

12 Kabuki Leadership: Cultivating Adaptive Leadership in a Hierarchical Collectivist Culture in Japan

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Although Japan ranks third globally in gross domestic product (GDP; World Bank, 2019), its annual GDP growth has plummeted over the decade as it faced unprecedented adaptive challenges (Heifetz et al., 2009b) without clear solutions. The COVID-19 pandemic has added to the existing issues of global competition, technological innovations, and Japan's declining/aging population. Particularly, the latter causes diminishing labor and tax pools, difficulties in financing social security frameworks, and surging public expenditure on health care, nursing care, and pensions (Hong & Schneider, 2020).

In corporate Japan, executives feel an urgent need to transform their organizational culture in ways that embrace collaborative and adaptive leadership (PwC Consulting LLC., 2019). Such a shift would allow the industry to quickly find new solutions and thrive in uncertainty.

This chapter addresses how adaptive leadership has been practiced in a hierarchical collectivist culture in Japan and how a cultural shift toward more adaptive organizations is possible. Cultural change is an adaptive challenge that involves a change within people's minds as to how leadership and the challenge are defined (Heifetz et al., 2009b). Adaptive leadership has a significant impact on the strength and longevity of any organization (Heifetz, 1994), yet requires leaders to have commensurate maturity and a sufficiently developed organizational culture to overcome such adaptive challenges (Kegan & Lahey, 2009).

This chapter is divided into five sections. First, we describe Japanese culture and its relationship to leadership practices. Second, we explain adaptive leadership practices in *kabuki* (a classical Japanese theater). Third, we detail two cases of adaptive leadership practices in corporate Japan. Fourth, we profile our adaptive leadership development intervention for a fast-growing Japanese company. Finally, we conclude with implications for adaptive leadership development within a hierarchical collectivist culture.

Hierarchical Collectivist Culture in Japan

Visitors to Japan often experience a juxtaposition of tradition and technological innovation. Japan is one of the most technologically advanced economies in the world (Radu, 2020). However, a 2,000-year history of tradition and seniority represented through extensive honorific language still permeates the entire culture.

Japan has a collectivist culture with strong group emotions, high power distance, and loyalty to authority (Nahavandi, 2006). Its collectivism is not egalitarian, but highly hierarchical (Meyer, 2014), marked by a performance orientation (Nahavandi, 2006). House et al. (2002) proposed that a culture's differentiating characteristics could predict organizational practices and leadership behaviors. In short, the most acceptable and effective organizational practices and leadership behaviors and qualities in Japan are based on hierarchical collectivism, which puts importance on authority and self-sacrifice for the good of the group (Nahavandi, 2006).

Kabuki and its Uniqueness in Collaborative Improvisation

Kabuki is one of the major classical theater forms in Japan, dating back to the 17th century (Kodansha, n.d.a). With its blend of drama, music, and dance, kabuki is recognized as one of the world's greatest theatrical traditions (Kodansha, n.d.a). Since its inception, kabuki has adapted to the changing times (Kodansha, n.d.a) and, similar to how Heifetz et al. (2009a) describe leadership, is an “improvisational and experimental art” (p. 3), that fosters adaptation, embraces productive disequilibrium, and generates leadership. Heifetz et al. (2009b) define fostering adaptation as enabling an organization to thrive in a new or challenging environment. To embrace productive disequilibrium is described as generating enough distress among stakeholders to make progress, but not so excessively that the organization is incapacitated (Heifetz et al., 2009b). They explain generating leadership as the distribution of leadership responsibility and the mobilization of everyone for producing results (Heifetz et al., 2009a).

Kabuki Fosters Adaptation

Kabuki's cultivation of adaptation is seen in some actors' dissent to its inheritance system and the industry's trend itself (Kominz, 2006); the kabuki industry is still adapting. Its goal of advancing new creations along with classics results in the introduction of new kabuki productions—adaptations of storybooks, manga, works of Shakespeare, and classic Indian texts. These adaptations accentuate the basis of new creations as classic kabuki while reinforcing a kabuki tradition characterized by the introduction of new productions (Shochiku Co., Ltd., 2020).

Kabuki Embraces Disequilibrium

The kabuki industry held itself in a fruitful disequilibrium by “acting politically” (Heifetz et al., 2009a). During Japan's Tokugawa period (1603–1868 A.D.) of isolation from foreign contacts and oppressive government restrictions, Kabuki artists used “suggestion” to circumvent censorship and maximize entertainment (D’Etcheverry, 2011). During this period, one of the universal moral concepts, the Buddhist belief of *mujō* (impermanence), was integrated into the kabuki theater for plot turns, often exemplifying the collapse of a noble family or a mighty military head (Kodansha, n.d.a). The ways in which kabuki enlightens citizens about impermanence exemplifies adaptive leadership in its orientation to change (impermanence) and the role of non-positional leaders (those lacking formal authority) to embrace adaptation and disequilibrium in an ever-changing world (Heifetz, 1994).

Other elements of kabuki that enable an audience to embrace disequilibrium are pivot words with two meanings (*kakekotoba*), quick changes (*hayagawari*), and double casting, the same actor playing more than one character in a given play (D’Etcheverry, 2011). All three elements invite the audience to see an actor as multiple and often contradicting personae. These too align with the role informal authority may play in adaptive work and how adaptive leadership requires us to engage in multiple interpretations and enhance our complexity.

