



NACIONĀLAIS
ATTĪSTĪBAS
PLĀNS 2020



EIROPAS SAVIENĪBA
Eiropas Sociālais
fonds



I E G U L D Ī J U M S T A V Ā N Ā K O T N Ē

DIGITAL TRANSFORMATION: PEOPLE, CULTURE, WORKPLACE

Luckily it's only VUCA! Navigating in a VUCA World

Lecture by Waltraud Gläser

November 3rd, 2021

The conference is implemented by ESF project no. 3.4.2.0/15/I/003
"Senior leadership development programme in public administration".



Main topics of the lecture:

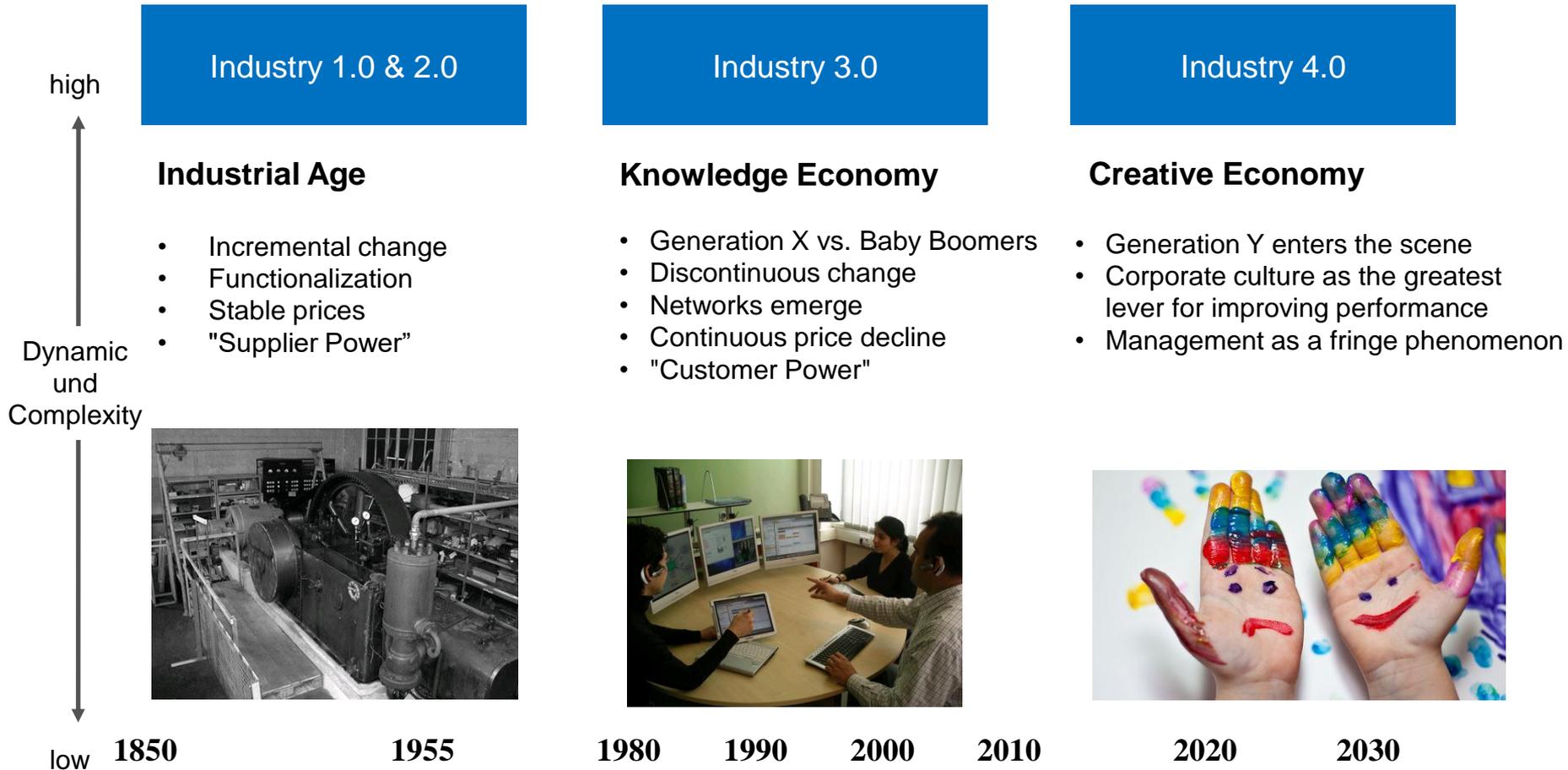
- **Insights – What is VUCA?**
- **Analysis – What does VUCA mean for your organization and Leadership?**
- **Solutions - How to substitute the phenomena of Volatility, Uncertainty, Complexity and Ambiguity positively**

Let's start!

