



Panel Discussion Summary

On June 7, 2022, Management Systems International, A Tetra Tech Company, hosted “[Becoming an Adaptive Organization: U.S. Government Perspectives](#),” a virtual panel discussion with four U.S. Government leaders. They shared their organization’s experience, approaches, stories, and lessons learned on adaptive management. The panelists included Matthew D. Steinhelfer from the U.S. Department of State, Kyeh Kim of the Millennium Challenge Corporation (MCC), Heather Risley of the U.S. Agency for International Development (USAID), and Mick Crnkovich from the U.S. Department of Defense. MSI’s John Haecker moderated the panel, and Michelle Adams-Matson gave opening remarks.

Ms. Adams-Matson began with the question: “What is adaptive management?” It is the ability to change planning tactics or operational approaches based on iterative learning or changes in context. Adaptive management is important because change is constant and is accelerating. The extent to which organizations are effective is no longer solely based on doing what they do well but instead comes from adapting and learning how to do new things. In the international environment, the U.S. is working in more fragile and unstable environments than ever before. Solving complex problems requires partnerships with various stakeholders, which requires adaptability and innovation.

Mr. Haecker then introduced the panel and led the discussion. The panelists’ comments are summarized below.

Mr. Haecker: What are some good examples, best practices or innovations you can share from your organization that have helped you become more adaptive?

MCC espouses learning as a core corporate value, not only at the individual but also at the organizational level. This means learning from successes and failures and building a robust monitoring and evaluation system for programs. MCC evaluates programs during the life cycle and up to five years after they have ended and then shares these learnings both internally and externally.

Leaders need a blend of emotional intelligence skills, resilience, and experience on how to move their organizations forward despite external circumstances to manage adaptively. At the Department of Defense, a common approach to do this is by conducting scenario planning, identifying potential obstacles that may arise, and identifying alternative paths to reach the desired goal.

At the U.S. Department of State, leaders and their staff stress test strategies, policies, and programs using advanced data analytics and a focus on continuous learning. They use big data to forecast where the government will likely see instability or violence around the world and use that data to inform policy decision-making. Recently, they began to build in qualitative analysis to form a more comprehensive picture of potential outlier incidents, such as Russia's invasion of Ukraine. This requires developing new partnerships and assessments at the interagency level and among new, more diverse groups of stakeholders and communities of practice. Lastly, the U.S. Department of State publishes the lessons that the department learns, such as the Stabilization Assistance Review.

Over the last 10 years, USAID developed, adopted, and institutionalized a collaborating, learning, and adapting model which embraces adaptive management. The agency allocated financial resources and staffing to cultivate this approach. A key tactic to integrating adaptation is to build in review and reflection into the project life cycle. USAID requires that country Missions conduct strategy mid-course and annual portfolio reviews that look at activities across the portfolio to assess what's been accomplished, and what needs to be adjusted based on shifts in context. The agency has also developed practices to make contracts and agreements more flexible and responsive to changes not predicted at the outset. These newer mechanisms allow for more flexibility in changing programming course based on context.

Another significant shift has been to encourage innovation from those closest to where the work is happening. USAID in Washington, D.C. elevates what works overseas and connects staff to promote horizontal learning and dissemination.

Mr. Haecker: What are the ways you are approaching developing adaptive management and resilience skills among staff? Are there some skills your organization is looking to develop? Are there things you are doing to develop an adaptive culture?

USAID developed competencies for staff to bring in an adaptive mindset and skills, and then [guidance on recruiting adaptive employees](#). The working definition of an adaptive employee is one who, regardless of title, and in collaboration with relevant stakeholders, systematically acquires and uses knowledge to make decisions and adjustments in their work to achieve greater impact. While the competencies are tailored to positions, there are general categories that are included in all job descriptions such as focusing on results and impact, facilitating learning and building relationships, continuously learning and improving, and navigating change.

The Department of State staff has shown resiliency and common cause in times of crisis, such as attacks on the U.S. Embassy in Kabul or the recent Russian invasion of Ukraine. To support this, the agency developed an internal Leadership Council, which develops leadership resources for staff. The council supports leaders to serve as facilitators to guide rather than direct teams, creating psychological safety and entrusting the team to innovate. This

summer, the Council is providing all staff with access to facilitation training with the intention of equipping everyone at all levels to be facilitative leaders.

Mr. Haecker: What does your organization do to create a space safe space to promote adaptiveness and learning in the face of errors or failures? Can you give an example or two?

Much of what MCC does is develop large-scale infrastructure, which is very risky in the best of cases. MCC works in some of the poorest countries in the world facing a variety of challenges. To address this reality, MCC conducts quarterly portfolio reviews, focuses on a specific country, and analyzes its various budget, time, risk completion, political, and reputation risks. They assess which risks need to be tolerated and which failures need to be learned from. One attribute MCC leaders must espouse is creating psychological safety so staff can talk about risks without fear of interrogation or finger-pointing. MCC uses the quarterly portfolio review to create this environment where staff present on the topic. Managers are trained to respond in such a way that they build trust and become a part of solutions. Setting a collaborative tone is extremely important, as well as encouraging and motivating staff to talk about failure so that it happens openly. It's important not to ding employees in their performance reviews, but rather to talk about the lessons learned from failure and how to move forward.

At the Department of State, an after-action audit may be performed on the policies they draft. Behind closed doors, the team that drafted the policies explain how they approached the policy. Over time, one of the results has been that the team learns to write better policy documents.

Mr. Haecker: Are there things that your senior leadership has done or maybe decisions that they made that help promote an adaptive culture and adaptive processes?

At the Department of State, senior leaders strongly support breaking down traditional functional and regional bureau silos.

At USAID, senior leadership has learned to speak on the importance of adaptive management and to set that vision and expectation. The next steps are for leadership to match their behaviors more consistently to their messaging. For example, senior leaders have a significant role to play in creating an organizational environment of psychological safety. Leaders also have an opportunity to learn what their challenge areas are and then strategically delegate these areas to teams or individuals who can leverage their own strengths to fill the gaps.

Mr. Haecker: How do you incorporate learning quickly into projects or activities to achieve better results?

Several years ago, MCC reorganized and created global practice groups. The global practice groups are focused on a particular sub-sector or cross-discipline. With these global practice groups, technical staff is embedded in the country teams. In doing this, MCC can now review projects across the global portfolio and understand the risks, opportunities, best practices, and lessons learned. This review can be applied directly to programs as they're being developed and implemented, and it's something that's a little more agile than producing policies or guidance that are more static. This kind of review and innovation has really helped apply those lessons as we're implementing and developing programs.

The Department of Defense is such a big organization with such huge amounts of money, that it would be impossible to expect the department to turn on a dime based on one small component. One thing that the department does do is when there is an external circumstance, like Russia's invasion of Ukraine, the security cooperation industry has become conditioned to be able to shift very quickly based on national strategic priorities.

[To listen to the full discussion, please view the recording here.](#)

Please note: These are the panelists' personal views and not necessarily the views of the Department of Defense, the Department of State, the Millennium Challenge Corporation, the U.S. Agency for International Development, the U.S. Government, or its components. Panelists' participation does not constitute an endorsement of MSI, A Tetra Tech Company, its affiliates, or any non-Federal entity.