



Ushus-Journal of Business Management
2021, Vol. 20, No. 1, 89-111
ISSN 0975-3311 | <https://doi.org/10.12725/ujbm.54.5>

Leading in a VUCA World

R Ramakrishnan*

Abstract

The current COVID-19 virus has put the entire world in lockdown, creating one of the worst times of a VUCA world. The changes that are happening because of the pandemic are large scale and occur suddenly. There is a shortage of leadership everywhere. Leaders are unprepared to lead effectively. In this fast-changing and disruptive environment, command and control structures fail. Leaders are expected to act on incomplete or insufficient information. They do not know where to start to drive change as increased complexity makes it difficult. Leaders lack time to reflect and end up acting too quickly or acting too late as they get stuck in analysis paralysis. They are far removed from the source and are forced to act with a limited understanding of events and their meanings. The role and type of leadership are being tested as we are trying to come out of this crisis. Leaders cannot predict the future but need to make sense of it in order to thrive. This paper would analyse challenges that are being faced by leaders in this critical period and how these can be converted into opportunities like a vaccine for the virus.

Keywords: VUCA World, Leadership skills, COVID-19, Disruptive environment

1. Introduction

Super diversity and super mobility of our time are resulting in a VUCA world. The VUCA dangers refer to security, economic,

* Chief Consultant, Vivin Consultants, Chennai, India;
ramakrish54@gmail.com

market, and workforce conditions. They represent the context in which leaders and their organisations view current conditions and anticipate operating in their future state. VUCA is a new normal that is real and going to stay. Organisations need to modify their practices as per the demands of this “new normal” environment. Managers and leaders need to think out-of-the-box to adapt to this new and continuously changing environment. The VUCA world encompasses four similar-sounding yet strikingly distinct challenges. Leadership is the pivotal force behind successful organisations. It is necessary to create vital and viable organisations. Leaders can make better organisations, better communities, and a better world with new skills. They develop a new vision and direct organisational changes to achieve the same. Leaders build confidence and empower their employees to try out new ways of doing things. The confidence instilled by creating the visions of the future overcomes any resistance to change. Self-interest and individual takeaways that will reward them alone will not be enough. They need to be selfless and broaden their concept of self to include the larger systems. They must utilise the shared assets and opportunities around them for the benefit of all. Leaders make and remake organisations, as maker instinct is basic to leadership. Leaders need to have clarity on what they are making and be flexible about how it is made. They should be able to come out of dilemmas more than being problem solvers. Leaders need to have the ability to ease tension, bring people from divergent views to constructive engagement. The ego has no place here. They must be able to be open and authentic about what matters to them without advertising, without becoming a big target. Leaders need to be transparent and innovative, ready to learn from early setbacks and consolidate. They must be smart enough to create and engage with social networks. Leaders do the right thing while managers do things right. The difference is between effectiveness and efficiency.

2. Research Methodology

This is a conceptual paper on leading through the VUCA world. The term VUCA, its characteristics, and implications are discussed first. An attempt is made to look at selective literature on leadership that

may be suitable during a crisis and on VUCA times from the literature on leadership. Based on these literature reviews, the implications of various leadership applicable during the VUCA time are discussed. The ongoing COVID-19 pandemic is an unprecedented manifestation of the VUCA world in its fullest form. In this paper, the current scenario is discussed, and possible ways of resolving the issues are given as a conclusion and recommendation.

3. Literature Review

Barentsen and Kok (2017) and Van den Broeck and Jordaan (2018) opines that we are in one of the fastest-changing times in history amidst a digital, communication, and travel revolution. Stiehm (2002) asserts that acronym VUCA for Volatile, Uncertain, Complex, Ambiguous) coined by the US army war college describes the dynamic nature of our world today and can be used to prepare for the unknown. It is based on the leadership theories of Bennis (1959), who asserted that leadership affects the quality of our lives, like our blood pressure. The "V" in the VUCA is for volatility, referring to unpredictability of the nature, speed, volume, and magnitude of change (Sullivan, 2012). It is a state of dynamic instability brought about by drastic, violent, and rapid shifts. A volatile situation is one that is unstable and unpredictable. The situation is unstable and can be with an unpredictable duration. However, it is not an unanticipated situation. Knowledge about a similar challenge is known and expected. This turbulence has been quite frequent in the last 30 years, and its drivers are digitisation, connectivity, trade liberalisation, global competition, and business model innovation (Reeves et al., 2012). The "U" is for the uncertainty that makes forecasting extremely difficult and decision-making challenging due to the lack of predictability in issues and events (Kinsinger & Walch, 2012). It is different from volatility as in a volatile situation change is inherent. It can come in different magnitudes and may happen quickly. Here change is not inherent. There is a lack of information. Nevertheless, the basic causes and likely effects of the event are known, and the outcome generally results in a substantial change. The "C" is for complexity due to the presence of numerous and difficult-to-understand causes and mitigating factors (both

