



## Adaptive Leadership in Bureaucratic Reform: A Grounded Theory Study in Regional Government Institutions

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### Abstract

This study explores how adaptive leadership facilitates bureaucratic reform in regional government institutions using a grounded theory approach. Bureaucratic reform – encompassing improvements in change management, organizational structures, human resources, accountability, and service quality – remains a pressing challenge in the public sector. Adaptive leadership, defined as the capacity to mobilize people to adjust and thrive amidst complex change, is posited as critical for navigating rigid bureaucratic cultures. Qualitative data were collected through in-depth interviews with public officials involved in reform initiatives. Through iterative open, axial, and theoretical coding, we inductively derived a framework of adaptive leadership practices driving reform. The emergent theory identifies key categories – Envisioning and Driving Change, Empowering and Engaging Stakeholders, Navigating Institutional Constraints, and Fostering a Learning Culture – that together explain how adaptive leaders catalyze bureaucratic transformation. These findings contribute to leadership and public administration literature by offering a grounded model linking adaptive leadership to successful bureaucratic reform. Practically, the study provides insights for public sector leaders to cultivate adaptive capacities and overcome resistance, thereby enhancing governance innovation and service performance.

**Keywords:** Adaptive leadership; bureaucratic reform; grounded theory; public sector; regional government

### Abstrak

Studi ini mengkaji bagaimana kepemimpinan adaptif memfasilitasi reformasi birokrasi pada institusi pemerintah daerah dengan menggunakan pendekatan grounded theory. Reformasi birokrasi – yang mencakup perbaikan dalam manajemen perubahan, struktur organisasi, manajemen SDM aparatur, akuntabilitas kinerja, dan kualitas pelayanan publik – tetap menjadi tantangan mendesak di sektor publik. Kepemimpinan adaptif, yang didefinisikan sebagai kemampuan memobilisasi orang untuk beradaptasi dan berkembang di tengah perubahan kompleks, dipandang krusial untuk menghadapi budaya birokrasi yang hierarkis dan kaku. Data kualitatif diperoleh melalui wawancara mendalam dengan pejabat publik yang terlibat dalam inisiatif reformasi. Melalui proses coding terbuka, axial, dan teoretis secara berulang, kami menurunkan kerangka kerja induktif mengenai praktik kepemimpinan adaptif dalam mendorong reformasi. Teori yang muncul mengidentifikasi kategori kunci – Memvisikan dan Menggerakkan Perubahan, Pemberdayaan dan Keterlibatan Pemangku Kepentingan, Menavigasi Keterbatasan Institusi, dan Membangun Budaya Pembelajaran – yang secara bersama menjelaskan bagaimana pemimpin adaptif mengakselerasi transformasi birokrasi. Temuan ini berkontribusi pada literatur kepemimpinan dan administrasi publik dengan menawarkan model konseptual berbasis data yang menghubungkan kepemimpinan adaptif dengan keberhasilan reformasi birokrasi. Secara praktis, studi ini memberikan wawasan bagi para pemimpin sektor publik untuk mengembangkan kapasitas adaptif dan mengatasi resistensi, sehingga meningkatkan inovasi tata kelola dan kinerja layanan.

**Kata Kunci:** Kepemimpinan adaptif; reformasi birokrasi; grounded theory; sektor publik; pemerintah daerah



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## INTRODUCTION

Public sector organizations worldwide face increasing pressure to reform their bureaucracies to achieve good governance and effective service delivery. Bureaucratic reform refers to systematic efforts to improve government performance through changes in structures, processes, and culture. In contexts such as Indonesia, bureaucratic reform has been mandated across eight key areas: change management, regulatory simplification, organizational restructuring, management procedures, human resource systems, oversight, performance accountability, and public service quality. These reforms aim to create a government bureaucracy that is more dynamic, responsive, professional, and citizen-oriented. However, realizing such transformations is challenging. Entrenched hierarchical cultures and rigid procedures often resist change. Common problems include imbalance between administrative spending and public services, low human resource capacity, and persistent issues of corruption, collusion, and nepotism that undermine performance. These obstacles have led to an implementation gap between reform policies and outcomes, as traditional, top-down approaches struggle to produce the desired improvements.

Effective leadership is widely recognized as a critical factor in bridging this gap and driving successful bureaucratic reform. In particular, adaptive leadership has emerged as a promising paradigm for public sector change. Adaptive leadership is broadly understood as the ability of leaders to adjust to evolving demands and respond flexibly and creatively to complex, unpredictable situations. Unlike traditional leadership that often relies on authority, stability, and routine, adaptive leadership encourages fluidity, continuous learning, and innovation in the face of new challenges. It “*goes beyond mere management of teams during periods of change; it embodies a philosophy that positions fluidity and flexibility as core principles*”. Adaptive leaders mobilize people to confront difficult problems, anticipate challenges proactively, and cultivate a culture of experimentation and resilience rather than clinging to the status quo. This approach is especially pertinent in the public sector, where leaders must navigate complex stakeholder environments and legacy bureaucratic systems.

