**Navigating Change for Success**

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**Abstract**

Today few in business would argue with the idea that we are living in a world that is Volatile, Uncertain, Complex, and Ambiguous. Coined VUCA by the US Army War College, these four words define the “turbulence” and “continuous white water” that the business literature has been documenting for the last decade. This VUCA world became even more relevant to business in 2007 when the Institute for the Future fellow Bob Johansen published the idea of transforming VUCA into Vision, Understanding, Clarity, and Agility. We call this VUCA Prime (VUCA′), and place “∞” between them to show their dynamic interaction. This paper presents an exploration of the impact of VUCA ∞ VUCA′ (read as “VUCA VUCA Prime”) on business and the conditions under which these dynamic forces help to successfully navigate change.

**Biography**

*Knowesys, LLC* is an international network of consultants, coaches and facilitators who have come together because of our shared passion for results and global impact, and for our expertise on organizational and leadership transformation.  We bring well over 100 years of collective experience, insights and learning to our work. Our diversity allows us to connect the right people to the right project and our size gives us scalability. *Knowesys* believes that people are the creative genius behind business and commerce success. Our goal is to partner with organizations who want to master the powerful potential that change brings, transforming their people’s energy and contributions into the innovation required to remain at the forefront of their industry. In the midst of today’s unrelenting global change, we create the opportunity to fully realize our passion partnering with our clients as they realize their vision.

***Introduction***

Twentieth Century business logic was based on the established scientific belief that the universe operated as a perfectly designed machine, a Newtonian world-view. The goal of executives was to find perfection for their organization by removing waste, friction, and inertia. Twenty-first Century business logic must take into account recent advances in physics, neuroscience, and biology – replacing the Newtonian world-view with a universe that is self-organizing, emergent, and full of mystery and surprise. It is not easy for organizations and leaders to make the leap from Fredrick Taylor’s Scientific Management (<http://en.wikipedia.org/wiki/Frederick_Winslow_Taylor>) into this new world of Volatility, Uncertainty, Complexity, and Ambiguity, or VUCA. With the VUCA concept we can come to grips with our highly connected and interdependent world in ways that other business perspectives no longer provide, for example, Six Sigma, LEAN, and Re-engineering.

***Thriving in a VUCA ∞ VUCA***′ ***World***

Author Bob Johansen (Johansen, 2007), Distinguished Fellow at the Institute for the Future, has worked extensively with the VUCA concept. He proposes that it contains significant opportunity for business when transformed into Vision, Understanding, Clarity, and Agility – what we call VUCA Prime (VUCA′). VUCA, on its own, appears to be a set of problems to be solved. But VUCA isn’t solvable, it is a dilemma[[1]](#endnote-1). Including VUCA′ illuminates this dilemma. VUCA ∞ VUCA′ is an adaptive challenge that provides leaders with the opportunity to manage their business by incorporating the best of both sides of each dynamic.

VUCA ∞ VUCA′ requires both a new perspective and a new set of tools for leaders and managers. As a dilemma, each component exists simultaneously in a *both/and* state, as opposed to an *either/or* state. *Both* VUCA *and* VUCA′ exist concurrently, in a dynamic that alternates between the two. From this perspective, we can take advantage of the benefits of each while minimizing their limiting attributes. Understanding this dynamic provides business leaders with a means of harnessing the turbulence of global connectivity and interdependence and using it to navigate successful change – change that moves the organization forward with coherence rather than chaos.

***Applying VUCA ∞ VUCA***′ ***to Organizational Change***

In the VUCA world, organizations need to continuously adapt to change in the ecosphere (which includes the marketplace, complementors, competitors, and social and environmental forces), change that is speeding up every year. Organizations that are intentionally linked to their ecosphere are in a position to co-create a future in which they can survive, and thrive. Examples of this include: Amazon, Google, Toyota, Nucor, Zappos, Interface, Tata, Mondragon, and others. To find opportunity in the VUCA ∞ VUCA′ dynamic, leaders need to rethink the commonly employed linear change models (for example, John Kotter’s eight step model [(Kotter,](https://knowesys.get-traction.com/Users/Carol/Documents/KnowESys/MEMO%202010/Memo%20v3%20proposal.Julie.docx#_edn3) 1996)). These models describe a change process in which each step is required, in a standardized order, and in a one-way top down direction. They produce change initiatives designed by a few (often key executives and external consultants) with pre-determined plans that detail how the change process will uniformly unfold across the organization. When this method of change encounters the VUCA world dynamic it succeeds less than 30% of the time[[2]](#endnote-2). Adaptive Change, a non-linear change model (see Figure 1) appropriate for the VUCA ∞ VUCA′ world, is based on the research of psychologist Virginia Satir[[3]](#endnote-3). We have enhanced her research with complementary work like that of William Bridges’ personal and organizational transformations, Barry Johnson’s polarity mapping, Otto Scharmer’s Theory U, and collaborative large scale change processes such as Appreciative Inquiry, Open Space Technology, and World Café.



