VILNIAUS UNIVERSITETO
VERSLO MOKYKLA

INTERNATIONAL PROJECT MANAGEMENT

Audra Endzinaitė

FINAL MASTER THESIS

ADAPTYVIOJI LYDERYSTĖ PROJEKTŲ VALDYME. PLĖTRA Į UŽSIENĮ	**ADAPTIVE LEADERSHIP IN PROJECT MANAGEMENT. EXPANSION INTO FOREIGN COUNTRIES**

Supervisor Assoc. Prof. Eglė Daunienė

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SANTRAUKA (LT)

VILNIAUS UNIVERSITETO VERSLO MOKYKLA
TARPTAUTINĖS PROJEKTŲ VADYBOS PROGRAMA
AUDRA ENDZINAITĖ
ADAPTYVIOJI LYDERYSTĖ PROJEKTŲ VALDYME. PLĖTRA Į UŽSIENĮ

Darbo vadovė – Assoc. Prof. Eglė Daunienė
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Trumpas darbo apibūdinimas:

Šiame magistro baigiamajame darbe, nagrinėjami adaptyvieji iššūkiai ir adaptyvioji lyderystė projektų valdyme, kuomet įmonė vykdo plėtrą į užsienio rinkas. Tyrimo atlikimui yra naudojamas tyrėjo sukurtas adaptyvios lyderystės teorinis modelis paremtas (Heifetz, Grashow, & Linksy, 2009), (Ramalingam et al., 2020) ir (Roberto, 2011) autorių darbais. Ruošiant interviu klausimus naudojamas teorinis adaptyviosios lyderystės modelis. Jis taip pat naudojamas surinktos medžiagos interviu metu analizavimui. Tyrimo metu interviu imtas iš 8-ių asmenų, kurie turi sukaupę patirtį ir taip pat šiuo metu dirba su plėtros į užsienio rinkas projektais. Intervuoti asmenys užima projektų vadovų, ar plėtros skyriaus vadovų pareigas. Atlikto tyrimo išvados demonstruoja, su kokiais adaptyviaisiais iššūkiais bei problemomis susiduria projektų vadovai dirbdami su plėtros projektais bei kaip šie iššūkiai yra sprendžiami iš projektų vadovų perspektyvos. Analizuojama kuo skiriasi vystymo projektų iššūkiai nuo plėtros į užsienio valstybes projektuose pasitaikančių iššūkių. Remiantis pasiektomis išvadomis, yra pateikiamos rekomendacijos plėtros projektų vadovams, kokios adaptyviosios lyderystės praktikos turi būti taikomos ir kaip jos turi būti taikomos.

Darbo problema, tikslas ir uždaviniai:

Tikslas: Šio magistro baigiamojo darbo tikslas yra nustatyti su kokiomis problemomis ir iššūkiais susiduria projektų vadovai dirbdami su plėtros į užsienio rinkas projektais, bei išanalizuoti kaip jie sprendžiami iš lyderio perspektyvos.

Šio magistro baigiamojo darbo *uždaviniai* yra:

1) Išanalizuoti, adaptyvios lyderystės teoriją.

2) Identifikuoti pagrindinius iššūkius su kuriais susiduria projektų vadovai dirbdami su plėtros projektais į užsienio valstybes

3) Nustatyti, kaip projektų vadovai sprendė identifikuotas problemas

4) Išanalizuoti adaptyviosios lyderystės praktikas sprendžiant iškilusius adaptyviuosius iššūkius

5) Įvertinti analizės rezultatus bei pateikti išvadas ir rekomendacijas projektų vadovams bei plėtros skyrių vadovams kaip vystyti ir stiprinti adaptyviosios lyderystės taikymą.

Darbe taikyti tyrimo metodai ir gauti rezultatai:

Tyrimui atlikti naudotas kokybinis metodas. Pasirinkta imti interviu iš plėtros projektų vadovų ar susijusias pareigas užimančių žmonių, kad būtų surinkta aktuali ir teisinga informacija. Klausimai sudaryti remiantis šešiomis adaptyvios lyderystės praktikomis. Interviu metu surinkta medžiaga parodė, kad plėtros į užsienio valstybes projektai yra kompleksiškesni už vietinėje rinkoje vykdomus vystymo projektus, ir nors problemos ir iššūkiai dažnai sutampa, plėtros į užsienio valstybes metu, projektų vadovai susiduria ir su papildomais iššūkiais dėl kalbos barjero, kultūrinių bei mentalinių skirtumų, teisinių reguliavimų.

Darbo išvados:

Tyrimo metu buvo nustatyta, kad plėtros projektų vadovai taikė kai kurias adaptyviosios lyderystės praktikas. Pagrindinės sritys ir taikytos praktikos adaptyviesiems iššūkiams spręsti buvo:

1) Komunikacija – kertinis dalykas siekiant sklandaus projektų vystymo. Aiški komunikacija turi prasidėti jau nuo darbuotojų atrankos proceso

2) Lūkesčių valdymas – jį galima pasiekti tik su efektyvia ir skaidria komunikacija. Projektų vadovas turi suvaldyti ne tik savo komandos narių lūkesčius, bet taip pat visų projekto

dalyvių, investuotojų ir savo paties lūkesčius, kas padės išvengti problemų projekto proceso eigoje.

3) Motyvacija ir įgalinimas – projektų vadovas turi sudaryti sąlygas, kad kiekvienas komandos narys būtų išgirstas, efektyviausias būdas to pasiekti tai susirinkimai ir sutarimų užtvirtinimas. Darbuotojai turi ne gauti deleguotas užduotis, bet patys jas prisiimti.

SUMMARY (EN)

VILNIUS UNIVERSITY BUSINESS SCHOOL

INTERNATIONAL PROJECT MANAGEMENT PROGRAMME

AUDRA ENDZINAITĖ

ADAPTIVE LEADERSHIP IN PROJECT MANAGEMENT. EXPANSION INTO FOREIGN COUNTRIES

Thesis supervisor – Assoc. Prof. Eglė Daunienė
Thesis prepared – 2023, Vilnius
Thesis scope – 67 pages
Number of tables – 7
Number of figures – 7
Number of references – 60

Short description of thesis:

In this master's thesis, adaptive challenges and adaptive leadership in project management are examined in management of projects when expanding into foreign markets. The theoretical model of adaptive leadership developed by the researcher is used to conduct the research, based on the works of (Heifetz, Grashow, & Linksy, 2009), (Ramalingam et al., 2020) and (Roberto, 2011). The theoretical model of adaptive leadership is used when preparing interview questions. It is also used to analyze the material collected during the interview. During the research, interviews were conducted with 8 persons who have accumulated experience and are also currently working on expansion projects to foreign markets. The interviewed persons hold the positions of project managers or heads of the development departments.

The findings of the conducted research demonstrate what adaptive challenges and problems project managers face when working with expansion into foreign countries’ projects and how these challenges are solved from the perspective of project managers. It is analyzed how the challenges of development projects differ from the challenges encountered in projects

of expansion into foreign countries. Based on the conclusions reached, there are recommendations for development project managers, which adaptive leadership practices should be applied and how they should be applied.

Aims and objectives:

Aim: The purpose of this master's thesis is to determine what problems and challenges project managers face when working with expansion projects to foreign markets, and to analyze how they are solved from a projects manager perspective.

The tasks of this master's thesis are:

1) To analyze the theory of adaptive leadership.

2) To identify the main challenges faced by project managers when working with expansion projects into foreign countries

3) Determine how the project managers solved the identified challenges

4) To analyze the practices of adaptive leadership in solving emerging adaptive challenges

5) Evaluate the results of the analysis and present conclusions and recommendations to project managers and heads of development departments on how to develop and strengthen the application of adaptive leadership.

The research methods used in the work and the results obtained:

A qualitative method was used for the research. It was chosen to interview development project managers or people in related positions in order to collect relevant and correct information. The questions are based on six adaptive leadership competences. The material collected during the interview showed that expansion projects to foreign countries are more complex than development projects carried out in the local market, and although problems and challenges often overlap, during expansion to foreign countries, project managers face additional challenges due to the language barrier, cultural and behavioral differences , legal regulations.

Main conclusions:

The study found that development project managers used some adaptive leadership practices. The main areas and applied practices to address adaptive challenges were:

1) Communication is the key to smooth project development. Clear communication must start with the recruitment process

2) Expectation Management – This can only be achieved with effective and transparent communication. The project manager must manage not only the expectations of his team members, but also the expectations of all the stakeholders, including project participants, investors and project manager him/herself, which will help to avoid problems during the project process.

3) Motivation and empowerment - the project manager must create conditions for each team member to be heard, the most effective way to achieve this is through meetings and building consensus. Employees should not be given delegated tasks, but should take them on themselves.

DEDICATION

This master's thesis is dedicated:

- To my son, who slept, did his homework, and attended classes during lecture time.
- To my sister, who was always aware of the status of this thesis
- To my father, who pushed me to keep studying and sponsored the studies

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PM: project management

INTRODUCTION

Relevance

Adaptive leadership is usually adapted in the times of uncertainty, the most radical example of that would be during a global COVID pandemic (Santra & Alat, 2022, Crane 2022, Haron et al., 2022), yet the uncertainty on a smaller scale is noticeable in simpler everyday situations when the company has a strategy to expand into foreign markets. Adaptive leadership is also described as a specific approach, and it is most relevant in time of big changes of mindsets and practices. It is very important to understand the difference between adaptive leadership, which is the activity to mobilize people to tackle trough challenges and thrive, and crisis management (Roberto, 2011). Adaptive leadership focuses on specific challenges where no clear solutions are available and which are more difficult to identify and describe. New solutions must be allowed to emerge from the people in the organization, who face these challenges. These challenges cannot be solved with new policy or rules (Corazzini et al., 2014). Adaptive leadership is not crisis management. Heifetz described it as work to mobilize people to solve difficult and complex problems which can be named as adaptive challenges.

Organizations, regardless of their size and sector, are focused on increasing their capabilities to take on an even bigger market share, encouraging growth and profits all the while facing competition and often an unpredictable environment, especially in, but not limited to, the growth phase. There are several models describing company's growth and these models can be grouped into such categories like Small Business Growth, Large Business Growth Models, General Growth Models, and others (Scott & Bruce, 1987) The latter models can be applied to businesses of all sizes. The Greiner Growth Model is a framework for understanding the stages of growth that companies typically go through and the challenges they face at each stage. While it can apply to a wide range of companies, it is particularly relevant for companies that are experiencing growth and are looking to manage that growth effectively. – the companies investigated by this thesis. In growth stage companies face more challenges and more adaptive challenges. While company is expanding into foreign countries it faces technical difficulties and adaptive challenges at once. Like Covid was complicated and mixed both types of challenges, very similar situation happens while company is stepping out of their market. According to Peter Schwartz at the Shell oil company, knowing economic cycles and stages of company development helps businesses to create scenarios. Scenario planning doesn't predict the future, but it stimulates companies to be prepared for set of possible futures and take decisions accordingly (Vassolo & Weisz, 2022), and in expansion into foreign markets projects, planning and simulations are a useful tool when identifying potential adaptive challenges. That in a way Dwight D. Eisenhower, as president of the United States, said: "In preparing for battle I have always found that plans are useless, but planning is indispensable". Eisenhower wanted to point that planning and adaptability go hand in hand (Ratcliffe, 2016).

