THE STRAITS OF SUCCESS IN A VUCA WORLD

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ABSTRACT:
VUCA as an acronym for Volatility, Uncertainty, Complexity and Ambiguity is fast becoming a catchphrase in the corporate world and is a hot topic in the present circumstances. Today's adaptive leaders are making use of this acronym too often during their strategy meets. Economic turbulence and the drastic rate of change in our business environment are throwing quite a few organizations as well as their leader's off-balance as they are finding it very difficult to keep pace with the vagaries of VUCA world. In a 'VUCA world,' both pundits and executives have said that basic fundamental activities essential to driving organizational performance like strategic planning are merely viewed as exercises in futility. The Harvard Business Manager Blog titles their VUCA article as "The Age of Jugglers". In these times, past and present achievements do not always translate into successes. As business expert and former German DAX-company executive Stefanie Voss puts it across, "it's becoming increasingly difficult to keep all the balls in the air." Companies, whether small or big are facing a host of new challenges. The world is becoming more complex and volatile and these conditions make the short-term decisions extremely difficult. Transparent markets and a fast pace creates high pressures at workplace. This paper is an attempt to analyze and discuss the straits to success in a VUCA environment.

Keywords: VUCA, leadership, uncertainty, volatility

INTRODUCTION

VUCA is an acronym that has recently found its way into the meeting rooms of corporates. Various components it refers to - volatility, uncertainty, complexity and ambiguity are what have been used to describe an environment that defies standardized diagnosis and is generally expected to befuddle the executives. In a 'VUCA world, both the strategy planners and ones who execute the same say that the core activities essential to driving organizational performance, like strategic planning are viewed as mere exercises in futility. VUCA conditions render useless any efforts to understand the future and to plan the responses accordingly.

Notion of VUCA was introduced by the U.S. Army War College to describe uncertain, complex and ambiguous conditions that resulted from the end of Cold War. We are moving from a world of problems that demands speed, analysis and uncertainty to solve the dynamic problems that do demand patience, sense making and an engagement with uncertainty.

VUCA factors are the characteristics of modern strategic dilemmas that require a different orientation and a varying set of skills.

Dilemmas span disciplines and frustrate attempt to craft elegant and final solutions. According to VUCA if we wait too long for a moment, it may pass without our knowledge. It is the recognition that there can be many ways beyond hand a competitor of its advantage. Management's version of the use of Special Forces is an effort to switch from a hierarchical into a modular form of organization. Thus, shifting of agency from the executive committees to self and proxies is a tendency to form partnerships that verges on the indiscriminate. In this turbulent business environment, HR managers must apply VUCA model as a framework to develop leaders. The current paper focuses on the straits to success in a VUCA world.

OBJECTIVES OF THE STUDY
1. To understand and understand VUCA environment
2. To identify the keys to success in VUCA environment
3. To study the role of leadership in VUCA environment

REVIEW OF LITERATURE

Anita Sarkar (2015) views that the ways in which we conduct or think about our businesses have substantially changed within a decade. Rapid changes taking place in political, economic, social and technological fronts are making the organizational world increasing VUCA. Harish Manwani (2013) observes that we are living in a world where volatility and uncertainty have become the standard norm. Companies that were synonymous with their product categories just a few years ago are now no longer inexistence. But even with this unpredictably changing world, there are a few important underlying megatrends that will shape our future.

Kishore Kumar Das & Aftab Ara (2014) finds that we are moving from a world of problems, which demands speed, analysis and uncertainty to solve, to a world of dilemmas, which

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demands patience, sense making and an engagement with uncertainty. The characteristic of modern strategic dilemmas requires a different orientation and a set of skills. Dilemmas span disciplines and frustrate attempts to craft elegant and final solutions.

Betof, Lisa M.D. Owens, Sue Todd (2014) observes that the once identifiable boundaries of our marketplaces and industries have become permeable. Now they shift continuously, sometimes slowly, sometimes quickly, but always feeling slightly beyond our grasp. In this environment, leaders realize that a sustainable future is only possible if organizations can sense, adapt, and respond to change; if they can help their organizations evolve with an evolving world.

