

#### LEADERSHIP IN A VUCA ENVIRONMENT

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#### **Volatility**

Volatile contexts throw up unexpected happenings and challenges. Crises and disasters.

#### **Uncertainty**

In these contexts there is a shortage of experience and knowledge. E.g innovator may threaten established markets with a new product which displaces existing products or services (e.g. when desktop computers replaced mainframes, and, more recently, smartphones – which have largely replaced other mobile and fixed-line phones).



#### Complexity

A complex situation has many component elements which are interconnected. Some partial information is available but because of the volume or nature of it, this can be hard to interpret. E.g coping with extensive variations in regulatory environments, cultures and tariffs



### **Ambiguity**

In these situations meanings and causal relationships are unclear. As an example, moving into new emergent markets presents unknown challenges.



#### VUCA

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Complexity

Multiple key

decision factors

Volatility
Rate of change

How well can you predict the outcome of your actions?

Ambiguity
Lack of clarity
about meaning
of an event

Unclear about the present

## What is it in the environment?



- Political instability.
- National security
- Change in policies
- Financial markets
- Climatic changes
- Technology



Are you ready?

What are the signs?

Where do you start?



VUCA environments need leadership agility. The Leadership Agility model and research show that there are three levels of leadership agility most prevalent in today's organizations: Expert (45% of leaders), Achiever (35% of leaders), and Catalyst (10% of leaders).



Catalyst leaders consistently use the following four types of agility competencies in a way that they build on each other.

a)Context-setting Agility is the ability to scan the environment, anticipate what might change, and frame their context in a compelling way that influences others.



**b)Stakeholder Agility** is the ability to identify, seek out, and engage key stakeholders. It's the capacity to understand and empathize with the views of multiple stakeholders while also honoring one's own view



c)Creative Agility is the ability to explore multiple views when dealing with a complex problem and to step back to examine the assumptions being made.



d)Self-Leadership Agility is the capacity to engage deeply in growing self-awareness and leading oneself first by envisioning the kind of leader they want to be. Catalyst leaders have an interest in aligning their behavior with values, and aspire to becoming more authentic leaders. They use personal growth to fuel professional development



# Other leadership considerations



#### 1. Cognitive readiness

- Mental and emotional preparedness- how?
- Willingness to face reality of the environment When you face the reality, you will build more resilient models. Models that can cope with shocks and enable us to thrive in highly volatile circumstances e.g having more than one phone due to network issues

## Preparedness



#### What about organizations?

- Have back up
- Multiple vendors
- Shorter plan cycles since things keep changing
- What else?



#### 2. Vision

Leaders need the ability to see through the chaos to have a clear vision for their organizations. They must define the True North of their organization: its mission, values, and strategy. They should create clarity around this True North and refuse to let external events pull them off course or cause them to neglect or abandon their mission, which must be their guiding light

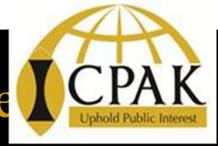




## 3. Team Selection and empowerment

The talent base of the organisation is vital to survive and thrive as a business under usual circumstances. Find people who are not overwhelmed by volatility but instead appreciate that it's the reality we face and see it as an opportunity to grow.

Millenials?



- Build a culture of empowerment not hierarchies
- During volatile times there's no time for layers for urgent information



- 4. Gather and use data
- 5. Be ever learning- open to new ideas, optimistic
- 6. Talent management internal and external teams





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