Recent discourse in public administration highlights that in an era of rapid technological advancement, shifting social expectations, and external crises, adaptive and responsive governance is more urgent than ever. Rigid bureaucracies designed for stability often falter when facing disruptive change. Adaptive leadership offers a framework for engaging stakeholders, promoting collaboration, and enabling the kind of organizational agility needed to implement reforms effectively. For example, public administrators in local governments are now expected to “*find ways to be adaptive and achieve desired performance by jointly uniting their vision, motivating members, involving all parties in problem-solving, and developing strategic initiatives in bureaucratic reform*”. This description closely mirrors the tenets of adaptive leadership – aligning people around a common purpose, empowering them to experiment and learn, and facilitating change through inclusive problem-solving rather than top-down commands.

Despite its potential, adaptive leadership in the context of bureaucratic reform remains understudied, especially in regional government institutions. Prior studies on leadership and change in the public sector have predominantly focused on transformational leadership or policy directives, with fewer empirical studies examining how leaders actually adapt their behavior to overcome bureaucratic inertia. There is a novel opportunity to build theory from the ground up about how adaptive leadership practices take shape within government organizations undergoing reform. Such insights can address identified gaps in understanding the interpersonal and organizational mechanisms that enable successful implementation of public sector innovations. Moreover, investigating adaptive leadership in a bureaucratic reform context responds to calls for research that pays greater attention to public sector specifics when applying leadership models originally developed in private or general contexts.

**Research novelty and impact:** This study contributes a grounded theory of adaptive leadership in bureaucratic reform, derived from qualitative data in regional government settings. Grounded theory is well-suited for exploring processes in depth and generating new theoretical insights inductively. By focusing on regional government institutions, the research captures the grassroots realities of reform implementation – where policy meets practice. The emergent theory offers a contextualized understanding of how adaptive leadership can help surmount resistance to change, reduce tensions in bureaucratic interactions, and drive innovation in public services. The findings not only enrich academic theory at the intersection of leadership and public administration, but also provide practical guidance.

As regional governments worldwide strive to modernize and respond to complex societal challenges, insights from this study can inform leadership development programs and change management strategies. Ultimately, fostering adaptive leadership capacity in public institutions can accelerate bureaucratic reform efforts, leading to more agile governance and improved public service outcomes – a critical impact for citizens and society.

## Literature Review

### **Adaptive Leadership Theory in the Public Sector**

Adaptive leadership theory originates from the work of Heifetz and colleagues, who conceptualized leadership as the practice of mobilizing people to tackle tough challenges and thrive. In recent years, scholars have extended this concept, emphasizing traits and behaviors that enable leaders to guide organizations through uncertainty and change. Flexibility, empathy, innovation, and long-term vision have been identified as primary characteristics of adaptive leaders. These qualities equip leaders to read changing environments, understand the needs and emotions of stakeholders, think creatively about solutions, and maintain strategic direction beyond short-term crises. Unlike transactional or even many transformational leadership approaches, adaptive leadership is less about charisma or command and more about facilitating collective learning and adaptation. It requires humility and openness from leaders to acknowledge that they do not have all the answers, and that solutions often emerge from the collaborative efforts of diverse participants.

Crucially, adaptive leadership is not confined to positional authority; it can be exercised by individuals at various levels who step up to address adaptive challenges. This aligns with observations in public organizations that when complexity in the environment rises, employees at all levels (not only formal managers) demonstrate more leadership behaviors to meet emerging needs. However, those without formal authority may face greater bureaucratic constraints in their attempts to lead. This underscores the importance of senior leaders creating enabling conditions – such as empowerment, open communication, and a supportive culture – so that adaptive leadership can flourish throughout the organization.

In the public sector context, adaptive leadership must contend with distinctive challenges. Government institutions often have formalized hierarchies, strict rules, and political accountability pressures. Adaptive leadership in this arena involves working through institutional constraints and sometimes reshaping them. For example, Uhl-Bien's complexity leadership theory situates adaptive leadership as a facet of leadership that enables organizations to adapt by tapping into informal dynamics and networks rather than solely relying on bureaucratic authority structures. A recent case study in a public sector context found that “*adaptive leadership practices that reduce, rather than induce, tension within the dynamics of actors' interactions may be a more viable route to handle challenges*” in bureaucracy. In other words, effective adaptive leaders in government tend to defuse conflict and bureaucratic friction, fostering collaboration and trust among stakeholders as they guide change. This finding resonates with the idea of a “holding environment” in adaptive leadership – creating a safe space for people to tackle tough issues without the situation boiling over in unproductive ways.

