

Leadership Agility

Massive changes in our world are evidenced in news headlines on a daily basis. Among them are technology improvements, changes in foreign governments, health care changes, and economic concerns. Each of these has a significant impact on the workplace. For example, improvements in connectivity and automation have enabled companies to reconfigure business relationships in response to changes in markets, resources and skills. In turn, boundaries between organizations are blurring as companies strengthen interactions throughout their supply chain and customer networks and decide which processes to perform and which to outsource. This has profound implications for leadership as organizations navigate through these changes. In particular, it calls for a different set of leadership skills than in the past.

Organizations today exist in a **VUCA** (Volatile, Uncertain, Complex and Ambiguous) environment. The term **VUCA**, coined by the US Army War College, describes the dynamic nature of our world... characterized by:

- **Volatility** – The nature, speed, volume, magnitude and dynamics of change;
- **Uncertainty** – The lack of predictability of issues and events;
- **Complexity** – The confounding of issues and the chaos that surrounds any organization; and
- **Ambiguity** – The haziness of reality and the mixed meanings of conditions.

Successful leaders in the next decade will need to evolve, not through random and haphazard methods, but through systematic strategies that build capabilities to operate effectively in a VUCA environment. Leaders will need to adjust their business and management models to focus on the tremendous



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shift in how work gets done, as well as the greater resource constraints under which it happens. Change is occurring at warp speed in all industries and, as we at Seattle University launch our new Health Leadership EMBA program, we are especially sensitive to the changes in government funding, insurance, technology and other healthcare related issues that our students will be facing in their work.

Research indicates that many organizations are struggling with how best to lead in a VUCA world. In a 2010 research report based on interviews of over 1500 global CEOs, researchers identified the following leadership challenges (IBM, 2010, p. 8-9):

Complexity – Today's complexity is only expected to rise. 79% of CEOs anticipate even greater complexity ahead.

Creativity – Creativity is the most important leadership quality, according to the CEOs surveyed. Standouts practice and encourage experimentation and innovation throughout their organizations. Creative leaders expect to make deeper business model changes to realize their strategies. To succeed, they take more calculated risks, find new ideas, and keep innovating in

how they lead and communicate. They invite disruptive innovation, encourage others to drop outdated approaches and take balanced risks.

Customer Intimacy – The most successful organizations co-create products and services with customers, and integrate customers into core processes. Successful CEOs make customer intimacy their number-one priority. Ongoing engagement and co-creation with customers produce differentiation.

Organizational Dexterity – Better performers manage complexity on behalf of their organization, customers and partners. CEOs do so by simplifying operations and products, and increasing dexterity to change the way they work, access resources and enter markets around the world. Dexterous leaders expect 20 percent more future revenue to come from new sources.

NEW CHALLENGES REQUIRE NEW THINKING

It is critical to clarify how assumptions have changed from the 20th century business model to a model that effectively addresses the **VUCA** world in the 21st century. Organizations no longer have the luxury of adhering to outdated talent-management assumptions and resulting models. For example, work is still often structured around an 8 AM to 5 PM, Monday through Friday workweek which is out of step with the way work is really conducted in today's world. This and many other assumptions need to change as we acknowledge the reality of our **VUCA** world.

LEADERSHIP AGILITY TO NAVIGATE A VUCA WORLD

So what is required of leaders to survive and thrive today? Successful leaders will need to anticipate and rapidly respond to changes in the

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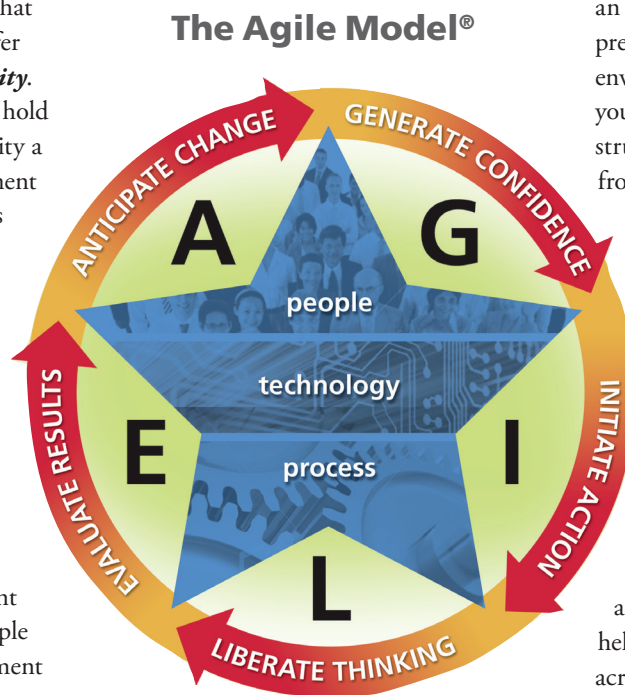
business environment with actions that are focused, fast and flexible. We refer to this capability as *leadership agility*. Where does one begin? What levers hold the most promise for increasing agility a significant amount and on a permanent basis? These are important questions to answer if one is to move beyond wishing for agility to a place where agility is embedded into a leader's DNA.

