



# THE FUTURE-FIT LEADER

Context is King in a VUCA World

Marco Mancesti | Talent Forum | 31st January, 2019

**Context is king. This is particularly true in an unstable and rapidly moving environment.** Every decision, every strategic plan, every change of direction, must be done within the context of the world it is happening in.

What's more, as our systems become more integrated with each other, our decisions often have unintended consequences.

Business leaders must then ask themselves, does this unstable complexity make stable planning almost impossible? Can there be a stable model for leaders to follow in an unstable ecosystem?

At January's Talent Forum in the IMI, Marco Mancesti, Research and Development Director from IMD, Lausanne, Switzerland discussed how leaders must prepare themselves and their organisations to navigate the disruption in this **V**olatile, **U**ncertain, **C**omplex and **U**ncertain (VUCA) World.

For Marco, the key for leaders leading in such uncertain times focuses on understanding the opportunities and challenges within the 'systemic', 'people' and 'self' layers operating in their organisations.

## **Systemic Dynamics**

The VUCA world creates systemic, complex challenges for leaders and their organisations. In years past, change may only have affected one part of the organisation, requiring focused attention on a specific aspect of the organisation.

Nowadays, in the VUCA world, leaders need to consider the systemic consequences of change and disruption on their organisations.

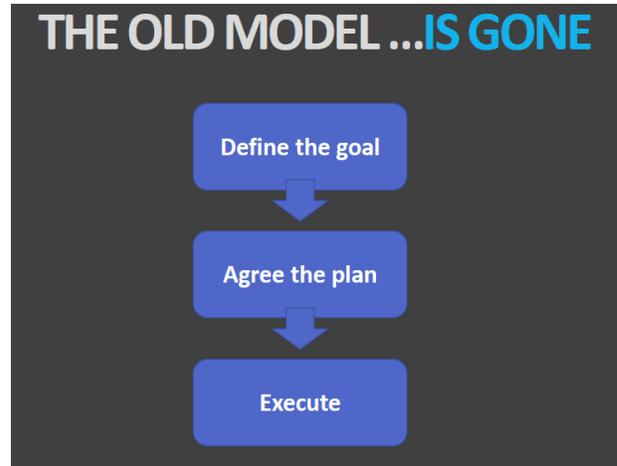
Marco believes that these systemic challenges are exposing traditional leadership styles and organisational strategy. The old three-step process of planning – define a goal, agree and plan, and execute – has become too simplistic.

'This model where you defined your goal, you agree your plan, and then you execute it... it was all fine because there was basically enough space for everybody in the business and provided you had a decent product and a reasonable strategy and decent implementation, you will be successful' said Marco. 'Now, things have changed, because things are changing all the time.'