In an expanding company, the unpredictability can be felt not only in the general environment, but also in such part of the company as projects. Unpredictability can often feel like a crisis, and employees are the key resource in resolving it. The speed with which decisions must be made in rapid growth companies puts a strain on managers that many people simply cannot cope with, many of them intellectually and emotionally need more time to make decisions than is available in such situations and need time to get relevant information, to analyze that information, to identify alternative decisions, and to select a decision (Kotter & Sathe, 1978). As noted by John P. Kotter, an associate professor of Organizational Behavior at Harvard Business School, many people need time to emotionally come to grips with their intellectual choice – for some managers this needed time runs into months or even years, especially when the decision stakes are high. Adaptive challenges should be solved not by managers, but by people who faces these challenges, this way solution time will be much shorter and effective. According to the six competences of Adaptive leadership by Heifetz, the manager is needed not to be on the dance floor, but to lead the team, and assure, that they see and understand the main goal, are not afraid to take initiatives and their voices will be heard.

There is an ongoing joke that everybody wants to be a manager, yet nobody wants to simply be an employee nowadays, however the scale of pressure on the manager is often forgotten, and even more often the fact that employees know the best how to deal with issues in a fast pace at their job is ignored. Therefore, it is important to communicate with, to delegate and to empower employees on all the levels of hierarchy. The problem which can be seen in many Lithuanian companies is that very strict hierarchy and inflexible role descriptions prevent employees from taking initiative, from speaking up their ideas. The ability of the company's management to demonstrate to the employees the understanding of the concerns and the ability to mobilize staff to overcome difficulties *jointly* play an important role in a situation of uncertainty, especially having in mind that the employees involved want their organization to succeed, because they feel that they are connected emotionally, socially, and even spiritually, sharing its mission and goals (Akhmetshin et al., 2019). Consequently, adaptive leadership could play a crucial role in helping the company during its growth by effectively managing the complexities and challenges which arise during periods of rapid expansion, and by giving the power of leadership to employees while encouraging their organizational commitment, career satisfaction and job satisfaction (Kaira & Abu Hassan Asaari, 2019).

Many adaptive challenges while expanding into new markets comes because people do not always say what they really think. Also, people do not always understand why they do what they do. Such common behavior does much bigger impact in different countries where also company faces difficulties in values, beliefs, and habits of different cultures. The adaptive phase is very tricky. While asking employees to make necessary but uncomfortable adaptive changes in their behavior or work the reaction might be to defend themselves. Project managers, as leaders, must adapt what and how things get done in order to succeed. Getting an organization to adapt to changes in the environment is not easy. Therefore, the need for this study to be conducted has arisen to discover and analyze ways of enabling employees to take up leadership and empower them when facing challenges while company is expanding into foreign countries.

Problem statement

The expansion strategy of the companies which are expanding into foreign countries creates unique obstacles to solve and adjust to. Due to the uncertainty and newness of situation, organizations need to become more adaptable, flexible, and ingenious, ergo requiring project managers of different level and different departments to explore and apply new leadership methods for a faster solving of the ascended challenges. Consequently, there is a demand to explore adaptive leadership practices.

The research problem of the thesis is to identify and analyze adaptive leadership approaches to non-managerial positions to encourage initiative and taking on responsibilities in an expanding company.

Research aim

To identify practices that project managers could employ to enable non-managerial position employees to take up leadership while facing adaptive challenges in an expanding company.

Objectives

- To conduct the literature review that will provide a basis of adaptive leadership in project management
- To investigate various approaches to changes which appear during company's expansion while using an interview-based method
- To explore what kind of adaptive challenges project managers faces while expanding into foreign countries

- To identify how different adaptive challenges are in development projects and expansion into foreign countries projects
- To explore how the Project managers solve adaptive challenges while working on expansion into foreign countries projects.
- To develop suggestions based on received results on how to encourage employees to take on leadership roles

Research methods:

To conduct the study a qualitative method was chosen. The empirical data will be gathered during semi-structured interviews with 8 project managers who were selected based on predetermined criteria. The results received from the interview will be analyzed and a blueprint of suggestions and recommendations how to empower employees will be made.

Limitations:

In this research was used only one company, which is implementing expansion into foreign countries strategy. Therefore, even though individual project managers are working with projects in different countries, the product which they are working with is the same. Due to this, actual count of projects in which adaptive leadership was chosen as a model might be in comparison small.

1. ADAPTIVE LEADERSHIP IN PROJECT MANAGEMENT DURING GROWTH PHASE

1.1. Adaptive leadership

1.1.1. Short history and overview

The quantity of leadership theories remains open-ended, owing to the dynamic nature of the leadership studies domain (Fig. 1). Emerging theories continually surface as researchers delve into various facets of leadership. However, there are several well-established and widely recognized leadership models that have been developed over the years – trait theory, servant leadership, adaptive leadership just to list a few. Industries in general, as well as knowledge of management, and people as employees are constantly changing. What was working at that time possibly wouldn't work at our times, yet some contemporary theories and models may integrate elements from multiple traditional theories.

The first and the longest modern leadership theory, which roughly lasted from 1800s to about 1930, was the Great Men theory era (Klingborg, Moore, Varea-Hammond, 2006). At that time researchers believed that leaders are born, not made and usually these indescribable qualities were passed on through generations. However, the “mystery” of such qualities gave rise to the following Trait theories, which tried to identify the mentioned qualities and traits. At the time, six traits were associated with leadership (Stogdill, 1948):

- Capacity (intelligence, alertness, verbal facility, originality, judgment).
- Achievement (scholarship, knowledge, athletic accomplishments).
- Responsibility (dependability, initiative, persistence, aggressiveness, self
- Participation (activity, sociability, cooperation, adaptability, humor).
- Status (socio-economic position, popularity).
- Situation (mental level, status, skills, needs and interests of followers, objectives to be achieved, etc.).

Another leadership theory was called the Behavior era. It dominated in 1940s and 1950s yet was still strongly supported until the 1970s. The main difference in this period was the changed belief, which denoted that leaders are learned to be. Today, this theory is exemplified in the numerous leadership-training programes, which involve the development of leadership skills and behaviors, thus supporting the belief that leadership is largely learnt (Benmira & Agboola, 2021). During this era leadership styles were described as Democratic, Autocratic, and laissez-faire/liberal by Kurt Lewin back in 1944 (Fig.1). This approached did not fully described leaders’ behaviors in different cultures, it was mostly based in USA, where values were focused on individualism. There was one common thing in both Trait and Behavior periods - both theories ignored situational elements.

Interaction Parameters	Leadership styles		
	Authoritative	Democratic	Liberal
Methods of decision-making	Resolves all issues individually	Consults with the subordinates before making a decision	Waits for the directions from above or decisions of the meeting
Ways of bringing solutions to the performer	Orders, controls, commands	Offers, argues, affects	Asks, persuades
Allocation of responsibility	Takes or passes to subordinates	Allocates responsibility, delegates authorities	Tries to shift off any responsibility
Attitude to the initiative	Completely suppresses	Encourages, uses in the interests of the matter	Gives to subordinates
Attitude to the recruitment	Does not accept or gets rid of skilled workers	Selects business, competent workers	Is not in charge of selection
Style of communication	Keeps distance, is not communicative	Is friendly, enjoys communication	Comes into contact with subordinates only on their initiative
Nature of relations with the subordinates	Hard, dictated by the mood	Smooth manner of communication, constant self-control	Gentle, flexible
Attitude to the discipline	An adherent of formal discipline, strict schedule	A supporter of a reasonable discipline, has differentiated attitude to people	Does not require respect for formal discipline, patient to contraventions
Choice of the method of influence on subordinates	Regards punishment as the main method of stimulation, rarely encourages the elected	Uses various methods of encouragement and punishment	Uses reward more often

Figure 1. Classification of leadership styles by K. Lewin
Source: adapted by Nataliia Lenska (2018)

The third part of leadership history is called the Contingency theory, popular in 1960s-1990s. In this approach the situation elements were mentioned for the first time. It was believed that effective leadership depends on the situation in which leaders is. Researchers of this era believed that the leader's style, personality, and behavior depend on the situation. The situational leadership model was explored by - Paul Hersey and Kenneth Blanchard back in 1969. Effective leaders need to be flexible and must adapt themselves according to the situation. At a similar time, F. Fiedler (1974) suggested a contingency model, which was focused on situations. The main idea was that people can learn to be good leaders and good leaders act differently in different situations, with different groups of people, and use different styles of leadership. Leaders can affect performance of employees, individuals and even companies.

New era or also called Neo Charismatic theory is now. This era consists transactional, transformational, and other theories (Bass, 1999). Now researchers believe that leadership is complex and has a lot of dimensions. The world is evolving and becoming more challenging and complex itself. So as the world, so and leadership is changing. At our time we look at leadership as a development which considers a rapid change, technological innovations and increase globalization. Neo Charismatic theory considers leadership skills as present in every individual but possibly not yet developed or that the existence of a crisis situation is needed for the emergence of a charismatic leader (Winkler, 2009). The focus of this theory in set on such development.

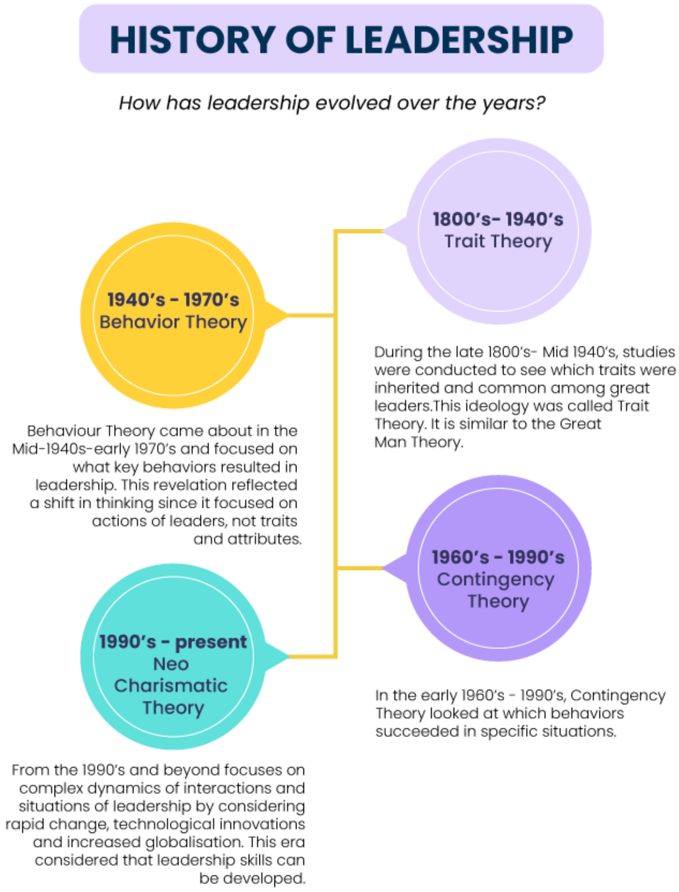

Figure 2. History of leadership
Source: vantagecircle.com (2023 August)

1.1.2. **Central pillars of adaptive leadership**

In nowadays leadership is seen as a role which can be fulfilled by different individuals according to situation. Leadership is seen not as position, but as an activity.

Heifetz and Laurie (1997) introduced the concept of adaptive leadership. This concept focuses on leaders need to adjust their approach according challenges they're facing. Leaders must have flexibility and adaptability when they are facing new challenges and, moreover, they must empower their teams to do the same. Heifetz and Laurie divided two types of improvement efforts in any organization: *technical problems* and *adaptive challenges*. Technical problems can be solved with existing skills, adaptive challenges are the ones, which we are not familiar with and while solving them, we need to test and learn to reach specific solution. More differences between technical problems and adaptive challenges can be seen in the table No.1 below.