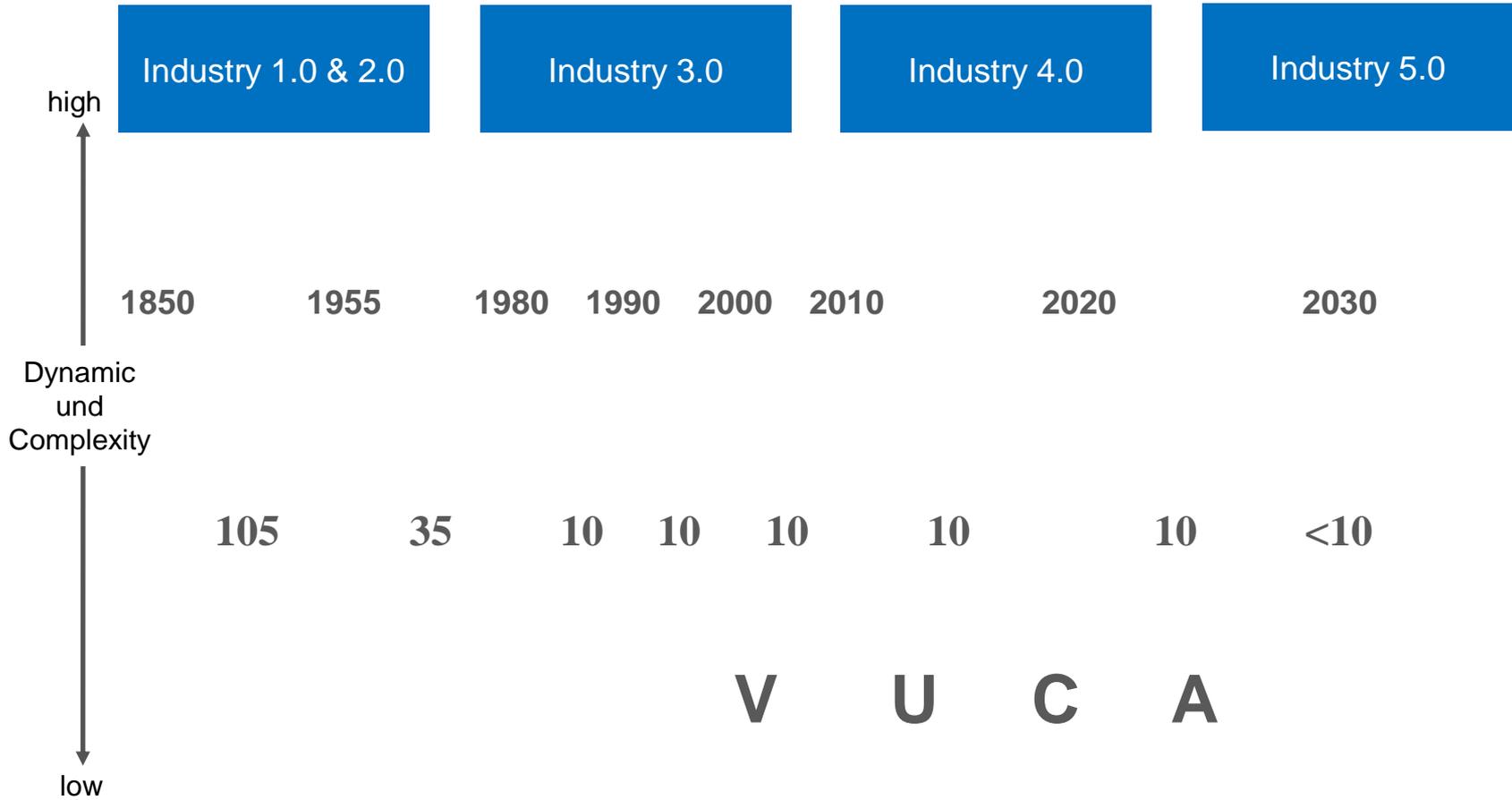


- **Insights – What is VUCA?**
- **Analysis – What does VUCA mean for your organization and Leadership?**
- **Solutions - How to substitute the phenomena of Volatility, Uncertainty, Complexity and Ambiguity positively**

Times are changing - This is nothing new ...



So what is new ... ?



VUCA - a brief insight ...