inside and outside the organisation) involved in a problem leading to confusion and ambiguity. It is again distinct from volatility and uncertainty. There is no unpredictable change or lack of information. However, one has to put great efforts to collect, understand all the relevant information. The sheer volume and the nature of the problem could prove to be overwhelming and makes decision making more difficult. The A for ambiguity is the absence of clarity about the meaning of an event (Caron, 2009). Again, it is distinct from the earlier components of volatility, uncertainty, and complexity. As the causal relationships are unclear, the real issues of threats and opportunities are not clearly understood. The situation is unprecedented, and one is faced with the unknown. Complexity increases exponentially, leaving many people behind. To meet the challenges of a complex world, strategic planners need to understand the differences between the four elements of VUCA - volatility, uncertainty, complexity, and ambiguity. There is an important need for identifying, getting ready for, and responding to events in each category of the VUCA world. (Bennett & Lemoine, 2014). The critical success factors of responsible leaders living in a VUCA world are based on sound business principles, a firm's ability to respond speedily, strong collaborative networks, innovation, and ethical practices. According to Johansen (2012), leaders make organisations with more or less involvement by others. They will grow; re-grow as the maker instinct fuels that growth repeatedly. They can make the future only when they have clarity first. They get clarity by learning new skills and becoming nodes and hubs that form, nurture, and grow networks of individuals. Leaders must have the ability to visualise the path before others can see it. They must be able to see the light at the end of the tunnel and find a viable direction to proceed after seeing through the messes and contradictions. Leaders require great self-knowledge, inner strength, and discipline to have clarity. Connecting problem typologies with leadership styles are not new. Grint (2008) proposes leadership and management as ways to approach "wicked" and "tame" problems – those that have technical solutions, even though they may be complex – respectively. He introduces a third category of problems, the "critical problem" – one that requires urgent decisions because of the consequences attached to delayed action. He suggests command

(authoritative decision-making), leadership (consultative approach, asking the right questions), and management (scientific prescription) as the approaches most suited to critical, wicked, and tame problems, respectively. Management is a process driven by a pursuit of efficiency, effectiveness, and upwards accountability to formal authority. The manager-staff relationship is what Northouse (2018) describes as a "unidirectional authority relationship". Leadership, on the other hand, is a multidirectional influence relationship that deals with change and movement (Kotter, 2001). Power is the means and authority that leaders use to influence others. Leadership and management are part of different systems of action and therefore require different approaches for development. Management is a process driven by a pursuit of efficiency, effectiveness, and upwards accountability to formal authority. We need to differentiate it conceptually from power and management because these concepts are often confused with leadership. Leadership and management are interconnected. However, they are part of different systems of action and therefore require different approaches for development. Leadership aligns people with purpose, priorities, and resources; good management then takes over to deliver results. The coupling points between leadership and management are the domains of action and mark the transitioning of mindset from a managerial one to a leadership one. For leaders to increase their ability to deal with complexity, they need to modify and enlarge the way they give meaning to life. The leadership journey begins with self-knowledge and self-awareness (Rosenbach, 2018). Modern perceptions of leadership assume it as a good and positive thing. Burns (1978) looked at leadership as action in the pursuit of significant and morally desirable change by uniting leaders and followers. Bennis and Nanus (1985) proposed that leaders are people who "do the right thing", and Bass (1990) used the term transformational leadership to describe inspirational leadership wherein followers are elevated and empowered. Effective leadership is based on the follower's perception of the leader's behaviour (trust and commitment) and his understanding of the leader's values (integrity) which stems from his motive (institutional power). Ineffective leadership is based on the follower's perception of the leader's behaviour (distrust and inconstancy) and his

understanding of the leader's values (dishonesty) which stems from his motive (personal power). David McClelland (1970) proposed that the need for power is bifurcated into two entities – personal and institutional or social. Personal power represents the leader's need to fulfil his desires at the expense of the power held. This need is undesirable. Institutional power represents the leader's need to organise his followers' efforts to fulfil their goals and achieve the goals set by the organisation. Coldwell et al. (2012) opines that responsible leadership or management need to embrace all the five aspects of the definition of *responsible* by Collins dictionary (1978)

