

# Rethinking VUCA and agility

VUCA (Volatile-Uncertain-Complex-Ambiguous) is a term coined by the US Army War College in 2002 to reflect what they felt was the new reality in an increasingly complex world. According to this view, all of us yearn for the SPEC world of yesteryear (Steady-Predictable-Easy-Clear), but face a VUCA world. This is the reason why there are many conferences on VUCA.

But humans are the only species which arrange seminars on a VUCA world. Animals never take their comfort or existence in the world for granted. They know only a state of VUCA. Animals would find a predictable world so strange and incomprehensible that they would organise a seminar on how to cope with an SPEC world.

Think of Mark Ramprakash, the English cricketer. He scored 2227 runs for Surrey in 2006, a huge ton. He did it again in 2007. But when it came to test cricket, he just could not succeed? Is it because he dreaded failure? Or was he trying too hard? Sports teaches us many lessons, among them that dreading failure is a huge obstacle for sportsmen. In the process a sportsman may try desperately hard and not get what he wants.

I wonder whether the idea of VUCA itself can create an obsession that can affect our mind-sets. And our response to VUCA

## **PERCEPTION OF CHANGE**

In 2014, historian Ian Mortimer wrote a celebrated book entitled *HUMAN RACE: 10 centuries of change on earth*. He set out to establish which of the ten centuries from 1001 till 2001 had experienced the 'most rapid change.' He could not because the perception of change depended on the criteria, the metrics and the perceptions. He stated "the most significant changes are experienced when society is forced to deviate from its entrenched patterns of behaviour....the more things are set in stone, the more things change. Stability itself is a destabilising factor...as economist Hyman Minsky observed, stability leads to complacency, increased lending and boom and bust."

Imagine that three people meet together, one who had lived around 1850s, another around 1925s and the third a contemporary person. How might they perceive the pace of change? Would the 1925s man think that more has changed between 1925 and now or will the 1850s man think more has changed between 1850 and 1925?

The 1850s person would not have seen a railway, a post office, or a newspaper. The 1850s person would not know of disinfectants and anaesthetics. For him, any form of surgery was a call to insufferable pain, if not death. Imagine the amount of pain our great grandfathers would have gone through when they would have fallen sick or met with a disease requiring surgical operation. In that era, a person died either because of the disease or the trauma of an operation or infections during/post operation.

The 1925s person would know the automobile and the aeroplane, though he will note great advances in both of them. The computer would be a surprise. The 1925s person would recognize two of the biggest contribution of chemical industry as chloroform (invented in 1847, used as anaesthesia) and carbolic acid (invented in 1865, used as disinfectant). These innovations not only drastically brought down the mortality rate but progressively revolutionized the entire healthcare industry.

While chloroform and carbolic acid helped reduce mortality, the consequent growth in world population required adequate supply of food and nutrients. Both the 1850s and 1925s persons would have heard about Robert Malthus and his predictions of a looming food shortages as the population on the planet rose relentlessly. Thanks to the path-breaking ammonia synthesis process by Fritz Haber and Carl Bosch in 1909, the 1925s man would know that there would be enough food. The ammonia synthesis technology arguably made the greatest difference to mankind in the twentieth century. Agricultural production was further bolstered by the invention of synthetic organics for crop protection.

Which will be perceived as the bigger change--horse cart to train or train to aeroplane, or the advances in safe surgery? I perceive the scope for a debate.

## **TECHNICAL AND HUMAN RESPONSES**

For sure, the world is changing all the time, but we must remember that our tools to cope are also improving dramatically. Humans adapt to change, partly through technical responses and partly, through a human response.

Technical responses improve over time by leaps and bounds. Just consider how managers did logistics management, stock planning, project management 45 years ago and today! Human responses, on the other hand, are not as well advanced as technical responses. The human brain has evolved over centuries, and it behaves in line with that evolution.

The problem, therefore, is that in an accelerating world, human responses are very slow-changing in vital areas. I will touch upon only three:

- a. Human relationships,
- b. How we work together,
- c. Role of intuition

## HUMAN RELATIONSHIPS

In 2013, engineer Julie Ann Horvath very recently quit Silicon Valley's GITHUB because it had a "culture of bullying and disrespect". INYT carried a report about Hi Tech and human resources. In Silicon Valley, "bureaucracy" is a dirty word; as Facebook states its motto, the culture is about "move fast and break things." The report goes on to explain that tech companies are learning why big, successful companies have layers of bureaucracy, even if they slow down things. Chris Wanstrath, CEO and cofounder of GITHUB, admitted, "Our rapid growth left the leadership team, myself included, woefully unprepared to properly handle people issues."

Human relations is broke badly, and worse still, this subject is relegated to HR departments rather than be on the leadership agenda. Business leaders everywhere try to make management more nimble.

There is a bewildering amount of literature on how to make managements nimble: sharper accountability, shorter chains of command, flattening organisation structure, more explicit process manuals and so on. Writing about the subject, author Adam Bryant enunciated six steps for management nimbleness after he interviewed many CEOs.

- ✚ *First*, make a simple plan that meets the KRA test. If you have done so, then when you ask your employees what their key goals are, they will be able to answer them with clarity.
- ✚ *Second*, make clear what the larger purpose of the company is. Tata is consistent in stating that it returns to society what it earns from the community. Run the company so that employees do not sense any disconnect with the purpose.
- ✚ *Third*, treat people well and with respect. Employees join institutions but resign from bad bosses.
- ✚ *Fourth*, emphasize the team but demand accountability and performance from each individual.
- ✚ *Fifth*, encourage frank conversations by employees, but without becoming disagreeable.

- ✚ *Sixth and last*, meet and foster the human touch. Text messages and e-mails can destroy human relationships when used continuously.

