NEO LEADERS OF VUCA WORLD

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ABSTRACT

"*If the rate of change on the outside exceeds the rate of change on the inside, the end is near"*
-JACK WELCH One of the most mind-boggling acronyms of recent times is VUCA. The acronym echo is heard in most of the top-level business, corporate, political, environmental and social gatherings. Volatility, Uncertainty, Complexity, and Ambiguity are four different words but are highly interlaced. VUCA talks about the multifaceted, multilateral, multilayered and multidimensional aspects of today's world. The rapidly changing world of today has become hard to interpret, tough to predict and almost impossible to control. This constant and fast changes happening around the globe creates challenging environments. Do we need a new breed of groundbreaking leaders to respond to this type of situation? What core qualities and paradigm shifts are required which can counter VUCA? This paper aims to give a solution to crack on VUCA environments with new-age leadership.

KEYWORDS: *VUCA, Creativity, Design Thinking, Leadership, Human Centric, Intuitive*

INTRODUCTION:

"THE PEOPLE WHO ARE CRAZY ENOUGH
TO THINK THEY CAN CHANGE THE WORLD
ARE THE ONES WHO DO"

Whenever Steve Jobs took the stage to unveil new Apple products, the whole world would standstill. It felt like he is a time traveler coming from the future and was offering a vision into it.
He would give us a glimpse of a world that might someday be like. As a leader, he had the potential not only to predict the time ahead but also to invent creative initiatives.
The paradigm shift brought by Steve Jobs makes him one of the first Neo leader of the VUCA world. One of the core competencies for a leader of today's world is to anticipate, predict and envisage a formless void which is called the future.
The acronym VUCA before finding its way into the business lexicon was introduced by the US Army War College to describe the war zones during the Cold War in the '90s (Kinsinger and Walch, 2012). As VUCA has become todays, 'New Normal', it has been adopted by strategic business leaders to describe the chaotic, turbulent and rapidly changing business environments. VUCA is inevitable, it's neither optional nor avoidable which is made prevalent by the rise of globalisation and information technology. The cultural, economic and technological boundaries are not just shifting but are also overlapping and permeating. Innovation horizon has expanded from incremental evolutionary to breakthrough revolutionary and now because of VUCA, it has become disruptive. The highly interwoven aspects VOLATILITY, UNCERTAINTY, COMPLEXITY and AMBIGUOUS creates vagaries which result in mental paralysis.

VOLATILITY-It is about the nature of the change which is rapid, the frequency which is fluctuating and magnitude which is overwhelming. Due to the sudden occurrence, it is tough to be prepared for it. Most of the time it is a case of emergency and has to take decisions instantly. The situation is unstable and can be of unpredictable duration.
UNCERTAINTY-The lack of predictability with unknown outcomes puts the whole system in a state of immobilisation. Comprehension of the situation remains on stake and decisions are taken on incomplete or insufficient information.
COMPLEXITY-It arises when there are so many interconnected and interdependent variables. These diverse systems create chaos and randomness. It creates analysis paralysis because of which root cause of the problems is not addressed.
AMBIGUITY-The inadequacy to explain observed phenomena gives rise to clarity issues. The 'unknown unknowns' amplifies the risk of misinterpretation of events and leads to inappropriate ineffective responses. It becomes difficult to choose a course of action and are forced to adopt methods which may not be relevant under high pressure.

The linear approach to problem-solving and decision making had worked very well during the second half of the 20th century which is now inadequate and redundant. Traditional Industrial Age conceptions of strategies and leaderships are not designed for these situations. VUCA has coerced into reimagining and redefining the rules of leadership and the qualities of leaders. Modern strategic dilemmas require a groundbreaking mindset and skillset. Dilemmas span disciplines and frustrate the attempt to craft elegant and final solutions.
IT'S A VUCA WORLD! "We are moving from a world of problems to a world of dilemmas"

OBJECTIVE:
-Provide a brief overview of the concept VUCA
-To discover competencies required for the new age leaders to counter VUCA

METHODOLOGY:
Phase 1: Review of Literature
Research for VUCA is in its nascent stage. Survey of scholarly sources with key findings helps in analysing, interpreting and critically evaluating the subject which paves the path for further development and breakthroughs. The objective of this literature review is to extract the competencies mapped to date for additional expansion.

-**Harish Manwani** (2013) quoted VUCA as the "new normal", using the metaphor of Black Swan from Nassim Nicholas Taleb he explains that even with this unpredictably changing world, there are a few important underlying megatrends that will shape our future.
Three mega trends viz. digitization, rise of the developing world and sustainability would change the world.

-**Dr. Kishore Kumar Das** & **Aftab Ara** (2014) suggest strategic, complex critical-thinking skills that are required of leaders to counter VUCA with VUCA prime which is vision, understanding, clarity, and agility. They find that we are moving from a world of problems, which demands speed, analysis and, uncertainty to solve, to a world of dilemmas, which demands patience, sense-making and engagement with uncertainty. Looking into the application of the VUCA model in formation and evolution of Lenovo, the tech giant and understanding the type of leadership required today.