Kabuki as a Leadership Generator

Finally, kabuki epitomizes the mobilization of all stakeholders, one of the cornerstones of adaptive leadership (Heifetz et al., 2009a). Most remarkable regarding kabuki performance is that the music is composed and performed collectively and collaboratively (Kodansha, n.d.b). Unlike conductors in Western operas, the actors and musicians in kabuki take turns playing the role of conductor, unfolding naturally. The singers and players of *shamisen*, the three-stringed traditional Japanese instrument, are in charge of their parts. The stakeholder groups of the percussion and offstage music, consult with other roles in the production, such as the head of the association of percussionists, actors, and directors of the performance, to add their music to the theatrical piece. Like adaptive leadership, this collaborative improvisation process is perfected through practice and carried out on stage. Kabuki also mobilizes people (Heifetz et al., 2009a) in more subtle ways. The audience becomes another stakeholder group as they participate in performances through the use of *kakegoe* (set phrases cried out by attendees at particular points in the performance) and sensory conventions, such as allusion, requiring active audience participation (D’Etcheverry, 2011).

Thus, the distinctiveness of kabuki is that it promotes adaptiveness, maintains productive disequilibrium, and exercises collaborative leadership within a hierarchical collectivist culture while adapting itself to the needs of modernity, all of which are critical in the art of adaptive leadership.

Adaptive Leadership in Hierarchical Collectivist Corporate Japan

This section describes two corporate examples of adaptive leadership enacted in the hierarchical collectivist culture in Japan. The first example comes from Toyota Motor Corporation, a global manufacturer run by one family on a hereditary system, where *kaizen* (Imai, 1986) is one of the key principles of the production system. *Kaizen* is defined as a search for continuous improvement and a philosophy dedicated to maximum quality, waste elimination, and improved efficiency in equipment and work procedures (Toyota UK, 2013).

Kaizen activities are embedded in the daily work of the employees, even at the lowest level of Toyota. For example, since 1951, the company has been asking its employees (approximately 74,000) to reflect weekly and propose *kaizen* ideas. These range from minute improvements in daily workflows or production lines to corporate-wide initiatives. If an employee submits five ideas, the supervisor will give that employee between ¥500 and ¥30,000 (\$4 and \$250) the following week depending on the idea proposed. Ideas worthy of consideration at the highest level move up the chain of command. All ideas receive some remuneration, even those not classified as extraordinary, encouraging all employees to participate. This top-initiated but bottom-up weekly activity has led to numerous improvements and innovations for the company. It creates safe spaces for critical thinking, gives the work back to the staff, and encourages employees to speak out about what doesn't work, all of which exemplify adaptive leadership practices (Heifetz et al., 2009b).

A second example is the Amoeba Management methodology developed by Kazuo Inamori, the former president and chairman of Kyocera Corporation (Kyocera Corporation, 2020). Amoeba Management begins by dividing an organization into smaller units named *amoebas*. One leader is designated for each amoeba, who takes responsibility for drafting plans and goals for the unit based on corporate-wide philosophy and goals. Within this structure, each employee plays a leading role to achieve the unit goals while pursuing the corporate philosophy. This management-by-all approach is widely accepted in Japan. More than 700 companies, including Kyocera, KDDI, and Japan Airlines implemented this strategy with significant successes reported. As an example, Inamori directly led the successful turnaround of Japan Airlines in two years with Amoeba Management, from one of Japan's biggest bankruptcies in 2010 to the

world's second-largest public offering in 2012 (Layne, 2012). This revival, enabled by the collaboration of all employees, is an example of generating leadership throughout the organization.

We can extract common threads from these two corporate cases and kabuki. Both corporations exercised elements of adaptive leadership in a hierarchical collectivist culture. Toyota was consistently committed to innovation, developed a business philosophy called *kaizen* to improve its business continuously, and remains an adaptive leader in the industry. Kyocera created the Amoeba methodology and still has an immense influence on the innovation of other corporate entities globally. The authors call this type of leadership model in which adaptive leadership is practiced within a hierarchical collectivist culture, “kabuki leadership.” We now present a case study in which we tested our model of kabuki leadership in Japan.

A Case of An Adaptive Leadership Intervention in Japan

This is a case study of a fast-growing accounting firm in Japan and a leadership development program to develop an adaptive organizational culture. The company offered its top 15 executives, including the founder and CEO, a 5-month intervention using the adaptive leadership framework (Heifetz, 1994) and the immunity-to-change (ITC) process based on adult developmental theory (Kegan & Lahey, 2009). We utilized pre- and post-intervention assessments to evaluate a potential shift in two areas: Participants’ stage of adult development and views on organizational culture. The primary instruments for this study were the Subject-Object Interview (SOI; Lahey et al., 1988) and the Culture Evaluation Tool (McCauley et al., 2008).

Background

The accounting firm in which this study took place has grown steadily since its inception in 2007 and, at the time of this study, was ranked among the top 30 accounting firms in Japan. It enjoys a solid reputation as a group of trusted business advisors to over 2,400 clients across a wide range of industries.

This firm has also faced serious challenges. Accounting services had become increasingly commoditized, and the pricing competition had reduced the firm’s growth and profitability. As well, with growing pressure on compliance and demands for high-level client services, many employees experienced burnout, resulting in high turnover. Nevertheless, because of steady growth over the previous decade, the management lacked a sense of urgency.

