

## Adaptive Leadership: The New Driver of a Firm's Transfiguration and Sustainability in the Constantly Changing Manufacturing Business Landscape

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**KEYWORDS:** Adaptive Leadership, Firm's Transfiguration, Firm's Evolution, Changing Market Trends, Manufacturing Business Landscape

### ABSTRACT

Businesses are increasingly pondering how to deal with the increasingly more disruptive modern business ecosystem changes. As some businesses become lucky or even apply the appropriate strategies to thrive in the constantly evolving business terrain, others often fail. Even as some businesses fail, it is often transformational leadership style and not adaptive leadership that most businesses explore as part of the strategies for responding to the constantly evolving era of artificial intelligence and machine learning. For that reason, this study used an integrative review to highlight how adaptive leadership can be used as one of the drivers of a firm's transfiguration and evolution in the constantly changing manufacturing business landscape. Through such analysis, the integrative review aimed to discern the major limitations of adaptive leadership as well as the mitigating adaptive leadership strategies that the contemporary businesses can use. If faced with evolving market threats, findings indicated most high-performing businesses to often use a combination of adaptive leadership strategies encompassing acquisitions of emerging new capabilities, new value innovation or investment in new technologies. In addition to strategic alliances, business behaviours also indicated use of branding and market positioning as well as constant diagnosis and response to market trends' changes. But even if that is so, adaptive leadership was still found to be affected by organisational rigidity, employee resistance and stringent cost-savings approaches that affect investment of adequate financial resources in adaptive leadership changes. These imply that as businesses strive to evolve and adapt with the changing market and industry trends, these are some of the traps that they need to avoid.

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**Publication Date:** 24 October-2025

**DOI:** [10.55677/GJEFR/13-2025-Vol02E10](https://doi.org/10.55677/GJEFR/13-2025-Vol02E10)

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## INTRODUCTION

Thriving in the constantly changing modern manufacturing business landscape requires the adoption of the leadership style that leverages a firm's constant change and transfiguration from one period of disruptive trends to the other (Hubbart, 2023). Quite often, transformational leadership is often perceived as essential for leveraging a firm's transfiguration to adapt to all the emerging new market forces. Transformational leadership connotes the strategic process of evaluating the unfolding market changes to visualize and inspire, influence and motivate the ordinary employees to take actions that influence the evolution of the business in the way that influences attainment of the designated vision. Attainment of the desired transformational vision mitigates risks of failure in the constantly changing modern manufacturing market trends (Weiser, Jarzabkowski, & Laamanen, 2020). Even if transformational leadership can influence the business' change and evolution, it seems to be a bit slower than adaptive leadership. Adaptive leadership is an agile and flexible leadership style that aids seamless diagnosis and modifications of a firm's capabilities to change and evolve with the unfolding trends almost on a daily basis. Adaptive leadership is an absorptive leadership style that focuses on evaluating and assimilating all the new disruptive aspects of change to evolve and thrive with the unfolding changes

(Endrejat, 2021). Adaptive leadership is the strategic learning process that encourages business leaders to learn from the past and compare it with the present state of unfolding business trends. This creates the reflection that enhances the capabilities of the business to change and modify its capabilities to thrive in the midst of the unfolding disruptive trends. Adaptive leadership is a strategic leadership style for thriving in the constantly disruptive trends (Stobierski, 2020). If it is not influencing leaders to introduce new technologies or skills, it can instigate the need for product change and modifications or even leadership changes if the manufacturing entity is to avoid turbulence and evolve with the unfolding market dynamics.

First introduced in Ronald Heifetz's book titled: "Leadership Without Easy Answers" in the 1990s, the concept of adaptive leadership is analogous to the notion of evolutionary biology. After sensing the changes to its ecosystem dynamics, the concept of evolutionary biology argues that living organisms often mutate, regenerate and recreate their DNA and other internal organs to survive and adapt to the new changing ecosystem dynamics. Adaptive leadership aims to make business organisations act like biological organisms by constantly analysing the unfolding trends to take actions by modifying, recreating and changing their capabilities to adapt and evolve with the unfolding changes (Cameron & Green, 2019). In that process, adaptive leadership often applies four strategic steps encompassing ecosystem diagnosis and change, modifications and re-creation of the existing capabilities for the business. This regenerates a business' ability and momentum to not only evolve, but even disrupt the existing trends if it is required for it to thrive.