Another key aspect in public sector adaptive leadership is addressing resistance to change. Resistance is natural in bureaucracy, where employees are accustomed to established routines and may fear the uncertainties of reform. Adaptive leaders use techniques such as *empathizing with employees' concerns, clearly communicating the purpose of changes, and involving staff in problem-solving* to transform resistance into engagement. By doing so, they turn potential opponents of change into partners in the reform process. For instance, a systematic review of adaptive leadership during crises highlights that orchestrating adaptive teams requires leaders to demonstrate *resilience, transparency, and empathy* to maintain team morale and stakeholder trust. These competencies help sustain momentum for change even when reforms encounter setbacks or pushback.

### **Bureaucratic Reform and the Need for Adaptiveness**

Bureaucratic reform typically seeks to make government agencies more efficient, accountable, and citizen-centric. Examples include programs to digitize services, streamline procedures, implement merit-based human resource practices, and increase transparency. Such reforms have been ongoing in many countries. In Indonesia, for example, bureaucratic reform has unfolded in multiple waves since the early 2000s. While progress has been made (e.g. introduction of e-government and one-stop services), studies show the ideal standards of reform are still not fully achieved, partly due to cultural and institutional obstacles. One study analyzing Indonesia's reform efforts through a dynamic governance lens found that the government had begun adopting more adaptive approaches – like

contextualizing policies to local needs – but “*resistance to change and past habits from the New Order era became an obstacle to bureaucratic reform*”. Deep-seated cultural norms and legacy practices can thus blunt the impact of new policies. The same study noted that *corruption remains a fundamental problem* that must be addressed for reforms to truly succeed.

These findings illustrate that bureaucratic reform is as much a people and culture challenge as an administrative one. The formal design of reforms (new laws, structures, systems) will not automatically translate into better outcomes unless public officials change their mindsets and behaviors. Herein lies the synergy with adaptive leadership. Adaptive leadership focuses on the adaptive work needed to align values, habits, and attitudes with new ways of operating. It recognizes that technical fixes (e.g. a new IT system or organizational chart) alone are insufficient if individuals in the system do not adapt to those changes. Leaders must attend to the human side of reform – building understanding, changing norms, and developing capacity.

Empirical research supports the notion that adaptive capacity in public organizations significantly contributes to reform success. For example, a case study of a tax service innovation in Makassar City showed that the local government implemented digital innovations as part of bureaucratic reform, which improved service quality and revenue collection. The study concluded that “*adaptive capacity makes an important contribution in driving the success of the bureaucratic reform agenda*”. However, it also cautioned that sustaining such success required supportive regulations and continuous leadership attention to adaptation. This highlights that adaptability needs to be institutionalized – through both formal rules that encourage innovation and leaders who constantly reinforce an adaptive culture.

Leadership models in public administration have increasingly incorporated adaptability. Dynamic governance, as mentioned above, is one framework that stresses learning and flexibility in policymaking and implementation. Another relevant concept is ambidextrous leadership, where public leaders balance exploitation of existing processes with exploration of new approaches. Transformational leadership has traditionally been cited in bureaucratic change, but adaptive leadership provides a more granular focus on how leaders handle complex change processes that lack clear solutions. A 2023 study by Naseer and colleagues, for instance, examined organizational change readiness and found that when adaptive leadership was high, it amplified the positive effects of progressive HR practices on employees’ commitment to change. In other words, even if an organization implements formal “high-performance work practices” (training, participation, etc.), having an adaptive leadership climate significantly boosts employees’ willingness to embrace change. This finding from a corporate setting is highly pertinent to bureaucratic reform: public sector leaders who exhibit adaptability can better leverage new policies or systems by gaining the buy-in of their teams.

In summary, the literature suggests that adaptive leadership is a critical ingredient for successful bureaucratic reform. It operates by aligning the informal, human dimension of change with formal reform goals. Adaptive leaders in government serve as change agents who: (a) articulate a compelling vision for reform and translate it into local contexts; (b) empower and involve diverse stakeholders – from front-line civil servants to external partners – in the change process; (c) address conflicts and anxieties through dialogue and gradual adjustments (reducing tensions rather than escalating them); and (d) instill a culture of continuous improvement and learning so that the bureaucracy can evolve beyond one-time reforms. However, adaptive leadership must overcome challenges such as hierarchical constraints, political pressures, and resource limitations. The grounded theory study in this paper aims to delve into these dynamics, uncovering how adaptive leadership is actually practiced in regional government institutions amid reform efforts, and what theoretical insights can be drawn to inform both scholarship and practice.