Furthermore, there was a growing gap between espoused and enacted corporate values (H. Takahashi, personal communication, January 15,

2021). The CEO publicly committed to embracing diverse opinions and the growth and well-being of all associated stakeholders: Employees, clients, and the accounting industry in Japan. He introduced flexible working arrangements and created a website for accountant-hopefuls that offered career advice. His leadership style tended to be command-and-control in order to generate fast outcomes, which created dependency among the employees on these directives, and siloed communication.

Realizing the long-term impact of his leadership style and the contradictions of his actions in relation to the firm's values, the CEO felt the firm should shift from a hierarchical leadership culture to one that was more collaborative and process-oriented. He also recognized that what amounted to an organizational culture transformation would require his employees, especially the leaders, to cultivate a more complex mindset (Kegan et al., 2016). The authors noted the firm could be closer to his goal by promoting adaptiveness, maintaining productive disequilibrium, and exercising collaborative leadership, the pillars of kabuki leadership.

Theoretical Frameworks for Organizational Culture Transformation

Two theoretical frameworks were employed in this intervention: Adaptive leadership and adult development. Adaptive leadership encompasses an iterative process of observing and interpreting patterns before taking action (Heifetz et al., 2009b). Heifetz et al. (2009b) call this “getting off the dance floor and on the balcony” (p. 32).

Critical to addressing the complexities of adaptive challenges is a mindset able to recognize and make meaning of that complexity. Adult development theory offers a foundation for understanding this capacity (Kegan & Lahey, 2009) and, by extension, adaptive leadership. Kegan's (1994) theory of constructive adult development posits that adults move through successive developmental stages, each stage representing a qualitative evolution in mental complexity (McCauley et al., 2006). Kegan describes these stages as instrumental, socialized, self-authoring, and self-transforming. Because the majority of adults fall between a socialized and self-transforming mindset, this study focused its data collection on those three stages (see Table 12.1).

Kegan et al. (2016) emphasized that organizations should focus on supporting employees to transform their meaning-making systems to deal with organizational culture transformation. Thus, it is critical to drive both individual and organizational development as interdependent goals at the organizational level.

Adult development theory has been applied to the evolution of organizations (Torbert, 2004), with McCauley et al. (2008) proposing that organizations develop along a similar trajectory as Kegan's individual framing: From a dependent to an independent to an interdependent

Table 12.1 Three Adult Development Minds

| <i>Adult Meaning Stages</i> | <i>Description</i> |
|------------------------------------|---|
| Socialized Mind (3rd stage) | Can subordinate its desire to that of others. Loyal to the community with which it identifies. Importance of external validation. 59% of adults are believed to be in this stage. |
| Self-authoring Mind (4th stage) | Self-guided, self-motivated, and self-evaluative. Can mediate conflicts. Importance of internal validation. 34% of adults are at this stage. |
| Self-transforming Mind (5th stage) | Self-reflective regarding the limitations of internal authority. Collective and variable authority. Less likely to see the world as dichotomies or polarities. Dialectic. The percentage of adults in this stage is thought to be less than 7%. |

Note: Created by the authors of this chapter referencing Kegan and Lahey (2009).

leadership culture. In a dependent leadership culture, people with positional authority are responsible for leadership, and there is an emphasis on a command-and-control approach, with deference to authority. This is similar to the socialized mind form where individuals exhibit dependence upon external authority. In an independent leadership culture, leadership emerges where needed, based on knowledge and expertise. This culture may emphasize decentralized decision making, with a high regard for individual initiative and responsibility; in Kegan's developmental framing, these individuals would be classified as self-authored. In an interdependent leadership culture, leadership is a collaborative activity of mutual inquiry and learning, in which people proactively use dialogue and horizontal networks, valuing diversity, inclusion, and learning (For details on networks, see Chapter 1). This culture enables working cross-organizationally for synergies. Kabuki creation, with its collaborative nature and use of dialogue, appears to be based on an interdependent leadership culture. The latter leadership culture includes and transcends the prior leadership culture and is more complex. Research indicates organizations with an interdependent leadership culture are better able to adapt to rapid changes (Drath et al., 2010). McCauley et al. (2006, 2008) argue that an interdependent organizational culture corresponds closely with the self-transforming mind form. Figure 12.1 illustrates these cross-theory comparisons, adapted and modified from McCauley et al. (2006, 2008).

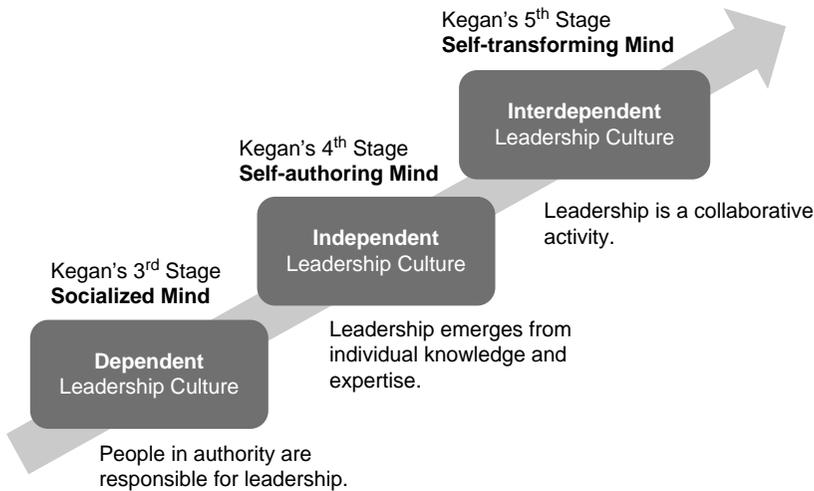


Figure 12.1 Stage Comparison of Individual Adult Development and Leadership Culture.

