



Living in a VUCA world – so what?

We are living in a VUCA world – many people are talking about it and its impacts on our economies, societies and what it means for business leaders. So, what is it all about? Is it a threat or maybe an opportunity? And how should leaders deal with it?

VUCA = **V**olatility, **U**ncertainty, **C**omplexity and **A**mbiguity

Breaking it down into those four elements seems like a first step towards clearing the sky. The world always has been volatile, somehow uncertain, complex and ambiguous. That's part of the evolution. So far so good. Nothing really new!

The only difference is that today things are changing faster, became more complex due to globalization and digitalization creates a new level of disruption. All this with maybe deeper impacts than ever before, very often all occurs at once.

But what does it mean for business leaders?

Well, I guess also nothing new because the four elements of VUCA seem to be normal parts of business life. Again, maybe faster and more significant than before, but not totally new. Leaders can react to it, resist the pressure and generate a competitive advantage out of it. The flip side is, if leaders don't react their business might be out of the game not too far away.

So, what to do?

Technically, the first question is which of the four elements a business leader is facing? Is it complexity? An option might be to simplify business models e.g. by focusing on what is really core. Is it uncertainty? Try to gather as much information as possible, build up scenario models to understand better the current situations and potential developments. Or is it all four at the same time?

The better the preparation, this applies not only to leaders, on each of the four elements the easier it might be to deal with it. It puts employees, leaders and their companies ahead of competitors.

For business leaders this means that they need to have a vision about the future. And they need to communicate this vision and the route to go in a clear way. Allowing employees to become active participants.

Business leaders need to train their minds to react fast and flexible to changes. Adopting their actions to new situations. This also means that they have to take responsibility and question and challenge their own thinking and acting. And adopt it whenever needed.

Trust, participation and sense of purpose

This seems not to be a convenient advice but leaving the old way of thinking behind often is the only way to get to the next level. Business leaders overall should develop and perform flexible leadership styles. Different situations, people and teams require different leadership approaches. Building up a culture of trust is essential. Enabling people to perform their work with a high level of autonomy and allowing them to grow in their roles. This also requires to step away from traditional hierarchical models towards agile models where roles and responsibilities within a group of people may change depending on the tasks ahead.

This may mean to somehow turn the pyramid upside down. Leaders have to act more like a coach supporting and serving teams by creating the best possible environment. This requires a lot but when people gain trust, buy in to a common vision and take over responsibility they start feeling like one and suddenly VUCA loses its threat.

It does not mean that volatility, uncertainty, complexity and ambiguity vanished, it means that it is possible to deal with it.

Alpine One – The Human Factor Company

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