In the constantly changing modern manufacturing system, adaptive leadership is the driver of change (Khaw et al., 2023). Without leadership initiating organisational diagnosis vis-à-vis the external ecosystem changes to discern the capabilities' modification changes that must be undertaken to bolster a firm's evolution with the unfolding trends, the organisation itself may not initiate change without the inspiration from the organisational leaders who have diagnosed the need for change. As leaders inspire the organisation to change, Heifetz, Grashow and Linsky's (2009) "Practice of Adaptive Leadership" requires the organisational leaders to use the evolutionary biology ideas by preserving three aspects of the organisational DNA. The three aspects of the organisational DNA encompass:

- Preservation of DNA species essential for the organisational survival
- Discarding, rearranging and re-regulating the existing DNA species that do not respond to the present organisational needs
- Creating and recreating the newly arranged DNA structure in the way that energizes the preserved species with the energy and momentum to thrive and evolve with the unfolding ecosystem trends.

As the organisation modifies or recreates its DNA to thrive, leadership becomes the initiator, driver and promoter of that change until it is a success. In that process, Heifetz et al.'s (2009) "Practice of Adaptive Leadership" highlights adaptive leadership to be a system that learns and modifies its approaches in the present circumstances depending on what it has learnt from the past. Just like biological systems that keep trying and adjusting different systems until they adapt, adaptive leadership requires constant trial and experimentation of various concepts until it finds the footing to withstand, evolve with or disrupt the unfolding trends (Northouse, 2022). To mitigate risks of failure, adaptive leadership recognises business organisations as open systems that must encourage usage of a variety in terms of talents, strategic external partners, diversification of business portfolios to reduce risks of failure and constant analysis and assimilation of new knowledge that bolsters their competitiveness (Temitope, 2022).

Business organisations are vulnerable to the constantly changing ecosystem forces. Hence, adaptive leadership is essential for improving the capabilities to diagnose the current situation and influence the manufacturing organisation's ability to recreate, modify, change, regulate and control its capabilities to evolve and adapt with the unfolding ecosystem dynamics. Besides Heifetz's (2009) "Adaptive Leadership Theory", the other theories elucidating how adaptive leadership works in the contemporary business organisations encompass Uhl-Bien, Marion and McKelvey's (2007) "Complexity Leadership Theory", Hersey and Blanchard's (1969) "Situational Leadership Theory", VUCA (Volatility, Uncertainty, Complexity & Ambiguity)-Responsive Leadership Model and Burns' (1978) "Transformational Leadership Theory". Uhl-Bien, Marion and McKelvey's (2007) "Complexity Leadership Theory" explains that despite accomplishing the traditional management activities of planning, organising, leading and controlling, leadership is a complex activity that requires constant change and innovation for the business to adapt to the emerging new trends. Business organisations need to learn from the past trends and present trends in order to evolve and adapt with the changing new trends.

Though Hersey and Blanchard's (1969) "Situational Leadership Theory" has often not been viewed as adaptive, it is increasingly emerging that it is not the application of just any leadership style that influences the business' change and adaptation to the unfolding new trends. Instead, organisational practices are revealing that it is the capability to read the situation and apply the leadership strategy that solves the problem which is essential for influencing the business' evolution and adaptation from one form of disruptive forces to the other (Silsbee, 2024). Complexity of the modern ecosystem trends suggests organisational leaders must focus on evaluating and responding to the unfolding situation using the appropriate strategies. It argues that no blanket strategy can respond to all the situations. In that process, Burns' (1978) "Transformational Leadership Theory" implies adaptive leadership approach also requires the utilization of some transformational leadership style.

Just like the critical aspects of adaptive leadership, transformational leadership enhances the diagnosis of the situation and setting of a vision that engages and influences all the ordinary employees to work towards the attainment of the desired strategic change outcomes. Using visionary thinking, individualised consideration, intellectual stimulation and inspirational motivation, transformational leaders influence the seamless transition of the business from the present undesired system to the desired new state of performance (Suyuthi, Amaliah, & Linggi, 2025). Though adaptive leadership differs from transformational leadership, it is evident that adaptive leaders in one way or another end up using aspects of the transformational leadership approach. However, VUCA (Volatility, Uncertainty, Complexity & Ambiguity)-Responsive Leadership Model suggests that it is essential for business leaders to use agile, flexible and dynamic approaches for the business to evolve and thrive in the constantly changing and evolving business ecosystem trends. Such a view echoes the insights in Teece's (1999) "Dynamic Capabilities' Theory" that notes constant analysis, sensing and response to the unfolding disruptive trends to bolster a firm's change and adaptability.