Nick Petrie (2014) observes that It seemed that the nature of the challenges that managers were facing was rapidly changing; however, the methods that we were using to develop them were staying the same. The previous decade has seen many industries enter a period of increasingly rapid change of external environment.

THE VUCA WORLD

The once identifiable boundaries of our marketplaces have become permeable. Now they are shifting continuously, sometimes slowly, sometimes quickly but always feeling slightly beyond our grasp. In this environment, leaders realize that a sustainable future is possible only if organizations can sense, adapt and respond to the ever occurring changes; if they can help their organizations evolve with an evolving world.

Thriving in this VUCA world means adapting as new business contexts emerge. For leaders, it means:
- creating an environment of openness that values discovery, diverse perspectives and experimentation

- unpacking business challenges to reveal the learning gaps for individuals, teams, and the organization's practices, processes, and systems
- conducting iterative dialogues that put new ideas into the context of the company's work, and translate new information into differentiating capabilities
- detecting the weak signals that foretell shifts in customer loyalty or opportunities enabled by new technology

The VUCA world encompasses four similar-sounding yet strikingly distinct challenges that deserve a special mention here:

Volatility: The nature, speed, volume, magnitude and dynamics of change. The situation is unstable and may be of an unpredictable duration. However, it is not an unanticipated situation as knowledge about a similar challenge was already predicted. For instance, a share price fluctuation for an organization following a change in its leadership, or after an internal scam has been exposed.

Uncertainty: The lack of predictability of issues and events. Despite the lack of much information, the basic causes and likely effects of the event are known and the outcome generally results in a substantial change. For instance, the sudden launch of a similar, yet superior, product offering by a close competitor.

Complexity: The confounding of issues and the chaos associated with this. Some information regarding the nature of complexity is available or can be predicted. However, the sheer volume and the nature of the problem could prove to be overwhelming. For instance, the unique tax and regulatory environments, tariffs and cultural expectations associated with doing business in several countries.

Ambiguity: The haziness of stark reality! Herein, the causal relationships are unclear. The situation is unprecedented and one must brace himself to face the unknown. For instance, you decide to enter unchartered territory by exploring immature or emerging markets or launch products out of your core competency/ comfort zone.

So, the obvious question emerges: is it really possible to prepare for a VUCA world? Well, it certainly is. Applying critical thinking in order to better tackle apparently challenging situations and make well-thought-through decisions in a VUCA world is the answer you're looking for.

CRITICAL THINKING

This can be very simply defined as "how to think" instead of "what to think". Here are a few critical thinking pointers that you could use to tackle the sheer dynamism of a VUCA world:

For volatile situations Separating facts from opinions is the key. So is formulating thoughts objectively and precisely as well as ensuring clarity in communication.

For uncertain situations Listening and comprehension is vital. Being open-minded about alternative points of view and dealing with contradiction are also necessary in such situations.

For complex situations One needs to gather facts from various sources do logical enquiry and reasoning and also weigh the alternatives. Weighing alternatives, making decisions under pressure and testing the solutions against relevant criteria are also vital.

For ambiguous situations Curiosity; eliciting and evaluating arguments; asking the right questions; adaptability and agility in thinking as well as seeing the consequences and likely implications are essential in such circumstances. Quite simply, critical

thinking is excellence in thought processes which precedes excellence in our actions.

THE ANTIDOTE–VUCA PRIME

VUCA prime proposes that volatility can be combated by having a clear sense of vision. When things are changing rapidly, people need to know where they should be heading, even if the path may be modified en route. A clear sense of vision helps to keep people focused on what is essential to do and what are the priorities amongst the myriad of activities, demands and opportunities that may emerge. When people have a clear sense of vision, not only do they focus their energy in the right direction and make informed choices about what they do or do not do, they also feel more engaged as a result of knowing what is the goal that their efforts are contributing to. The managers we interviewed talked about having to "dive into the granularity of the operations" in order to understand the challenges at that level, but also having the ability to pull away from that level of detail and see things from a more strategic and long-term perspective.