Note: Created by the authors of this chapter referencing McCauley et al. (2006, 2008).

Research Method

In 2019, the CEO of the accounting firm consulted with the authors to develop a leadership training program to embody its values: “We are all different and all wonderful, and we would like to move hand-in-hand and grow with you.” His goal was to change the organizational culture from a hierarchical one to one that was adaptive, more developed, and inclusive.

Notably, the intervention that comprised this case study would be the first documented corporate attempt to develop an adaptive culture in Japan. The research team used Heifetz et al's (2009b) conception of an adaptive organizational culture, which includes: Authenticity and openness, shared responsibility, independent judgment, leadership capacity throughout the organization, and institutionalized reflection and continuous learning. The initial intervention was designed as an in-person 5-month leadership training based on adaptive leadership for the top 15 executives, including the CEO. From the kabuki leadership perspective, the CEO's participation was crucial not only for his own growth by perceiving his direct reports as colleagues, but also for the role modeling effect for his direct reports and the disequilibrium it might create in the training because of his dual role as CEO and fellow participant, enabling others to see his multiple personae. Due to the 2020 global pandemic, the study was redesigned to enable virtual delivery. As well, the original plan to offer two 1.5-day workshops in Tokyo at the

start and end of the program was adjusted to comprise six 3-hour workshops over five months. This adjustment ensured more frequent gatherings due to the virtual nature of the training.

Another consideration related to the virtual intervention during the pandemic was the assumption that participants could not accommodate any excessive psychological stresses. Therefore, the ITC process (Kegan & Lahey, 2009) was chosen as a primary intervention strategy.

Immunity to Change

ITC offers a specific workflow to uncover invisible beliefs that prevent a desired change to take place. The ITC arc begins with a participant's identification of an "improvement goal," actions/inactions that counter that goal, the "hidden competing commitments" that rationalize the unproductive actions/inactions, and the "big assumption" that drives the hidden commitment and the counterproductive behaviors. Participants uncover a "map" of their behaviors that points to an "immune system" that is holding status quo behaviors in place. Subsequently, participants design and implement "tests" of their "big assumptions" to first understand if their assumptions are correct and, if so, they design experiments that will eventually help them overcome the immunities that prevent them from taking the actions they desire for themselves (Kegan & Lahey, 2009). This process often involves a level of discomfort, as it exposes and often questions strongly held beliefs (Kegan & Lahey, 2009) that can date back to childhood. The ITC exercise itself requires participants to be on the balcony, see themselves as systems—an essential characteristic of adaptive leaders (Heifetz et al., 2009) and, through that discomfort potentially expand their mental complexity (Helsing et al., 2013).

ITC and the adaptive leadership process of observing, interpreting, and intervening have common characteristics. First and as noted earlier, the ITC process of getting on the balcony and collecting data about the self is a key observation practice of adaptive leaders. Second, identifying "hidden competing commitments" that rationalize unproductive behavior and unconscious beliefs in ITC requires the interpretations adaptive leaders must make, in this case identifying and interpreting behavioral patterns. Finally, the design and implementation of experiments to test one's assumptions resembles intervention practices in adaptive leadership called "experiments" (Heifetz et al., 2009a), which intend to make progress on adaptive challenges (Heifetz et al., 2009b).

Process. For maximum learning, the participants were divided into four groups of three to four people. Each group had weekly group coaching meetings, designed to help participants share and reflect on their experiments, what they learned about themselves through the words and actions of those involved in the experiments, and their plan for the following week, all done collectively and collaboratively as in

kabuki performances. As researchers, we believe people learn through collaborative inquiry and reflection. By observing other participants' reflections and analyses of their experiments, each participant might find similar dynamics in their own case. This mirroring dynamic could—and did—provide different interpretations of their cases. Moreover, the participants were asked to take turns becoming the weekly facilitator for their group, similar to kabuki in which musicians take turns playing the role of the conductor, to mobilize the system by exercising the functions of authority.

Holding Environment

An important component to the intervention was the development of a holding environment (Heifetz et al., 2009b) to support psychological safety among the participants and to maintain the disequilibrium at a productive level (For details on the holding environment, see Chapter 11). In the initial meeting, we asked participants to list rules which helped foster psychological safety during the program, along with a commitment to follow these “norms” and expectations of each other. The norms included: Maintain confidentiality, listen to others open-mindedly, participate physically and mentally, and celebrate small steps of change and success. The researchers also began each meeting with check-ins to share their intention for the work and concluded with check-outs to summarize reflections from the training session.

Furthermore, the researchers maintained a strong presence throughout the process. Virtual individual consultations were offered twice a month. The first four small group sessions were observed and supported. Weekly meetings were held with the CEO to make program adjustments according to his feedback.

Agile Methodology

The training took place from August to December 2020 and incorporated agile development methodology, a process that accelerates the progress of human growth and organizational culture change (De Smet et al., 2018). This time frame allowed for three cycles of a month-long agile cycle (Figure 12.2). Each cycle included one large-group workshop and four weekly small group meetings. As part of the intervention design, the authors changed the members in each small group and the theme of the ITC process every month to resemble *mujō* (impermanence or change) integrated in kabuki and promote adaptation as well as to enhance fellowship. Moreover, the authors created multiple group work opportunities with different group members during the workshops similar to quick change (*hayagawari*) in kabuki to simulate fluidity.