Table 1

Technical Problem and Adaptive Challenge differentiation

Technical Problem	Adaptive Challenge
Easy to identify	Difficult to identify (easy to deny)
Often lend themselves to quick and easy solutions	Require changes in values, beliefs, roles, relationships, and approaches to work
Often can be solved by an authority expert	People with problem do the work of solving it
Require change in just one or a few places; often contained within organizational boundaries	Require change in numerous places; usually cross organizational boundaries
People are generally receptive to technical solutions	People often resist even acknowledging adaptive challenges
Solutions can often be implemented quickly – even by edict	“Solutions” require experiments and new discoveries; can take a long time to implement and cannot be implemented by edict

Source: adapted by the author

Learning and adaptation should be placed in the center of organization. If learning is a regular and natural existent in the company, the response rate to any challenges is much shorter. As US military declares, it is better to shoot not perfectly, but to shoot. Even 70% of success possibility to reach the target is enough to take an action (Useem, 2014). Constant learning empowers employees to take measured actions while facing adaptive challenge. Learning process in the company must be open and easily achievable. Only in this way it will be effective. Learning in adaptive leadership means that teams and organization need to assess their actions and recognize outcomes and adapt their actions as they learn more to reach better outcomes based on their decisions.

Maintaining the right level of disequilibrium enables people to accept changes faster and participate in the process. The aim is to focus the disagreement on issues. Behind all issues are people's competences, loyalties, believes, etc. The issues without people behind them, would be only facts and analysis. The leader must act politically correct as well as analytically, look deeper into people's interests, fears, opinions. "An executive team on its own can't find the best solutions. But leadership can generate more leadership deep in the organization". (Heifetz, 2009).

A culture of adaptability is vital for company, which wants to survive. The company, which wants to grow has no other choice then adopt the mindset of adaptive leadership. Leaders must adopt a learning mindset, remain open for learning, and apply this mindset to their teams and organization. Even military and armed services understands that culture of adaptability is necessary to survival (Useem, 2014). Speaking about business survival it absolutely the same because all sectors' seas and feels increasing unpredictability. The ability to make fast and effective decisions is crucial in business.

In adaptive leadership it is important to make organizations goals to be all employees priority (Akhmetshin et al., 2019). Leaders in this concept must set the direction, make sure, that employees know where the company is going. It is important to understand how crucial is to create personal links to be able to lead people through different challenges. Even small actions as individual handshake or eye contact creates personal connection, which serves to focus attention on the goal. After setting a direction leader do not micromanage their teams, they must give people freedom to improvise. Leaders should establish a common purpose and let people reach it. It is an essential skill to align people across an organization to reach a common goal and then rely on the peoples Ingenuity for getting there.

In adaptive leadership concept, it is crustal to collaborate. Collaboration between departments, across different sectors, with other organizations is very important then all sectors are global and learning possibilities are limitless to share and to receive knowledge.

Coronavirus disease 2019 pandemic exposed vulnerability worldwide. As a transition into a post-pandemic phase, effective leadership in addressing the multifaced consequences of the crisis is critical to avoid repeating past mistakes and to effectively prepare for future crisis (Cote, 2022). Here comes the role of adaptive leadership, which is guiding organizations through uncharted waters of new normal.

1.1.3. Summary

Summing up, leadership was started to be seen as theory since 1800 and since then has developed many times. In nowadays the have the newest approach of leadership, which is named as adaptive leadership. However, the studies continue, and the new approaches are developed.

Adaptive leadership is a very complex approach. It is different from previous theories because it is very flexible and adaptive discipline. It suggests practices, which can be applied in fast changing environment, there uncertainty and adaptive challenges appears.

Then business is expanding and going into foreign countries, the uncertainty is in very high level. To manage the team and reach the best results, project managers can apply adaptive leadership practices, which are especially helpful managing team which is facing adaptive challenges. It helps managers prevent team members burnout and keep the right amount of uncertainty to keep people motivated and productive as much as possible.

1.2. Development of organizations

1.2.1. Growth models

The main purpose of all the companies is to create more value, than any individual could. The value which is trying to be created can be different, such as profit, education, social justice, etc. (Bock & George, 2018).

Many different models have been formed to identify and clarify managerial priorities, challenges in the early growth of companies. These perspectives are called by different names, such as: stages of growth, company life cycle, configuration perspective, etc. (Muhot et al., 2010). According to Gibrat's proportionality law a company grows proportionally to its size (Wyart & Bouchaud, 2003).

Usually numbers of employees, sales, and assets of the company are the criteria used to identify if company is on her growth phase or not. Growing company faces different stages and transitions. The majority of the recent studies propose four-five stages and three transitions that company faces during growth period until reaches maturity *(Figure 3)*. Usually, the phases are growth through creativity, growth through direction, growth through delegation, growth though coordination, growth through collaboration. Stages means configuration of variables which growing company faces, and transitions means reconfiguration of these variables (Galbraith, 1982; Hanks and Chandler, 1994). The common growth of company includes capacity expansion in current area, franchising, exporting, mergers, and geographical expansion (Barringer & Greening, 1998).

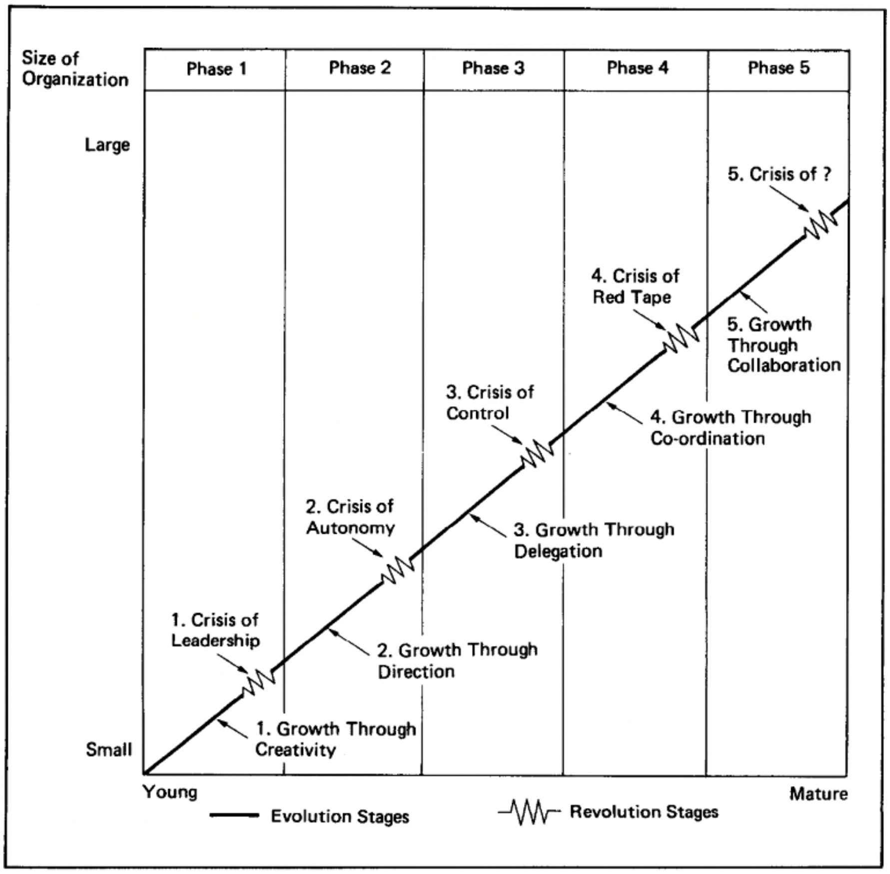

Figure 3. The Greiner Model of the five stages of growth
Source: Greinere, (1978)

Variance of business size also must be mentioned when analyzing companies growth stages. There are common named four business sizes: micro, small, medium, and large. Many growth models contribute to all four sizes. Basic assumption is that growth is a change process occurring over time (see e.g., Weinzimmer et al., 1998). In the different company stages the focus goes to different processes. According to American Productivity and Quality Center Process Classification Framework, there are 12 processes where company's focus must go, during the growth (Muhos et al., 2010):

1. 5 operating processes; development of vision and strategy
2. design and development of products and services
3. marketing and selling products and services
4. delivery of products and services
5. management of customer service
6. 7 management and support processes; development of human capital
7. management of information technology
8. management of financial resources

9. acquiring, constructing and managing property
10. management of environmental health and safety
11. management of external relationships
12. management of knowledge, improvement and change.

1.2.2. Employee engagement, dedication, and culture

Growth configurations literature reveals that there are diverse managerial problem configurations specific to the different growth stages. (Muhos et al., 2010). One of common problems in growing companies, not depending on if it is a company expanding in new locations, or company growing in current area is the assumption that small businesses, should be managed by the same principals as the currently operating business. Such view decrease motivation and engagement of employees. This assumption do not involve critical factors like that small companies are not much like big companies. Small businesses have lower sales, smaller assets, and fewer employees (Welsh & White, 1981). When company is opening new geographic site, business will be confronted with the challenge of managing an existing business and a start-up at the same time (Barringer & Greening, 1998).

In 2012, Gallup conducted its eighth meta-analysis. The research involved around 1,4mln employees from 49 industries and 34 different countries. Research confirmed connection between employee engagement and nine performance outcomes.

- customer ratings
- profitability
- productivity
- turnover (for high-turnover and low-turnover organizations)
- safety incidents
- shrinkage (theft)
- absenteeism
- patient safety incidents
- quality (defects)

The research also confirmed that employee engagement is an important predictor of company performance even in a tough economy (Sorenson, 2023). When company is trying to expand and grow, which is the way to create more value, it faces new markets, tries to reach more customers, and keep the current customers – that is tough economical situations. Engaged employees are trying to make the difference and together with a company make better performance.

While growing company faces adaptive challenges, it is crucial to understand and evaluate the fact, that engaged employees are a lot closer to the best ideas. As Jim Harter, Ph.D. says, engaged employees are thinking about the whole company and how they fit into it, and their ideas lead to better decisions.

Employee commitment implies atypical in the performance of tasks and job role which is specified. Engagement and dedication are behavior, which involves demonstrating initiative, proactive seeking of opportunities that contribute to the company (Stoyanova & Iliev, (2017). Effective leaders talk about purpose of employees work and with clear purpose set the direction that will motivate to reach success. Such involvement is employee's engagement. Growing organizations do need strong engagement culture which assures, that company has leaders who will take action when needed and will look forward for improvements. To build engagement culture in the company, management must require that developing engaged work teams would be part of the business strategy. Employee engagement should be established by importance and accountability. The company with strong engagement culture create competitive advantage for the organization (Romans & Tobaben, 2016). It was found out that engaged employees from same and cross-functional teams, working together as a team and learning together, can improve profitability of the company, increased sales and expanded company's market share (Daneshgari & Moore, 2016).

1.2.3. Summary

Numbers of employees, sales, and assets of the company are the criteria used to identify if company is on her growth phase or not. As one of criteria is also company's geographic location. If company is expanding their operating field into foreign countries, it is counted as a confirmed criteria for company growth identification.

Different literature shows, that in growing phase there are several types of managerial problems. One of common problems is the assumption that new businesses, should be managed by the same principals as the currently operating business. These problems accurse more often, while company is expanding and opening their business in further locations. When company is opening new geographic site, business will be confronted with the challenge of managing an existing business and a start-up at the same time.

While company faces adaptive challenges in new objects in different geographic locations, it very important to keep employees engaged and committed to their work, because engagement and dedication are behaviors which improve profitability, increased sales and expanded company's market share.

Adaptive leadership focuses on motivating team members, keeping them engaged and encourage them to take initiatives.