-**Betof, Lisa M.D. Owens, Sue Todd** (2014) discover that the shift is continuous, sometimes slowly, sometimes quickly, but always feeling slightly beyond our grasp. The once identifiable boundaries of our marketplaces and industries have become permeable. If organizations can sense, adapt, and respond to change; if they can help their organizations evolve with an evolving world.

-**Anita Sarkar** (2016) creates a sense of urgency to develop a responsible leadership style that effectively addresses the requirements of the VUCA world.

-**Vibudh Mishra** & **Gayatri Joshi** (2016) observe that the rapid change in the global business environment has created greater problems for leaders who are struggling to help their organizations. Lack of effective adaptation is the reason for the failure of organizations.

-**Dr. Radha Raghu Rama Patruni** & **Shanmukha Rao Kosuri** (2017) focus on balancing the shifts and creating clarity simultaneously with preparing to respond for the same as the new role of a visionary leader.

-**Dr. Madhura N.Pimplapure** (2018) provide insights on how responsible leadership is aligned with the critical success factors in the VUCA world with apt marketing strategies.

Rationale for the research:
The fundamental reason for this study is to find those leadership qualities which will be a paradigm shift. It is evident from the secondary research that all the attributes marked are just a permutation and combination of the existing traditional leadership qualities. There is a need for deep dive into untapped human potential with emerging properties that have not been articulated before. The research called for a qualitative approach with a multidisciplinary dimension to spark off competencies that are novel and can be applied over a greater magnitude.

Phase 2: Qualitative Research-Semi Structured Interviews
For a topic like VUCA, SSI offers a considerable amount of leeway to probe the respondents along with maintaining a basic interview structure. Even if it is a guided conversation with the experts appreciable

flexibility is offered. Keeping the structure in mind, creative advantage can be taken. Additional respondent probing is always necessary to garner information for a research study.
A total of 20 Interviewee were selected based on age, gender, profession and expertise from varied field. Field includes medical, engineering, administration, education, business, design, art and technology. Sampling technique used was **non probability judgemental** sampling.
Interviews were taken while maintaining the research guidelines, and reliable qualitative data was collected.

QUESTIONNAIRE:

1. Have you heard the acronym VUCA?
2. When did you hear it for the first time and where?
3. How is it relevant to your field?
4. What are the factors which are volatile, uncertain, complex and ambiguous in your sector?
5. What are its causes according to you in your field of operation?
6. What are your present measures to counter VUCA?
7. Is traditional leadership qualities helpful in VUCA, why?
8. Do you agree that new competency identification is required to solve VUCA environments?
9. Name 4 core competencies required to lead in an VUCA environment.
10. How these competencies can be developed to a proficient level?

Based on data collected, an insightful list of advanced leadership qualities is generated which can be used as a part or parcel of existing ones:

1. CREATIVITY: According to a major IBM survey of more than 1,500 Chief Executive Officers from 60 countries and 33 industries worldwide, chief executives believe that more than rigour, management discipline, integrity or even vision, the most sought leadership competency is creativity. As Einstein quotes “Creativity is imagination applied”. In the VUCA world, it means how many different solutions a leader provides with existing resources.
2. NIMBLENESS: Adaptability, flexibility, and coordination are three qualities essential for nimbleness. To respond rapidly to changes in the internal and external environment without losing momentum or vision.
3. HUMAN CENTRIC: Solving problems and creating frameworks involving human perspective at all levels. Humans are the most important resource in the VUCA World. Solutions deeply resonate with the environment. A leader’s most important resources are his people, his team and to keep that intact and motivated empathy is required. A sense of belongingness and compassion can change the scenario.
4. DATA SCIENCE: Rise of Big Data means there is more data to comprehend, more nuanced decisions to make and less control of outcomes. Analytics abstract the broad patterns from different data sources, helping us to form clear pictures out of the sheer mass of data. With the inception of AI and IoT, the DNA is transforming into a binary system.
5. TREND SPOTTING & FORECASTING: As the worlds, top trend forecaster Lidewij Edelkoort said that” Forecasting is much like archaeology but to the future”. It is a highly analytical and intuitive process that requires spotting and interpreting subtle cues and patterns. Envisaging the future by studying the past and living the present.
6. ITERATIVE: Complexity is iterations of simple patterns (Bartscht, 2015) combined in a multitude of interconnections creating the potential for information overload (Bennett & Lemoine, 2014). Conducting iterative dialogues that put new ideas into the context and translate new information into differentiating capabilities with a creative and critical thought process.
7. CULTURAL INTELLIGENCE: After IQ and EQ, CQ plays an important role in bringing the world together. Cross-culture knowledge helps in becoming globally leveraged and locally relevant.
8. WIREARCHY: Defined as "a dynamic flow of power and authority, based on information, trust, credibility enabled by interconnected technology and people”. A combination of internet and intranet in this boundary-less hyper-digital era for accessing any data, anywhere, anytime and on any device. It is a result of the unfolding of informational age disrupting the hierarchy. An advanced version of networking is wirearchy.
9. MENTAL MODELS: Super-thinking is not what to think but how to think. Mental models are a profound and generative way to think about problems in today’s world. Charlie Munger is the less known partner of Berkshire Hathaway with Warren Buffet. He explains how mental models illuminate universal truths and apply interdisciplinary thinking to his investment decisions. He states that mental models help in simplifying complexity to better impact the world, remove blind-spots to improve problem-solving.
10. HIVE-MIND: A sustainable ecosystem of hive-minds that talks about collective intelligence or shared consciousness as an emergent property that arises from the synergy of multiple cognition, collaboration,

