald's eating 2,500 calories after six in the evening. The behavior change does not stick because the belief that drives it is unchanged.

The same pattern plays out in professional unlearning. "I would rather trust my own expertise than trust a tool I do not fully understand." That belief will prevent any amount of AI training from sticking. Working on the belief is the actual leverage point.

Your unlearning self-assessment

Six questions. Answer honestly to yourself. Nobody has to see this.

1. When was the last time you were wrong about something important and said so publicly?
2. What skill made you successful ten years ago that matters less today? Have you named it?
3. Who on your team can tell you something that will change your mind? How often do they?
4. When did you last put yourself somewhere you were the least experienced person in the room?
5. What belief are you holding today that the next five years will likely prove wrong?
6. What would you need to let go of to become the leader your team needs next year?

Learning amplifiers

Six conditions that keep you in the learning zone instead of the comfort zone.

- **Reflection time.** Protected time to think about what you did, not just do more of it.
- **Immersion.** Deliberate situations where your old skills do not fully work. Half a day at an AI hackathon beats a week of reading about it.
- **Experimentation.** Small bets you can run and learn from without betting the organization.
- **Safety to fail.** A relationship or a structure that treats failure as a learning event, not a career event.
- **New perspectives.** Deliberate exposure to people who see the world differently than you do.

- **Challenges beyond you.** Problems where you honestly do not know the answer when you start.

Inspiration is also a practice

You have to put yourself in situations to be inspired. You also have to be inspirational when it is your turn. Both matter. Inspiration is not something that happens to you by accident. It is something you cultivate by paying attention to where it tends to show up and going there on purpose.

CHAPTER SIX

Monday Morning

What a project leader actually does with all of this.

> *Theory does not help you on Monday. These five actions do. None of them requires permission. None of them requires a tool. All of them you can start this week.*

Why speed matters

Before the five actions, a word about speed. John Boyd developed the OODA loop as a military framework for operating in volatile environments. Observe, orient, decide, act. The whole insight was that speed through the loop beats precision at any single step. The side that cycles faster wins, not because they are smarter, but because they get more learning per unit of time.

The same logic applies to adaptive leadership. You will not get it right the first time. You will get it less wrong faster if you cycle. Small bets, fast feedback, honest assessment, adjust, repeat. The organizations that are winning with AI right now are not winning because they picked better tools. They are winning because they are iterating faster than their competitors.

Five things to do this week

1. **Run the ten-flag test on your current AI initiative.** Count the flags out loud with two colleagues. Three or more means you have been treating adaptive work as technical. Act accordingly.
2. **Name the five losses with one person on your team.** Competence, status, certainty, identity, belonging. Ask which they are feeling. Do not argue. Just listen.

3. **Get on the balcony once.** Block sixty minutes. No Slack. No email. Sketch the whole system you are inside of right now. Draw it on paper. Look at it.
4. **Give one piece of work back.** Something you have been solving yourself. Hand it to the person closest to it. Set the frame. Step back. Do not rescue.
5. **Answer one unlearning question honestly.** Pick one from Chapter Five. Write the answer down. Reread it next week. Ask yourself what changes.

THE PATTERN

Do the five actions this week. Repeat them next week with different inputs. Repeat again. In three months you will be a different leader. In six months the people around you will be different too.

CHAPTER SEVEN

Adaptive or Die

In an AI world, there is no middle ground.

> *The data is clear. The pattern is clear. Companies and careers that cannot adapt at the pace of the market will not survive the next five years intact.*

Three takeaways to carry out of this book.

See the status quo as risk, not safety

The default assumption in most organizations is that staying put is the safe choice and changing is the risky choice. In a VUCA environment, that assumption is upside down. The riskier move in most cases is to leave the status quo untouched. Every quarter you spend not changing is a quarter the market around you is pulling away. The status quo is not neutral. It is accumulating risk.

Diagnose adaptive before you reach for technical

The ten-flag test is a thirty-second exercise. Run it before you commit resources. Most of the time, the answer will tell you something you did not want to hear. The project you were about to run as a tool rollout actually requires people to learn new ways of thinking. The budget you were about to allocate to vendor selection should be split, with a meaningful piece reserved for the adaptive work. Diagnose first. Solve second.

Build the capacity in yourself first

You cannot help others build a capacity you have not built in yourself. The unlearning questions in Chapter Five are not for your team. They are for you. The adaptive moves in Chapter Four are a practice, not a policy. The regulated heat has to live in you before you can regulate it for anyone else. Self-leadership comes first. Team leadership follows. Organizational leadership follows that.

THE CLOSE

AI will keep changing what expertise means, who holds authority, and how work gets done. The leaders who thrive will be the ones who can diagnose, name the loss, regulate the heat, give the work back, and keep unlearning. Those are not personality traits. They are practices. You can start them Monday.

ABOUT THE AUTHOR

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David Mantica is VP and General Manager of SoftEd North America, an Agile Brains company based in the Raleigh-Durham area. He has thirty years of experience in professional training, more than a thousand speaking engagements, and has built training businesses from scratch to scale.

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