1.3. Specific adaptive challenges

1.3.1. Adaptive challenges in development projects and expansion into new markets projects

Development projects are mostly embedded in dynamic and complex environments. There are many unpredictable components and uncertainty. The most usual development projects fail because of project management methodology. In uncertain environment project teams must be creative and adaptive (Van Der Waldt, 2011). The studies show that in large transformation projects, it is very usual, that stakeholders focus on managing incidents in ad hock way and loose the sight of the main goals (Janssen et al., 2014). There are several approaches which are seeking to solve complex development problems through learning within projects and enabling greater adaptiveness (Prieto-Martín et al., 2017).

Delivery of projects has started to require more flexible approach. Projects are delivered in a changing and unpredictable environment – it is complicated to plan all steps of the project, because of aggressively changing environment. These days even infrastructure development projects need more adaptive and flexible approach (Wirkus, 2016). Development projects have the rational-analytic model of project planning, management, and evaluation, even if they are also developed in very unpredictable and uncertain environment (McEvoy, Brady & Munck, 2016).

The decision to enter international new markets is based on a research of export possibilities, industry investigation and the marketplace, marketing and cultural aspects, legal and political conditions, currency issues and financing sourcing issues. Cultural barriers are utilized in an examination of foreign market entry by Bakema, Bell and Pennings (1996), and a "cultural learning process" is invoked by Benito and Gripsrud (1994) to help explain the expansion. (Buckley & Casson, 1998). When a company decides to enter a specific country, it has to choose the best model to do that. There are many market entry strategies, such as: direct exporting, indirect exporting, joint ventures, direct investment, or M&A (Dinu, 2018) and many possible approaches to the analysis about expanding into new international markets, including choices for export, licensing, joint venturing and wholly owned foreign investments, subcontracting and franchising. (Buckley & Casson, 1998). International market expansion projects face very similar challenges as any development project, but also face additional challenges of cultural diversity, political risks, different economical capacities, etc. (Hutzschenreuter, Voll & Verbeke, 2011). One of the challenges of developing international projects in new markets must include mentioning of ethical considerations (Barco, 1994). Looking into many different expansions internationally projects there are also usually faced with a challenge when attracting financing within new political spaces, which usually companies are unfamiliar with (Hossain & Sengupta, 2009).

1.3.2. Practices of adaptive leadership used by project managers while expanding into new markets

The practice of leadership is very similar to the practice of medicine. First, a diagnosis is needed and only after that seeks action. The diagnosis begins with data collection and problem identification – “The What”, interpretive stage – “The Why” and then seeks potential approaches – “The What Next”. Process of problem identification and solving is iterative, moving back and forward through data collection, interpretation, and action (Heifetz et al., 2009).

The most important skill for exercising adaptive leadership is diagnosis. To do valuable diagnosis and to get the view of a bigger picture a leader must take some distance from daily action. According to R. Heifetz, adaptive leadership involves implementing a series of well-planned interactions between leaders and followers as they confront difficult challenges in their organizations - “Adaptive leadership is the practice of mobilizing people to tackle through challenges and thrive” (Heifetz et al., 2009).

After assessing types of challenges, which can be technical, technical-adaptive, or adaptive, a leader takes action to help employees learn, adapt, and change their thinking and work patterns.

Table 2

Distinguishing technical problems and adaptive challenges

Kind of challenge	Problem definition	Solution	Locus of work
Technical	Clear	Clear	Authority
Technical and adaptive	Clear	Requires learning	Authority and stakeholders
Adaptive	Requires learning	Requires learning	Stakeholders

Source: Heifetz, Grashow, & Linksy (2009)

Peter G. Northouse created a practical scheme of Heifetz's adaptive leadership model. Northouse named six competencies shown in Figure 4, that are used to create create opportunities for leaders and followers to work together (Northouse, 2019):

- Get on the balcony
- Identify the adaptive challenge
- Regulate distress
- Maintain disciplined attention
- Give work back to people
- Protect leadership voices from below

Figure 4. Six competencies

Source: Northouse, 2019

In more detailed way the six adaptive leadership practices are listed below:

- **Get on the balcony:** stepping back to get perspective of the action. As Walt Whitman wrote, great sports athletes have ability to play the game and observe it as a whole at once. "Being in and out of the game". This is mental activity which lets the project manager or any other leader to see the full picture and identify what is going on.
- **Identify the adaptive challenge:** To follow further steps it is necessary to identify the adaptive challenge. Distinguish between technical and adaptive challenges. This requires the ability to see the difference between a technical issue and adaptive challenge. Adaptive challenge consists between values of the people and the reality of their lives or a conflict among people over values or strategy. In any cases, adaptive challenges generate distress. Also, it is very important to understand, that problems, causing the distress, won't be on the surface.

- **Regulate distress:** Distress generated by an adaptive challenge should be contained within limits to produce the progress. Help others recognize the need for change but not be overwhelmed by it. If people feel too much distress, they will fight, flee, or freeze. The purpose of leadership in today's world involves managing the chaos, and confusion of change so that the disturbance is productive rather than destructive.

Disequilibrium can help keeping an organization in a productive zone. Leader must feel the temperature and regulate it. If the temperature is too low, team members won‘t feel the need to make difficult decisions, take responsibility. If the temperature of disequilibrium gets too high, people might start panicking and won't be able to act rational and also won‘t ask difficult questions and won‘t take initiatives.

- **Maintain discipline attention:** Directing disciplined attention on the issues. Encouraging people to focus on the tough work they need to do. Direct all the efforts and focus on the findings of solutions to the problem. People most often try to apply their known problem-solving methods to ant issue or adaptive challenge. When these methods do not work, they will start using work avoidance mechanisms to reduce distress. It is necessary to keep people involved in problem solving process and give them discipline.
- **Give work back to people: Adaptive** challenge requires the engagement of all parties to solve it. Leaders or any other authority figures should not shield people from responsibility. People should know that they can work out their own solutions and should work on that. Leader has to avoid micro-managing, support people and encourage them to take the risk. You have to create a culture of courageous conversations.
- **Protect leadership voices from below:** leader has to give a chance to all employees to contribute the final result and make sure their voices are heard not depending of their position, role, or any other conditions.

Creating save environment involves where employees are encouraged to take initiatives and speak, means giving some ownership to the people, whether legal or psychological. The aim is for everyone to "act like they own the place" and be motivated to come up with innovations, initiatives, and responsibility. Executives don't have enough capacity to manage and implement all changes. They need to distribute leadership responsibility to the team and make sure that people know and value that.

In other words, according to Northouse, the leader must step back and see the bigger picture - "can include such things as taking some quiet time, forming a group of unofficial advisers or simply attending meetings as an observer" (Northouse, 2019, p. 263). After stepping back, the leader can identify the adaptive challenge. Usually, adaptive challenges involve problems connected to beliefs, attitudes by people, or values, e.g.:

- gap between espoused values and behavior
- competing commitments
- speaking the unspeakable
- work avoidance

When adaptive challenge is named, the leader must regulate distress. The adaptive leadership model offers three methods to manage expected distress (Northouse, 2019, p. 265):

- create a holding environment;
- provide direction, protection, orientation, conflict management, and productive norms;
- regulate personal distress.

Maintain disciplined attention - adaptive leader has to keep followers focused during changes, keep them productive and following deadlines. The leader gives work back to the people and boards to engage them in the adaptive change process. People need to feel and believe that they are a necessary part of making these changes. The adaptive leader's job is to start conversations, pose questions, create disequilibrium that will be unpleasant for a time.

Adaptive leadership model creates a safe space to allow followers to discuss and find potential solutions to the challenges being faced (Northouse, 2019.).

1.3.3. Summary

Project managers, which are working with development projects faces challenges which were predicted and also adaptive challenges. Lessons learned helps project managers to improve prediction of upcoming challenges for the future projects, but while working with development in fast changing environment it is important to understand, that adaptive challenges also might be faced.

Project managers, which are working with expansion into foreign country's project faces technical issues, very similar challenges and more adaptive challenges. One of the main reasons why they have to solve more adaptive challenges is because of cultural differences. Every country which they are entering has different culture, ethics. It is very important to understand, that project manager is working not only with project but also with people. Heifetz adaptive leadership practices guides project managers and other leaders how to identify and solve adaptive challenges.

The table presented below (Table 3) was chosen as a framework for research. In this research, project managers, which are working with expansion into foreign countries projects will be asked what specific adaptive challenges they are facing and how they work with them and which of 6 Heifetz competences are most used by them. The tools and approaches most standing out during analysis of the data will be attributed to appropriate competencies to get a rounded view and evaluation.

Table 3

Framework for research

Adaptive Leadership Competences	**Adaptive Leadership Practices**
Get on the balcony	
Identify the adaptive challenge	
Regulate distress	
Maintain disciplined attention	
Give the work back to the people	
Protect leadership voices from below	

Source: created by the author

2. RESEARCH METHODOLOGY

2.1.Introduction

The aim of this section is to provide information about the chosen research process. The main methodology parts of this study would be as follows:

- Formulating the research question;
- Outlining the design for research study and creating the instrument for data collection (questionnaire)
- Sample selection and validity of the study;
- Data collection and analysis;
- Recommendations and conclusions of the study.

2.2.Research questions

The literature analysis has showed the prospects and potential for adaptive leadership approach (Romans & Tobaben, 2016, Akhmetshin et al., 2019, Sorenson, 2023). However, the analysis revealed that the adaptive leadership theory as we know it today has not yet been focused on growing companies which are expanding into foreign markets, which in itself is an adaptive challenge. This master's thesis aims to fill this research gap by exploring the demand of adaptive leadership practices. The following research statement was formulated: to identify and analyze adaptive leadership approaches to non-managerial positions to encourage initiative and taking on responsibilities in an expanding company.

2.3.Research strategy

2.3.1. Qualitative approach

To answer the research questions, the qualitative method was chosen. One of the main reasons for this choice was an opportunity to give the respondents space to talk and explain their experience and positions in-depth, which is unachievable by survey. Additional concern was the number of respondents – it was expected that an appropriate number of respondents for a quantitative research method would not be willing to participate

2.3.2. Research design

A case study and in-depth interviewing have been selected as qualitative research methods. As noted by Y.S. Lincoln and E.G. Guba (1985), if conducted thoughtfully, qualitative research is internally consistent, rigorous, and helps to answer important questions about people and their lives. After evaluating possible approaches denoted in table 4, a case study approach was chosen, since the goal of this research directly correlates with the goal of the approach – to develop an in-depth understanding of the context of specific case. The specific case in terms of this study is application of adaptive leadership in companies, which are expanding into foreign markets.