- “Expected or obliged to account”
- “Involving obligations or duties”
- “That can be charged with being the cause agent, etc.”.
- “Able to think and act rationally and hence accountable for one's behaviour”
- “Dependable or reliable, as in meeting one's obligations”

Doh and Quigley (2014) relate responsible leadership with corporate social responsibility and stakeholder management as the focus of the exchange of the leader is with followers, team, organisation, and society. Sarkar (2016) identifies responsible leadership as the type of leadership needed to succeed in a VUCA world. Responsible leadership combines the essential qualities of the transformational, servant, and authentic leadership styles. The leader here encourages teamwork while setting high-performance targets and eggs on for out-of-the-box thinking like the transformational leader. Uhl-Bein & Ospina (2012) draws lessons from military leadership to take a multidisciplinary, long-term view of relationships, focusing on both process and actors. Strong relationships over time contribute to influence, facilitate "jointness," and encourage collaboration towards developing common perspectives and robust solutions. These lessons are equally applicable to crisis management, peacebuilding, and development. Bass (1990) defined leadership as the nature of the influencing process. It is a universal activity evident in humankind and animal species. It is required, according to Katz & Kahn (1978), to enhance subordinate motivation, effectiveness, and satisfaction, to

complement organisational systems at the supervisory level, and to ensure coordinated functioning for interaction with a dynamic external environment at a strategic level. Leadership cannot exist without people—the followers, including other leaders—to influence and can be seen as a relationship between two or more individuals in a system (Day, 2014). Combining relational and complexity dimensions with a more widely agreed idea of leadership as influence, leadership in organisations is the art of influence and nurturance of positive changes in a complex adaptive system.

Conner (1998) believes that any change action has a chain reaction that affects the whole organisation. Organisations need to understand that the drivers of change are all connected and affect each other. The leader must have the ability to inspire, motivate, and foster commitment to a shared purpose (Bass et al., 1987). A servant leader empowers the subordinates by putting their interests above his leading to creativity. The authentic leader part comes when the leader listens and integrates diverse perspectives into his decisions, ensuring agility, flexibility and participation by others. Such leaders have sound business knowledge, humble, ethical, strong networking ability and belief in the power of giving, qualities aligned to the critical success factors for survival in a VUCA world. Rodriguez and Rodriguez (2015) point out those changes in organisations are sudden and continuous, and both of them create confusion and complexity. This ambiguous situation creates ambiguous dilemmas for every decision made, affecting the organisational core values as well as the individual's ethics. Horney et al. (2010) stresses strong collaboration and balancing relationship management and task achievement. Leaders need to infuse collaboration into work processes, job roles and monitoring, and rewards and development systems. They need to generate changes in mindsets and behaviour by sharing knowledge and information involving people from different parts of the world and different generations. Gesell (2010) looks at the issue from the generational dimension. The current generational mix of (born between 1946 and 1964), Generation X (1965–1980), and Gen Y or Millennials (1981 to 2000) make leadership more complex and less effective. Each generation has a

different set of ideals, attitudes, memories, and life expectations that result in different behaviour patterns (De Campo et al., 2011).