In VUCA prime the antidote to Uncertainty is Understanding. Our interviewees concurred that when the situation changes rapidly, communication is essential to make sure that everyone has the same level of understanding of issues and that leaders understand also how their people may be thinking or feeling. Our interviewees went even further in describing the importance of building trust during the calmer periods, so that when the crisis hits, you can mobilize people because they have faith that the leader has everyone's best interests at heart. This was particularly the case in operational teams where actions need to be taken quickly and there is not always the time to discuss fully. If mutual understanding has been built in advance, people can accept a more direct kind of leadership in times of crisis. This means investing a lot of time and energy in listening to people when you can, so that they trust your decision-making later on.

VUCA prime suggests combating complexity with clarity. Suppose, in the agricultural business there are always some things you cannot master, like the weather. However one has to be clear about what is knowable and unknowable and acting to control the knowable. Complexity means that you cannot always foresee what elements will be influenced by what factors, therefore people need more than ever for you to simplify processes without being simplistic. Simply stating what are the knowable and unknowable facts is already a good start in helping people to develop clarity around what they can control and therefore where they should focus their efforts on and what aspects are beyond their ambit of control, but maybe need to be monitored without dissipating too much energy in attempting to control the uncontrollable.

VUCA prime proposes Agility as an antidote to Ambiguity. If the situation is not clear, then we need to have the flexibility to respond to whatever occurs. Individuals all have their own tolerance level for ambiguity, which is determined to a large extent by personality.

VUCA AND PERSONALITY STYLE

Some of us tend to use a logical problem-solving style, which works very well in situations that have known facts and where applying a process will lead to an effective outcome. Others amongst us tend to have a style that relies on building relationships to solve problems. This will work well in situations that are complicated, but not necessarily complex. In other words, there may be many different elements and points of view to take into consideration, but the inter-relationships are relatively predictable. We just need to take time to consult others and get the input from experts or people concerned in order to know which the best course of action is. Yet others amongst us have an expedient style which works well when the situation requires an urgent response. It may not be the absolute best solution, but these individuals are able to act fast with courage and determination in order to achieve some form of resolution. A fourth group of people are most at ease with complex situations that require new forms of thinking and creative approaches. They are less structured than the logical people described initially, less relationship-driven than the second group of people and less dynamic than the expedient types. However, this style of problem-solving works well when there are few known facts and very little experience of similar situations to rely on.

All of the styles described above are useful in a VUCA world. Simply having an awareness of one's problem-solving style and one's relationship to ambiguity can help managers to understand how they can use their talents in a VUCA environment to apply VUCA prime. Each one of us will have a particular affinity or particular challenges with certain aspects of VUCA prime and knowing this can help individuals to know how they can contribute to a team in volatile times and what aspects of VUCA prime they may need support with. A key competence for the VUCA leader is to be able to draw on and utilize all of the talents in the team. No one person has all the skills or all the insights necessary.

WINNING IN A VUCA WORLD

Putting the four dimensions of growth together is the key to unlocking not just how business can win in a VUCA world, but also to rediscovering its true role in society. To do this, businesses need to first put in place the right hardware.

Foresight and Agility

Winning in a VUCA world requires the ability to simultaneously manage both the short-term and the long-term goals of a business. In turbulent and fast-changing times, businesses need to be anchored in a long-term destination while also dynamically managing the short-term. The role of leadership is to have a clear point of view about the future and build an organization that can navigate towards that destination through good times, and importantly, also in bad times.

Consumer Centricity

As the world changes, consumers are also changing. There are an emerging poor in the developed world and an emerging affluent in the developing world. The way people shop and consume is also changing. More than ever, businesses must have an insight into the changing needs and aspirations of their consumers to be successful.