***Adaptive Change in a VUCA ∞ VUCA***′ ***World***

In complex adaptive systems, like today’s business organizations, the *transactional change* process, which we define as the sum of all the actions the organization takes to produce a future outcome, cannot be predetermined (represented by the dashed green line in Figure 1). In other words, the detailed plans for change that are currently popular in business hamper the initiative more than they help. This is due to the high degree of connectivity and interdependence in global business and commerce, and is particularly true when large scale change (for example, corporate reorganizations or mergers) last longer than six months. *Out of Control* author Kevin Kelly (Kelly, 1994) aptly captures the reason for this when he states that, “Change changes itself.” Organizational change efforts have an impact on their larger ecosphere which in turn impacts the organizational change as it unfolds, the VUCA ∞ VUCA′ dynamic in action. To successfully navigate change within this dynamic requires the participation of the whole organization. This defines a new, enlarged role for leaders during change – they must initiate the transactional change process, engage the whole organization in designing it, and provide guidance and course correction throughout, all without controlling the process as it unfolds. Instead of observing from above, leaders in the VUCA ∞ VUCA’ world operate from the middle of a *web of change* that they influence rather than control.

Transactional change begins when internal or external destabilizing events move the system away from the status quo and toward an unknown future. When this occurs, Satir observed emotional and psychological turmoil, which we define as the experience of change and call *transformational change*(represented by the red line in Figure 1). This turmoil is not resolved until novel *Transformational Ideas* are generated and achieve widespread buy-in. Transformational Ideas are emergent, meaning they arise from the complexity of the change effort, and point the organization toward their desired future. When these ideas appear, the organization is able to create new processes and structures and adopt new behaviors and norms that result in a higher level of performance relative to the status quo. Integrating the Adaptive Change model with the VUCA ∞ VUCA′ dynamic allows organizations and leaders to navigate change successfully. The remainder of this paper describes this process in detail.

**Volatility ∞ Vision**

Volatility is a state of explosive turbulence. The metaphor we use is a volcano, events happen rapidly and we have little control over them. The other side of this dynamic is Vision, which is intentional and guides movement toward a desired future. When we experience VUCA ∞ VUCA′, the Volatile elements of the situation create the feeling of being out of control, rapidly inducing the jagged red line of transformational change. However, with a Vision identified, we can lean into the volatility and harness the energy that it generates. During periods of major change, our deepest fear is that we won’t survive the chaos of Volatility and become stuck in a vicious downward cycle. Our greatest hope is that our Vision of the future is actually obtainable. Using the energy created by this dynamic, leaders can create a virtuous cycle of Adaptive Change rather than a vicious cycle of decline.

*Engaging Volatility ∞ Vision*

When we first notice Volatility, it is due to *destabilizing events* that shred the security of the *status quo* (see Figure 1). Destabilization produces a sense of loss and danger. We feel scared and unprepared. We become aware of our deepest fears and realize that we are standing on the edge, looking over a cliff into a chasm of chaos. This is the time for leaders to invite the whole organization to co-create a Vision of the future. Creating the Vision collectively prepares everyone for the change to come.

AdaptiveChange produces transactional diversity without losing the momentum of the collective vision. As individuals and groups encounter their own specific VUCA ∞ VUCA′ dilemmas, leaders must encourage, support, and integrate the various paths to the future that emerge across the organization. This promotes engagement and creates a unique mosaic of organizational change. The process of Adaptive Change encourages localized adaptability, innovation, increased organizational performance, and resilience. The result is global change with local adaptation.

