

How to Be a Better Leader Amid Volatility, Uncertainty, Complexity, and Ambiguity

Your environment is changing fast. You lack the data to make confident decisions. Your operations sprawl with processes. You're spotting trends that could be good — or not.

These are the four challenges of volatility, uncertainty, complexity, and ambiguity. They're the reality of business today. But they're not new. They're intrinsic to markets, sales, manufacturing — and life in general. So why do some organizations respond better? How do they succeed when others struggle or even surrender?

In the late 1980s, after the fall of the Soviet Union triggered a spike in global instability, the U.S. Army War College set out to find answers. They developed the concept of VUCA, an acronym for volatility, uncertainty, complexity, and ambiguity. And they determined that leaders who did best in VUCA had the capacity to create and communicate a story of the future, a story broad enough to adapt to changing circumstance, yet accurate enough to yield competitive advantage. They called this skill “vision.”

In the wake of the 2008 global financial crisis, Harvard Business Review published a four-part series on VUCA that detailed the core characteristics of visionary leadership: flexibility, collaboration, foresight, active listening, clear communication. Since then, the War College's theory has become a standard resource for modern business in times of uncertain change.

But in the 2010s Army researchers inventoried VUCA and discovered that the War College's theory was better at describing leaders than at producing them. It explained what good leaders did in VUCA, but didn't explain how to cultivate those behaviors in less successful leaders.

The key to intelligent leadership in VUCA is low-data decision making. Low-data decision making is impossible for computers, which is why volatility causes AI to become brittle and prone to catastrophic error. But low-data decision making is an inherent power of the brain, which evolved to thrive in unpredictable environments.

To activate that power, target “exceptional information.” Exceptional information is an exception to an existing rule. It's the initial sign of an emergent threat or opportunity, like when the mainframe engineer Steve Wozniak saw the Altair 8800 microcomputer at the first meeting of the Homebrew Computer Club on March 5, 1975. Other mainframe engineers dismissed the Altair as too small to be useful. But in the Altair's unusual smallness, Wozniak glimpsed a new story of the future:

a world where computers were used to work and play games at home. He dashed back to his own home and engineered the Apple I.

If you think you can't spot exceptional information unless you're as brilliant as Wozniak, think again. You did it as a child, when unusual cracks on the sidewalk and unique clouds in the sky prompted your brain to imagine: What if? To return to that earlier mindset, exit your adult brain's bias toward abstract reasoning. Focus instead on identifying what's unique about every person you meet and every place you visit — like how a company accountant spends his evenings studying Nigerian poetry, or how a local chef blends two spices like nobody else. You'll know you're picking up on the exceptional if you find yourself experiencing that childlike power to dream new tomorrows, imagining what could happen next.

Источник: Harvard Business Review