



Leading
NGOs in the
VUCA world

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The world is changing for good it seems, and NGO leaders will need to be ready to adapt to this new world in order to survive and thrive. The term VUCA describes a world that appears increasingly very different from the past that we have known. VUCA stands for **Volatility**, **Uncertainty**, **Complexity** and **Ambiguity**. Of course, in the NGO world we have always faced change and volatility. NGOs thrive on dealing with this. However, in this article I want to highlight why today's world is changing faster than ever, and why the challenges we face are becoming even more complex than those we have faced in the past.



Volatility

Uncertainty

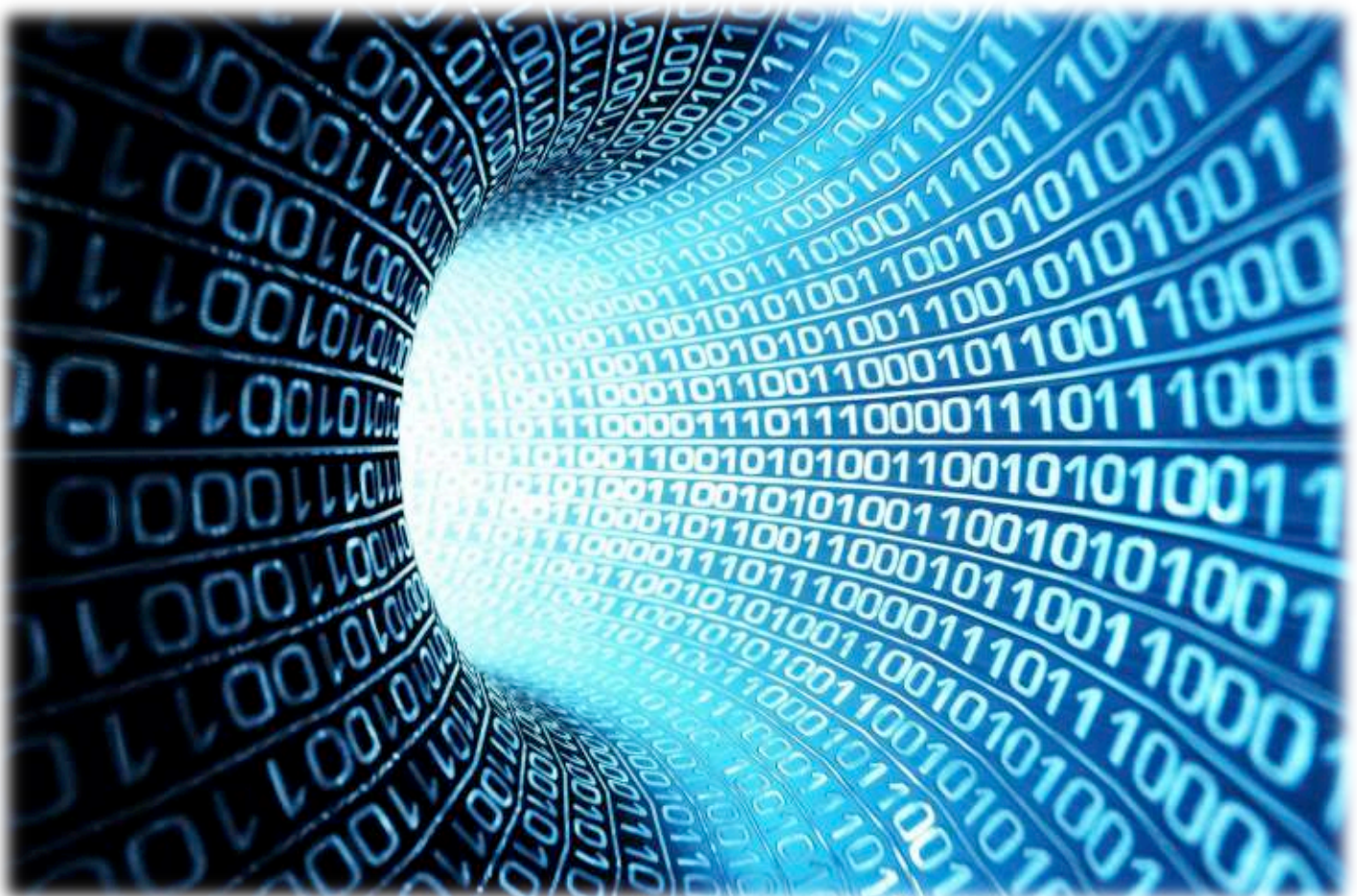
Complexity

Ambiguity

By **Volatility**, we mean that change is happening rapidly and on a large scale. Such change is driven by many simultaneous factors, including turbulence in world economies, global political and social landscapes, and even weather patterns.

This volatility leads to **Uncertainty**, which means that leaders are finding that predicting the future based on the past is no longer reliable. Forecasting and decision-making for NGO leaders is, therefore, becoming increasingly difficult. To this we add the **Complexity** of today's global landscape. So many factors now shape our world, and we rarely see single cases of cause and effect in our organisations and contexts, leading again to a lack of predictability of the outcomes of our actions. Finally, we see little clarity today about what events mean, and what effects they may have on our world. The information we receive is consequently often **Ambiguous** and incomplete, making decisions against this backdrop an increasingly difficult leadership challenge.

