



The Delusion of VU (from VUCA) is over!

I came across a discussion on twitter which alluded to the fact that the world was becoming more complex. This discussion was based on the ideas of General Stanley McChrystal, author of 'Team of Teams, New Rules of Engagement for a Complex World'.

McChrystal wrote:

"Efficiency remains important, but the ability to adapt to complexity and continual change has become an imperative."

I remember feeling irked about this statement and the reason for this response, (apart from having man-flu at the time) is that people are acting as if VUCA (the US military term to represent volatility, uncertainty, complexity and ambiguity) is a new phenomenon. That's not correct, the world has always been subject to volatility, uncertainty, complexity and ambiguity. Ask poor people.

But so-called leaders of the world have been operating as if it was only volatile and uncertain-VU. That's caused huge problems for humankind which will need to be addressed if we're to adapt and evolve successfully. I'll elaborate.

We create models to help us make sense of the world but the map is not the territory and biases lead decision-makers to focus on certain parts of the models which leads to ineffective and often selfish decision-making. Then regular people are left facing huge problems while the decision-makers run back to their mansions or their villas in Europe or go on speaking tours around the world.

We humans are thinking, doing, feeling and communicating beings as in, we possess cognitive, behavioural, emotional and social intelligence. We all have preferences about when and which order we use these intelligences. Some people are more action orientated, others more thoughtful and conservative. Some are accommodating and supportive, whilst others are social, spontaneous and creative.

We've become the alpha species as a result of our ability to utilise these intelligences to communicate, collaborate and arrive at creative solutions which we were then motivated to implement, to tackle the challenges we faced. Everyone has a part to play because we've all different strengths. Monkeys utilise a dominant hierarchy where one person calls the shots and bullies any dissenters. We work better when we co-create and share responsibility for driving ideas forward. We collaborated our way to the top of the evolutionary tree.

But then something happened. In the last few hundred years we've become slaves to certain delusions promoted by some people to maintain an advantage over others. The rules of engagement within this paradigm are that by following some simple rules you can overcome volatility and uncertainty.

We're encouraged to 'pull ourselves up by our bootstraps'. If we don't succeed it's because we're not working hard or smart enough. The path to success and happiness is to work hard and save for a rainy day. Get rich and stay rich. It's supposed to be challenging, but simple and certain. But most *entrepreneurs* fail within five years. Some do make it but at what cost to health, relationships, to the community and the planet? To maintain the illusion the media, makes heroes of the occasional winners.

Just park that there for a moment whilst we look at our four intelligences and compare that with the VUCA model:

Volatility – In volatile situations, the focus is on the here-and-now and fast reactions. It usually takes a simple behaviour to solve a problem. Fire-fighting is the modus-operandi of the Entrepreneur, Director or Soldier who jumps in and solves challenges on the go. Markets are seen as volatile but the best traders use some simple behavioural rules to win the game. Shoals of fish and a murmuration of Starlings use simple rules of movement to escape predators. The military develop immediate-action drills to tackle ambushes. You solve volatility by taking pre-determined actions. Confident, competitive, and forceful people do well in this environment. The problem is they're prone to jumping into the wrong solution costing \$trillions, resources and lives in pointless campaigns. Think wars, think obesity, think pollution with a few people believing they're winning the game by becoming so wealthy at the expense of others and the planet. They seem incapable of engaging an ecology check in their decision-making or radically adapting once they realise what they've done.

Uncertainty – If you are feeling uncertain you can analyse a situation and create rules and structures until you reach a level of certainty you feel comfortable with. Looking at the detail and creating certainty is the world of the Manager, Engineer and Accountants. It is the world of cognitive intelligence which help us develop theories, rules and structures.

Unfortunately, in the competitive and then controlling ego-centric (monkey-brained!) corporatocracy and political worlds, anything that doesn't match the theories and rules of the game are often dismissed. Big corporates pass on the costs of recycling and pollution onto the customers, tax-payers, poorer countries and the environment. Wall street changed the rules to assuage their greed and create the illusion of perpetual growth. The world economy crashed as a result so governments bailed them out with tax payers money.

Costs are externalised, rules are broken, bad results hidden and whistle-blowers persecuted.

Overcoming volatility and uncertainty with *command and control thinking*, makes the world appear simple and certain. It allows the winners to feel deserving of their success. But overall it is an illusion. The biggest determinator of wealth is where you were born, not how hard you worked. There are plenty of hard-working poor people, many with several jobs who struggle to make ends meet because they're being exploited by rich people, aided and abetted by governments.

The role of government, whilst purported to support the community, in reality protects the ability of corporatocracy to get rich and stay rich. If large corporates were made to pay the external economic costs, they couldn't operate profitability without becoming more ecological in approach. Most are exploiting somebody or the environment somewhere.