To stay in the positive dynamic of Volatility ∞ Vision, leaders and organizations must *Reframe* rather than *React* to the turbulence and emotional turmoil that it generates. Reframing is critical throughout the process of Adaptive Change. If we rely on a single Vision, closing ourselves off to any additional Volatility that arises, we create an organizational blind spot that can sabotage the change process, making it rigid rather than responsive. As we move through change, we must be vigilant or we can slip back into the status quo. "Red flags," early warning signs, prompt us to review our progress and course correct.

**Uncertainty ∞ Understanding**

Uncertainty is a state of “not knowing,” of being in a *fog*. We become hesitant to act for fear of stepping off an unseen cliff. The other side of the dynamic is Understanding, sense-making that allows us to accept the state of Uncertainty with a willingness to act, taking one step at a time. As turbulence overtakes the organization, everyone viscerally experiences the situation, generating their own personal red line. This creates an organizational web of “red lines,” with varying degrees of volatility, as we each independently interpret the change we are experiencing. At this point, we seek the collective to stabilize our emotional response and engage in widespread informal conversation with our colleagues.

Leaders, in acknowledging the red line, can help people become aware of their emotional response and use it to generate the positive energy of Adaptive Change. This is also the time to engage the organization in large scale conversations such as Appreciative Inquiry, Open Space Technology, and World Café. Without Understanding, Uncertainty may derail change before it even gets under way. What Understanding provides is the courage that comes from acceptance and our willingness to be in this together. As a collective, we can tap into our deeper strengths and resources, knowing the experience will transform us. The energy of this dynamic creates the eye of the storm, the center of calm that allows us to make the most of the opportunities that present themselves.

*Engaging Uncertainty ∞ Understanding*

When we begin Adaptive Change, we must release the past and embrace the future – like the trapeze artists that take our breath away at the circus. During the act of letting go, we are filled with doubt – fully aware that the outcome is unpredictable. The subtlety and nuance of the situation makes it hard to see what actions would be most effective. A sense of vagueness about what we can and should do heightens any insecurity or fear we feel, occasionally producing paralysis. Our past success is no guarantee *in this moment,* each release brings its own unique challenges – and opportunities. The harder we try to figure it out, the more uncertain we become. At the moment we are most afraid to act, acting our way forward is the answer.

When leaders *Decide* what the actions of the organization should be (what to do and how to do it), they close down the conversations that contain the creativity and inspiration of the collective. To positively utilize Uncertainty ∞ Understanding, leaders must encourage the organization to engage in*Dialogue,* conversations that promote open inquiry*.*  Dialogue can address the Uncertainty that lies unspoken within the organization, exposing the elephant in the room and creating Understanding. Leaders have the opportunity to initiate widespread organizational conversation, which creates collaboration and allows the organization to face the realities behind the need for change. This becomes instrumental as we approach the Cauldron. In Dialogue we see the world with a deeper appreciation for the organization’s values, purpose, culture, and Vision.

**Complexity ∞ Clarity**

An image of Complexity is the whirlpool, significant because it is sustained only by the flow of the water through the riverbed. Similarly, in Complexity ∞ Clarity, progress is sustained by the flow of ideas and energy through the organization. The yin-yang within Complexity, however, is extreme. On the one hand, it is being in the state of flow, a timeless place where unlimited options are available and there is no pressure for deciding what to do. On the other hand, when there is too much Complexity (and this is a highly individual threshold), we become overwhelmed with options and confused by all the moving parts and their interdependencies.

As we move through the Cauldron (see Figure 1), our progress is not predictable and our actions can only be validated over time, as we discover their impact and consequences. We feel that we have to look at and try everything, yet we are worn out by the effort. The rush of creative energy induces experiential vertigo, as if we have nothing stable to hold on to. Leaders can support the organization by creating breathing room for people so they can find Clarity within Complexity. With space and time to think comes just enough structure to stabilize ideas so that they can persist, grow, and take root. As this happens, next steps become clear and ideas build on each other producing the larger Transformational Ideas that can lead us out of the Cauldron.