Table 4

A Comparison of the Research Approaches on key Design Criteria

	CASE STUDY	ETHNOGRAPHY	NARRATIVE	PHENOMENOLOGY
Goal	Describe case/cases to develop an in-depth understanding of the context of specific case/cases	Describe the shared and learned cultural practices of a specific group of people (culture)	Describe the stories people tell about their lives and lived experiences	Describe the meaning of the lived experiences of a phenomenon by the people who lived it
Formulating Research Questions	What are the qualities/characteristics of the unique/representative case?	What are the shared practices of the culture?	What is the story of the lived experience?	What is the essence of the phenomenon of interest?
Sampling	People with roles that exist within the boundaries/criteria/context of the case	People who participate in or experience the culture of interest	People who contribute to the story of the experience	People who have lived the phenomenon of interest
Data Collection	One-on-one Interviews or Focus groups in which participants describe the case	One-on-one Interviews or Focus groups in which participants describe the culture	One-on-one Interviews in which participants tell a story about their experience	One-on-one Interviews or Focus Groups in which participants describe the experience
	Observations of participants in the context of the case being studied; Observations of the setting(s) where the case(s) occur	Observations of participants in the context of their culture; Observations of the cultural setting	Observations of participants during story-telling or enactment of the story	Observations of the phenomena of interest
	Documents (physical or digital) that are representative of the case(s)	Documents (physical or digital) that are representative of the culture	Documents (physical or digital) that are representative of the narrative	Documents (physical or digital) that are representative of the phenomena
Data Analysis	Constant comparative; Thematic	Constant comparative; Thematic	Narrative analysis	Phenomenological analysis

Source: Tomaszewski et al., 2020

As previously mentioned, the chosen data collection method is a one on one semi-structured interview with open ended questions, allowing participants to describe the case and by that – to “explore people’s interpretations and meanings of events and situations, and their symbolic and cultural significance” (Punch, 2009). Qualitative research draws from interpretivist and constructivist paradigms, seeking to deeply understand a research subject rather than predict outcomes, as in the positivist paradigm (Denzin & Lincoln, 2011, cited by Tomaszewski et al., 2020).

2.3.3. Interview instrument

Following the six main adaptive leadership competencies, the interview questions were formulated and then approved by the supervisor. Before moving to the questionnaire, the respondents were introduced to the master thesis theme and goals, as well as informed about the possibility to get access to the final thesis to see the results, if wanted. In addition, the respondents were asked if they would like to get acknowledged with the results part of the thesis to check if they were understood correctly. After introductory information from the interviewer, the respondents were asked two to three warm-up questions, to set the baseline of their knowledge about adaptive leadership and their overall experience in project management. The questions were simple and open-ended:

1. Have you heard about adaptive leadership?
2. How long have you been a project manager?
3. In your professional experience, have you ever had to strictly follow any leadership methodology in the past? And if yes – which one?

The interview instrument consists of thirteen questions, including three questions in total for introductory and finalizing questions. There are one to four questions per adaptive leadership competence with four questions regarding "getting on the balcony" and one to two questions for other steps. The introductory questions were design to understand respondent's as a project manager experience in growing/expanding companies (Q1), as well as get insight into their leadership experience (Q2). The full list of interview questions shown in annex number 3. Each interview was thirty to forty-five minutes long and conducted in a live setting or over the phone. If respondents expressed discomfort talking about specific experience, the researcher accepted a short general answer for data collection, if the question allowed.

Each responded was asked to participate in the live interview, organized according to respondent's schedule. The interviews were conducted in English and Lithuanian languages and later translated fully into English. The researcher asked respondents to record the interviews via phone and if any of the respondents were uncomfortable about the recording the conversation, the researcher took notes. All interviews were manually transcribed into a Word document. The recordings are not shared with anyone, only the researcher could access them, and any recordings of the conversations will be kept for three months from the creation sate and later destroyed. A copy of one of the interviews is included in the annex for validity, with sensitive information about the company, projects or the respondent removed and was approved for sharing with the respondent.

2.3.4. Research sampling

The purposive sampling was chosen for this research, since “purposive sampling is used to select respondents that are most likely to yield appropriate and useful information and is a way of identifying and selecting cases that will use limited research resources effectively (Campbell et al., 2020).

According to the Official Statistics Portal’s “Business in Lithuania” (2022), in 2021, 1292 Lithuanian-controlled enterprises abroad carried out economic activity in Lithuania, and earned 11.4 billion EUR income. The main areas are Wholesale and retail trade; repair of motor vehicles and motorcycle, Real estate activities and Manufacturing and, unsurprisingly, the post popular foreign countries are Latvia, Poland, and Estonia. When analyzing the potential growing organizations, expanding into foreign markets, the main criteria for selecting individuals to participate in the research were as follows:

1) The potential respondent has experience or currently works as a project manager.
2) The potential respondent has experience working on at least one project, regarding expansion into foreign country for a growing company.
3) The company is growing and currently expanding into foreign market.
4) The company of the potential respondent does not have a strict leadership methodology in place.

As noted before, this is a case study, as all respondents (the respondents complied with criteria number 1 and 2) were from one Group of companies (the company complied with criteria number 3 and 4). The Group consists of six companies complying to the same strategy while overseeing different specialties. Most of the projects, discussed during interviews, were of Group-wide importance, therefore the Group can be interpreted as one company and the research as a case study.

The researcher has a sufficient network of professional connections in social media, such as LinkedIn, as well as adequate number of contacts of project managers with potential to fit the criteria for subjects from personal professional experience, which makes purposive sampling even more efficient. Following analysis and identification of possible respondents, the participants were contacted via appropriate channel (LinkedIn message, call, e-mail, MS Teams message), requesting them to participate in the study. Ten people were contacted in total, eight agreed and were interviewed, one agreed but due to scheduling issues decided not to participate and one did not respond. The privacy and confidentiality of the participants were ensured by the researcher; each respondent was assigned a letter for the data analysis (A, B, C, D, E, F, G) and any information, potentially compromising confidentiality of the respondent was censored at the data analysis step of the study, however the basic contextual information about the respondents is provided in the table 5 below. The interaction with participants involved formal yet straightforward communication through online tools within a private setting.

Table 5

Respondents' background information

Backgroud	A	B	C	D	E	F	G	H
Current position	Head of Project Management Department	Head of Processes and Products	Head of Technology and Innovation	Head of Business Development Project Managemen	Project Manager	Chief Sales Officer	Buisiness Development Manager	Director
Experience in project management, years	6	10	8	15	9	13	6	7
Team size, no. of people	10	9	7	15	10	30	7	9
Number of expansion into foreign markets projects	5	3	7	6	2	1	73	3

Source: Conducted by the author

2.3.5. Analyzing data via NVivo software

The NVivo software was the primary tool used for data analysis in this research. The tool was chosen based on online research for best available programs for qualitative data analysis (Tsai, 2023). To understand how the software works and its abilities, multiple tutorials were studied. Following the instructions, all files containing data from the interviews were uploaded to the software: recordings, field notes. All files were formatted in a consistent style since the questions were the same for all respondents. Then codes (nodes) were created by adaptive leadership challenges, then questions and references were connected to the codes from each respondent's answers appropriately. An example of an analysis is provided in the results section of the research (Table 5): question number 3 was found in all eight transcriptions of the interviews ("*files*") and the approaches to adaptive leadership competencies/topics are coded as "*Name*" (as well as the question the code relates to), while the "*References*" column indicates the number of coded sentences or key words in the files/transcriptions. Once all coding was finished, the thematic analysis was performed to indicate recuring and/or one of the kind topics and themes. For the visual representation of gathered data and further analysis of revealed connections, visualization tools, available in NVivo software, were used. The key purposes behind utilizing the software were: to eliminate manual work; to have all data in one place for organizing and analysis; to have at hand visual aid (such as word tree) for more effective exploring of emerging themes.

2.4. Timeline

Following the traditional approach to research, the first step of this study was literature review, which allowed to identify the research gap regarding adaptive leadership model in growing companies when expanding to foreign markets. Once the research gap was identified and the research problem statement formulated, the research question was formulated. Then the research model was created, following examples from literature. The interview questions were designed to collect data for the case study. In the final edition of the questionnaire there are thirteen questions in total, ten of which are in accordance with intervention steps in the adaptive leadership theory, e.g. for the "Give the work back to the people" section the questions were formulated so to gather insight about how the respondents encourage their team members to make decisions when not in a managerial position and overall the respondent's opinion on importance of employee engagement, since "giving the work back to people" suggests that an adaptive challenge requires the engagement of all parties to solve it and that people should know that they can take charge to come up with their own solutions.

The questions from the interview instrument originally were too limiting and would not create enough room for the respondent to share their experience. Therefore, after a consulting with the supervisor of the thesis, the questionnaire was adjusted and finalized.

There was a brief time period, when the plan was to conduct the interviews via Microsoft Teams. However, after careful consideration, since the selected respondents work in one company group, it was decided by the researcher that the more efficient way would be face to face interviews, allowing easier time planning, avoiding possible technical issues and providing the possibility to create a more comfortable environment for the respondents. As noted previously, a couple of interviews were conducted by phone, since the respondents were out of office and did not have the possibility to dedicate time for a video call but were eager to participate in the research.

The majority of respondents had limited knowledge of adaptive leadership methodology before the interviews. However, as learned during the said interviews, the respondents tend to use the adaptive leadership approach without knowing that: all participant agreed that employee engagement is important, all value giving the work to the people and all participants have valid techniques to regulate stress, as examples. After participating in the research, all participants expressed interest in learning more about adaptive leadership from a more theoretical point of view to include more adaptability to their leadership styles.

The conducting of the interviews took a month in total (November 2023), including the organizing of the meetings, and an additional week for the formatting of the gather data – transcribing, translating, organizing, and coding the conversations and field notes. As noted, the interviews were conducted in a bilingual manner, focusing on English, since all respondents are fluent in English and this way the analysis of data is simplified. The NVivo software as well as MS Excel and other tools online were used for visualisation of the results. The simplified chart of the timeline in presented in the Figure 5 below.

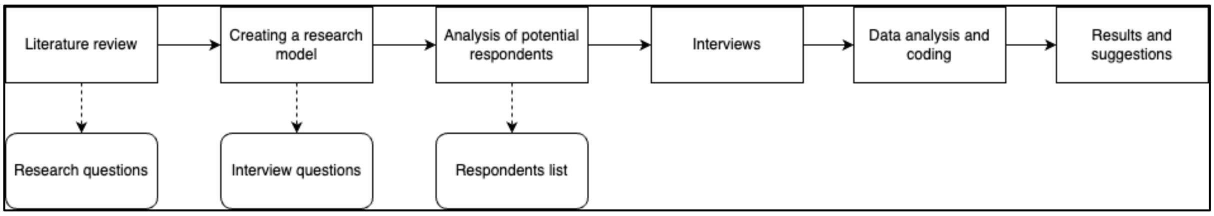

Figure 5. Research timeline
Source: compiled by the author

2.5. Rigor of the research

Trustworthiness or rigor of a study refers to the degree of confidence in data, interpretation, and methods used to ensure the quality of a study (Pilot & Beck, 2014, cited by Connelly, 2016). More following Connelly (2016), the criteria for rigor include credibility, dependability, confirmability, and transferability; as well as authenticity, which was added to the criteria list later.

Since credibility (he confidence in the truth of the study and the findings) is widely considered as the most important criterion, to establish credibility the following techniques were used:

- Member-checking (respondent validation) - data or results are returned to participants to check for accuracy and resonance with their experiences (Birt et al., 2016). At the end of the interview, a quick summary was shared with the respondents and the final result of the analysis is shared with the respondents for final evaluation of validity.

- Peer debriefing - sharing and discussing research findings, interpretations, and methodological approaches with peers/experts/supervisors. This research was showed to the supervisor for feedback.

To ensure dependability and confirmability, which refers to the stability of the data over time and over the conditions of the study and the neutrality or the repeatability accordingly (Polit & Beck, 2014), the process logs, in this particular case – rearcher's notes of all activities that happen during the study and decisions about aspects of the study, such as criteria for interviewees, the questions of questionnaire for the interview, were detailed in research methodology section of the thesis, as well as were run by the supervisor.

Transferability, the extent to which findings are useful to persons in other settings, is different from other aspects of research in that readers actually determine how applicable the findings are to their situations (Polit & Beck, 2014) was determined firstly by doing literature review and noticing the gap in the field, as well as during the interviews, as noted before, the interest in the research from project managers arose, indicating the usefulness of the study and possibility of application of the findings not just on academic level, but also in professional settings.