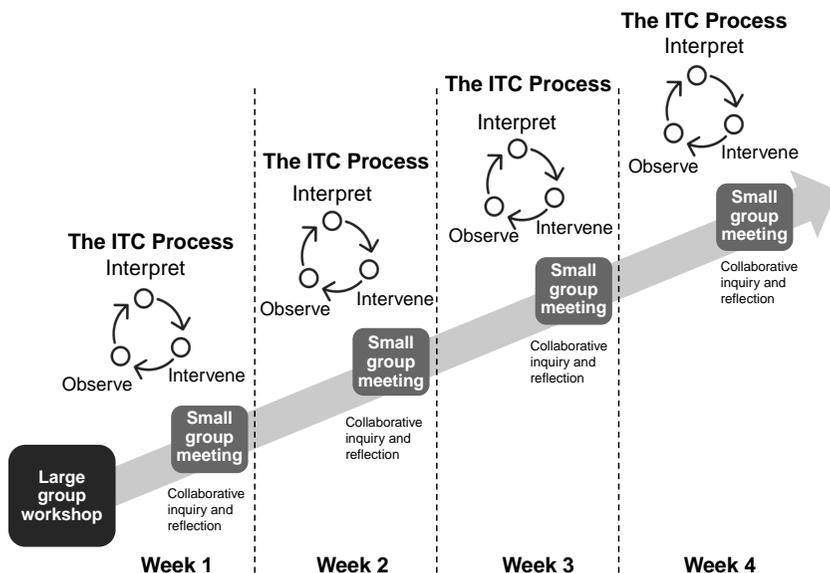


Figure 12.2 One Agile Cycle of the Leadership Development Intervention.

The first agile cycle centered on individual improvement goals to develop a reflective mindset and explore hidden biases. Participants were asked to recognize the adaptive and technical aspects of their personal challenge. The second cycle targeted organizational improvement goals. Each group chose and analyzed the adaptive aspects of one organizational improvement goal. Then, each group member made their own experimentations to overcome the adaptive challenges inherent in the organizational improvement goals and worked on them individually. The third cycle dealt with the organizational improvement goal of collaboration and moving beyond siloed practices. This cycle asked all participants to collaboratively work on experiments related to the goal within the cross-silo group or with other stakeholders not engaged in the training process depending on their goals. They shared their experiences and learnings regarding their big assumptions from the experiments with others within their small group and advised each other on how they might have done things differently. They also shared their learnings in the subsequent workshop with members from other small groups.

Data Collection

Pre- and post-intervention assessments were conducted: (1) the SOI (Lahey et al., 1988) to assess the participants' stages of adult development and (2) the Culture Evaluation Tool (McCauley et al., 2008), a

survey to explore the participants' views on the organization's leadership culture.

Subject-Object Interview

The SOI is a 90-minute, one-on-one, semi-clinical, semi-structured interview that measures the interviewee's developmental stage related to mental complexity as defined by Kegan (1994). A certified interviewer asks participants about their recent experiences of “anger,” “success,” “sadness,” “change,” and so on. Two certified evaluators independently assess a transcript of the interview to determine that individual's developmental level, collaborating to confirm the accuracy of the evaluation. The SOI assigns a level of adult development out of 21 possible scores that corresponds to Kegan's developmental levels (explained earlier), including an assessment of how individuals may be transitioning from one level to another. The SOI is a time-consuming method (Helsing & Howell, 2013) with significant validity and reliability; it is widely used in leadership research (McCauley et al., 2006). Evaluators go through extensive training and testing to become certified to administer and score the SOI. The SOI was conducted virtually for all participants, pre- and post-intervention, and the post-intervention SOI was done a few weeks after the final agile cycle.

Culture Evaluation Tool

The Culture Evaluation Tool (McCauley et al., 2008) was developed to assess a respondent's perspective on whether they view the organization's leadership culture to be dependent, independent, or interdependent. The tool consists of ten sets of three statements. Respondents are asked to divide ten points among the three statements to show the degree to which these statements apply to their organization. The authors chose this instrument as an evaluation tool because its results clarify subtle shifts in organizational culture transformation. It also corresponds well with adult developmental theory and applies the theory to the organizational context.

Results and Data Analysis

The CEO's Journey

TOTAL Group has 250 staff members, 11 branches, and four nationwide affiliates. Takahashi, the CEO, was facing an adaptive challenge to grow the firm sustainably. Early on, he described himself as a “critic” and admitted, “My leadership style was highly centralized, and I believed that if I did not give directions, everything on the ground would be halted ...

Especially, before the pandemic, I believed that if I controlled everything, things would work out.” At the onset of the pandemic, however, he came to see that his staff members “were there to help him” and wanted “all to be more actively involved with the business.” The first goal of this intervention was to see if there could be a shift in the mindset of any of the executives and impact on the overall corporate culture.

A qualitative shift in Takahashi's mindset was evidenced in numerous comments in the post-program SOI. For example, when he talked about several members in the organization, he pointed out he could now understand that “they had their agendas and positions ... because I could see myself from the ‘balcony.’” This new perspective led him to learn to “wait for my subordinates more carefully and courteously.” He shared that he sensed more of his subordinates were capable of balcony views. He also indicated that he felt more comfort delegating important jobs to his direct reports, as he noted, “people need a certain level of experience...even experience of failure.” His mindset shifted from being the “critic” and “expert” problem-solver to being the one who can celebrate the growth of those around him. In other words, Takahashi realized he could not or did not need to solve every problem and that organizational capacity is built by giving the work back to the people. This is a key practice of adaptive leadership.