and coordination. The disruptions we are witnessing, driven by this technological transformation, are emerging not as events but rather, as daily occurrences. The speed and interdependence of the modern environment create complexity. Coupling shared consciousness and empowered execution creates an adaptable ecosystem able to react to complex problems.

11. ANTIFRAGILE: According to Nassim Nicholas Taleb's book published in 2012 with the same name, the opposite of fragile is antifragile. Antifragility is beyond resilience or robustness. Fragile breaks and the resilient resists shocks stay the same but the antifragile gets better".
12. TACIT DIMENSION: Michael Polanyi, the Hungarian British polymath asserted that "We can know more than we can tell."He states not only that there is the knowledge that cannot be adequately articulated by verbal means, but also that all knowledge is rooted in a pool of un-codified knowledge which is called tacit knowledge. Self Mastery with a multidisciplinary approach helps in developing the tacit dimension. The strength and importance of tacit knowledge are that it is often very difficult for competitors to imitate it and, therefore, to be transferred. Organisations that use and recognise the employee's wealth of tacit and explicit knowledge achieve a competitive advantage in the VUCA world.

Using **Qualitative Data Analysis** which is usually based on interpretive philosophy which examines the meaningful and symbolic content. It paves a pathway towards understanding, interpretation and explanation. **Inductive approach** helps in condensing extensive and varied raw text data into a brief summary format. It establishes a clear link between the research objectives and summary findings through an underlying structure of experience and processes which helps in developing a theory or a model. Combining the leadership competencies extracted from ROL with applying the inductive approach to the SSI outcomes, a pattern is observed which when structured leads to 4 cohesive facets which in itself become a powerful tool of competencies to counter VUCA.

The emerged acronym DISA contains:

1. **DESIGN THINKING**: a non-linear, iterative process that seeks to understand users, challenge assumptions, redefine problems and create innovative solutions to prototype and test. Competency included from the research is Creativity, Human Centric and Iterative.
2. **INTUITIVE ANALYTICS**: a complimentary set of both intuition and analytics. The relevance of intuition in analytics is high at all the stages, from the initial stage of testing the idea of implementing the final one. Competency included from the research is Data Science, Trend Forecasting and Tacit Dimension.
3. **SYSTEMS THINKING**: a holistic approach to analysis that focuses on the study of interdependent and interrelated parts of a system which can be organic or manmade. Competency included from the research is Mental Models, Wirearchy and Hive Mind.
4. **AGILITY QUOTIENT**: AQ is the ability to adapt and thrive effectively in an environment with high responsiveness. It derives its potential from IQ, EQ, and CQ. Competency included from the research is Nimbleness, Cultural Intelligence, and Antifragility.

D	**I**	**S**	**A**
DESIGN THINKING	**INTUITIVE ANALYTICS**	**SYSTEMS THINKING**	**AGILITY QUOTIENT**
Creativity	Data Science	Mental Models	Nimbleness
Human Centric	Trend Forecasting	Wirearchy	Cultural Intelligence
Iterative	Tacit Dimension	Hive Mind	Antifragility

CONCLUSION:

The research has provided some firsthand insights from todays leaders and has also assessed that a changing world demands an advanced set of qualities for leadership. The literature review and interviews with professional experts from varied fields had given the base to the study to draw some meaningful deductions. It can be concluded that Change is relentless, the VUCA phenomenon is creating challenges like never before which needs leaders to unlearn outdated mindset and skillset. It's time to adopt new, relevant and complex competencies. The 4 identified broad classifications of Design Thinking, Intuitive Analytics, Systems Thinking and Agility Quotient (**DISA** also means 'Direction' in hindi) includes key competencies that can serve as an

antidote to VUCA. These classifications are highly interwoven in nature and create a base to confront the scenario today. The mapped competencies also need to be developed at a proficient level for profiling, assessment, and feedback.

As quoted by Alvin Toffler,
"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn".

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