Leaders must appreciate and accommodate different personalities and interpersonal dynamics. They'll need to anticipate change impacting the organization, apply new technology to speed decision-making at the point of customer contact, integrate multiple disciplines and provide the environment and expectation for employees to recommend improved work solutions and new products/processes. In addition the agile leader will be expected to emphasize collaboration across cultures, geographies and organizational boundaries, using just-in-time metrics to help guide decision-making, and interpret diverse and multiple streams of information.

In order to best respond to these challenging and complex issues, it is critical that leaders have an in-depth understanding of the competencies needed to succeed in this environment of change. The Agile Model®, (see graphic this page) is a clear and comprehensive framework that provides a roadmap to help managers at all levels build agile leaders.

The five key components to The Agile Model® of Leadership are:

- Anticipate Change:** Interpret the potential impact of business turbulence and trends along with the implications to the enterprise.
- Generate Confidence:** Create a culture of confidence and engagement of



all associates into effective and collaborative teams.

Initiate Action: Provide the fuel and the systems to make things happen proactively and responsively...at all levels of the organization.

Liberate Thinking: Create the climate and conditions for fresh solutions by empowering, encouraging and teaching others to be innovative.

Evaluate Results: Keep the focus and manage the knowledge to rapidly learn and improve from actions taken.

WHAT YOU CAN DO TO DEVELOP AN AGILE WORKPLACE

Let's explore some specific actions that you can take in your organization to develop a team that will provide the agility necessary to meet the demands of our incredible changing environment.

Sourcing and Selection

First and foremost it is important to put in place systems and processes to ensure that the talent you're sourcing and hiring has the competencies of

an agile leader as well as a focus and pre-disposition to work in an agile environment. Working closely with your Human Resources team to develop structured interview questions that elicit from the candidate specific examples of how and where they've displayed agility will be invaluable as you make your hiring decision.

Rewards and Recognition

Structure at least part of your rewards and recognition process to recognize those employees who readily adapt to change and are agile leaders.

Consistently rewarding this type of behavior and "baking" it in to your annual performance assessments will help to reinforce and sustain this quality across your workforce.

Development

Put in place leadership development, training, mentoring and coaching programs that teach and emphasize the ability to change and adapt. These programs should provide participants with the specific tools and techniques to hone, develop and build their agility skills.

Retention and advancement

One of the best ways to continue and sustain an agile work environment is to ensure that your leaders have, use and role model the agility competencies. It will be critical as your team builds these skills that those who lead the way are not only retained by the company but also are promoted to even higher levels of authority and responsibility. This will ensure that your top management team exemplifies and reinforces Leadership Agility throughout the workforce.

In summary, leadership agility is the capability of a leader to dynamically sense and respond to changes in the business environment with actions that

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The Center for Leadership Formation (CLF) provides innovative, world-class executive education to mid- to senior-level professionals with an emphasis on leadership, business expertise, and a commitment to social responsibility. We recognize that the business world is evolving right before our eyes, more quickly than people ever imagined. In order to survive and thrive in this time of rapid change, organizations must be fast, flexible, and adaptive. And their leaders must learn to harness the power of today's business drivers: technology, innovation, globalization, and above all else, leadership.

No one understands these drivers better than the Seattle University Center for Leadership Formation; no one is better prepared to help you influence positive change in your organization and in your life. As a minimum, leaders must be effective in their roles. Ideally, they have great impact on the kinds of challenges we need leaders to resolve.

Accepting applications for the Leadership EMBA, Health Leadership EMBA and Executive Leadership Programs for Fall of 2012.

Email EMBA@seattleu.edu to learn more!

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are focused, fast and flexible. It is about a leader's ability to prepare all employees for a **VUCA** world that enables them to shift their mindsets and supporting skills to a laser focus on change and adhering to the principle that "I see change coming and I am prepared and am already doing something about it."

REFERENCES

The Agile Model®, www.AgilityConsulting.com
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