At appropriate steps of the research, the researcher followed a model of key areas of fit to produce internal coherence in qualitative research papaers, created by Jennifer Howard-Grenville with A. Nelson, H. Vough and T. B. Zilber in 2021. At first, the research question and motivation of the research is questioned - can the research question be addressed by the data? Does the research question connect with a theoretical conversation and cue up a theoretical contribution? (Howard-Grenville et al., 2021). At the data collection and analysis step of the study, the question was does the data collected fit with the data analysis? And finalizing the thesis, when working of findings and suggestions, the last questions were investigated: do the findings and theory development tie strongly to what emerged from the analysis; do the theory development and overall contribution connect to the research question and motivation—and ultimately contribute to an enhanced understanding of something important (Howard-Greenville et al., 2021).

A positive impact for the study had the authors personal experience with project management, which was limited to theoretical understanding of project management and being part of several teams working on different teams, as well as experience working in already established in foreign markets companies. Throughout the whole research, the author of this paper took steps to prevent biases and stay fully objective.

3. RESEARCH FINDINGS AND RESULTS

3.1. Background analysis

3.1.1. Expansion project management experience

All participants, interviewed in this research, had prior experience expansion projects. All respondents classify as project managers but vary in seniority level, years of experience and the number of projects, regarding expansion into foreign markets.

In the figure 6 shown below, the number of expansion projects, on which the respondent work is displayed. The most common answer was one to five expansion projects, converting into 63% of all responses out of which, two of the responders worked on three expansions into foreign markets projects. The second category with 25% weight would be more than five – up to ten expansion projects and only one of the respondents has more than ten projects in their portfolio, responsible for seventy-three expansion projects throughout their experience. As the respondent G stated: "Throughout my experience in project management, if we are talking about new markets outside of Lithuania, the number might seem quite big, but since we had only one project management department in the company, we had to manage quite a few "projects" in the company which were not, let's say "expansion in the great sense", but all the little "side quests" for it as well. <…> like when my colleague from marketing went on maternity leave, it was my responsibility to oversee the marketing campaign launch in Latvia and it was new and complicated experience not just for me personally, but for the whole company and we documented and treated that as a project. So, it adds up." Or as the respondent E said: "as a project manager I worked on only two projects, but I used to be involved in all sorts of projects in my previous jobs, so I try to use that experience to adjust my approach to the team now when I am an actual project manager."

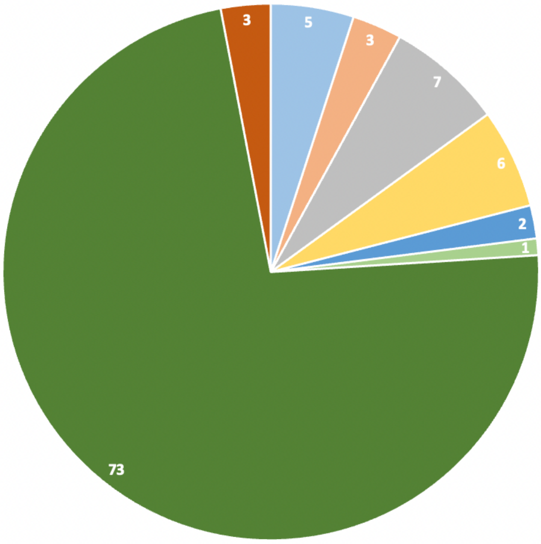

Figure 6. Number of respondents’ experience on expansion to foreign markets projects
Source: compiled by the author

3.1.2. Teams managed

Having in mind that one of the crucial steps of adaptive leadership theory is giving the work back to the people, it is important to understand the overall situation of the teams. To achieve the understanding of respondents’ experience in managing their teams, one of the introductory questions was “How many members did you have in your team?” (Q2), specifically when working on the expansion projects. The distribution of team sizes is represented in Figure 7. All participants had directly subordinate team members, varying from seven to thirty people, though most commonly the team size was below ten people (four respondents), with two participants having a team of seven members as well as two other participants having a team of nine members. As respondent F shared: “I would say I had one massive expansion project, <…> and we needed a big team for it. We had thirty people on the team working on it and at one point even the contractors, not their boss but the people building the object if you can imagine, were reporting directly to me to avoid miscommunication. <…> For that particular project it wasn’t like all of the people were my direct subordinates, but they did prioritize the tasks concerning the projects and were reporting directly to me in the duration of the project. <…> On my other project the team size varies and the team members rotate.” In comparison, to quote respondent H: “I have a stable team of nine people and we work on all project together. We did successfully deliver two expansion projects in the last year, or year and a half as of now.” This information provoked a discussion outside the interview on the correlation between team size and count of successful projects, which could be explored in further research.

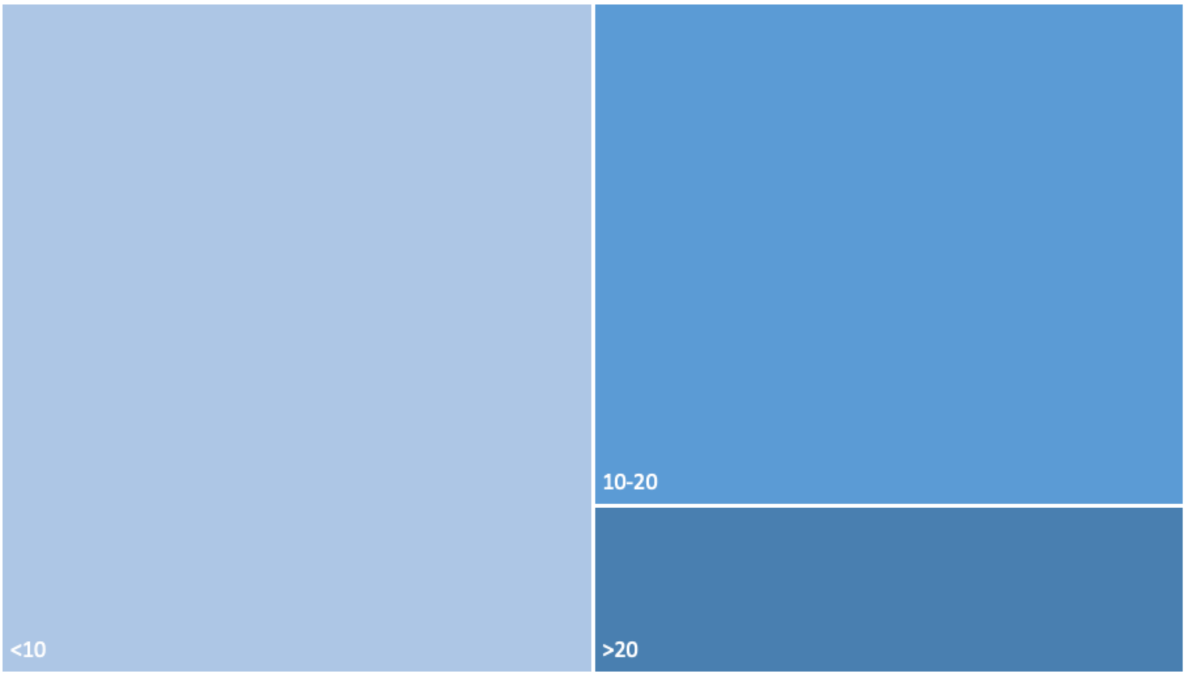

Figure 7. Average team size (number of people) on expansion projects
Source: compiled by the author

3.2. Adaptive leadership steps in expansion projects

For the analysis of all the recorded data at the interviews, NVivo software was used. The questions were coded individually with code names Q1-Q13 and when analysing the transcribed answers, emerging themes in the responses were coded. Important to note that since some of the questions were two-parted (e.g. Q3 - How did you try to understand what is needed for expansion? How did that go for you?), the responses were coded by respectively coding appropriate answers and emerging themes.

3.2.1. Getting on the balcony

Getting on the balcony step is covered by four questions in the interview (Q3, Q4, Q5, Q6). Since getting on the balcony means stepping back from the action and observing the system and the patterns/trends, the questions were designed to get insight on the possibly trending problems and a pattern for solving.

As shown in table 6 below, Q3 provided great insight on the risk management approach, showing that all respondents have experience organizing an in-depth market analysis at the beginning of the project. Most of the respondents took part in the market analysis, while three of the interviewed project managers onboarded the projects at a later time and simply followed the company strategy of expansion into the region and/or country in question.

Table 6

Analysis of preparation for the expansion project

Name	Description	Files	References
1. Q3	How did you try to understand what is needed for expansion? How did that go for you?	8	8
1.1. Needs	How did you try to understand what is needed for expansion?	8	10
1.1.1. Market analysis	Conducting of thorough market analysis	7	7
1.1.2. Following the strategy	The company strategy has planned expansion to the region	3	3
1.2. Success	How did that go for you?	8	10
1.2.1. Went well	Overall the experience was good	6	6
1.2.2. Challenges	The task was completed but there were some challenged	3	4

Source: Compiled by the author

Based on the analysis, the success of understanding the needs for expansion depends on the quality of the market analysis, but that does not prevent additional challenges from emerging later on – the most common challenge seems to be the timeline of the project. As person A stated: “The originally anticipated timeframe for completion proved to be insufficient, adding complexity to the process. <…> That results in a lot of stress for everybody (working) on the project and that often means additional mistakes (to be) solved.” “Understanding the needs for expansion often involves market research, feasibility studies, and understanding the local culture, regulations, and consumer behaviour,” was said by respondent E, followed by “These are the things we have been exploring. It wasn't easy, there were a lot of challenges, and it took a lot of time.” It was important that the newly induced stress has an impact on the success of the project since this aspect is explored later in the interview.

Following up on possible challenges, the respondents were asked about challenges due to employee’s beliefs and cultural differences (ANNEX No1.). Even though most of the respondents did not have experience with this, after analysing the responses, six main practices emerged:

1) open communication – one of the few respondents (F) who had similar experience shared: “Naturally, when a lot of people with strong beliefs start working together, it may rise an occasional disagreement. The only way to solve this is an open conversation. We call it an open space - where everyone has a change to raise the question and everyone who wants to be heard, talks. When everyone hears everyone, changes may happen.”

2) shared values – as prompted by respondent C, “<…> company has its own value system, so when we look at a potential employee, we usually decide based on those.” A preventative method for avoiding conflict due to beliefs by disclaiming company goals and values before employment was discovered during the interview.

3) clear rules and boundaries – this point is rather debatable, where it should be used as a preventative method or a solving method for a problem. During the interview with participant D, adapting rules was described as a last resort: “Addressing the differences directly by talking with the person is the go-to, but if they refuse to listen, it would or could be solves indirectly by enforcing new rules and processes.”

4) avoiding ethnical differences – while shared values is a potential preventative method, current solution seems to be avoidance of ethnical differences. According to respondents, currently this is being implemented by either an ethnicity based local team, or by learning more about cultural differences in the region by the person who will supervise the team in question.

5) manage expectations – managing expectations, starting by the foreign team and even of the investors in the foreign country might seem like an obvious solution, however having in mind the cultural differences between the parties, expectation management tends to be a challenge and requires additional efforts.

6) procedures and transparency – according to participant A: “it is important to adapt work organization procedures, as well as not neglect social responsibility, investigate potential corruption in the region, have a deeper than base level knowledge of legal and regulatory compliance, and of course transparent and fair wages.”

3.2.2. Identifying the adaptive challenge, regulating distress, and maintaining disciplined attention

When identifying what the team members need to learn for successful expansion, two categories were identified: organizational and team level.