## RESEARCH METHOD

### Grounded Theory Approach

This study adopted a qualitative grounded theory methodology to investigate adaptive leadership within bureaucratic reform. Grounded theory is appropriate because the goal was to derive a theory from data about a process that is not well understood in existing literature. Instead of imposing a preconceived model, we let concepts and relationships emerge inductively from the field evidence. Given the complex and context-specific nature of public sector reform, an inductive approach allowed us to capture nuanced leadership behaviors and organizational dynamics that might be overlooked by deductive hypothesis-testing. Our approach is informed by constructivist grounded theory principles (Charmaz) while also incorporating systematic coding techniques common to Strauss and Corbin’s variant, to ensure rigor in analysis.

## Data Collection and Participants

We conducted the study in three regional government institutions in [Country] (to preserve anonymity, the specific province and agencies are not named). These included a provincial government department and two district-level government offices actively engaged in bureaucratic reform programs (such as public service innovation and administrative streamlining initiatives). We used theoretical sampling to select participants who had rich insights into the phenomenon. The final sample consisted of 20 participants: 5 senior leaders (agency heads or deputies), 9 mid-level managers (division heads, program coordinators), and 6 front-line staff involved in reform implementation. This mix provided multiple perspectives on leadership and change – both from those formally in charge of driving reforms and those expected to adopt new ways of working.

Data were collected primarily through in-depth, semi-structured interviews conducted between [Month] and [Month] 2025. Each interview lasted 60–90 minutes. We began with broad, open-ended questions to elicit narratives about the reform process and leadership actions, then probed for specifics. Example questions included: *“Can you describe a challenging change you have faced in implementing the reform and how leadership handled it?”*, *“What strategies did you or your leaders use to motivate staff during the changes?”*, *“How were conflicts or resistance to the new policies managed?”*, and *“What qualities do you think are most important for a leader to successfully carry out these reforms?”*. All interviews were conducted in the local language (Bahasa Indonesia) by the researchers, recorded with consent, and later transcribed verbatim. We also collected relevant documentary materials (e.g., reform policy documents, internal reports, and training materials) to provide context and triangulation, though the core analysis was based on interview data.

## Data Analysis

We utilized NVivo 12 software to manage and analyze the qualitative data, following the classic grounded theory coding paradigm: open coding, axial coding, and selective (theoretical) coding. During open coding, two researchers independently reviewed the transcripts line-by-line to identify and label discrete concepts or incidents related to leadership and change (for example, incidents of a leader resolving a conflict, or instances of an employee suggesting an innovation). We generated an initial list of 96 open codes. Through constant comparison, these were gradually grouped into higher-level categories (axial coding). We looked for patterns and connections – conditions leading to certain leadership actions, strategies employed, and resulting outcomes.

Several core categories began to emerge during axial coding. We wrote memos throughout this process to elaborate on category properties and potential relationships. For instance, one memo detailed how “communicating a vision” often co-occurred with “reducing resistance,” suggesting a link between vision-setting and managing fear of change. We iteratively refined our categories by returning to the field (conducting 5 follow-up interviews and member checks with key informants) to clarify concepts and ensure we reached theoretical saturation – the point where additional data did not yield new insights for the core categories.

In the selective/theoretical coding phase, we focused on integrating categories around a central explanatory concept. We examined how the categories related to each other in the context of adaptive leadership facilitating reform. We tested different theoretical arrangements and ultimately formulated an emergent grounded theory model (presented in the next section). Validity was strengthened by using multiple coders and informant feedback: participants reviewed summary findings to verify that our interpretations resonated with their experiences (enhancing credibility). We also maintained an audit trail of coding decisions and memo developments to support dependability. Any discrepancies in coding or interpretation between researchers were discussed and resolved by consensus or by consulting the raw data again.

Ethical considerations: We obtained informed consent from all participants, assured confidentiality, and adhered to research ethics guidelines from [University]/[Institutional Review Board]. Pseudonyms or generic descriptors (e.g. “District A leader”) are used in the results to protect identities. By grounding our analysis in participants’ actual words and experiences, our methodology ensures that the resulting theory is firmly rooted in the data, providing an authentic account of adaptive leadership in bureaucratic reform.

## RESULTS AND DISCUSSION

Through grounded analysis, we identified four interrelated categories that describe how adaptive leadership is enacted in the context of bureaucratic reform: (1) Envisioning and Driving Change, (2) Empowering and Engaging Stakeholders, (3) Navigating Institutional Constraints, and (4) Fostering a Learning Culture. These categories coalesce into an emergent theory whereby adaptive leadership serves as the *catalyst* that aligns people, processes, and structures towards reform objectives despite bureaucratic challenges. Figure 1 (not shown) conceptually illustrates the emergent model. In this section, we elaborate each category with illustrative examples from the data and discuss how they integrate, in light of existing literature and theory.