Given the constantly changing trends, the theory argues that it is only through analysis and modification of the firm's capabilities like technology, machinery, resources and strategy, as well as the microfoundations like the underlying organisational culture, artefacts, business philosophy and leadership styles that the firm can be able to respond and adapt to the changing trends. Even if that is so, there are usually problems of rigidity, poor change management and organisational inertia that affect the effective utilization of adaptive leadership. Since such challenges are not different from the dynamics that most South African manufacturing businesses experience when seeking to use adaptive leadership, it is for that reason that this critical content analysis study is undertaken with the motive of discerning the improvement strategies that can be adopted.

## METHODOLOGY

Integrative review was used as part of the qualitative critical content analysis for evaluating and exploring how adaptive leadership leverages a business' transfiguration and evolution with the unfolding dynamics.

### Integrative Review

Integrative review is one of the critical content analysis methods like meta-synthesis and meta-analysis that focuses on evaluating the existing studies to discern the gaps that must be addressed. Just like meta-synthesis, systematic review and meta-analysis, integrative review is often conducted on the evaluation of a topic where a lot of studies have been conducted (Whittemore & Knafl, 2005). However, in contrast to meta-synthesis, systematic review and meta-analysis that only use peer-reviewed studies, integrative review often explores, gathers and analyses all articles published on the subject being investigated irrespective of whether or not they have been peer-reviewed (Toronto, 2020). It is the fundamental argument in integrative review that since a lot of studies have been conducted in that area, it is possible for the study to find answers to the prevailing gap and research questions by evaluating the insights reflected in the existing studies. It is such logic that motivated the use of integrative review in this study. A lot of studies have been conducted on adaptive leadership just like an avalanche of studies that examine the importance for businesses to analyse and evolve with the unfolding trends. Though it was easily discernible from the studies and articles published on the behaviours of most global businesses, a gap was still identified to be latent in the enormous studies that do not explore how adaptive leadership influences a business' transfiguration and sustainability. To accomplish that, integrative review was structured according to four steps encompassing formulation of integrative review questions, literature search, data extraction and data analysis (Hopia, Latvala & Liimatainen, 2016).

### Integrative Review Questions

To enhance the extraction of only the literature which was relevant to the study, the integrative review questions were formulated to explore two areas. Given the constantly changing business era of artificial intelligence and machine learning, what are some of the adaptive leadership strategies that are used for leveraging business transfiguration and sustainability? The second integrative review question examined the inhibitors of adaptive leadership as a **lever** of business transfiguration and sustainability. After the formulation of integrative review questions, the process of literature search was initiated.

### Literature Search

Literature search is the systematic process of exploring the relevant articles and literature that can be used in the study (Whittemore & Knafl, 2005). Though the formulated integrative review questions guided the process of literature search, certain specific keywords were also used to guide the study towards exploring and evaluating only relevant studies and articles published on adaptive leadership and innovative behaviours of businesses to respond and adapt with the unfolding market dynamics. The keywords used included "Adaptive Leadership", "Firm's Transfiguration", "Firm's Evolution in the Changing Era of Artificial Intelligence and Machine Learning", "Changing Market Trends", "Business Cases of Successful Adaptive Leadership Usage and Its Failures", and "Manufacturing Business Landscape", "Adaptive Leadership Strategies" and "Limitations of Adaptive Leadership". While using these keywords, the process of searching and analysing the key literature and articles to be extracted was also accomplished using major search engines and databases like Google, EBSCO, SCOPUS and PUBMED. Once the relevant literature was discovered, decisions were made on the relevant literature to extract or not to extract.

## Data Extraction

To discern the published studies or articles to extract, the study or the article must have been published in English, it also had to have the full-text and not just the abstract. Articles displaying only the abstracts were excluded even if they were relevant to the study. Though all the studies and articles had to be the latest published in the periods between 2020 and 2025, provisions were still left for more relevant articles showing historical evolution of some important concepts or business behaviour. Whether peer-reviewed or not peer-reviewed, the articles had to be relevant and supporting what the other studies are saying about the behaviours and experiences of a particular business when using adaptive leadership approaches. About thirty (30) studies meeting these criteria were extracted and subjected to thematic analysis (Toronto, 2020).

## Data Analysis

Each of the extracted thirty (30) articles/studies was subjected to thematic analysis. Using thematic analysis, each of the thirty (30) articles was analysed with the motive of discerning how they revealed relevant themes and narratives explaining some of the adaptive leadership strategies that are used for leveraging business transfiguration and sustainability in the constantly changing business era of artificial intelligence and machine learning. Thereafter, analysis of each of the thirty (30) articles was undertaken to extract themes and narratives explaining the inhibitors of adaptive leadership as a lever of business transfiguration and sustainability. From such analysis, the details of the findings are as presented and elucidated below.