Today's VUCA world places many additional demands on NGO leaders across the globe. The world seems to be speeding up. Demographics are shifting, climate is changing, migration and health are bigger challenges than ever, and political struggles in many corners of the globe add complexity to our work. Talent is always in short supply. Digital natives are now entering the workforce and expecting to work in a different way from their predecessors. Technology is becoming more pervasive in all aspects of our working and personal lives. Knowledge is more available, but is also more quickly obsolete. Connectivity through the digital world enables instantaneous communication, but this also enables terrorist and malicious networks to flourish.



So, what kind of leadership capabilities do NGOs need in order to lead successfully in today's VUCA world?

Bob Johansen's excellent book, *Leaders Make the Future*, published in 2009, helps us to understand some of the ways that leaders will need to adapt. We strongly believe that the core to leadership will not change, but it is the way that we apply our leadership that will be different. In summary, Johansen argues that successful leaders in a VUCA world will:

- i. develop the keen ability to grow and build new things.
- ii. develop clarity to be able to see through the messes and contradictions that make up our world.
- iii. be able to turn dilemmas and threats into advantages and opportunities.
- iv. develop the ability to immerse themselves in unfamiliar environments and to learn from these.
- v. be able to see things from nature's perspective in a world where our resources and biodiversity are becoming depleted and weather patterns unpredictable.
- vi. develop the ability to bring divergent cultures together towards positive engagement.
- vii. be open and authentic.
- viii. have the ability to innovate quickly and tolerate failure.
- ix. create and nurture purposeful business and social change networks.
- x. build and nurture shared assets and resources that benefit multiple players.

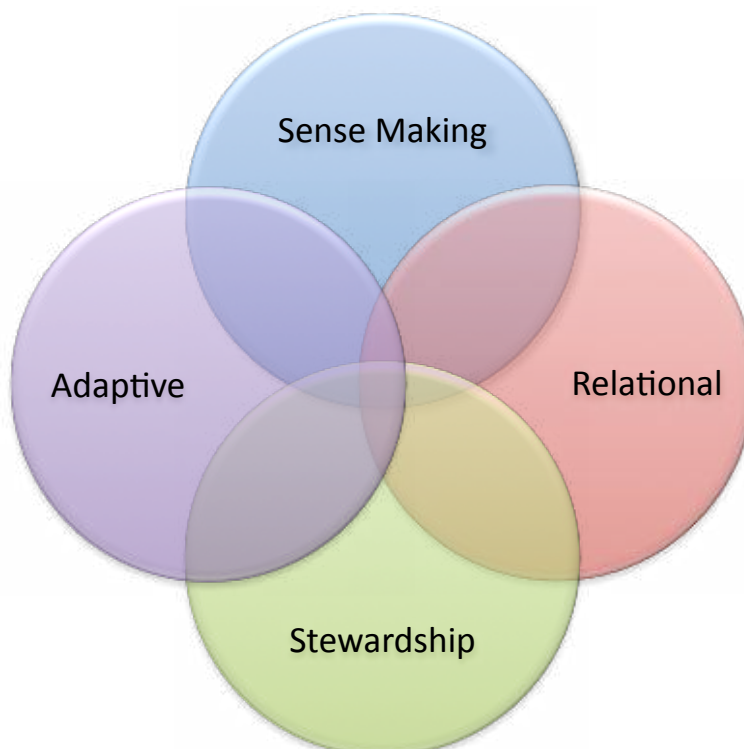
Those organisations able to develop these key leadership skills and the supporting behaviours are more likely to achieve sustainable leadership success.



Johansen's book argues that the antidotes to combating VUCA are Vision, Understanding, Clarity, and Agility: Vision to address Volatility; Understanding to address Uncertainty; Clarity to address Complexity; and Agility to address Ambiguity.



At **Caplor Horizons** we have distilled our understanding of VUCA challenges in our world into the leadership model shown here:



We believe that Johansen's prescription of **vision**, **understanding**, **clarity** and **agility** is an excellent starting point for leading in the VUCA world, but we also believe that in today's VUCA world we need a fundamental rethink about leadership and how it is enacted.

Old models of heroic or charismatic leadership are limiting our thinking. They are not enough, and indeed in many notable cases they have been shown to be dangerous and tip into narcissistic and toxic leadership. It is time to democratise leadership and build organisations where leadership can flourish at all levels. The circles above necessarily overlap and, we believe, work together to enable more effective and sustainable organisational leadership in the NGO world.

Sense-making leadership means an openness to alternative interpretations of reality, critical reflection, challenging our assumptions, horizon-scanning, continuous learning and helping others to learn, and seeking to understand the shifting connectivities and complexities in our world.

Relational Leadership is about building creative connections, collaborations, and partnerships both inside and outside our organisations. It is also about enabling distributed leadership capacity.

Adaptive Leadership builds a high tolerance for uncertainty and change. Joseph Bower suggests that we need to build ‘velcro organisations’ that can be reconfigured at speed. Adaptive leadership is dynamic, responsive, and holistic – requiring a systems approach to leadership thinking and practice.

Stewardship connects the past, present and future. At Caplor Horizons we firmly believe that leaders are and should be trustees for their organisations, for society, and for our planet. Through stewardship we acknowledge what earlier leaders have built, and keep a close eye on the needs of future generations whilst attending to the needs of the present. Without a sense of stewardship organisations are prone to repeating the mistakes of the past and falling into the trap of short-term fixes instead of sustainable solutions.

Stewardship also provides leaders with a moral compass. We see the leadership role of building consensus around values and organisational purpose as being more critical than ever for NGOs in today’s VUCA world.