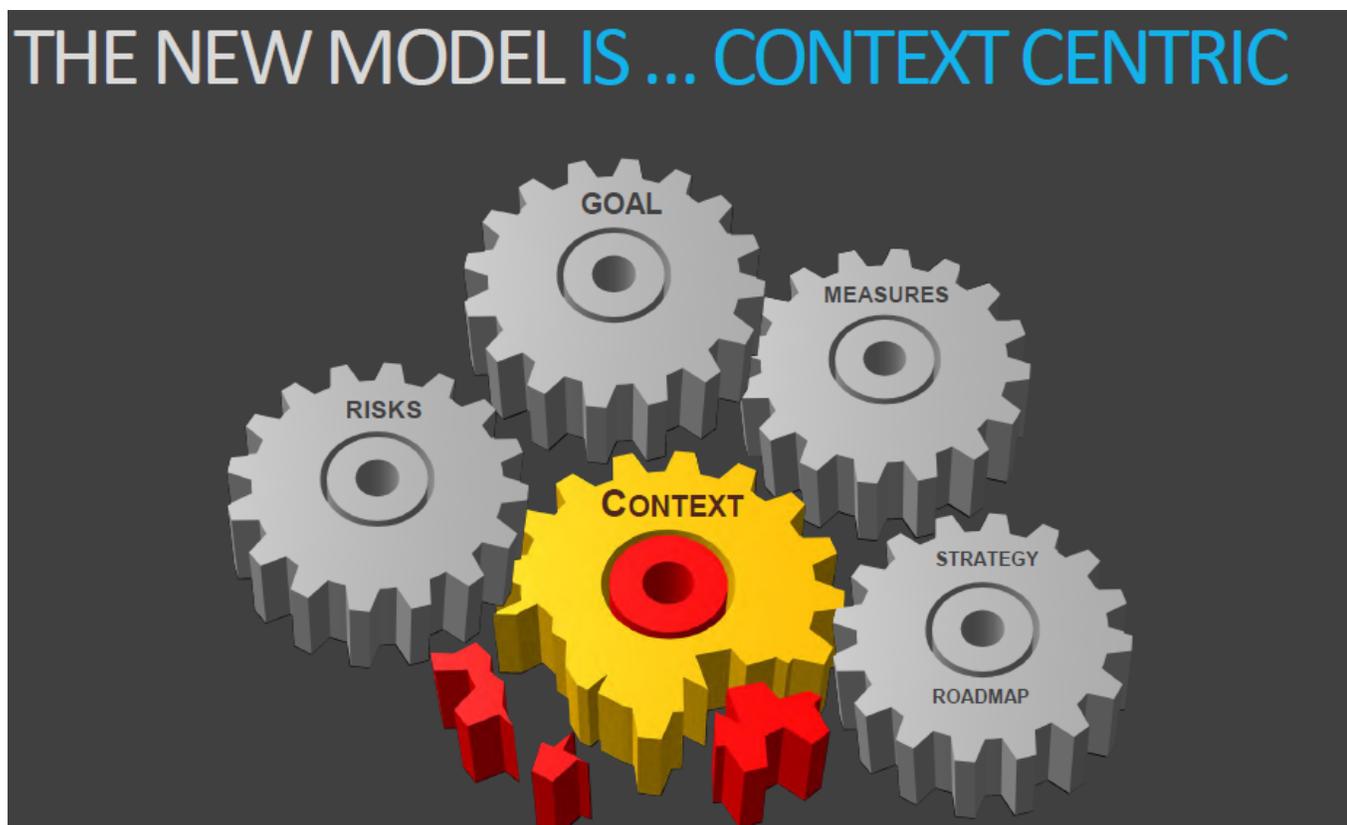
**Consider the Context**

More than ever, leaders need to consider the business context and the external environment. Marco maintains that the VUCA world requires leaders to think differently about change and strategy.

He proposes a new context-centric model which requires leaders to think about the internal and external challenges in their environments. According to the model, there needs to be an alignment between the different parts of the system for it to be effective.



*The traditional strategic planning model has become defunct*



Leaders need to think about strategy differently by placing 'context' at the centre of their strategy; thinking of it as more dynamic and a need for an alignment across the organisation. By doing so, leaders should be asking themselves questions about how this shapes their overall strategy.

'If the context is at the centre, how does it shape the overall goal of the company? And can you stay with the same goal all the time? And if your goal changes, are you adapting the indicators, the goals, the measures, to the incentive systems? What about the strategy? What about the risks?' asked Marco to the Talent Forum attendees.

In a context-centric system, Marco advises being contextually-mindful does not mean continually changing strategy, but it does mean recognizing that the pertinence of the strategy needs to be reassessed more frequently than before. It requires leaders to consider how the context may influence the system in terms of the goals, measures, risks etc.

## PIKES MODEL



*The PIKES framework to assess the dimensions of teams.*

### People Dynamics

Within most organisations, the talent, the employees, or the people are at the core of what an organisation does and how it does it. Within the future-fit organisation, the context and the macro trends and context impact the dynamics of people within the organisation. Moving into the future, securing, deploying and retaining talent will remain key concerns for organisations.

Marco pinpoints teams as a central focus for leaders and organisations in being able to negotiate contextual challenges and opportunities for their organisations. Marco uses the PIKES framework to assess the dimensions of teams.



The five criteria; alignment on purpose, perfect integration, specific knowledge, in-depth understanding of the ecosystem, and self-awareness focus on team readiness, and key questions are associated with each dimension;

- **Purpose** - why do they want to work in the company and why in that role?
- **Integration** - how will that person integrate into that team and how will that integration work? Can team colleagues give feedback to each other?
- **Knowledge** (innovation) - does the person have the competencies needed for the role? Is there capacity for innovation and to think outside the box? Is there a person to challenge the status quo?
- **Understanding of the ecosystem** - does the person have an understanding (or the capacity) of the internal and external ecosystem which is evolving?
- **The Self** - the capacity of the person to know their strengths and weakness and their ability to work within teams.

### Leadership Dynamics

Of course, leaders have a critical role in their organisations. Leaders, according to Marco, must understand ‘their self’ to understand how their actions are related to time and to their inner being.

Leaders must have a mind-set to understand how their actions and decisions are often related to time, whether that is, the present moment, past or future, or the “intemporal”. They must also be aware of one’s connection to the body/to emotions; to the mind and a connection to one’s higher purpose in driving actions.

Marco believes that a leader’s connection to the mind is the most important to make the right decisions for now and the future. For leaders, it is about balancing the connections of self, to try and understand what’s happened, and when it’s happened so that they can rebalance and to make sense of it.

Marco argues that for leaders, it’s more about the disruption-fit leader, rather than the future-fit leader, in which leaders are characterised by three traits.

- 1) Leaders should be “top-notch sensors” in which they understand their selves and have a connection to their ‘self’.



2) The disruption fit leader is “a master of informed accelerations” having the knowledge to be able to seize opportunities when the context allows.

3) A leader who is “obsessed in finding the opening in every context acceleration”. While the strategy may change more quickly within this model, it adapts to the context and allows the organisation to adapt more readily to opportunities and challenges within the environment



*Leaders need a new road map for a VUCA world*

### **Leadership in VUCA: The Integrated Alertness Model**

The Integrated Alertness model combines these three components outlined above; the systemic dynamics, people dynamics, and self-dynamics. It challenges leaders to sense not just within the layers but across them too to truly understand and consider the contextual nature of change within this VUCA world.

They know when to move, when to stay still, and when to do the same for the people around them. 'Disruption-fit leaders are masters of informed acceleration' said Marco.

### **The Disruption-Fit Leader**

The VUCA world presents challenges for leaders and organisations, and what has worked before, necessarily won't work again. The takeaway lesson from Marco is clear; “one thing is for sure, in a world that is changing so fast and which may impact organisations so brutally, the leader needs to be pretty grounded and solid”, leaders need to challenge strategy with minor adjustments to stay ahead because “it's the sprint which is exhausting.”