Organizational Change and Journeys of the Executives

The pre- and post-program SOIs showed notable shifts in the executives' mindsets. One significant finding was that through the ITC process, the executives came to understand and respect each other more deeply. Many realized they needed to intentionally sustain the effort to change themselves and the organization and that the ITC experiments helped initiate change, such as being adaptive enough to break down silos for collaboration. Additionally, an emerging pattern of language use was noted. For example, interviewees used terms such as “balcony,” “adaptive challenge,” “experiments,” “big assumptions,” “immunity,” “adult developmental stages,” and “leadership culture.” Shared language strengthens the holding environment (Heifetz et al., 2009b), and the executives began to see common ground among themselves. Moreover, their new language enabled behavioral change. One executive said, “I allowed myself to behave differently by using the term ‘experiment.’”

In addition to the aforementioned qualitative shift, a quantitative shift occurred: 7 out of 15 (47%) participants' developmental stages became more complex by the end of the intervention. Although 6 out of 15 demonstrated a construct closer to the self-authoring mind than the socialized mind before the program, 8 out of 15 were doing so after the program. Overall, many leaders experienced a widened perspective and a mindset shift, noted by the researchers, the participants, and in the data.

All-Company Business Plan Explanatory Conference

One of the learning outcomes was the first online execution of the annual All-Company Business Plan Explanatory Conference in October 2020. The goal of the conference was for the 250 staff members in attendance to discuss the theme: To help each other interdepartmentally while building a community. Co-designed by an executive planning committee and the researchers, the event began with the CEO's remarks regarding the theme, followed by management updates. Whereas previous conferences only involved executive presentations, the organizers planned the engagement of all attendees, as the goal for the company was to mobilize non-positional leaders to embrace productive disequilibrium and create a new “production” to foster adaptation as in kabuki.

Participants were divided into groups of eight, comprised of those in similar positions across the organization to enable candid, cross-departmental dialogue. The groups discussed the theme and presented one-minute idea summaries to the entire company. These presentations were designed to be adaptations for everyone: For young staff members lacking formal authority to take turns playing the role of the conductor as in kabuki, and for senior members with formal authority to experience the value of collaborative leadership.

The conference intended to promote a collaborative culture; all indications are that it was successful. One executive said, “We received many positive comments that the staff hoped we could continue these cross-departmental meetings.” Another noted,

It went really well. Some of us are already talking about doing Zoom gatherings with our favorite drinks. I was wondering how our leadership training could be rolled out to a company-wide initiative, but I now understand how it could be carried out.

The CEO was buoyant when he reported the “large experiment” succeeded. He declared, “There were some really helpful opinions. The executives are starting to face the same direction now and are evolving.” A new company spirit was emerging.

Shifts in Perspectives on Leadership Culture

The Culture Evaluation Tool generated data to compare differences in the respondents' perspectives on leadership culture between the pre- and post-assessments. Table 12.2 shows the average number of points given to each statement by all respondents. The first statement in each triplet describes a dependent leadership culture, the second, an independent leadership culture, and the last, an interdependent leadership culture. The data in Table 12.2 indicate all three statements were endorsed to some degree in

Table 12.2 Leadership Culture Pre- and Post-assessment Comparison

| No. | Theme/Question | Pretest (Aug. 2020) (n=15) | Posttest (Dec. 2020) (n=15) | Gap |
|----------|--|----------------------------------|-----------------------------------|-------|
| 1 | Decision Making | | | |
| | Decisions are made by a few people at the top of the organization. | 6.60 | 5.40 | -1.20 |
| | Decisions are made independently within businesses, functions, or groups. | 1.53 | 2.67 | 1.13 |
| | Decision making involves collaboration with people across multiple organizational boundaries. | 1.87 | 1.93 | 0.07 |
| 2 | Source of Status | | | |
| | What makes a person important is his or her position in the organization. | 2.53 | 1.53 | -1.00 |
| | What makes a person important is his or her job performance and results. | 3.60 | 3.67 | 0.07 |
| | What makes a person important is the way he or she learns and changes with others. | 3.87 | 4.80 | 0.93 |
| 3 | Measure of Success | | | |
| | A person's success is judged by how well the person's boss thinks he or she is doing. | 3.60 | 3.67 | 0.07 |
| | A person's success is judged by how well he or she makes his or her individual performance goals. | 2.60 | 3.27 | 0.67 |
| | A person's success is judged by how well he or she helps the entire organization work together as an integrated whole. | 3.80 | 3.07 | -0.73 |
| 4 | Mistakes | | | |
| | People do not talk about their mistakes because it might risk their future in the organization. | 3.07 | 3.60 | 0.53 |
| | People talk about their mistakes with people in their group because doing so helps improve the group's performance. | 4.47 | 3.87 | -0.60 |
| | People talk about their mistakes with everyone as a way to help everyone do better throughout the organization. | 2.47 | 2.53 | 0.07 |

(Continued)