*Engaging Complexity* ∞*Clarity*

We have created our Vision, navigated our way through Uncertainty, and now Understand why we are changing. “At last,” we think, “the way forward will become clear.” However, before we find Clarity we encounter Complexity. We censor less and notice more. New and diverse information appears in the environment producing a sense of wonder, opportunity, and excitement. We are more sensitive to positive feedback, and explore weak signals to see what shows up. We are willing to risk failure in order to learn. In groups or teams, we play with ideas, share leadership and responsibility, and enjoy the connectedness we feel.

Complexity challenges the “rules of the road,” cultural norms, and market forces. Clarity allows the organization to be transformed. This dance brings out the best in people during the messiness of the Cauldron. Maintaining Clarity, while continuously allowing Complexity to provide inspiration and flexibility, brings us through the Cauldron and surfaces transformational ideas capable of making our Vision a reality. Leveraging this dynamic begins with believing that all our actions and efforts matter, even if we don’t immediately see the outcomes we desire. To stay in the positive dynamic of Complexity ∞Clarity during Adaptive Change, organizations must *Picture* their future rather than *Predict* the outcome of their actions.

**Ambiguity ∞ Agility**

Ambiguity and Uncertainty share common feelings of doubt and indecision, but the outcome of the two in the VUCA world is distinctly different, as is the resulting dynamic. We differentiate the two as follows:

* Uncertainty: a foggy state of not knowing that produces a fear of action and therefore a disposition toward inaction
* Ambiguity: a vacillating state of knowing in which resolution comes only with experimentation and therefore spurs action, even if premature

The image of Ambiguity is a river raft navigating rapids. Ambiguity demands that we take action before we're ready, because it's unproductive to stay where we are. The image of Agility is the oar on the raft. Agility allows us to take action, realize the need to move in another direction, and quickly course correct. In Ambiguous situations we need Agility to be able to “move on a dime.” A balanced nimbleness provides organizations with momentum as they move out of the Cauldron and toward the future. When organizations use this dynamic well they move from Transformational Ideas to a higher level of productivity, making the most of the opportunities generated by the Adaptive Change.

*Engaging Ambiguity* ∞ *Agility*

As we develop our Transformational Ideas we get caught in Ambiguity, a vacillation between the need to act quickly and the desire to thoroughly plan our actions. Agility, while not providing rules or regulations, allows us to move forward, knowing that some of our choices won't work and we will have to course-correct. In this way, organizations learn their way to their Vision. Agility goes hand-in-hand with design thinking, a process that emphasizes collaboration, iterative prototyping and redesign, and continuous feedback from stakeholders (including external partners and clients). As the organization moves closer to its Vision, the future becomes reality. With this, the reliability, repeatability, and predictability of our Transformational Ideas increase.

Leaders during this phase of change must set the boundaries of Agility, ensuring that the organization doesn’t become too comfortable with constantly changing direction and never investing in a single practical outcome. By maintaining the perspective of achieving the Vision, Ambiguity ∞ Agilityembeds innovative ideas into the fabric of the organization. To make the most of thisdynamic, the organization must create a culture of *Experimentation* rather than *Evaluation*. Adaptive Change creates the opportunity to permanently establish innovation as part of the organizational culture.

**Summary**

Integrating the Adaptive Change model with the VUCA ∞ VUCA' dynamic allows organizations and leaders to navigate change successfully. Although we have broken these out for the purpose of exploration, and one may appear predominate in a certain phase of the change cycle, all of the VUCA ∞ VUCA' dynamics are operating simultaneously. By harnessing both of these processes leaders can create a resilient business model and an organizational design that is both *influenced by* and *able to influence* the global turbulence in a positive and proactive way. This lays the groundwork and becomes the next practice for a 21st Century version of Scientific Management, one that comes to grips with our highly connected and interdependent world.

**References**

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KELLY, KEVIN, 1994. Out of Control, Perseus Books, Cambridge MA, p. 470.

KOTTER, JOHN, 1996. Leading Change, Harvard Business School Press, Cambridge, MA, p 33.

1. Dilemma: a situation that seems to either defy satisfactory resolution or require a choice between two equivalent alternatives [↑](#endnote-ref-1)
2. 70+% is a widely stated assessment of change failure rates across industries and initiatives [↑](#endnote-ref-2)
3. Satir’s change model was largely developed by practitioners who were trained to use her techniques. For further information see the Satir Institute of the Southwest, <http://www.satirworkshops.com/workshops/balancing-act/satir-change-model/> [↑](#endnote-ref-3)