Impressions:

A Film from Reza Razavi
and Dr. Simon Sagmeister
BMW Group





The term VUCA - its origin and purpose

- ◆ First used in 1987, based on the leadership theories of Warren Bennis and Burt Nanus
- ◆ Picked up by the U.S. military academy in the early 1990s
- ◆ Description of a multilateral world after the end of the Cold War
- ◆ Spread to other areas of strategic leadership, from education to business

- ◆ A term to describe the indescribable and to capture the intangible
- ◆ An answer to the circumstance that coalitions of interests are becoming more and more complex and motivations are constantly changing
- ◆ An approach to indicate changed conditions for decision-making while information is losing its predictive power



This is what VUCA stands for:

◆ **Volatility**

Speed, scope, intensity and dynamics of change increase, fluctuation and instability increase

◆ **Uncertainty**

Predictability of topics and events decreases, new things emerge out of nowhere, causal relations become more unclear

◆ **Complexity**

The multiplicity, diversity and interconnectedness of elements, systems and levels are increasing, the number of possible courses of action is growing, leading to conflicting interests and dilemmata

◆ **Ambiguity**

The world becomes "blurred", framework conditions and preconditions are more difficult to grasp, information and descriptions can be interpreted in several ways, no "objective" evaluations of a situation.

VUCA and its challenges



Volatility

Anticipating and responding to the nature and speed of change



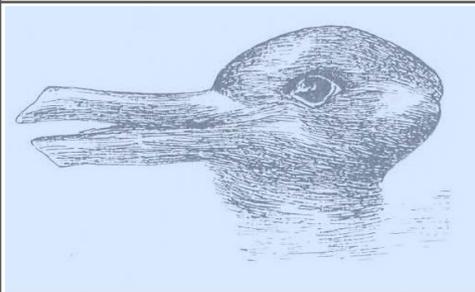
Uncertainty

Acting decisively without always having clear direction and certainty



Complexity

Navigating through complexity, chaos and confusion



Ambiguity

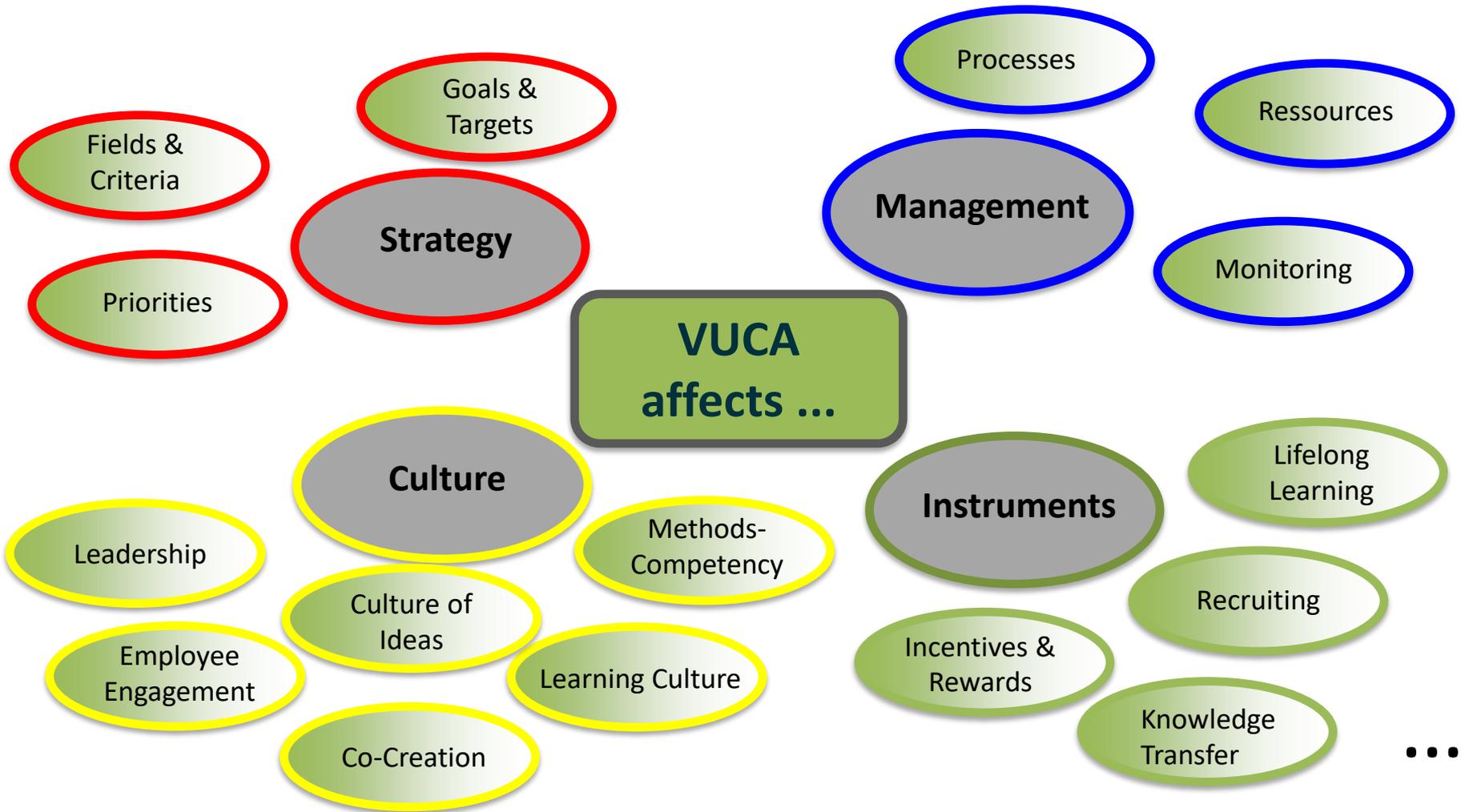
Maintaining effectiveness despite constant surprises and a lack of predictability