Two out of eight respondents identified lack of processes: “<…> Not meeting deadlines that was result of lack of lack awareness of their individual impact on the project. This was result of lack of processes in the company, even on such basic level as job description” as explained by person D.

On the team level, after thematic analysis and evaluation, the main approach to understanding of needs is prioritizing core competencies and conducting a skills study. The most popular way to fill the gap turned out to be organizing training programs for the team members when needed, or organizing a workshop, led by a more experienced teammate. “We recently got an annual budget for training, but just last month we had an internal Excel workshop, which was taught by one of our own and that seems to have potential” (E).

To regulate distress, as briefly mentioned before, communication was one of the main tools. There were two practices gathered from the data, to ensure efficient, clear communication:

- Meetings – either one on one periodic meetings, to go over concerns and establishments, or team-wide meeting to ensure everyone in on the same page.
- Reassurance – to provide motivation, support and therefore encourage the employee. The experience of respondents indicates great decrease in work-related stress and minimized errors due to the stress.

Additional solution/practice is organising stress management courses for the team, even if seems to not be in high demand as a preventative measure to provide the employees with coping tools. And following the global job market trend, making room for work-life balance shows great potential for stress reducing. However, it is important to note that this aspect does not fall under communication, intentionally – it was proved during the interviews to be best implemented not by talking about, but by realistically implementing.

To maintain attention, the key once again appeared to be communication, followed by monitoring (not to be mixed with micro-management), flexibility and team size. As for managing deadlines, the most potential shows providing necessary tools and setting realistic deadlines. As respondent B summarized: “To keep team focused on a project implementation, we communicated a clear project vision and sat SMART (specific, measurable, achievable, relevant, time-bound) goals. As well as recognizing team members achievements and provide necessary resources while maintaining flexibility to adapt to changes. Team deadlines and quality was effectively managed by communication of expectations, realistic timelines, and task prioritization."

3.2.3. Giving work back to the people and protecting leadership voices from below in expansion projects

All of the participants (A-H) agreed that employee engagement is important in project management, even as much as stating it's "critical for project success" (respondent D).

To literally give work to the people could be a simple dedication task, but in adaptive leadership concept the goal is to encourage people to show initiative and feel empowered enough to take the work themselves. Therefore, when analysing data, two main practices for this encouragement emerged:

- *Empowerment via clear communication, trust, and support*. As put by person E: "fostering a culture of empowerment, providing autonomy, and supporting risk-taking while learning from failures – those are the things that prove to be working." Additionally, it seems to be beneficial to know your team and their strong suits – "<…> personal touch is important when it comes to motivating to take actions and make decisions" (respondent F) and "Each member in our team has it owns advantages and strongest qualities, <…> important to dedicate each task to member who is the strongest in special field" (respondent G).
- *Financial appreciation*. On professional social media platforms like LinkedIn there's a circulating topic that it is cheaper to keep the good employee than to onboard a new one. In accordance with that, subject B stated "We always value such people in the organization and try to show it with money. <…> It helps to keep the morale high."

Once the work is given to the people, it is important to protect your team. To learn about practices of protecting the voices, Q12 was formulated - How did you manage new initiatives? Uncertainty? Did you have such team members? For new initiatives management, unsurprisingly one of the most common themes for practices turned out to be communication: "New initiatives were well managed, we had a team that knew the goal and how to achieve it, and the meetings regularly reviewed the work in progress" – said respondent E. It also has proved to be beneficial to clearly communicate possibilities to the team. Following communication, person's preparation could be a factor for management: though-out risks and risk management plan, tendency to pro-actively solve problems – "New initiatives in my project team are managed by a combination of strategic planning, effective communication, and proactive problem-solving" (respondent A). Overall, big part of interviewed project managers showed enthusiasm for new initiatives from their team, strongly encouraging them, even if they do not necessary work out: "I was giving the opportunity for new initiatives, but some of them were left to be fulfilled in local projects due to a 'foreign risk'. But that is okay, we had an opportunity to do what we wanted, just on a different scale. It is a good practice" (project manager H).

The uncertainty comes *almost* unavoidably with new initiatives. The most risky yet most fulfilling practice to deal with it seems to be letting the people do what they think should be done: "I relay on my them to give me suggestions for the best possible route <…> They usually know situation in more detail and have more direct experience solving similar issues, therefore we do not waste time by trying to invent something new to all of us – often someone from the team will have similar experience which could be an innovative solution in this new case – why not use it?", - said by interviewee C. This leads to yet another case of importance of communication: "Uncertainty in my team is managed by clear communication <…>" (A), "˛ if we *understand* that the innovation is useful - we implement <…>. We talk a lot and in depth before making decisions" (B). However, as implied earlier, there were a couple answers stating that "Regarding uncertainty, we had no issues - everyone knew exactly what is required of them" (F) and "New initiatives were well managed, we had a team that knew the goal and how to achieve it, and the meetings regularly reviewed the work in progress, so there was no uncertainty" (E). The lack of uncertainty in these cases could be attributed to already explored importance of clear communication in all steps of project management across all levels.

3.2.4. Respondents' reflection and finalization

The interview was finished with a summing up question Q13 - what in your opinion is the main difference between expansion into foreign countries projects and other development projects? The biggest difference/challenge seems to be complexity of the projects and surrounding the projects.

The complexity could be divided into cultural diversity and global markets, covering language barrier, mentality, cultural sensitivity, and market landscape – "Expansion into foreign countries often involves dealing with diverse cultures, languages, regulations, and market landscapes, making it more complex than other development projects" was reflected by interviewee E. Another big difference lies in the procedures: international regulations, foreign laws, all need to be explored and familiarized with before such projects.

Risk management is extensive for expansion into foreign market projects and these projects require a lot of adaptability. As an example of a new risk in such project was given by respondent G: “partners and investors have a higher level of mistrust. <…> There is a higher risk, due to lack of experience in foreign countries, more challenges.” And as noted by respondent A: “Foreign projects require strategies for market entry, risk management on a global scale, and adapting to diverse business environments.” The project manager under code F after giving it some thought said that “expansion into foreign countries often requires additional staff who are representatives of the chosen countries. To advise and translate, in case of a language difference, to explain the law and order, cultural differences.” Interestingly, respondent B with three successful expansion into foreign market projects thinks “here is no big difference in the countries we work.”, but explained that “we choose similar countries like Latvia and Estonia, where culturally people are very similar and the laws are not radically different.”

4. Conclusions and recommendations

The study found that development project managers used some adaptive leadership practices. The main areas and applied practices to address adaptive challenges were:

1) Communication is the key to smooth project development. Clear communication must start with the recruitment process

2) Expectation Management – This can only be achieved with effective and transparent communication. The project manager must manage not only the expectations of his team members, but also the expectations of all project participants, investors and himself, which will help to avoid problems during the project process.

3) Motivation and empowerment - the project manager must create conditions for each team member to be heard, the most effective way to achieve this is through meetings and building consensus. Employees should not be given delegated tasks, but should take them on themselves.

The research results showed that the main step for successful expansion into foreign countries is in depth detailed market analysis. Markets analysis must be very deep and detailed, include culture, people believes, history. The market research of course has to include deep level knowledge of legal and regulatory compliance, wages differences.

Summing up, the recurring thing mentioned by the respondents is communication. Communication is the key thing which helps project manager to identify adaptive challenges, regulate distress and also for peoples voice protection. There were several suggestions that the company, which is expanding, should have crystal clear communication rules and the processes. There should be prepared action plan, which include getting to know the foreign country's culture. Communication is strongly connected with monitoring. One of the respondents mentioned the idea, that intensive process monitoring is not the same things as micromanaging. This view is interesting and seems to be valid enough to have potential for recommendations. As one of the respondents said: the only way to solve disagreements is an open conversation.

If the culture is very different, as an option is to create teams only from local people and people, who are familiar with the culture in depth. When a lot of people with strong beliefs start working together, disagreements are not avoidable. Teams which are formatted from people with shared values isa potential preventative method. Persons which will be dedicated to managing such teams also must be very familiar with the culture and peoples believes.

One of the other options which helps managing expansion projects is at the beginning of recruiting process to disclaim very clearly the values of the company, communication rules to prevent possible conflicts or dissatisfaction in the future. In the recruiting process candidates also should be informed about rules and boundaries in the company. In other words, clear communication should start at the recruiting process.

Project manager at all stages, while being on the balcony, while communicating with team members, investors or any stakeholders, has to manage expectations, including their own. Talking about cultural differences between the parties, expectation management possibly will be a challenge which will require additional efforts from project manager.

As literature review and also the research showed, that project managers works not only with projects, but with people. It is one of key points, which should always be in mind. The best way going further is not to lose the sense to manage people. The respondents named 2 basic possibilities to manage people: meetings and reassurance.

It doesn't matter what kind of meetings team will have, if it will be 1:1 or team meetings, the goal is to assure that all the team members are on the same page, have same expectations and address concerns. Giving work back to people should not be dedication of work, but it should be encouragement to take the work and show initiative. To do so, it's seems two main tools to achieve it: emerged empowerment, trust and financial appreciation.

Reassurance helps to regulate distress, keep team members motivated, to hear them opinions and their suggestions and encourages to take initiative.

Only one respondent to the question about stress relieve mentioned work-life balance. According to him, work-life balance is such thing, which do not go to communication section, because it's a thing, which should not be told, but should be implemented. Adaptive suggestion would be to promote in the teams' the idea, that only rested enough people are motivated, have ambitions and energy to deliver expected results.

Summing up the main difference between development projects and expansion projects to foreign markets projects seems to be the complexity and that covers cultural differences, mentality, language barriers; Also, there are additional risks to manage, such as new contact persons and trust between investors and stakeholders. And of course, one the most important and most potentially limiting difference is the difference for the requirements and regulations on the foreign scale as well as on the international level, but all can be addressed by clear communication between parties. As was revealed during the interviews potential further studies could be done on adaptive leadership influence on the correlation between team size and count of successful projects. The summary of found best adaptive practices is displayed in the table 7 below, which is based on the framework for this study.