Chakraborty and Chakraborty (2008) refer to the ego and the self. Personal power directs ego and institutional or social power directs self. The ego represents the lower identity of the individual who strives to use power to enrich himself from the resources available in the organisation. Institutional power is used for the larger good and extends beyond personal gain. The benefit of this power is inclusive of the organisation, employees, customers, and other stakeholders. The leader is aware and accepts this without dependence on external symbols and rituals. The quality of the core competencies of expertise, learning, openness, integrity, altruism, and decision-making is reflected by the style of the prime motive of power. The efficacy of these competencies is shaped by the individual's ability, capacity, and willingness for good governance. Leadership cannot function without ethics and is an integral part of the leadership process and content (Rost, 1995). It directs and evaluates moral choices like right or wrong, seeks to institute principles, and explores values appropriate for the organisation. Trust involves being trustful and trustworthy. A virtuous leader tends to trust others and is trustworthy. The leader's relationship is based on the co-creation of ideas and thoughts and the adoption of a transformational approach (Glaser, 2014). When they feel responsible for their progress, people develop fast. Leaders need to help people to be captains of their destiny by being in the driver's seat of their development. True leadership talents need to emerge at all levels of the organisation. Leaders need to build trust and engage all employees at all levels in dealing with the great range of challenges that VUCA poses. During situations of extreme change, due to this trust, subordinates balance respect for hierarchy with adapting to a disaster requiring collaboration, hereby emphasising responsiveness to the leader's direction. DeKlerk (2019) explores change leadership in the context of traumatically experienced change and opines that change management is dealing with the people and their experiences and not about managing change. Creativity is another essential component of these conceptual maps because leaders typically must work with novelty

that requires the generation of new understandings and solutions (McCauley, 2004).

According to Mitchell et al. (2014), these behaviours will energise the followers toward a new common vision and elevate them beyond their self-interests. According to Horney et al. (2010), leaders must make continuous shifts in people, processes, technology, and structure. This requires flexibility and quickness in decision-making. Organisations need to become "adaptive firms." today by shifting their business models and their leadership skills. Adaptive firms get an "adaptive advantage," as they can adjust and learn better, faster, and more economically than their peers learn. Trauffer (2008) asserts that today's leaders need strong discernment, which may be defined as the "ability to regulate one's thinking in the acquisition and application of knowledge to make decisions that are not only right but also fair and just." A VUCA world presents a lot of dilemmas of balancing risk and creativity, mobilising without losing control, providing leadership during bottom-up change, and reducing unproductive complexity without oversimplifying the risks. Leadership can be defined in organisations as the art of influence and nurturance of positive changes in a complex adaptive system combining relational and complexity dimensions with a more widely agreed idea of leadership as influence. Decision-making involves a choice from a set of options or variables with a purpose, be it individual or organisational. Decision making to be ethical under relevant circumstances needs to satisfy certain universal and local normative standards. Decision-making acts as a key measure of effective leadership. Decisions are made in the context of fulfilling needs. In an extreme emotional state, the physical, physiological, and psychological elements in human beings are stressed and the behaviour expressed can be offensive. The application of the cognitive process prevents reactive behaviours and promotes proactive behaviours. Cognition is the thought process that includes information, knowledge, awareness, perception, problem-solving, reasoning, and judgment. A leader's decision-making ability depends on the extent of effective organisation of these mental facets. The effectiveness can be developed by connecting each of these facets in a constructive manner that will facilitate the leader's communication with the outside world. Commitment refers to the

coherence between beliefs/values and behaviour. It relates to self in terms of self-improvement, having a purpose and the determination to realise the purpose, and other stakeholders, such as the organisation, employees, and customers. Employees who watch for 'what is not going right' rather than 'what is going right' constantly monitor a leader's behaviour to commitment. Vacillating commitment is the surest way of reducing leadership value. Openness is the willingness to accept new and different ideas positively, which may not align with established norms. It plays a critical role in changing management. The leader's extent of openness influences the degree of openness amongst the followers and influences the quality of his decisions (Hutton, 2012). Openness encourages transparency, information sharing, progress and overcoming errors. The world has continued to see VUCA in many forms. Millar et al. (2018) offered several recommendations to leaders to enable them to show resilience and again innovate in this VUCA world. A number of these would assist new-normal leaders in building capacity for change. A big part of leadership for the VUCA world is the ability to provide ecosystem and network entrepreneurship. Organisations and managers need to integrate functions and processes within the company to create dynamic capabilities with faster cycles and continuous innovation processes. When change is the norm, the first quality for a new-normal organisational change leader is flexibility and resilience. It is an ability to recharge through organisational and resource fluidity as if one is working in a start-up instead of a mature company. The second one is building trust and shared vision with all stakeholders through shared perspectives and shared experiences. The third one is creating new skills and tools to respond to the new systems thinking in the organisation.