Main topics of the lecture:

- **Insights – What is VUCA?**
- **Analysis – What does VUCA mean for your organization and Leadership?**
- **Solutions - How to substitute the phenomena of Volatility, Uncertainty, Complexity and Ambiguity positively**

Quite a lot going on here ...



Analyze first: VUCA means to you ...



**Which phenomena of VUCA
do you experience most in your everyday life?
And particularly within your Leadership?**



VUCA Analysis - What aspects have the following characteristics:

<p>Volatility</p> <p>Rapidly variable, large fluctuations?</p>	<p>Uncertainty</p> <p>Difficult to predict, uncertain course?</p>
<p>Complexity</p> <p>Many parts, high interconnectedness, difficult to delimit?</p>	<p>Ambiguity</p> <p>Difficult to assess, unclear, ambiguous?</p>

- * Which phenomena of VUCA do you experience most in your everyday life?
And particularly within your Leadership?
- * How does this manifest itself?
- * How do you personally/your organization react to it "automatically"?



Volatility

(rapidly variable, large fluctuations)

Uncertainty

(difficult to predict, uncertain course)

Complexity

(many parts, high interconnectedness, difficult to delineate)

Ambiguity

(difficult to assess, unclear, ambiguous)



... and besides, also anticipate ...

Question:

“What are the biggest challenges in today's digital world?”

Answer:

"There are many of them, but the biggest one is certainly taking people on our journey.”



And even some more challenges!

5 generations* under one "(company) roof"

including 5 x different needs and motivations

- ◆ Traditionalists - born up to 1946 work / work
- ◆ Baby boomers - born 1946 - 1964 work / work
- ◆ Generation Golf / X - born 1965 - 1975 work / life
- ◆ Generation Y** - born 1976 - 1997 life / work
- ◆ Generation Z - born 1998 and later life / life
- ◆ = Individuals who must be taken into consideration.

** "Since ancient times, the ancients have worried about the supposedly increasingly rude, uneducated, lazy boys and girls - and yet, amazingly, the world still stands." (Armin Wolf, Austrian Journalist)

Moreover ... A clear difference: Change Management & Transformation!



CHANGE makes the system better, faster, cheaper ...

Past is the reference point:
Reactive adaptation to what has happened.

Future is a revised or improved version of the past.

Old or improved rules of the system.

TRANSFORMATION creates new systems.

Future is the reference point: Active creation of what will be.

The future is realized and free from the constraints of the past. "Thinking with no box".