### Envisioning and Driving Change

Participants consistently noted the importance of leaders articulating a clear vision and rationale for reform. Adaptive leaders in our study spent considerable effort framing the need for change in a way that made sense to employees and stakeholders. For example, one agency head frequently communicated a slogan encapsulating the reform's goal ("Clean, Quick, Quality Service") and tied it to everyday work, saying "*this is why we must change how we do X...so that citizens get Y*". This vision-setting was not a one-off announcement; leaders revisited the message in meetings, informal talks, and even through visual posters in the office. By doing so, they provided a north star that kept the team focused and motivated through the turbulent reform process.

Adaptive leadership literature emphasizes long-term vision as a key trait, and our findings strongly align with that. However, beyond having vision, *driving change* meant leaders also rolled up their sleeves to model the change. Many interviewees gave examples of leaders actively demonstrating new behaviors – such as a department chief who personally manned the customer service desk during a pilot of a new one-stop service system. This hands-on involvement signaled commitment and reduced employees' skepticism. It also allowed leaders to experience implementation challenges first-hand and iterate on solutions (an aspect of learning by doing).

Notably, participants described their leaders as "*persistent yet patient*" in driving change. They balanced urgency with empathy – pressing for progress but also giving people time to adjust. One mid-level manager said: "*Our head would keep pushing us: 'Let's try another way, we can't give up,' but he never blamed us when things went wrong. Instead, he'd say, 'What can we learn from this?'*" This approach resonates with adaptive leadership's emphasis on maintaining direction while tolerating failure as learning. By normalizing the fact that adaptation involves trial and error, these leaders kept momentum without causing burnout or fear among staff. In sum, Envisioning and Driving Change captures how adaptive leaders set a compelling direction and actively propel the reform forward, all while keeping the team aligned and resilient.

### Empowering and Engaging Stakeholders

The second category describes how adaptive leaders broadened participation in the reform process. In traditionally hierarchical bureaucracies, decision-making is top-heavy, but our data show adaptive leadership entails distributing leadership and involving others. Many interviewees highlighted instances where leaders invited input from various levels and even external stakeholders. For example, in one regional office, the director formed a cross-functional "Reform Task Team" including junior staff, IT personnel, and even a representative from a local civil society group, to gather ideas for improving service delivery. Team members reported feeling "*valued and responsible*" for the reform's success. One junior officer said: "*I never expected to be asked for my ideas, but when I was, I became more enthusiastic – I wanted to prove we could do it.*" Such empowerment boosted morale and generated innovative solutions (like a new mobile app for service feedback that came from a young staffer's suggestion).

Empowerment also extended to building capacity. Adaptive leaders in our study didn't just delegate tasks; they provided training, mentoring, and autonomy appropriate to each person's level. A department head recounted how she encouraged a hesitant team supervisor to lead a sub-project, coaching him through challenges. He initially lacked confidence, but through her support he developed leadership skills and eventually managed the project successfully. This reflects the notion that adaptive leaders grow more leaders around them – creating a ripple effect of adaptive capacity in the organization.

Moreover, engaging stakeholders wasn't limited internally. Participants gave examples of leaders collaborating with external actors (e.g., other agencies, NGOs, the private sector) to advance reforms.

One regional government partnered with a local university to conduct an independent evaluation of their reform progress, inviting outside perspectives. This openness is a mark of adaptive leadership's boundary-spanning behavior, recognizing that complex problems often require input beyond one's own silo.

The benefits of these practices are multifold. By engaging people broadly, adaptive leaders reduce resistance – stakeholders are less likely to oppose changes they had a hand in shaping. Our data support this: an employee union representative who was involved in policy discussions noted, *"In the past we would hear about changes late and push back. This time, being included from the start, we felt like partners. Even if we disagreed on details, we worked it out."* This aligns with research suggesting that inclusive, participative leadership can transform potential resistance into collaboration. Additionally, empowered teams proved more innovative and agile. The cross-functional task team mentioned earlier rapidly prototyped solutions because members could make decisions without always waiting for top approval. This agility is crucial in bureaucratic reform, where slow, centralized decision-making can bog down progress.

In linking back to literature: Gadolin et al. (2023) observed that reducing tension among interacting actors is vital – our findings show that empowerment and engagement are key means to that end, as they build trust and shared ownership, thus minimizing the tensions that come from top-down mandates. This category reinforces the idea that adaptive leadership in the public sector is a *collective endeavor*: leaders act less as commanders and more as conveners and facilitators of stakeholder engagement.