It's also a closed shop. Once successful in the command and control world, when you're a winner you don't want to change (*unless it's in your favour*) because paradigm shifts level the playing field.

Now let's look at the last two characteristics of the VUCA model.

Complexity – In complex situations one solution will not fix all the same problems that many people may have. People are complex beings, not widgets. Complex solutions creation require constant interaction, experimentation and adaptation as new information comes in. Decisions need an ecology-check so one can't rely solely on individualistic thinking.

It involves building relationships, collaborations and experimenting. One has to feel their way forward towards a solution which might only work today and need looking at again tomorrow. It's messy and the realm of Coaches, Counsellors, Social Entrepreneurs and Leaders who are prepared to listen, be patient, and empathise. These people by and large do not run organisations or governments but there are a few around the world and hopefully the movement will grow.

<u>Stella Sigana</u>, Founder & Owner of Alternative Waste Technologies in Kenya decided to create a mission driven organisation which provides employment opportunities for at-risk youths. Stella came up with this idea by working in nearby Kibera slums which is populated by 500,000 people in an area of only 2.5km.

<u>Dan Price</u> the founder of a card payments company in Seattle cares deeply about his staff. Price decided to pay his team enough money to be able to afford a decent living standard in an expensive city. It's the opposite operating style of status driven entrepreneurs and controlling managers.

Both of these social entrepreneurs came up with their ideas by joining with, listening and being determined to support others. That takes courage.

Ambiguity – Ambiguity points to a situation that can have more than one outcome. The Chinese have one symbol which represents both crisis and opportunity. Is it good or bad?

There was a farmer who worked long hours and saved money to buy a horse.

When the neighbours asked if he was happy with his horse, the farmer simply replied:

One day the farmer left the horse untethered and it ran away. The neighbours asked if he was sad about the horse but again, he simply replied:

"Maybe..."

The next day the horse returned and also brought back two other mares. The neighbours asked him if he was happy about his good fortune.

"Maybe...."

The farmer's son tried to train one of the mares but fell off and broke his leg. What bad luck the neighbours sympathised.

"Maybe..."

The next day the Army came to the village to conscript the young men to join the war against their neighbouring country. Upon seeing that the son had a broken leg, they ignored him.

What good luck the neighbours said.

"Maybe..."

People who have a preference for social intelligence can often see opportunities within a crisis. They utilise their senses to communicate across their network. They enjoy challenging the status-quo, arriving at creative solutions and championing those new ideas. This is the opposite stance of the Managers who prefer certainty, so they are often ignored when they challenge the established order.

It's the world of the Artists, Designers and Founders. Steve Jobs and Richard Branson are successful old-world examples. They have new ideas and communicate the vision, but rely on command and control people to make their visions a reality. These people then begin to run the show and often kick out the Founder as happened to Steve Jobs for a while.

Back to VUCA...

Gaining clarity on our situation and accepting reality is what will help us evolve towards more sophisticated and elegant solutions which will empower more people. But we've been ignoring half of reality for a long time and as McChrystal realised:

"The reality is that small things in a complex system may have no effect or a massive one, and it is virtually impossible to know which will turn out to be the case."

What this means is that many little things have been left out of the analysis and decisionmaking in the past which is leading to a perfect storm of challenges that are fast approaching with some already here.

Institutions and the paradigms they support need rethinking, quite possibly replacing but certainly they need adapting. When a system reaches a threshold point it collapses. You can't reverse it slowly from the brink as we witnessed with the banking system. Waiting for the world to collapse around you before taking action isn't a recipe for happiness and wellbeing, but that's what governments and the winners of the VU delusion will do.

Was the Wall Street crash a bad thing? It was for many but it's also probably given an opportunity for new fintech ideas to emerge. Perhaps the banks should be encouraged to adapt or left to fail and people should focus on building something more inclusive and community focussed to replace it.

As Buckminster Fuller said:

"You never change things by fighting against the existing reality. To change something, build a new model that makes the old model obsolete."

We need an evolution not a revolution for as Paulo Freire alluded to; 'the oppressed, instead of striving for liberation, tend to become the new oppressors', which I think the UK witnessed with Brexit.

In conclusion, we've been operating in the VU delusion and not the VUCA reality. It's time for leaders to develop an integrated and interdependent worldview to step up.

Hopefully modern leaders will be ordinary people achieving extraordinary things in a constantly shifting world. Leading themselves and by example others, into a better world for all - not just the few.

A world which is socially just, environmentally sustainable and a personally fulfilling place to live and work. (3)

©Martin Murphy

Elite Leadership Global