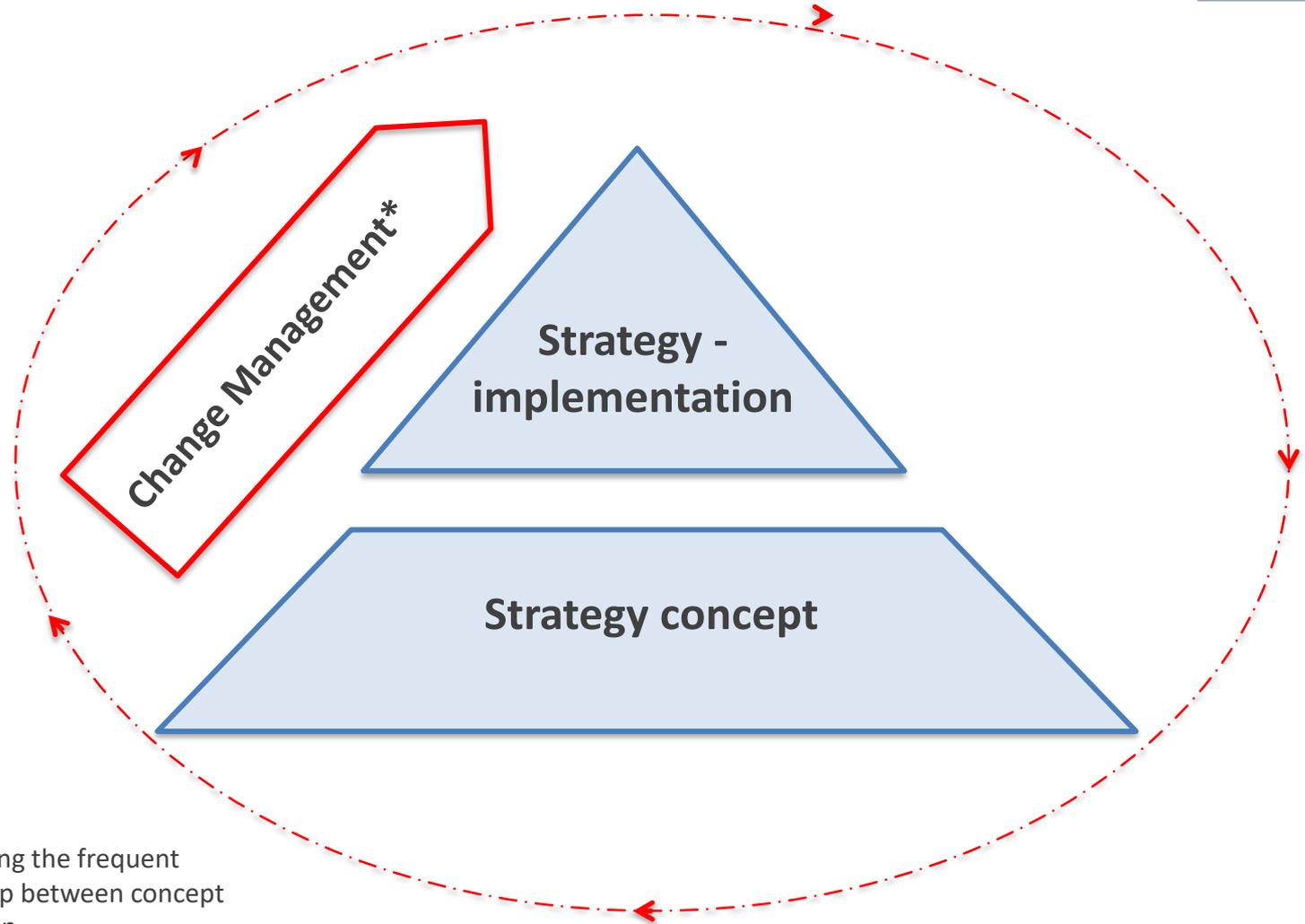
New rules of the system.

Change Management ...



... in response to the pressure for companies to adapt

Change Management - The Art of Success?



*In terms of avoiding the frequent implementation gap between concept and implementation.

Change Management approaches according to urgency



Change for Survival

- Secure liquidity
- Master crisis

Target:

Regain freedom

Change philosophy:

- top-down characterized
- one-size-fits-all
- strong intervention
- directive

Change for Renewal

- Find new direction
- Master crisis

Target:

Aim for next generation

Change philosophy:

- top-down characterized
- situational/flexible
- little intervention
- directive

Change for Excellence

- Secure advantages
- Achieve novelty

Target:

Maintain current lead

Change philosophy:

- bottom-up
- situational/flexible
- little intervention
- participative

HIGH



Pressure on companies to adapt



LOW



Change Management approaches in a VUCA World

Change for Survival

- Secure liquidity
- Master crisis

Target:

Regain freedom

Change philosophy:

- top-down characterized
- one-size-fits-all
- strong intervention
- directive

Change for Renewal

- Find new direction
- Master crisis

Target:

Aim for next generation

Change philosophy:

- top-down characterized
- situational/flexible
- little intervention
- directive

Change for Excellence

- Secure advantages
- Achieve novelty

Target:

Maintain current lead

Change philosophy:

- bottom-up
- situational/flexible
- little intervention
- participative

HIGH



Pressure on companies to adapt



HIGH



1st and 2nd order changes

1st order changes

Changes <20% require optimization of existing practices and behaviors.