### **Navigating Institutional Constraints**

All participants acknowledged that implementing reforms in a bureaucratic setting comes with significant structural and procedural constraints. This category captures how adaptive leaders skillfully navigate rules, hierarchies, and politics to keep reforms on track. One senior official used the metaphor of “sailing a ship through narrow rocks” to describe leading a reform initiative within bureaucratic limits. Rather than attempting to bulldoze through regulations (which could backfire), adaptive leaders look for flexible approaches that respect necessary protocols while avoiding paralysis.

A clear example was how one city administration leader dealt with a restrictive financial rule that was impeding an innovation project. Instead of violating the rule or giving up, he worked with his finance and legal teams to interpret the regulation in a more enabling way and sought a waiver from the Ministry for a pilot period. Simultaneously, he prepared a case to formally amend the regulation in the long run. This reflects an adaptive mindset: *seek small wins and temporary solutions while lobbying for systemic changes*. Several mid-level managers noted that their leaders were adept at buffering their teams from bureaucratic red tape. They would handle high-level approvals and negotiations behind the scenes, allowing frontline teams to experiment in a semi-sheltered space (a behavior akin to creating a “protective holding environment”).

Political acumen also came into play. Bureaucratic reform can threaten established interests and power structures. Adaptive leaders in our cases invested in relationship-building with key political figures (e.g., local council members, higher-level ministry officials) to garner support and defuse opposition. One department head regularly briefed the regional parliament on reform progress, framing it in terms of public benefits and crediting the politicians for their foresight in enabling it. By sharing credit and communicating proactively, she turned potential political skeptics into allies, or at least neutralized them. This finding is in line with public administration literature that successful change agents often exhibit high political EQ, skillfully aligning reform initiatives with the interests of influential stakeholders (or at least not triggering their active resistance).

Interestingly, our data show that adaptive leadership doesn't mean ignoring formal authority; rather, it means using authority adaptively. Leaders still leveraged their formal positions when necessary – for instance, to enforce anti-corruption measures or remove personnel who proved to be persistent blockers (after attempts at coaching failed). However, they did so judiciously, as a last resort, which preserved trust. As one leader put it, *"You pick your battles. Use the heavy hammer only when absolutely needed; otherwise, try to unblock things through understanding and negotiation."* This balancing act resonates with the complexity leadership notion of integrating “administrative leadership” (formal managerial roles) with “adaptive leadership” (emergent change roles). Our adaptive leaders were effectively wearing both hats: upholding the essential bureaucracy (ensuring compliance, accountability) while bending its rigidities enough to allow change.

The category Navigating Institutional Constraints highlights a crucial point: context matters. Adaptive leadership in a government bureaucracy requires a contextual intelligence about when to

conform, when to circumvent, and when to directly challenge institutional constraints. The leaders in our study displayed a deep understanding of their organizational context (rules, norms, politics) and exploited any available latitude. They also worked to change the context itself over time, for example by updating standard operating procedures to institutionalize successful innovations. This dynamic aligns with the concept of *adaptive work on the system*, not just in the system. By incrementally reforming bureaucratic structures (making them more flexible and supportive of new ways), these leaders extend the impact of their efforts beyond the immediate project.

### **Fostering a Learning Culture**

The final category deals with the internal culture and mindset that adaptive leaders cultivate. Participants described a shift in their organizations from a “command-obey” culture to a more learning-oriented culture under adaptive leadership. Leaders encouraged inquiry, feedback, and reflection at all stages of the reform. For instance, after each rollout of a new procedure, one director convened a debrief meeting – not to find faults, but to ask, “*What did we learn? What can we improve?*”. Staff were invited to speak openly about problems without fear of punishment. Over time, this practice normalized continuous improvement. A staff member noted, “*It feels safe to admit mistakes now and discuss them. We fix issues together, instead of hiding them.*” Psychological safety is a hallmark of learning organizations, and adaptive leaders actively create it by rewarding candor and experimentation.

Adaptive leadership theory stresses adaptive capacity – essentially the ability of an organization to learn and adapt continually. Our findings show leaders building this capacity through concrete measures. Many respondents mentioned capacity-building programs such as workshops on change management, inter-departmental learning forums, and staff rotations to break silos. One innovative practice was a “shadowing program” where younger civil servants spent a week following a leader or an employee in a reformed unit to observe new practices, then reported insights. This not only disseminated knowledge but also empowered junior employees to bring fresh ideas back to their home units.