## FINDINGS

To respond to the integrative review questions, the findings are analysed and presented according to two subsections encompassing:

- Adaptive Leadership Strategies for Leveraging Business Transfiguration and Sustainability
- Adaptive Leadership Strategies for Leveraging Business Transfiguration and Sustainability

Details of these are evaluated as follows.

### Adaptive Leadership Strategies for Leveraging Business Transfiguration and Sustainability

To leverage its business transfiguration and sustainability in the constantly changing global manufacturing business landscape, systematic review indicated most businesses to use adaptive leadership strategies encompassing:

- Acquisitions of Emerging New Capabilities
- New Value Innovation
- Investment in New Technologies
- Strategic Alliance
- Branding and Market Positioning
- Constant Diagnosis and Response to Market Trends' Changes

Details of these are evaluated as follows.

### Acquisitions of Emerging New Capabilities

In the constantly changing modern business ecosystem, systematic review revealed acquisitions of the emerging new capabilities to bolster the business' overall change and adaptation to the emerging new market forces. Even if the business is doing well and attaining market leadership, new market changes can emerge to disrupt the business' overall effective market performance (Oreskovic, 2014). In that process, most studies indicate acquisitions of the emerging new disruptors to be one of the adaptive leadership strategies used for the business to diffuse the emerging threats. Acquisition is the strategic process of acquiring the emerging disruptive technologies, talents, or expertise. It is the strategic change process of acquiring new capabilities that replenish and recreate the business' existing capabilities (McChrystal, Collins, Silverman & Fussell, 2015). This enables a business acquire new capabilities to spur its overall effective market performance.

Acquisition is one of the adaptive leadership strategies that enable the business acquire new technologies, access new markets and capabilities to bolster its capabilities to respond, adapt and evolve with the emerging new disruptive forces (Kumar, 2019). One of the cases reflecting how adaptive leadership improves a business' transfiguration to avoid failure is depicted in the emergence of digital photography technology that caused Kodak's failure as Fujifilm survived and adapted. During the early years in the 1970s and 80s, Fujifilm and Kodak were thriving as the major global operators in the paper and chemical-based photography business. Fujifilm and Kodak manufactured and sold different forms of paper, chemicals, and black and white or colour negatives for processing photographs (Gavetti & Henderson, 2005). It also manufactured and sold several cameras. But as the advancement of computer technology emerged to influence the emergence of digital cameras, Fujifilm responded as Kodak failed to respond using the appropriate adaptive leadership strategies.

To adapt, Fujifilm invested in the acquisition and integration of the new digital technologies as part of its digital photography. It also invested heavily in the research and development of its own digital photography. Its superior knowledge and understanding of digital photography and the traditional paper and chemical-based photography technologies easily influenced its diversification into the development and sale of various medical imaging devices and technology (Irsyam, 2024). To further mitigate risks of

failure and enhance its adaptation to the changing market trends, Fujifilm diversified into the manufacturing and sale of various pharmaceutical products like skincare products as well as optical devices which were increasingly becoming popular across the world.

Fujifilm restructured as part of the adaptation strategies by eliminating the unprofitable ventures and subsidiaries. This eliminated costs to render it easy for Fujifilm business leaders to focus only on the most revenue-generating ventures. While doing these, Fujifilm introduced its digital cameras and photo printers to counter the disruptive forces emerging from the digital photography world. However, as Fujifilm used most of these adaptive leadership strategies, Kodak failed to use the required adaptive strategies. Kodak had thrived and reaped a lot of revenue from its paper-and-chemical-based photography technologies (Niño, 2024). This created a strong belief as well as trust and confidence in the paper and chemical-based photography. The effect is that even if Kodak was the first to emerge with the concept of the digital camera in 1977, it still abandoned and refused to promote it for fear that it would disrupt its profitable business operations.

In the 1990s, threats of digital photography became quite devastating, but Kodak's business leaders still insisted that it is by focusing on their paper and chemical-based photography technology that Kodak would win (Gavetti & Henderson, 2005). But it is such business philosophy and thinking that caused complacency and organisational inertia. This affected innovation and poor change management to subsequently cause Kodak's failure to adapt and its liquidation in 2012. Yet as Kodak failed to adapt, facts from Facebook (Meta) indicate that if it's not through aggressive internal innovation that a firm disrupts the unfolding disruptive trends, it can be through acquisition. Acquisition enables a business assimilate new capabilities from the emerging new players. When Facebook diagnosed that the emergence of Instagram as a disruptive mobile-photo-sharing and visual social media operator would turn devastating in the future, it did not take long before it acquired Instagram which was already gathering a lot of momentum and raking in millions of subscriptions on a daily basis (Glick & Ruetschlin, 2019).