Necessary for optimization:

- Replacement of elements without changing of the inner system logic, the social grammar (culture)
- Patterns and rules of how to communicate, how to cooperate, and how to make decisions remain the same.

Question of efficiency:

"Are we doing things right?"

2nd order changes

Changes >20% require new business models, new organizational forms, but also new rules, roles and behavior.

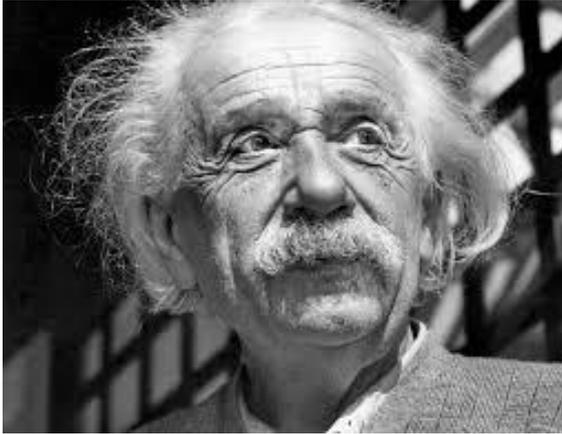
Pattern change is necessary:

- Experience culture and inner system logic for yourself a transformation
- Rules, values, norms start to move: Individuals and groups change their behavior, systems change their patterns of cooperation, reaction decision-making patterns

Question of effectiveness:

"Are we doing the right things?"

VUCA requires different thinking ...