Think Local and Act Global

To consistently succeed in the VUCA world, one also needs to be globally leveraged and locally relevant. A very common phrase used by multinationals is 'Think Global, Act Local'. In reality there is no such thing as a global consumer. Our mantra is to think local but act global. Any organization needs to understand what local consumers and customers need or want. Then leveraging upon the global understanding, technology and knowledge it can provide the best solutions to meet these local needs. The strength is the ability to combine global scale with locally tailored solutions. Organizations of tomorrow need to be neither hopelessly local nor mindlessly global.

Attracting Great Talent

The ability to attract, develop and retain the best talent is what makes businesses successful in the long-term. Increasingly, young men and women want to work for a company that reflects their own values. If they believe in a common vision and the larger corporate purpose, they are motivated to deliver great performance. It is no longer enough to be working for a business that is doing well if it is not also doing well.

Modern Day organizations are no longer defined by fixed workplaces, nine-to-five working hours or by a set of homogenous employees. Organizations are becoming boundary-less and often, location agnostic. Operational and business models are being turned on their heads with the advent of enterprises like Uber and Amazon. These complexities will continue to exponentially increase as we enter a hyper-digital era with Artificial Intelligence (AI), Robotics, 3D printing and much more looming over the horizon. Going ahead, organizations of the future will function as platforms connecting diverse, distributed, and multi-talented individuals who will come together to create value.

It is understood that the workforce today has expanded to include contractual and contingent workers, partners, vendors and suppliers, as well as customers and competitors – the extended enterprise. This "extended enterprise" is as critical to the success of any organization as the permanent employees. However, seamlessly integrating this ecosystem of stakeholders such that they can come together in a purposeful manner to create value for the organization and fulfill their individual potentials is posing to be a challenge. In the Industrial Era, work got done in silos with process adherence and efficiency playing a huge role. This style of working will no longer suffice as we enter an era characterized by flux and ambiguity – the VUCA (Volatile, Uncertain, Complex, and Ambiguous) world.

Currently, many organizations are caught up in trying to deploy different systems of engagement like social intranets, blogs, enterprise collaboration platforms, and so on. However, these are very often disconnected from the core HR systems where organizational information and data reside. This leads to incongruence and an inability to connect the loops in the value chain. This is also where most of the digital and collaboration initiatives flounder. This is where HR can play a crucial role in bridging the two systems – not only through technology but also by re-imagining the processes, the organizational design, and other initiatives like community management, empowering employees with digital skills for them to navigate this new world with ease, and enabling and creating a culture of collaboration and sharing.

HR Re-imagination can happen at multiple levels to empower employees and the organization and form the bedrock of a new organizational culture. Some of these initiatives are briefly described below:

1. Extended Enterprise - Employees are no longer a homogenous set of people. Contractors, consultants, partners, vendors, customers and competitors are coming together to get the work done. Therefore, organizations that support communities consisting of this extended enterprise stand to benefit in multiple ways like improved agility, diversity of thought and greater innovation capabilities and increased level of trust among different stakeholders.

2. Communities of Practices - Organizations today work across domains and areas of expertise. It is no longer possible for an individual or a small team of people to find solutions to complex problems, exceptions and challenges that businesses are

facing today. Practitioners come together in these communities to share the latest and the best, to find innovative solutions and contribute to the growth of the domain. Individuals join communities voluntarily when they see value and can evolve both professionally and personally.

3. Enterprise Social Networks (ESNs) - Organizations are becoming increasingly distributed, diverse, and digital. Employees today expect to be able to work from anywhere, anytime, and from any device. ESNs, once thought of as a "good-to-have" have transformed into "must-haves" to keep this distributed workforce connected, to enable seamless sharing of explicit and tacit knowledge, and to facilitate conversations across geographies, business units, and domains - a critical component of the future of work. HR must don the mantle of collaboration enablers and community managers to build connected enterprises.

By putting communities and collaboration front and centre, HR can highlight the importance of leveraging the advantages of network and emergent technology (social, mobile, analytics, etc.). This new way of working will include enterprise platforms and other collaboration enablers that, if appropriately used, reduce the cost of communication to almost zero. They can also facilitate self-driven learning, a culture of transparency and ongoing feedback, contextual and dialogue-driven problem solving. Most importantly, these tools can cut across organizational silos and tap into the organizational hive mind to build a learning agile and future-ready workplace.