Likewise, when WhatsApp proved disadvantaging in the end-to-end encrypted communication space, Facebook also considered the acquisition of WhatsApp as a proactive strategy that would mitigate future disruptions. For the case of Amazon, when its global delivery business boomed and it wanted a hybrid retail model blending online operation with physical presence to improve its operational efficiency and the quality of customer services, it had no option but to acquire Whole Foods in 2017. Given the growing demand for organic food and local grocery delivery, Whole Foods' footprint was expanding across various markets. Its acquisition therefore bolstered Amazon's capabilities to reach various markets and build the hybrid online/physical presence. However, even as the business uses acquisition of emerging new capabilities as part of the adaptive leadership strategies, systematic review revealed that it may also use new value innovation.

### **New Value Innovation**

New value innovation refers to the adaptive leadership approach where business leaders emphasise stronger investment in new product development to create and offer new products that disrupt the existing products. Instead of waiting to be disrupted and destroyed by the emerging disruptive market trends, new value innovation business philosophy encourages businesses to aggressively engage in new product innovation with the motive of disadvantaging any new emerging disruptive products. To destroy the emerging new disruptive products, new value innovation emphasises stronger investment in quality products and the products that create and deliver the previously unanticipated values. It strives to continuously analyse and respond to the emerging trends by introducing novel products that offer the previously unanticipated values.

Businesses using new value innovation business philosophy as part of the adaptive leadership strategy are often market leaders. They are often market leaders that strive to continuously create and deliver the best. This often defines and redefines the rules of the game in the event of disruption. Since new value innovation business philosophy enables the business adopt proactive business philosophy to evaluate and respond to trends with pace-setting products, it enables businesses stay ahead of rivals. To stay ahead of rivals, APPLE Inc , as one of the leading operators in the global telecommunication and consumer electronics segments , invests about \$30 billion in research and innovation. This research and innovation has enabled Apple develop and create previously unanticipated products that bolster its capabilities to stay ahead of rivals. Due to higher R&D investment, Apple has emerged with some unique and previously unanticipated products like Apple-Watch which is not just a wearable, but also a medical device used for measuring blood pressure and heartbeats. In 2016, Apple created AirPods as the other previously unanticipated products that disrupted wireless audio. Besides creating Apple Silicon with M1 and M2 chips that displaced Intel chips, in 2024, Apple also created Vision Pro as well as an array of other revolutionary smartphones that place Apple ahead of rivals. To ensure that it disrupts and adapts to all the emerging trends, Apple invests in new value innovation that enables it create and deliver novel products that define the rules of the game before it is disrupted by the other emerging market forces. Just like Apple Inc, when Tesla introduced Roadster and Model S as the successful versions of its electric car models, it opened its patents for duplication and copying by the other competitors (Okanga, 2022). This was aimed at inducing competition that improved quality. But as they did that, Tesla also invested heavily in new value innovation to ensure that it created and delivered more disruptive electric vehicle models that would enable it stay ahead of competition.

To establish itself as the global leader in the electric vehicle manufacturing and trading market, Tesla scaled its investment in R&D (research and development) to create more superior battery technology. Besides creating the new disruptive EV versions

like Model S, 3, X and Y, its investment in autonomous driving technology also led to the improvement of the advanced-driver assistance systems embedded in most of its electric vehicles (Dans, 2019; Shipley, 2020). This was followed by the introduction of the Cyber truck that has the unique design never seen before as well as the development of Powerball and Solar Roof (Xiao, 2024). Compared to mergers and acquisitions, new value innovation is one of the strategies that enable a business stay ahead of competition.

When attacked by the disruptive market forces, new value innovation enables a business explore how to adapt to the emerging new market forces by developing and delivering novel products that counter competition. To adapt to the changing customer tastes and preferences, Unilever invests heavily in R&D to develop and deliver some of the previously unanticipated products like Love Beauty and Planet, Dove that offers refillable deodorants and a variety of other plant-based foods to respond to the growing demand for healthy and safe foods (Robinson, 2025). Combined with the investment in new technologies, this implies that if the business is squeezed by the emerging new disruptive forces, new value innovation is one of the internal strategies that pushes businesses to create even better products in order to adapt. Yet as the business adopts such a strategy, it may also require constant diagnosis and response to market trends' changes.