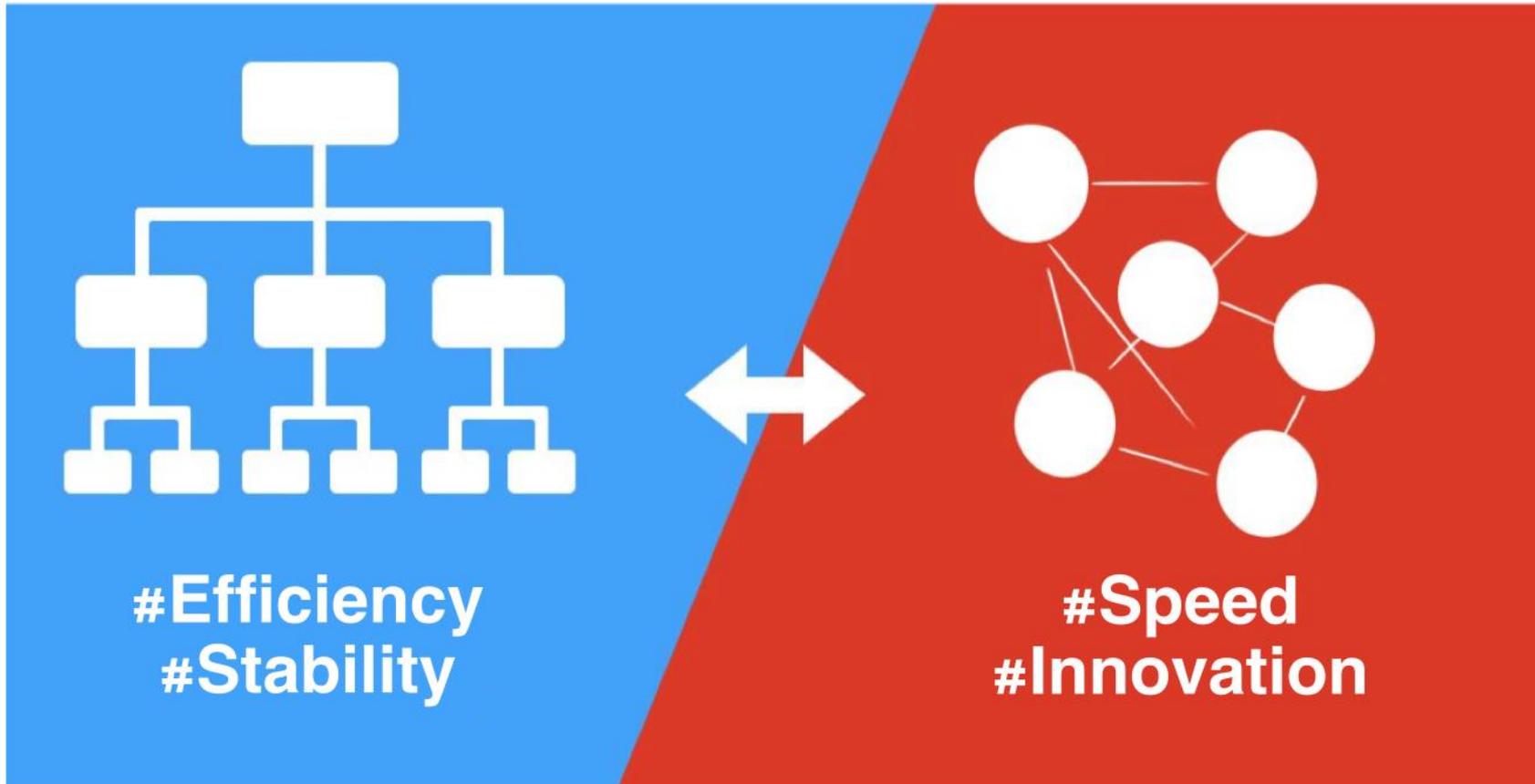


**"We can't solve the problems
at the same level of thinking
that we were at
when we created them."**

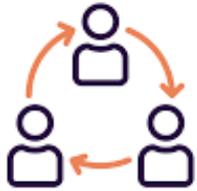
Albert Einstein, 1879 - 1955



Necessary: Ambidextry (“using both hands”) - Change Management & Transformation at the same time!



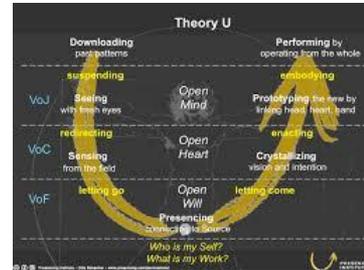
... look at different approaches at the same time ...



Holokratie



Soziokratie 3.0

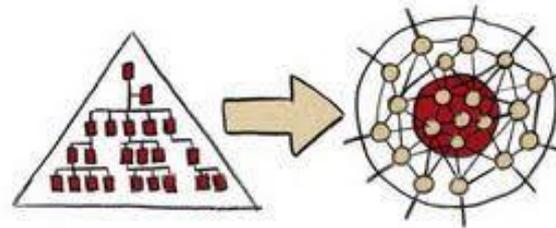


Theory U



Kanban

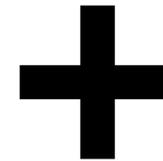
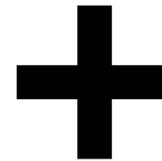
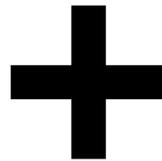
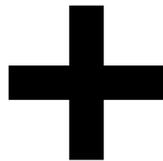
Agility + Innovation



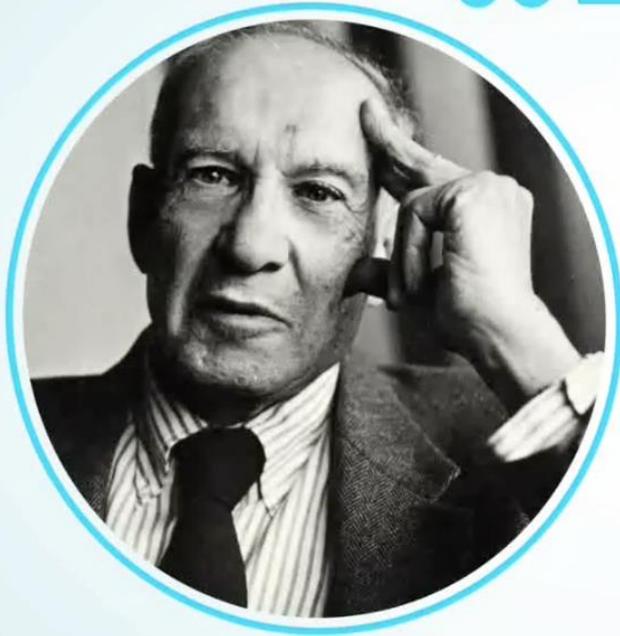
Beta - Organization



TEAL



... to be prepared ...



“

The greatest danger in turbulent times is not turbulence, but acting with yesterday's logic.

