

Living and Leading in a VUCA World

By Paul Kinsinger and Karen Walch, Ph.D.

The concept of a VUCA world — one that is volatile, uncertain, complex, and ambiguous — was introduced by the U.S. military as the Cold War ended and as the United States looked out over the emergence of a multilateral, rather than a bilateral, global landscape. This meant being prepared to take on increasing challenges from asymmetrical opponents such as nonstate militias and other loosely organized, sometimes almost “virtual” adversaries; to adapt rapidly to highly improvised weapons and tactics by those opponents; to respond quickly, effectively, and efficiently to the explosion of technology-enabled, but frequently contradictory battlefield intelligence; and to address the increasing ambiguity surrounding who was an “enemy combatant” versus who was an “innocent civilian.”

These factors have played out “in spades” in both Iraq and Afghanistan, as well as in attempts to confront other VUCA situations such as the pirate menace off the Somali coast and intervening militarily in Libya. Being engrossed in such a turbulent, frequently unpredictable environment has given rise to new modalities for thinking about leadership in the armed services, especially at unit command levels that have borne the brunt of the need for quick, effective leadership and decision making.

The VUCA concept was brought home to many Americans after 9/11 but really gained currency in the private sector with the onset of the financial crisis in 2008-09, when companies and organizations all over the world suddenly found themselves faced with similar turbulence in their business environments and, subsequently, in their business models. Although the financial crisis has bottomed out and global growth is slowly returning, many organizations are experiencing a “new normal” in their business environments and are realizing that the pre-crash world — and its paradigms — are gone.

As one author has noted, “We are moving from a world of problems, which demand speed, analysis, and elimination of uncertainty to solve, to a world of dilemmas, which demand patience, sense-making, and an engagement of uncertainty.”

Thus, leadership thinkers have been turning to lessons learned from the military to create paradigms for surviving and thriving in a turbulent, “permanent whitewater” world where old styles of managing predictability were falling short. A world where the prospects for highest growth mean placing bigger bets in more fluid, less familiar markets; where new, muscular and sometimes asymmetrical global competitors are emerging from developing economies; where traditional competitors are becoming more cutthroat to survive in low-growth developed markets; where drastic weather changes are having widespread downside ripple effects on a highly integrated global economy; where global financial imbalances continue to bedevil macro-economic planning; where the explosion of “big data” is threatening to overwhelm decision makers; and where technologies are disrupting sectors and even whole industries faster than ever.

It’s not hard to see why leaders everywhere are feeling more keenly than ever the effects of volatility, uncertainty, complexity, and ambiguity in nearly every challenge they face and every major decision they must make.

Leading with VUCA Prime Thus, the search is on for any new leadership anchors to grab onto. So far, those anchors have turned out to be captured in the “antidotes” to VUCA — what’s being called “VUCA prime.” In this leadership paradigm, volatility is mitigated by “vision,” a clear cut master statement of where an organization is headed. When confronted by volatility, leaders need to communicate clearly and make sure their intent is understood.

Uncertainty yields to “understanding,” the deliberate ability to “stop, look, and listen.” In uncertain situations, leaders need to make sure they get fresh perspectives and remain flexible with regard to solutions.

Complexity is checkmated by “clarity,” the deliberate effort to make “sense of the chaos.” In complex situations, leaders need to make sure to collaborate with others and stop seeking permanent solutions. To paraphrase an old adage, don’t let “perfect” become the enemy of “good enough.”

And ambiguity is matched by “agility,” the ability of a leader to communicate across people and organizations instantly and to move quickly in applying solutions. When confronted by ambiguity, leaders need to listen well, think divergently, and set up incremental dividends. This is captured in the concept of

“wirearchy,” as opposed to “hierarchy” — where social networks that allow you to engage the insights of many trump the brilliance of any one person.

As the world has become more complex and turbulent, research in human potential and neuroscience at the same time is increasingly revealing practical ways for leaders to develop the mindset and capabilities to lead in it. This research shows that the keys to leading in a VUCA world include possessing the knowledge, mindfulness, and ability to:

1. Create a vision and “make sense of the world.” Sense-making is perhaps more important now than at any time in modern history for many companies, as we are not too many years away from the time when the global economy will actually be truly “global,” encompassing every country and in which competitors will be emanating from everywhere.

2. Understand one’s own and others’ values and intentions. This speaks to having a core ability to know what you want to be and where you want to go at all times, even while being open to multiple ways to get there.

3. Seek clarity regarding yourself and seek sustainable relationships and solutions. Leading in turbulence demands the ability to utilize all facets of the human mind. Even the most impressive cognitive minds will fall short in the VUCA world — it will take equal parts cognitive, social, emotional, spiritual, and physical intelligence to prevail.

4. Practice agility, adaptability and buoyancy. This means the responsive and resilient ability to balance adroitly and right yourself to ride out those turbulent forces that cannot be avoided, and to pivot quickly to seize advantage of those that can be harnessed.

5. Develop and engage social networks. The ability to recognize that the days of the single “great leader” are gone. In the VUCA world, the best leaders are the ones who harness leadership from everyone.

Learn more

Passmore, O'Shea, and Horney, "Leadership Agility: A Business Imperative for a VUCA World, People and Strategy, Volume 33, Issue 4-2010"

Kail, Leading in a VUCA Environment, HBR Blog Network, November 3, 2010 through January 6, 2011.

Understanding the VUCA World with Bob Johansen and David Small, www.youtube.com/watch?v=KJqCPFzq6kU

***Paul Kinsinger** is a professor of business intelligence at Thunderbird School of Global Management in Phoenix, Arizona, and the director of a custom Thunderbird Executive Education program in Saudi Arabia. **Karen Walch, Ph.D.**, is a professor and consultant at Thunderbird School of Global Management. She has an academic background in international negotiation, cultural competencies and global mindset.*

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