### **Diagnosis of Market Trends' Changes**

Constant diagnosis and response to market trends' changes are some of the adaptive leadership strategies that modern businesses use for improving a business' response and evolution with the unfolding trends (Robinson, 2025). Even if the business is doing well, the adoption of a business philosophy that recognises the market and business ecosystem as constantly changing and evolving is essential for discerning a combination of strategies that can be used to improve a business' adaptability (Rani, 2023). Constant diagnosis of the unfolding market trends improves the ability of the business to diagnose the kinds of technologies that must be acquired and used to improve a business' capability to create new values that respond to the changing customer tastes and preferences.

As customer needs and preferences change, constant diagnosis of market trends further improves discerning the kinds of new products that must be created to respond to the unfolding market dynamics. It also improves the business' response to the changing market dynamics by discerning the kinds of skills and talents required for the business to adapt to the unfolding trends (Nawangwulan, Anantadjaya & Rachmat, 2025). Analysis of the unfolding market trends is an essential diagnostic tool that most businesses that strive to be adaptive cannot avoid doing without. It reveals essential insights about the weaknesses and threats of the business vis-à-vis the opportunities and threats unfolding in its business ecosystem.

After market diagnosis revealed that the 2008 financial crisis was threatening to put McDonald out of business, the business leaders at McDonald lowered prices under its promotion of the \$1 Menu. It also introduced meal bundles and localized pricing to connect with some new consumers around the world. This strategy turned around McDonald's market performance. It improved McDonald's adaptability and its avoidance of failure (Rani, 2023). Besides aiding the discernment of new products, technology, resources, and skills that must be used for the business to adapt to the unfolding new trends, constant market diagnosis also improves the discernment of the kinds of branding and market positioning strategies that the business can adopt to improve its adaptability to the unfolding trends.

Even if the business develops and delivers new products, branding and market positioning are still essential for improving the awareness and knowledge about the product (Jeffares, 2025). Branding keeps the general market informed and aware of the critical values and benefits that the product offers. This improves the faster diffusion of new products. During the emergence of new disruptive information, a lot of information is hyped about the values and benefits of the product (Nawangwulan et al., 2025). To counter such narratives, an effective branding and market positioning are essential for influencing the market to look at the values provided by the alternative products. Branding influences and lures the market to consider trying new products. During aggressive competition, this improves the ability of the product to attract more customers and diffuse the emerging competition threats. Branding enables a business create a positive image and relationship with the public (Kotler & Keller, 2016). It brings the business closer to the general market. In the event of changes in customer needs and preferences, closer interactions of the business with the public improve their capabilities to diagnose and respond to the changing customer preferences and needs. This improves the adaptability of the business to the unfolding disruptive market trends (Rani, 2023).

After diagnosing the growing online market where most of the consumers around the world were exploring and searching various forms of beauty and skincare products, Sephora changed and became tech-savvy by introducing various digital platforms, mobile Apps, and online tutorials (Patov, 2025). As the consumers interacted with these various online platforms, it improved the sale of its various beauty products around the world. It improved its capability to adapt and respond to the constant consumers' demand for conveniently accessible and affordable beauty products.

If faced with market threats, it is evident that most high-performing businesses often use a combination of adaptive leadership strategies encompassing acquisitions of emerging new capabilities, new value innovation, investment in new technologies, strategic alliance, branding and market positioning, as well as constant diagnosis and response to market trends' changes. But even if that is so, adaptive leadership is often still challenged by a range of various problems experienced by most of the modern businesses.

### **Inhibitors of Adaptive Leadership as a Leverager of Business Transfiguration and Sustainability**

Systematic review indicated the major inhibitors of adaptive leadership as a leverager of business transfiguration and sustainability to often arise from:

- Organisational Rigidity
- Employee Resistance
- Stringent Cost-Saving's Approaches

Details of these challenges are evaluated as follows.

#### **Organisational Rigidity**

Organisational rigidity is one of the inhibitors of adaptive leadership. It arises from the established practices, behaviours, policies, and strategies used by the business for decades and decades to create value. Because the practices are part of the daily operational standards and policies, it often becomes difficult to review and suddenly change to support the new strategies being introduced to improve a firm's adaptability to the unfolding new market trends. Quite often, it is not the case that the managers are refusing to change. But because some of the old practices, technology, and even business structures may appear valuable and useful for enhancing a firm's effective market performance. They are not changed until disruptive market trends begin to reveal that they need to be changed. Unfortunately, by that time, it would be too late for the business to make the required changes that influence a firm's adaptability. A firm may change and modify its existing capabilities, but it can be too late for the business to catch up and become more successful. Adaptive leadership uses a proactive business approach that requires businesses to evaluate situations and take actions to make the required changes before the disruptive market trends become volatile.