This shift requires a careful and

intentionally-designed workplace where collaboration and social learning is not a bolt-on aspect but a part of core business strategy. A culture of participation must be supported where "participation" does not imply bureaucratic compliance and cooperation, but thoughtful conversation and open sharing.

LEADERSHIP IN A VUCA WORLD

However, winning in a VUCA world is not just about the hardware. It is also about having new software – a new kind of leadership that is values-led and purpose-driven and leaders who can redefine the role of business in society.

To be values-led is more than simply putting your values down on a piece of paper. It is about living and breathing those values every day. As a business leader, it is about having a true north – an internal compass with non-negotiable. It is also about being clear what those non-negotiable are, and most importantly, it is about sticking to them in good times and in adversity.

Leaders, from CEO to any other internal manager, therefore have a major role to play in ensuring their organizations are responding to the requirements of the VUCA business environment.

More Focus on Vertical Development: There are two different types of development–horizontal and vertical. A great deal of time has been spent on "horizontal" development (competencies), but very little time on "vertical" development (developmental stages). The methods for horizontal and vertical development are very different. Horizontal development can be "transmitted" (from an expert), but vertical development must be earned (for oneself).

Transfer of Greater Developmental Ownership to the Individual: People develop fastest when they feel

responsible for their own progress. The current model encourages people to believe that someone else is responsible for their development–human resources, their manager, or trainers. We will need to help people out of the passenger seat and into the driver's seat of their own development.

Greater Focus on Collective rather than Individual Leadership: Leadership development has come to a point of being too individually focused and elitist. There is a transition occurring from the old paradigm in which leadership resided in a person or role, to a new one in which leadership is a collective process that is spread throughout networks of people. The question will change from, "Who are the leaders?" to "What conditions do we need for leadership to flourish in the network?" How do we spread leadership capacity throughout the organization and democratize leadership?

Much Greater Focus on Innovation in Leadership Development Methods There are no simple, existing models or programs that will be sufficient to develop the levels of collective leadership required to meet an increasingly complex future. Instead, an era of rapid innovation will be needed in which organizations experiment with new approaches that combine diverse ideas in new ways and share these with others. Technology and the web will both provide the infrastructure and drive the change. Organizations that embrace the changes will do better than those who resist it.

Table.1

Current Focus	Future Focus
The "What" of Leadership	The "What" and "How" of Development
Horizontal Development	Horizontal and Vertical Development

HR/Training Companies own Development	Each Person owns Development
Leadership Resides in Individual Managers	Collective Leadership is Spread throughout the Network

Source: *Centre for Creative Leadership*

Leaders, from CEOs to any other internal manager, therefore have a major role to play in ensuring their organizations are responding to the requirements of the VUCA business environment. Research on responsible leadership is still at a nascent stage. However, given its all-compassing approach toward ethicality, valuing others and inclusivity, it is certain that this type of leadership is the "need of the hour" for effectively addressing the requirements of a VUCA world. The foundation of responsible leadership is based on the following treatise: "Give to the world the best you have and the best will come back to you".

CONCLUSION

The VUCA world is not going to disappear and as technology develops rapidly and the world becomes more and more a global market place, there is no place to hide. Change is relentless and the landscape in which we work is constantly shifting. The leadership role becomes increasingly one of creating moments of clarity and focus and at the same time, we need to keep an eye on what is shifting and preparing to strategize accordingly. Rigidly adhering to a chosen strategy risks missing opportunities or failing to respond to market and environmental changes. Somehow leaders need to walk a fine line between these two positions in order to be flexible and yet sufficiently focused to keep people motivated. VUCA is complex and challenging, but it is also an environment that can allow true leadership talents to emerge at all levels of the organization. Indeed one of the major lessons of the VUCA world is that leaders need to engage all employees at all levels to gain their trust and contribution in dealing with the great range of challenges. Therefore, VUCA becomes an opportunity for development and greater collaboration, rather than a risk to be mitigated.

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