Table 12.2 (Continued)

| No. | Theme/Question | Pretest (Aug. 2020) (n=15) | Posttest (Dec. 2020) (n=15) | Gap |
|-----|---|----------------------------------|-----------------------------------|-------|
| 5 | Direction during Change | | | |
| | During times of change, people take direction from above. | 4.80 | 3.87 | -0.93 |
| | During times of change, individuals and groups create their own direction. | 3.07 | 3.20 | 0.13 |
| | During times of change, people use diverse perspectives to create new directions together. | 2.13 | 2.93 | 0.80 |
| 6 | Values | | | |
| | People value loyalty. | 2.80 | 2.20 | -0.60 |
| | People value competitiveness. | 3.67 | 3.87 | 0.20 |
| | People value public truth-telling. | 3.53 | 3.93 | 0.40 |
| 7 | Leader's Approach to Change | | | |
| | Leaders are fairly conservative in their approach to change. | 1.80 | 1.67 | -0.13 |
| | Leaders take significant risks for significant rewards. | 2.67 | 2.20 | -0.47 |
| | Leaders practice continuous transformation to achieve long-term success. | 5.53 | 6.13 | 0.60 |
| 8 | Responsibility for Learning | | | |
| | The organization is responsible for identifying what people need to learn. | 4.20 | 4.20 | 0.00 |
| | People are responsible for their own learning. | 3.67 | 3.80 | 0.13 |
| | People take responsibility for one another's learning. | 2.13 | 2.00 | -0.13 |
| 9 | Executive Decisions | | | |
| | Decisions made by senior leaders are typically reactive and tactical. | 3.73 | 3.07 | -0.67 |
| | Decisions made by senior leaders proactively address needs in specific parts of the organization. | 2.47 | 2.60 | 0.13 |
| | Decision made by senior leaders create strategic synergies across the whole enterprise. | 3.80 | 4.33 | 0.53 |
| 10 | Disagreements | | | |
| | People want to keep the peace and not make disruptions. | 5.27 | 5.80 | 0.53 |
| | People openly disagree and argue about things they believe are important. | 3.00 | 3.00 | 0.00 |

(Continued)

Table 12.2 (Continued)

| No. | Theme/Question | Pretest (Aug. 2020) (n=15) | Posttest (Dec. 2020) (n=15) | Gap |
|-----|---|----------------------------------|-----------------------------------|------------|
| | People take advantage of disagreements to solve complex challenges. | 1.73 | 1.20 | -0.53 |
| | Leadership Cultures (Total Average) | Pretest | Posttest | Gap |
| | Dependent Leadership Culture | 3.84 | 3.50 | -0.34 |
| | Independent Leadership Culture | 3.07 | 3.21 | 0.14 |
| | Interdependent Leadership Culture | 3.09 | 3.29 | 0.20 |

Note: The Culture Evaluation Tool was designed by McCauley et al. (2008). Used with permission. Average number of points (out of 10) given to each statement. The first statement in each triplet signifies a leadership culture that is “dependent,” the second shows one that is “independent,” and the third represents one that is “interdependent.”

the organization, but the perspectives regarding the organization's leadership culture shifted from dependent to independent or interdependent in the post-assessment, as evidenced in a 0.20 point increase in the average of the interdependent leadership culture and a 0.14 point increase in the average of the independent leadership culture, whereas a 0.34 point decrease in the average of the dependent leadership culture was noted.

The data in Figure 12.3 show the pre- and post-assessment comparison of the total average number of points given to statements indicating each leadership culture: The dependent, the independent, and the interdependent. The figure shows that the average numbers of the independent leadership culture in both the pre- and post-assessments were the smallest among the three leadership cultures, regardless of the general (not statistically significant) shifts from the dependent to the independent to the interdependent leadership culture. This might indicate the Japanese executives' hesitation regarding the independent leadership culture due to their embeddedness in hierarchical collectivism even though they might appreciate the value of Western individualism. Alternatively, it could indicate an evolving understanding of leadership within the organization. The trend line might be expected as belief systems begin to adjust. Overall, Figure 12.3 clearly visualizes the shift toward the independent and the interdependent leadership cultures.

Implications for Adaptive Leadership Development from a Japanese Case

This chapter concludes with a reflection on kabuki leadership development, namely, practicing adaptive leadership in a hierarchical collectivist