The VUCA world requires unusual leadership. According to Bawany (2016), leaders need to **LEAP** through the fog and demonstrate core cognitive readiness competencies to lead successfully in the VUCA world. They have to possess the following traits as well:

Liberal: They should be open to new behaviour or opinions. They must also be willing to adapt or discard existing values, if and when necessary, to adapt to the new world.

Exuberant: They also need to be energetic, passionate, and optimistic in engaging the team and other stakeholders.

Agility: They must change proficiently and evolve the learning organisation with next-gen leadership competencies like cognitive readiness, critical thinking, and emotional/social intelligence, amongst others.

Partnership: They must build partnerships with teams as well as externally with other stakeholders, including customers and suppliers, based on trust.

The new-normal leaders have to consider and decide in the next step to what extent change as the norm means. They need to create a sense of urgency for change, pointing out the advantages of the new way of working and highlighting the disadvantages of how things are done today. They have to explain how this change links to other changes so that there is a feeling that everything is connected and contributes to an overall improvement. They need to provide credible answers about the impact of the change and communicate these in a variety of different ways to appeal to different communication preferences. They must create psychological support for trying out new ways of working without fear of humiliation and blaming for mistakes. They have to encourage staff to make lasting changes to their techniques, priorities, and work habits so that the change becomes normal. To be effective, one needs to form trusting relationships with those affected by the change.

According to Boin's (2006), a crisis involves:

- A situation where the core values of a system are under threat
- A period of discontinuity
- A period where critical decisions need to be made
- A destabilising effect on the organisation and its members
- An escalation of one or more issues, errors, or procedures

The role of a leader during a crisis can be seen from the following three streams of research.

- Normal accident theory (NAT): A systems perspective sees crisis as a normal part of operating in a complex, dynamic, and high-risk environment. Despite human efforts to improve, reliability leaders and their organisations remain vulnerable to crisis. Once a crisis has erupted, leaders have to respond.
- The approach of High-Reliability Organisations (HRO) that focuses on the cognitive aspects of intra and inter-team coordination. Here, leaders create the ability to make sense out of situations and overcome the crisis by improving coordination.
- The third approach to crisis leadership involves descriptions of crisis (e.g., Berinato, 2010), first-hand accounts (e.g., Barton, 2008) and journalistic inquiry (e.g., Maclean, 1992). They usually involve accounts of direct experience with leading during times of crisis.

According to Klein (1999), by offering insights into how leaders cope with new technology, respond to innovation, get work done, and learn both HRO and NAT collectively guide understanding of the crisis. After all, a crisis continues to be a regular visitor, in one guise or another. The word crisis derives from the Greek word 'krinein', a time which requires one to decide. It provides a turning point or 'moment'; not necessarily something to fear, but something which brings about a change in our way of knowing the world. Burnes (2004) sees change both at an operational and strategic level as an ever-present feature of organisational life.

An organisational crisis tends to be reactive, discontinuous, and arbitrary as the need for change is often unpredictable. The survival of an organisation during times of great stress and uncertainty relies on the ability of its members to persist and persevere in their work, despite the adversity they face. In other words, employees must demonstrate resilience. Wooten & James (2008) opine that leaders must draw on a specific set of competencies during a crisis to drive the crisis toward resolution while preserving

or enhancing employee morale and commitment and the organisation's functional capabilities, financial and other resources.

4. Discussion

Relationship and influence without people are meaningless; people are the common denominator for purpose, relationship, and influence. Leadership is directed at people and for people, moving them and the organisation towards a better future. The people's sphere includes followers, peers, and other leaders. The leader sphere captures mindset, distal and proximal attributes (Zaccaro et al., 2004), worldview, cognitive biases, and other internal influences that affect reasoning and drive decisions. Leadership is a unique dialectic and thus has a subjective quality in every leader-follower relationship. Leaders need to have a vision of the organisation's future direction. The vision serves as a source of inspiration and as a compass, which guides organisational development and decisions. The vision is meaningless unless it is equally connected to people, values, mission, and objectives. Leaders deliver change that extends to systems, organisations, and individuals. Change occurs in the physical domain, but mindsets are equally important. The development of leadership at all levels is critical at all times and especially during crisis management, where leadership decisions have far-reaching consequences. Leadership is required for many reasons and is a never-ending journey. VUCA requires the willingness of leaders to take considerable risks and devise new strategies. The organisations need to bring a new perspective into the practices to suit the demands of the VUCA world. To excel in a VUCA environment, organisations need strong and agile leadership, resilient learning leaders who can persevere in the face of resistance and setbacks as team members and involves time. Developing leadership capacities should be an essential practice in the VUCA world. To ensure effectiveness, leaders must focus on values and beliefs of altruism, integrity, learning, and openness. Leaders must be able to link their personal experiences, visualise future possibilities, and create a road map before others. Great leaders always had this ability, but in the VUCA world, it is going to be more