If proactive interventions are not undertaken, it often becomes difficult to influence the seamless transition from one set of disruptive market trends to the other. Apart from Kodak, Blockbuster was another business that failed to change and embrace the unfolding changes in market trends only to fail a few years later (Reidel, 2025). Prior to the digital revolution that introduced digital streaming of movies and films, Blockbuster had built a reputation as one of the leading DVD rental businesses. Its DVD rental business model entailed people visiting its various stores and taking out DVDs to watch for rental or in exchange for a fee. Using such a model, an individual or a family would pay a deposit and DVD rental fee and take the movie and watch from home. Once done, the DVD would be returned to a Blockbuster store. This business model spread across the world and Blockbuster made a lot of profits from it. However, when the advancement of computer and internet technologies introduced the concept of digitization, the likes of Netflix, Disney, Spotify, Apple Music and Amazon Music joined in to create digital streaming that streamed music and movies directly to customers using various online platforms (Lang, 2025).

Before the concept became disruptive, Blockbuster noted from Netflix's success that the digital streaming business would be a success. But still, Blockbuster refused to acquire Netflix and diffuse the risk of failure in 2000 just for \$50 million (Reidel, 2025). This indicates how the stronger belief in the business model that has created value for a long time can affect the introduction of changes required for improving a firm's adaptability to the unfolding market changes. For the case of Blockbuster, it failed to embrace and invest in new technology. Given the reputation that it had built, had Blockbuster invested in the required digital music and movie streaming services, it would have disrupted Netflix's evolution as a new disruptor (Lang, 2025).

Even if a business is willing to change, sometimes lack of the appropriate internal capabilities can affect the ability of the business to change. When it became apparent that the emergence of new smartphone technology would displace Nokia that had been a leader in the mobile phone markets, Nokia attempted to change to smartphone manufacturing, but still it did not succeed. It did not have the required internal talents and technology. It could have acquired another firm thriving in smartphone manufacturing, but the problem arose from the fact that it was only the likes of Apple and Samsung which were more competent in smartphone manufacturing. This technological failure subsequently caused Nokia's failure and subsequent poor market performance. Yet as organisational rigidity is a problem, challenges can also arise from employee resistance.

#### **Employee Resistance**

Sometimes employee resistance can affect the successful implementation of changes aimed at bolstering a firm's adaptability to the unfolding market trends. Employees can fear that change implementation may introduce new systems that interfere with their effective performance (Khaw et al., 2023). Other employees may fear that if the new changes are introduced, it may cause job losses or a restructuring that places them under new managers and supervisors that they don't like. This causes problems that can cause sabotage and frustrations of the new changes being implemented to support a firm's change and adaptation to the unfolding market trends. If the employees anticipate the introduction of new technology that would displace them from their jobs, they would be less interested in ensuring the successful implementation of such a technology (Temitope, 2022). If there is a problem of price competition in the market, such sabotages can affect the successful use of artificial intelligence and machine learning technologies to automate different operational processes to improve operational efficiency and lower costs.

Quite often, risks of employee resistance affecting the successful implementation of various adaptive leadership strategies often arise from poor change management. Poor change management causes the poor conceptualization and planning of how change implementation must be accomplished. Poor change management affects vision formulation and communication about what the

change is about (Suyuthi et al., 2025). If the ordinary employees cannot understand what the change is about as well as the benefits of the change being implemented, they may not be more supportive of the process of change implementation. If the employees do not understand their future roles in the organisation after the implementation of change, they may also be less cooperative and interested in ensuring the success of changes aimed at bolstering a firm's adaptability to the unfolding changes. For change to be a success, it is not only communication clarity which is important, but also the empowerment of employees to participate in the change implementation processes (Cameron & Green, 2019). Employees must be empowered with the requisite skills, resources, machinery, equipment and technology to participate in the change implementation processes. This creates a more supportive environment for the implementation of change that bolsters a firm's adaptability to the changing market trends. Unfortunately, even if the employees are empowered, for technological changes, some complexities, compatibility, and operational issues can arise to affect the successful implementation of the required technological changes (Endrejat, 2021). These complexities may make the employees feel uncomfortable about certain changes that are being introduced. These limit the implementation of the required technological, operational, and structural changes to bolster a firm's adaptability to the unfolding market forces. Quite often, such challenges are compounded by stringent adherence to cost-savings' management approaches.