It is worth noting that all the six steps relate to human relations, which are things of the heart, not necessarily of the head. So is it possible that the secret to deal with an ever-changing environment boils down to a better understanding and focus on human relationships? I think the answer is positive. Anybody who has had the intense experience associated with a company in trouble will adduce that his or her efforts to make the company more nimble benefitted more from human relations factors such as the above than any technical factors like strategy and cost effectiveness.

## **HOW WE WORK TOGETHER**

We have all got used to the word hierarchy, which is a logical division of work and power in organisations. But neuroscience teaches us that the human brain is not organised hierarchically, it is organised in a heterarchy, in which there is no fixed boss. The most suited organ or system takes charge, the boss changes depending on the subject. Research shows that this significantly improves team creativity. The Indian eco-political-social system has some heterarchy features.

Nature also shows us a heterarchy through the example of the bar headed geese. They have to fly thousands of kilometres from their nesting grounds in Mongolia to their wintering grounds in India and back again. Each goose is well built enough to do the journey, but they fly in a V-shape in groups of 25. As each bird flaps its wings, it creates uplift for the bird that follows. As the head goose gets tired, it moves to the back and a fresh goose takes its place at the head. So the team of bar headed geese has members with a certain attitude or approach.

Two authors have recently written a controversial paper on '*What drives success*' in the context of American immigrant communities; they found that Indian, Iranian, Lebanese, Chinese immigrant Americans are all top earners in America. Their messages probably have some universal applicability. Successful communities share three traits that propel success. These may appear confusing or contradictory if you read them casually, so listen with care.

- + *First*, that they feel a strong sense of self-worth and personal quality. Imagine the Indian immigrant in American colleges. The authors term this attitude of confidence and determination as a 'superiority complex'.
- + *Second*, such people constantly tell themselves that they have to work harder and have the opportunity to make more effort. They somehow feel they are capable of more. The authors call this 'inferiority complex.'
- + *Third*, these people strive to postpone their spending impulses and try hard to save and stretch their meagre resources. In their jargon, the authors say that they seek to suppress the need for instant gratification by 'impulse control'.

Although these have been postulated in the context of immigrants, they describe very well how a similar organisational climate can be helpful. Then the right kind of people will join the company and will grow with the right kind of values and motivational drivers.

There is indeed a widening gap between bosses and subordinates. Evidence and support comes from research reports over the years. The same pattern has been observed in India as well as many other countries. I have selected only five highlights:

- There is a significant disconnect between Gen Y expectations and the CEO/boss across many issues. Hence one third of Gen Y is unhappy with the performance of their boss. A majority plan to change their employer within two years.
- Gen Y has great but unfulfilled expectations. Gen Y's top three priorities are interesting work (33%), high salary (32%) and career advancement (24%). The CEO/boss has different ideas of what is possible.
- Gen Y wants work with independence and freedom. The CEO/boss favours a balanced approach and do not give the same importance to freedom and independence.
- Gen Y wants as boss a person who is a coach and friend. The CEO/boss is unable to shed the traditional superior-subordinate relationship.
- Gen Y wants work-life balance as one of the top five things they want at work. The CEO/boss gives this much less importance.

The view that bosses are getting poorer at managing people comes from a provocative article by Gary Hamel. He was alarmed by the results of the Global Workforce Survey by Towers Perrin, an HR consultancy, who polled 90,000 employees in 18 countries, including India. One highlight was that only 21%

were highly engaged with their work and company (would go the extra mile at work) whereas 38% are mostly disengaged. He called this “scandalous” and felt that the CEO/boss whose job it is to manage relationships and motivation of employees is failing hopelessly—as much as a physician who is losing patients or a police detective who commits more murders than he solves!!

The finding that EQ initially improves and then, as a person is chosen to lead, the EQ declines comes from an academic paper in HBR. There seems to be further support from yet another paper appearing in *Strategy + Business* which suggests that the boss may be the employees' worst enemy.

Put all these diverse research findings together. You note that in the turbulent world, more than ever before, companies have the challenge of fighting for business success by increasing their employees' engagement with the company.

Gallup estimates the cost of America's disengagement crisis at a staggering \$300 billion in lost productivity annually. When people don't care about their jobs or their employers, they don't show up consistently, they produce less, or their work quality suffers.

## **ROLE OF INTUITION**

Most of the times in lives, both personal and professional, analysis or direct feedback might not work. There is a need to listen to the song behind the words. Most importantly there is a need to be intuitive and understand things not being conveyed either through an analysis or formal feedback. Especially true for HR and line managers who manage people as there are strong chances that what we notice are only symptoms of a larger problem which requires contemplation and immersion before corrective action can be planned. In absence of the same what might follow is a series of random initiatives that take a lot of bandwidth but is perceived of little use by employees. Many BPOs for instance have punching bags for employees to vent their frustration, hardly a long term measure, I would guess. Allow me to conclude about the importance of intuition, contemplation and the right-brain through a simple story:

Here is an incident that happened during military manoeuvres in the Swiss Alps. A young lieutenant sent his reconnaissance unit into the icy wilderness of the Alps. Unexpectedly it started to snow for two whole days and the unit did not return. The lieutenant was very

upset that he had been foolish in his leadership. On the third day, the unit returned safely. What a miracle! What happened?

Well, they were truly lost and they were sure their end was near. They pitched camp, and then suddenly one person found a map in his pocket. Using the map, they found their way out. Phew!

The lieutenant asked to see the map. To his astonishment, it was not a map of the Swiss Alps, but of the Pyrenees!

It would appear that when you are lost, any old map will do. When your left brain does not have access to its tools, the right brain comes to your rescue! The intuitive side thus plays an important role in deciphering what needs to be done to adapt to a VUCA world.

Thank you.

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