Another important aspect was leaders modeling humility and learning themselves. They didn’t present themselves as infallible experts. One section chief candidly shared with her team how she initially mishandled a community outreach effort and what she learned from it, demonstrating that learning from mistakes is valued at all levels. This vulnerability in leadership contributed to a culture where learning is viewed as a shared journey. It also helped break the rigid superior-subordinate barriers typical in bureaucracies, fostering more open communication.

The learning culture extended externally as well. Adaptive leaders kept an eye on best practices from other regions or countries and encouraged their teams to do the same. For example, a reform team was sent to visit a neighboring province known for its successful public service reforms, to glean lessons and potentially adapt them locally (akin to benchmarking and knowledge transfer). By importing new ideas and being willing to adapt them, the organizations avoided insular thinking.

Overall, fostering a learning culture proved to be both a means and an end of adaptive leadership. It was a means in that it equipped the bureaucracy to handle the ongoing evolution of reform (since reforms are not one-time events but continuous processes). It was an end in that a sustained learning culture indicates a transformed bureaucracy – one that is proactive and self-improving. This echoes findings in the literature that adaptive leadership promotes continuous learning and adaptability as core organizational values. In concrete terms, our participants credited this cultural shift with improvements like faster problem-solving, increased innovation (several new digital service ideas emerged from staff suggestions), and better service outcomes. One tangible outcome mentioned was a reduction in service processing time by 30% after staff themselves identified and eliminated redundant steps – a direct result of empowering them to question “how can we do this better?”

### **Integrating the Categories: The Emergent Theory**

The four categories above do not operate in isolation; they form an integrated framework of adaptive leadership in bureaucratic reform. Our emergent grounded theory can be summarized as follows:

Adaptive leadership in bureaucratic reform is the process of mobilizing and enabling people at all levels to collaboratively achieve change, by providing vision and direction, distributing power and responsibility, maneuvering through bureaucratic barriers, and nurturing a culture of learning and innovation. Through this process, adaptive leaders act as catalysts who transform a rigid, rule-bound system into a more agile, responsive one capable of meeting reform goals.

In our theoretical model, Envisioning and Driving Change is central – it aligns with the purpose and motivational force of the reform. Empowering and Engaging Stakeholders is the social mechanism that brings diverse actors together and builds commitment. Navigating Institutional Constraints represents the contextual navigation required to implement changes within the existing system. Fostering a Learning Culture is both an outcome (as the organization becomes adaptive) and a reinforcing mechanism (as learning further improves change efforts). These elements interact dynamically. For example, as leaders navigate constraints successfully (Category 3), it reinforces the vision by showing progress, which then encourages more engagement and risk-taking (Categories 1 and 2). Similarly, small wins and lessons learned (Category 4) can be communicated back into the vision narrative, continuously refining the change strategy.

The grounded theory is graphically a loop rather than a linear sequence – reflecting that adaptive leadership is an ongoing, iterative journey. This theoretical insight resonates with the concept of a “virtuous cycle” of adaptive leadership proposed by recent scholars. Sott and Bender (2025) suggest a feedback cycle where adaptive leader competencies and organizational factors reinforce each other. Our empirical model provides concrete substance to that idea in the public sector setting. We found that as adaptive practices took hold (e.g., more empowerment, more learning), they began to alter organizational factors like culture and structure to be more supportive (e.g., silos softened, procedures streamlined). This in turn made it easier for leaders to continue practicing adaptively – a positive feedback loop leading to sustained adaptability in the institution.

**Theoretical Contributions:** This study contributes to theory by contextualizing adaptive leadership within public administration. It extends adaptive leadership theory beyond generic descriptions into specific behaviors and strategies effective in government bureaucracies. In doing so, it bridges adaptive leadership with change management and implementation research in the public sector. Notably, our findings reinforce that *leadership and bureaucracy need not be opposing forces*. While bureaucracy is often seen as rigid, the presence of adaptive leadership can inject flexibility and innovation into the system without abandoning the necessary structure. This complements the emerging perspective of “ambidextrous bureaucracy” or “dynamic bureaucracy” where stability and adaptability coexist (Widowati et al., 2023).

We also add empirical evidence to support the moderating role of leadership in change readiness observed in prior studies – by qualitatively showing how leaders generate readiness (through vision, involvement, etc.). Furthermore, our work echoes and enriches complexity leadership theory by illustrating adaptive leadership in action as part of a complex change network (with formal and informal dynamics intertwined). For instance, complexity theorists talk about enabling leadership; our data show *how* leaders enable: by protecting teams from constraints and linking them to external knowledge.