”

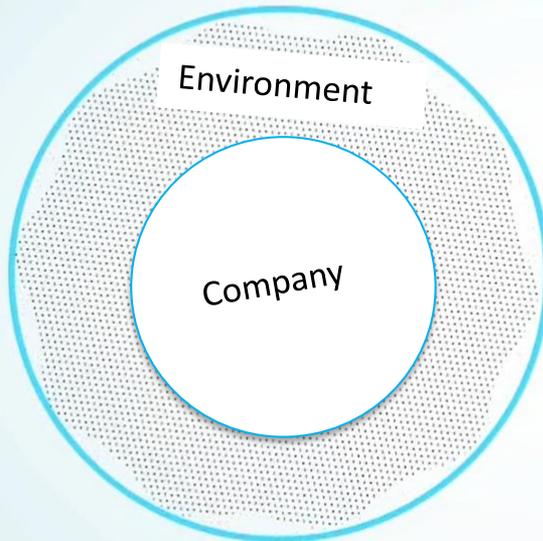
PETER F. DRUCKER



Main topics of the lecture:

- **Insights – What is VUCA?**
- **Analysis – What does VUCA mean for your organization and Leadership?**
- **Solutions - How to substitute the phenomena of Volatility, Uncertainty, Complexity and Ambiguity positively**

Is it 5 to 12 ...?



“

When a company's environment changes faster than the company itself, the end is near ...

”

JACK WELCH

No Panic!



There have always been questions of fate of mankind!

Therefore: Put a positive spin on VUCA!*



<p>VISION instead of Volatility</p> <p>The purpose is more important than the plan</p>	<p>UNDERSTANDING instead of Uncertainty</p> <p>Stop, look, listen to be able to answer</p>
<p>CLARITY instead of Complexity</p> <p>Giving chaos a meaning</p>	<p>AGILITY & ADAPTABILITY instead of Ambiguity</p> <p>Collaborative approach, experimenting, gaining experience, open to failure</p>



... and above all prove VUCA positively ...

<p>Instead of Volatility - VISION</p> <ul style="list-style-type: none">➤ Develop a vision➤ Create meaning, "Start with Why"➤ Orientate to hierarchy of values➤ Enable motivation	<p>Instead of Uncertainty - UNDERSTANDING</p> <ul style="list-style-type: none">➤ Think and plan meta-strategically➤ Establish contextual understanding➤ "Start with the end in mind" in the sense of "Backcasting"➤ Align and commit competencies and resources
<p>Instead of Complexity - CLARITY</p> <ul style="list-style-type: none">➤ Untangle relations and interconnections➤ Enable transparent processes➤ Clarify roles and assume accountability responsibility	<p>Instead of Ambiguity - AGILITY</p> <ul style="list-style-type: none">➤ Enable intuitive networks➤ Deal with contradictions in a comprehensible way➤ Promote decision-making and failure culture➤ Install agile forms of work



VUCA - Two key parameters:

- 1. How much information do I have about a situation?**
- 2. How much can I estimate the effects of my actions?**



Using VUCA quadrants for guidance:

How much can I assess the impact of my actions?

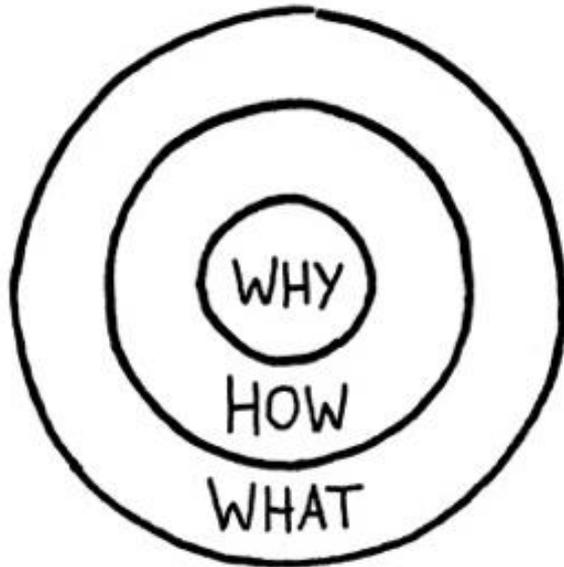
Volatility	Uncertainty
Complexity	Ambiguity

How much information do I have about a situation?



Start with WHY! (Simon Sinek)

The Golden Circle



What

Every organization on the planet knows WHAT they do. These are products they sell or the services they offer.

How

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

Why

Very few organizations know WHY they do what they do. WHY is not about making money. That's a result. It's a purpose, cause or belief. It's the very reason your organization exists.



And don't forget true Leadership!

„Whereas the heroic manager of the past knew all, could do all, and could solve every problem, the postheroic manager asks how every problem can be solved in a way that develops other people's capacity to handle it.“

Charles Handy

Irish economic and social philosopher



**I thank you for your time
and interest!**

**Have fun and good experiences
while implementing the new thinking impulses!**

See you in the workshop!

Waltraud Gläser
www.vuca-world.org