Table 7

Framework of the research with emerged adaptive leadership practices

Adaptive Leadership Competences	**Adaptive Leadership Practices**
Get on the balcony	open communication clear rules and boundaries shared values avoiding ethnical differences manage expectations procedures and transparency
Identify the adaptive challenge	clear processes organizing training programs prioritizing core competencies
Regulate distress	meetings reassurance

Maintain disciplined attention	communication monitoring flexibility team size providing necessary tools setting realistic deadlines
Give the work back to the people	empowerment via clear communication, trust, and support financial appreciation
Protect leadership voices from below	communication letting the people "do"

Source: Compiled by the author

APPENDICES

Appendix 1:Interview codebook

Name	Description	Files	References
1. Q3	How did you try to understand what is needed for expansion? How did that go for you?	8	8
1.1. Needs	How did you try to understand what is needed for expansion?	8	10
1.1.1. Market analysis	Conducting of thorough market analysis	7	7
1.1.2. Following the strategy	The company strategy has planned expansion to the region	3	3
1.2. Success	How did that go for you?	8	10
1.2.1. Went well	Overall the experience was good	6	6
1.2.2. Challenges	The task was completed but there were some challenged	3	4

Name	Description	Files	References
1. Q4	Have you ever faced a challenge involving employee’s believes or values, if yes - how did you solve them?	8	8
1.1. Employee beliefs	Have you ever faced a challenge involving employee’s believes or values	8	9
1.1.1. No	Had not experience	6	7
1.1.2. Yes	Had experience	2	2
1.2. Solving the problem	How did you solve them?	8	11
1.2.1. Communication	Open communication	5	5
1.2.2. Value system	Shared values and goals	3	3
1.2.3. Setting boundaries	Setting boundaries and/or introducing rules and policies	3	3

Name	Description	Files	References

1. Q5	While expanding to new markets, have you ever had employees in your team with cultural differences which affected the work in a negative way? How did you face it?	8	8
1.1. Cultural differences	have you ever had employees in your team with cultural differences which affected the work in a **negative** way	8	8
1.1.1. No	-	5	5
1.1.2. Yes	-	2	2
1.2. Solving the problem	How did you face it?	1	1
1.2.1. The "right" team	Choosing the right team to avoid such problem	1	1

Name	Description	Files	References
1. Q6	What, if any, ethical considerations are taken into account when figuring out destination of expansion?	8	8
1.1. Ethical considerations		8	8
1.1.1. Avoiding ethnical differences	Minimize major cultural differences by ethnicity based teams/learning about the culture beforehand	3	3
1.1.2. Manage expectations	Expectations aligning of the team, of the clients, of the stakeholders	1	1
1.1.3. Procedures and transparency	Organization procedures, social responsibility, transparency	3	3
1.2.4. No considerations	None was taken	1	1

Name	Description	Files	References
1. Q7	How did you find out what your team members need to learn for successful expansion?	8	8
1.1. Competencies	Prioritized core competencies	1	1
1.2. Skills gap analysis	Conducting a study	4	4
1.2.1. Training	Training programs, workshops	2	3
1.3. Processes	Lack of processes and knowledge	2	2

Name	Description	Files	References

1. Q8	How did you help your team to manage stress and tension?	8	8
1.1. Work-life balance	Setting boundaries	1	1
1.2. Communication	Clear communication	8	11
1.2.1. Meetings	Team or 1:1	5	5
1.2.2. Reassurance	Motivation, support	4	4
1.3. Stress management courses	Organizing the courses for the team	2	2

Name	Description	Files	References
1. Q9	How did you manage to keep your team focused on project implementation? In what ways did you manage deadlines and quality?	8	8
1.1. Focus	How did you manage to keep your team focused on project implementation?	8	11
1.1.1. Communication	Clear communication	4	5
1.1.2. Flexibility	Allowing flexibility	1	1
1.1.3. Monitoring	Monotoring and progress evaluation	4	4
1.1.4. Team size	Dividing into smaller teams	1	1
1.2. Deadlines	In what ways did you manage deadlines and quality?	3	4
1.2.1. Resources	Providing needed resources and tools	2	2
1.2.2. Realistic timelines	Setting and advocating for reasonable deadlines	2	2

Name	Description	Files	References
1. Q10	How did you encourage your team members to make decisions?	8	8
1.1. Empowerment	Dedication and empowerment	5	5
1.1.1. Communication	Clear communication	2	2
1.1.2. Trust	Trusting the people	3	4
1.2.3. Support	Supporting decision making	4	5
1.2. Financial appreciation	Salary increase, bonuses	1	1

Name	Description	Files	References

1. Q11	Do you think employee engagement is important in Project management?	8	8
1.1. Yes		8	8
1.2. No		0	0

Name	Description	Files	References
1. Q12	How did you manage new initiatives? Uncertainty? Did you have such team members?	8	8
1.1. New initiatives		8	8
1.1.1. Communication	Knowing the goal, open communication channels	4	4
1.1.2. Problem solving	Pro-active problem solving, risk management plan	3	4
1.1.3. Strategic planning	Following company's strategy or potential for future strategies	1	2
1.1.4. Seniority	Senior team member responsible	1	1
1.1.5. Always welcome	New initiatives are incouraged and welcome	3	3
1.2. Uncertainty		8	8
1.2.1. Communication	Understanding the situation, communicating the plan	2	2
1.2.2. Empowering the team	Trusting the people and giving them room	3	3
1.2.4. Transparency	Monitoring the situation and high transparency	2	2
1.2.5. No uncertainty	There is no uncertainty	2	2

Name	Description	Files	References
1. Q13	What in your opinion is the main difference between expansion into foreign countries projects and other development projects?	8	8
1.1. Adapting	Additional staff, foreign contexts	3	3
1.2. Complexity	Cultural differences, global markets	6	13
1.3. Procedures	Strategies for market entry, regulations, law	5	7
1.4. Risk management	Potential mistrust	2	3

1.5. Scope	Differences in scope compared to local projects	1	1
1.6. No big differences		1	

Appendix 2: Interview with a project manager

Interview Transcript No 4

Participant E – 13th November 2023

Current role – Project manager

List of Acronyms: D – Participant, A – Author of the research

A: Hello, thank you for agreeing to meet with me today. How are you?
D: not a problem, I'm actually excited to see what is this about.
A: Sure thing. So first things first, as you know, my name is Audra Endzinaite and I am currently writing my master's thesis for international project management diploma and the topic of my research is adaptive leadership in expansion into foreign markets projects. Since it's a qualitative research, I am conducting interviews with multiple project managers to investigate their experiences and approaches and to see if adaptive leadership would be an appropriate methodology for such projects. Is everything clear to you so far?
D: yes, sounds very interesting.
A: I would like to inform you about the following steps if that's okay. This interview is completely anonymous and will be transcribed into a word document, your identity will remain undisclosed as well as any additional compromising information from this interview. I will send you a summary of this interview for validation – is this okay?
D: of course, not a problem.
A: If you'd like, at the end of the study, get a copy of the research and results, please let me know, I will gladly share the findings. As we agreed, this interview is being recorded and the record will be sealed, I will be the only person with access to it for transcribing and translating.
D: I'll have that in mind, thanks!
A: okay, great. I think this sums up the information part. Are you ready to begin the interview?
D: go for it!

A: To start off, I would like to get some background information about you and your experience in project management. As of today, how many projects did you have for expansion into foreign countries?

D: hm, let me think for a moment. All in all, start to finish and completely finished… I'd say six projects. There were a few where I consulted, but I wouldn't count them as "mine" you know? So yes, let's stick with six.

A: And at the duration of those six projects, how many members did you have in your team?

D: Well it varied, really. Since not every step of the project requires attention from the whole team, that wouldn't be sufficient, especially know when we're trying to save money company wide (laughs). But, so to say "at my dispense" I had a team of 15 people for all of the projects.

A: Okay, great, thank you. And before I contacted you about this interview, have you heard or maybe applied adaptive leadership principles?

D: To be honest, I know I should say that I had heard about it, and I probably did, but we do not have a unified approach here in the company on how to do projects, like methodology, so I guess I heard about it at some point forgot to listen. But since there are people dedicating their master thesis to it, I feel like I should explore it and it might be useful. Yeah. But to answer shortly – heard about it, probably, but don't know much.

A: Thank you. This finalizes out introductory question section. Let's move to adaptive challenges. How did you try to understand what is needed for expansion? How did that go for you?

D: Well first things first we did a market analysis to see in the market is fully covered already or maybe there are limited local opportunities for expansion, just to see what's up and get insight into what would be done. Once we got that down and analyzed the situation, we felt confident about our projects – let's focus on one project where we opened an object in Riga, it will be easier – yes, so once we felt confident about expanding into Riga, sure that took quite some time, the fatality was if we get approval from the key company stakeholders. And we did, so I'd say it went well.

A: Have you ever faced a challenge involving employee's beliefs or values, if yes - how did you solve them?

D: Yes, this is kind of part of each project routine. Of course, not in a big way, but I think personal values and beliefs add a little bit of spice to the team in a good way, encourages discussion, so those are welcome in my team. And we had a couple minor situations were things went south because of that, so from my experience addressing the differences directly by talking with the person is the go-to, but if they refuse to listen, it would or could be solves indirectly by enforcing new rules and processes. However, it did not come to that in my case, we cleared the air over a cup of coffee.

A: While expanding to new markets, have you ever had employees in your team with cultural differences which affected the work in a negative way? How did you face it?

D: Oh yes, you could say there was a situation, but I'd prefer not to go into details about that. Let's just say that that that was one of those situations were talking just doesn't do anything so we had to let that person go.

A: What, if any, ethical considerations are taken into account when figuring out destination of expansion?

D: Hm, expectations aligning is the most critical with reconfirmation of commitment.

A: That concludes "getting on the balcony" section of the questions. How are you feeling, everything is well? Can we continue?

D: Yes, sorry, just a bit under the weather per say. Let's continue.

A: How did you find out what your team members need to learn for successful expansion?

D: You can see what your team needs one you get in the rhythm with them. And usually they don't need much, they come already equipped with knowledge and experience, but sure sometimes even if everything is okay, there still might some hiccups along the way, maybe it's difficult to reach the deadline or get the signature on a document. Though not meeting deadlines, that was a result of lack of awareness of their individual impact on the project. This was result of lack of processes in the company, even on such basic level as job description. We had some rather "fresh meat" in the team and a big project on the horizon, but after the trial period, the three months, it turned out that this guy had understanding that he's more of an assistant and was scared to do some of the tasks, like request a status report from a more senior colleague. We cleared that out, he's doing great now.

A: Following your example, how did you help your team to manage stress and tension?

D: We do mutual workshops and do monthly informal meetings, but my team is pretty independent and deals with tensions seamlessly.

A: How did you manage to keep your team focused on project implementation? In what ways did you manage deadlines and quality?

D: Weekly monitoring with the project team. Individual and team deadlines monitored in pre-agreed templates and programs with in-house standard deliverables. We tried quite a few software tools before landing on what works the best for us, but now we're all happy with Jira and we track everything there. And the meetings are so that everyone is on the same page.

A: Again, the example you gave before quite stuck with me. How did you encourage your team members to make decisions?

D: Project managers have mandate on decision making within their field of activity. Additional, courses could be part of the development plan of each individual if there is need to boost such skill. We do organize skills labs, or simply try to teach each other by showing and by sharing success stories as well as lessons learned.

A: Do you think employee engagement is important in Project management?

D: Absolutely. Engagement is critical, as everyone is interdependent in a successful closure of the project.

A: How did you manage new initiatives? Uncertainty? Did you have such team members?

D: Within each business division or project stream there is a senior member who can escalate issues, initiative, and address risks. Periodic monitoring within project senior team allows to resolve all issues. If needed, create other special purpose teams to resolve any matters.

A: Okay, okay. With that we actually are at the last question for this interview. What in your opinion is the main difference between expansion in to foreign countries projects and other development projects?

D: Good question. Additional research and market analysis is required, double checking "grey zones" when talking about other countries. Project process/execution must be localized. Yes, I'd say that's the MAIN difference.

Appendix 3: Main interview questions

Category Questions	**Question**
Introductory questions	How many projects did you have for expansion in to foreign countries?
	How many members did you have in your team?
Get on the balcony	How did you try to understand what is needed for expansion? How did that go for you?
	Have you ever faced a challenge involving emploees believes or values, if yes - how did you solve them?
	While expanding to new markets, have you ever had emploees in your team with culural differences which affected the work in a negative way? How did you face it?

	What, if any, ethical conciderations are taken into account when figuring out destination of expancion?
Identify the adaptive challenge	How did you find out what your team members need to learn for sucsesfull expansion?
Regulate distress	How did you help your team to manage stress and tension?
Maintain disciplined attention	How did you manage to keep your team focused on project implementation? In what ways did you manage deadlines and quality?
Give the work back to the people	How did you encourage your team members to make decisions?
	Do you think emploee engagement is important in Project management?
Protect leadership voices from below	How did you manage new initiatives? Uncertainty? Did you have such team members?
Summing-up	What in your opinion is the main difference between expansion in to foreign coutries projects and other development projects?

Source: compiled by the author

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