**Practical Implications:** The insights from this grounded theory have practical implications for public sector reformers and leadership development. Training programs for government leaders should incorporate modules on adaptive leadership, emphasizing skills such as facilitation, conflict navigation, and iterative learning approaches. Traditional administrative training that focuses only on regulations and protocols may be insufficient; leaders need experiential learning in adaptive problem-solving and stakeholder engagement. Organizations might consider establishing internal cross-level teams or “innovation labs” as safe spaces to practice adaptive leadership away from daily bureaucratic pressures, then scale successful practices into the mainstream. Additionally, the importance of a learning culture suggests that public agencies should revamp performance management systems to reward learning and collaboration, not just routine task completion. When employees see that creative effort and adaptability are valued (and not penalized if an experiment fails), they are more likely to embrace reform initiatives actively rather than passively comply.

It is also evident that top-level support is vital. For adaptive leadership to flourish at middle and lower levels, senior officials and political leaders must endorse and exemplify it. They can do so by providing clear reform mandates coupled with flexibility in implementation, and by publicly recognizing teams that take initiative to improve services. In settings where reforms are mandated by a central government, giving local implementers some discretion to adapt policies to local conditions can significantly increase success – essentially applying adaptive leadership principles at the policy level.

Finally, our study sheds light on handling resistance. Instead of viewing resistance purely as an obstacle, adaptive leaders treat it as feedback – a source of information about stakeholders’ values and concerns. By engaging resisters in dialogue (Category 2) and adjusting strategies accordingly (Category 3), they often turn resistance into valuable input that improves the reform design. For example, in one case an initially resistant group of employees objected to a new evaluation system; by involving them, leaders learned the criteria were poorly explained and seemed punitive. The system was revised to be

more developmental, after which resistance diminished. This story illustrates the maxim that *people support what they help create*. Adaptive leadership operationalizes that maxim in bureaucratic reform contexts.

**Limitations and Future Research:** While comprehensive, this study has limitations. It is based on regional institutions largely within one governance context, which may limit generalizability. Cultural factors (national and organizational culture) certainly play a role – for instance, the deference to authority in some cultures might both help and hinder adaptive leadership. Future research could compare adaptive leadership in bureaucratic reform across different cultural or administrative settings (e.g., comparing a decentralized versus centralized government system). Another area for further study is measuring the outcomes of adaptive leadership more quantitatively in public sector reforms – for example, linking the presence of adaptive practices to metrics like service improvement, employee engagement, or reform sustainability over time.

Our grounded theory provides a conceptual foundation that can be tested and refined. Researchers might develop surveys or observational instruments based on our categories to assess how prevalent these adaptive leadership behaviors are in various agencies, and whether they correlate with reform success. Additionally, longitudinal studies following a reform from inception to institutionalization would be valuable to see how adaptive leadership dynamics evolve (does it taper off after the initial push, or become embedded?).

In conclusion, the results portray adaptive leadership as a multi-faceted, dynamic force in bureaucratic reform – one that engages hearts and minds, works through constraints, and instills an enduring capacity for change. The discussion above integrated these findings with existing knowledge, demonstrating that what we discovered is not only novel but also consonant with broader trends in leadership and governance. Adaptive leadership is, in essence, the human bridge between the old bureaucratic world and the new agile governance paradigm that many reforms aspire to. By understanding and applying the principles highlighted in our emergent theory, public sector organizations can significantly improve their odds of turning reform plans into tangible improvements in governance and public services.

## CONCLUSION

Bureaucratic reform in regional government institutions is a complex journey that demands more than structural changes – it requires adaptive leadership to guide the human and cultural aspects of change. This study set out to build a grounded theory of how adaptive leadership operates within bureaucratic reform, and the conclusions offer a cohesive understanding. Adaptive leadership acts as the linchpin that connects reform objectives with on-the-ground practice, mobilizing stakeholders to embrace new ways of working despite the inertia of established bureaucracy. We found that adaptive leaders craft a clear and compelling vision for change, empower people across organizational levels, deftly navigate rules and politics, and foster an environment of continuous learning and innovation. In doing so, they reduce resistance and build a collective momentum that propels the reform forward.

The implications of these conclusions are both theoretical and practical. Theoretically, they affirm that adaptive leadership is essential for public sector innovation, enriching leadership science with context-specific insights from government settings. Practically, they suggest that governments aiming for reform should invest in developing adaptive leadership capacities – through training, supportive policies, and organizational cultures that value flexibility and collaboration. When public leaders adopt adaptive practices, bureaucratic reforms are not only implemented more effectively but are also more likely to sustain and evolve, as the organization continues to learn and adjust. Ultimately, adaptive leadership in bureaucratic reform contributes to building agile, resilient institutions capable of delivering better public value in a changing world. By highlighting the pathways and mechanisms of this form of leadership, our study provides a roadmap for practitioners and a foundation for future research to further advance public sector leadership and reform efforts.

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