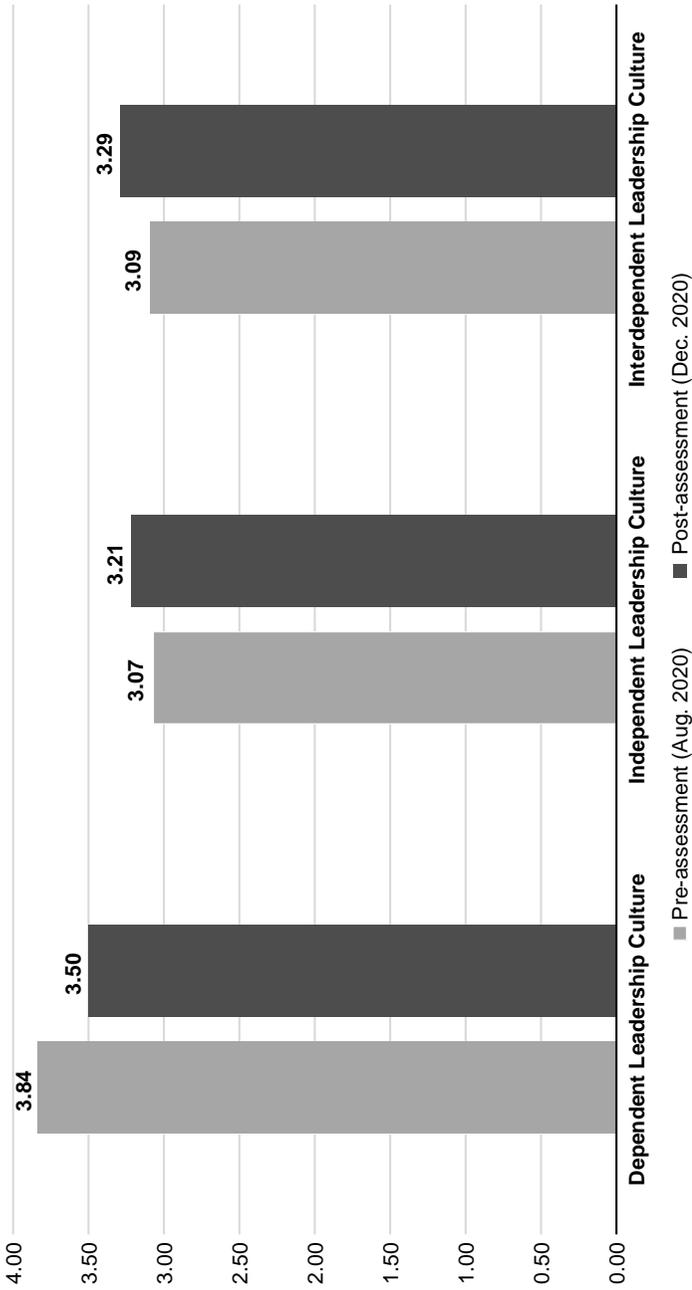


Figure 12.3 Leadership Culture Pre- and Post-assessment Comparison.

Note: Pre- and post-assessment comparison of the total average number of points given to statements indicating each leadership culture.

culture in a Japanese company. This improvisational art of leadership supports adaptation, adopts productive disequilibrium, and leverages collective leadership.

The differentiating characteristics of a culture predict organizational practices and leadership qualities most accepted and successful in that culture. Japan's hierarchical collectivist culture and typical information flow in a hierarchical chain of command in itself requires top-level leadership (e.g., the CEO) to initiate and rebuild a culture into one that is more adaptive.

In kabuki leadership, executives who participate in any program that intends to adjust an organization's culture and leadership practices must be authorized through that organization's formal authority. In this study, the CEO became a role model to his direct reports, showing commitment to the intervention, openness to collaboration, and vulnerability to motivate others to follow his lead. Modeling also strengthened the holding environment by building vertical bonds of trust in authority figures and lateral bonds of camaraderie (Heifetz et al., 2009b).

It is important to note that this process can cause disequilibrium for the CEO as well as for other executives, so special attention should be paid to orchestrate conflict carefully and foster open conversations (Heifetz et al., 2009b). Adaptive leadership practices are in and of themselves an adaptive challenge in Japanese culture—for the CEO as well as other members of the organization. The experiences in this intervention suggest the need for a special holding environment for the top authority in a system engaged in kabuki leadership, such as private executive coaching sessions and/or weekly check-ins as the culture is adapting. The need for psychological safety, however, is critical for adaptive work at all levels if a new cultural norm is to take hold. This was especially true during the pandemic crisis, where outside turbulence caused participants to already be challenged by disconnect, uncertainty, and distress. Formal authority must consider the external environment to be a key and uncontrollable component as they regulate the internal (and controllable) disequilibrium. As was shown in this study, the generation of group norms at the beginning of an intervention such as this, including confidentiality rules, can effectively authorize participants to share opinions freely in a hierarchical collectivist culture. These norms were supported by frequent access to individual consultations.

Small groupings for particularly intense and personal interventions, such as ITC, supported the participants in their shift to an experimental mindset (Heifetz et al., 2009b). These deliberate structures offered mutual support for productive disequilibrium, and, in a relatively short period of three months, the agile development process enabled a shift in the mind and behavioral change of executives. They became their own audience by “going to the balcony,” reflecting deeply upon their beliefs

and assumptions, and creating their own new storybook through experiments, like the theatergoers in kabuki who actively participate in the show with their imagination by dissecting the double meaning of *kakekotoba* pivot words and double castings in the play. Additionally, taking turns as facilitators in their small group enhanced the adaptative capacity of executives leading collaborative work, similar to the artists who composed, conducted, and performed collaboratively in the music-making in kabuki.

Finally, this intervention utilized multiple tools and theories that worked to produce these positive results. These included theories related to adult development, practices of adaptive leadership, and specific process tools such as ITC. In concert, they enabled a more nuanced “balcony view” (Heifetz et al., 2009b).

This leadership development intervention adds to the growing body of knowledge around adaptive leadership and adult development in an international context by showing that a Western adaptive leadership framework could apply to an Eastern context, namely Japan, when advanced through strategic processes and applied instruments. This case study of adaptive leadership development in Japan produced evidence of a shift in the mindset of Japanese executives and their corporate culture. Practiced in a hierarchical collectivist culture, kabuki leadership enables the art of improvisation and experimentation of adaptive leadership and fosters adaptation, embraces productive disequilibrium, and promotes leadership generation (Heifetz et al., 2009a). Moreover, since this is a first-of-its-kind leadership development program in the Japanese context, we find that this type of kabuki leadership training merits further investigation.

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