### **Stringent Cost-Savings' Approaches**

Stringent cost-savings' approach is one of the deterrents of successful implementation of change for bolstering a firm's ability to adapt to the emerging new market forces. To meet the profitability targets as set by the board, some Chief Executive Officers may emphasise stringent cost-savings as a way of unlocking extra cost advantages that increase operational and net profit margins (Stobierski, 2020). This tends to affect the investment of adequate resources in the development and implementation of initiatives that improve a firm's adaptation and evolution with the unfolding market trends.

Quite often, usage of stringent cost-saving approaches is regarded as an incident causing inadequate allocation of resources for investment in new technologies offering new advantages that can enhance a firm's effective market performance. It is the same stringent cost-savings approach that affects the successful implementation of structural changes essential for influencing a business' change and transfiguration to transition from one state of disruptive trends to another. Even if the business has adequate financial resources, usage of a stringent cost-savings approach affects the commitment of adequate financial resources in research and innovation (Weiser, Jarzabkowski, & Laamanen, 2020). Yet it is through research and development that the business can be able to modify the existing product features and designs to respond to the unfolding changes in customer tastes and preferences. It is also through the investment of enormous financial resources in research and innovation that the business can be able to create new products that disrupt the emerging disruptive products.

If the business cannot commit adequate financial resources to new product development as well as on the promotion, branding, and marketing of the new product, it means it cannot disrupt and adapt with the existing market forces (Hubbart, 2023). It is such an approach to financial investment that has often caused the failure of some businesses. Because the business is using a stringent cost-savings approach, it tends to focus on short-term profitability and not long-term quests of transformation that bolsters improved business sustainability. With the short-term focus, even if the business considers investing in new technologies or product development to respond to the changing market forces, the initiative will be avoided if it does not aid the attainment of the desired short-term financial results (Davis-Adesegha, Saunder & B. Okanga, 2025). Stringent cost-savings approach goes hand in hand with usage of results-based approach.

Results-based management also focuses on achieving short-term results. If the business cannot achieve short-term results, it is often discouraged and abandoned. Even if the project was a potential disrupter that would improve a firm's response and adaptation with the changing market forces, it would still be abandoned. Quite often, this is just because immediate positive financial results are not showing up (Burnes, 2017). Yet as some of the promising projects would have been game-changing innovation projects but are abandoned, the progress for the implementation of certain change projects can also be slowed down. This can affect the successful implementation of the required adaptive leadership change implementation strategies. It is such a business approach that has caused the failure of Sears, one of America's previously best grocery retail stores.

As the e-commerce operational business model emerged to start disrupting physical retail systems, Sears never bothered to change and embrace the emerging e-commerce technology (Keeports, 2025). Instead, because of stringent cost-savings, it resorted to avoiding investing anything in the initiatives outside its core business model. This short-term oriented business thinking caused Sears' failure. It is also such short-sightedness that caused the failure of Yahoo. Yahoo was one of the pioneer tech-companies, but as Google, Facebook and YouTube emerged and it had the opportunities to acquire and assimilate them, it never did. Because of cost-savings and short-sightedness, Yahoo opted not to compete rather than spend a lot of funds acquiring them. The end result was that it did not take long before aggressive innovation by Google and Facebook rendered it difficult for Yahoo to cope and adapt (Bajj & Mundra, 2025). Yahoo was then sold to Verizon in 2017 at a very minimal value.

### **CONCLUSION**

Thriving in the constantly changing modern manufacturing business landscape requires manufacturing enterprises to adopt not only more flexible and agile operational systems, but also an adaptive leadership style. Adaptive leadership can influence

effective diagnosis and response to the unfolding business situations. It can influence the business' ability to diagnose and respond to the unfolding situation. If the leadership is adaptive, the manufacturing enterprise is also most likely to adopt more flexible and agile technologies, operational approaches and financing strategies. These improve the overall adaptability of the business to the unfolding business trends. If faced with market threats, most high performing businesses often use a combination of adaptive leadership strategies encompassing acquisitions of emerging new capabilities, new value innovation, investment in new technologies, strategic alliance, branding and market positioning, as well as constant diagnosis and response to market trends' changes. But even if that is so, adaptive leadership is often still affected by a range of inhibitors that often arise from organisational rigidity, employee resistance, and stringent cost-savings' approaches. These imply as businesses strive to evolve and adapt with the changing market and industry trends, these are some of the traps that they need to avoid.

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