

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

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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.

To fill that gap, we (the authors of this article) returned to VUCA. Two of us have decades of experience training military commanders and frontline leaders; the third is an expert in the brain science of creating and communicating plans and other narratives. Working with U.S. Army Special Operations, we developed a suite of new techniques for training the brain to initiate effective plans and strategies in murky and fast-changing environments. We tested these techniques outside the Army in professional sports (such as the NFL) and in business (from Fortune 15s such as Cardinal Health to billion-dollar tech firms such as Faire). And we synthesized our findings into a method that the U.S. Army has formally recognized with a Commendation Medal for "groundbreaking research."

Here's that method, starting with what psychologists refer to as a mindset shift.

Decision-Making Doesn't Always Improve with More Data

When life is stable and transparent, more data leads to better decisions. But when life turns choppy or murky, data gets fragile and elusive. More data is not an option — and to seek it produces passivity, mission creep, and hesitation.

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.

New Leadership Techniques

Now that you have shifted your mindset, here are three techniques for training yourself to lead better in VUCA.

1. Don't Rely on Active Listening. Do Use the New Science of Active Questioning.

Active listening is a venerable business method, defined in the 1950s by Carl Rogers and Richard Farson, that can be effective when there is low urgency and high transparency. But in VUCA, you will increase your effectiveness by employing active questioning.

Active questioning surfaces exceptional information via a simple technique: Delay asking Why. When we ask Why, the brain seeks answers in existing rules and prior judgments, which dismiss or explain away the new and unexpected. Instead prioritize What, Who, When, Where, How — focusing on answers that trigger surprise. That surprise is an indicator of exceptions that press the brain to develop new rules and judgments. The more of those exceptions that can be gathered and held simultaneously in view, the more effectively a leader can imagine new futures.

We recently worked with a Fortune 50 finance company that since 2019 had been losing a growing slice of its junior talent. To understand what was happening, HR asked the leavers, "Why are you going to our competitors?," and they responded, "Money." So the company upped its retention offers — but continued to lose talent.

To help the company respond more effectively to this emergent challenge, we trained its HR staff to delay asking Why and instead engage junior talent with questions like: What do you do on your weekends? Who do you do it with? Where do you go on vacation? From these questions, HR determined that the company's junior talent suffered from a variety of sources of low life-satisfaction. Money wasn't the deep reason for their discontent; it was just a surrogate explanation, used to communicate their sense that something was missing and to rationalize why they wanted to explore outside career options.

By using active questioning to identify what was actually missing from its younger employees' lives, the company became substantially more effective at retaining talent. One junior exec was unhappy because they and their partner were struggling to conceive a child. The company paid for fertility treatments — then hosted a baby shower.

2. Don't Optimize the Plan. Do Optimize the Planner.

In 1957, U.S. President Dwight Eisenhower gave a speech in which he recalled spending his early days at the Army Staff College planning for wars that never happened. It was a waste of time, he said — except that it wasn't, because the process trained him and his colleagues to be ready for anything. "The reason it is so important to plan," he told his audience, is "to keep yourselves steeped in the character of the problem that you may one day be called upon to solve." In other words, as he put it famously in that speech, "Plans are worthless, but planning is everything."

Not long ago, we worked with a \$100m sales company that had an unusually high percentage of senior managers who did not successfully transition to leadership. We embedded with them

and discovered that they believed a key to leadership was developing the optimum plan. Their senior managers brainstormed every likely challenge or opportunity, crunched the probabilities, and developed a grand strategy. Just in case something unexpected occurred, they also made a Plan B. Yet despite having plans for every probable contingency, they were continually caught flat-footed. Their optimum plans broke again and again, as did their Plan Bs — at which point they lost confidence in their leadership, prompting their teams to lose confidence too.

These managers set themselves up for failure by trusting in Plan B. In VUCA, Plan B isn't anything other than a variation on Plan A. Both are based upon the same underlying methods and assumptions, so if one fails, the other often follows.

To help the senior managers transition into leadership, we trained them to push beyond Plan B and generate a whole set of plans that encompassed not just the most probable contingencies but all possible contingencies, with a particular emphasis on the extreme and unprecedented. The goal of this process was not to make better plans. It was to make better planners, who reacted dynamically when their plans failed by planning again. As assessed by the company's internal metrics, this approach more than doubled the rate at which senior managers transitioned into leaders.

3. Don't Dissociate from Fear and Anger. Do Use Emotion Reset.

Fear and anger are popularly characterized as negative emotions. Leaders are taught to suppress or bypass them via mindfulness, meditation, pop-Stoicism, and other dissociative techniques. But although fear and anger may lead to negative behaviors, they arise, like all emotions, for positive reasons — notably, to signal the onset of a flight-or-flight response. That response is triggered when your nervous system detects environmental volatility and other indicators of VUCA.

If you ignore or suppress fear and anger, you deprive yourself of a warning system, tuned through millions of years of biological evolution, for alerting you when you're under threat and need to switch on your leadership vision.

That warning system isn't perfect. But you can improve it. The next time you feel fear or anger, recall in detail a time when you dealt successfully with a similar situation, reminding your brain, "You've done this before. We call this technique "emotion reset." It allows you to quickly evaluate whether your flight-and-fight is tuned to your environment. If your fear and anger calm when you perform emotion reset, then your flight-or-flight response is an overreaction. You're imagining more VUCA than is actually present, so the best course of action is to stick with your existing plans and keep gathering data. But if your fear and anger remain constant when you perform emotion reset, then the VUCA is real, and your circumstances are urgent. Respond energetically to match that urgency by re-planning fast and acting decisively.

We worked on this with an NFL quarterback prospect who improvised too much during games. To rein in his behavior, his coaches drilled him on sticking to the gameplan. This stopped him from improvising but negatively affected his performance, turning him into a robot who lost his feel for the game.

To help him keep improvising without overdoing it, we studied his game tape. We noticed that his improvisation rate increased after failed plays, suggesting it was often driven by overactive fight-or-flight. To allow him to better assess the reliability of his fight-or-flight response, we worked with him on emotion reset. From game tape, we highlighted examples of when he had successfully executed planned plays and we had him mentally review these occasions, over and over, seeing them in detail. This primed the memories in his brain for fast recall. Then we had him create a “trigger,” a memento he associated with those memories. He took the trigger into his next game and looked at it after every bad play, remembering I’ve done this before. By resetting his emotions, he kept himself from getting unnecessarily anxious or aggressive, sticking more consistently to the coaches’ game plan. And by not forcing himself to stick robotically to that plan, he retained his ability to improvise in VUCA, leading his team by inventing fresh plans when needed.

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Tomorrow is full of fog and volatility. Markets, supply chains, technology, and consumer trends are hazy and transforming. But you can lead your organization to succeed. The Army’s original theory of VUCA defined visionary leadership. And now, using what we’ve laid out in this article, you have a Special Operations method for cultivating it in yourself — and your future teams.