difficult to trace the pattern. Clarity is of utmost importance, as VUCA will create confusion. Clarity requires external engagement as well as flexibility. Leaders need to express themselves clearly and confidently in such times. This poses the most dilemmas for the leader as he tried to provide clarity without inducing false hope. They should be able to attract others with enthusiasm with plans that are simple and precise. They need to find opportunities in the challenges that lie ahead. The VUCA times demand collective effort and collaboration from heterogeneous groups for wise decision-making. Millennials are willing to make collaborative decisions, but when vanity on both sides leads to a standoff due to generational differences, appropriate decision-making cannot happen. In this VUCA world, only the fittest can survive. Leaders require flexibility and quickness in decision making in this environment of growing uncertainty, complexity, and ambiguity. Positive and effective leadership navigate us through crises, forge ahead in moments of ambiguity and rebuild communities. In a VUCA world, relationships are critical: Leaders need to embrace complexity as an opportunity, value collaboration and develop a network mindset. Robust tools for diagnosing and developing relationships should follow as scholarships on relational leadership grow.

As organisations navigate turbulence, we need agile leaders who can deal with information extremes, take critical decisions, and deliver change. To develop leaders, we need to understand leadership. We also need to understand the similarities and differences between leadership and management. It is best to understand that leadership practices are a continuing process. Although leadership values are static, the expression of these values emerging as behaviour needs to be innovative and matching with time, culture, and generations. The predominantly benevolent leadership style that worked during the time of baby boomers is no longer effective with the present generation. The present generation is looking for challenges, mentoring, and frequent feedback from their leaders. The long-sightedness of past leadership behaviour has been replaced by shortsightedness in meeting immediate goals and achievements. In the past, leaders have built institutions that have outlasted them for many generations (Tata, Godrej, and Bajaj) and stand tall and proud to this day. Their leadership vision and strategies have evolved

down generations to meet the industry's present and future needs. The leadership model cannot be looked upon as an ultimate because leadership is evolutionary. The model is intended to get the leaders to introspect on their intent and values and question the existing attitude of leaders on leadership – do we continue to perceive the world from a magnifying glass.

Today the VUCA business environment needs to be scalable, nimble & sustainable and repeatedly transformed to survive and sustain the effects of the external and internal environment. It requires leaders to possess more complex and adaptive thinking abilities to grapple with the disruptive change in technology, competitor dynamics, and consumer expectations. Agility and adaptability are the required skills for leaders now.

For leading in this VUCA, world leaders have to adapt by

- Creating an open environment that accepts diverse perspectives, values, discovery, and experimentation.
- Detecting the weak signals that make use of opportunities enabled by new technology or foretells shifts in customer loyalty.
- Translate new information into differentiating capabilities by conducting iterative dialogues that create new ideas.
- Understand the learning gaps for individuals, teams, and the organisation's practices, processes, and systems by unpacking business challenges.
- Strengthening thoughtful decision making in the organisation.

For winning in a VUCA world, leaders have a major role to play in ensuring their organisations are responding to the requirements of the VUCA environment. They have to bring in value-led and purpose-driven leadership that redefine the role by living and breathing those values every day. It is about being clear about their ethical compass and sticking to them in good times and adversity. Leadership as to change from an individualistic to a collective process, which requires a paradigm shift of leadership, spread across

networks of people. By democratising and innovating, we need to develop collective and responsible leadership. Responsible leadership is building on the following treatise: "Best will come back to you when you give the world the best that you have". Complexity frequently entails emergence, where interactions at the micro-level produce a qualitatively different phenomenon at the macro level. Similarly, under VUCA conditions, leaders can catalyse the capacity of the organisation to self-organise by developing absorptive, adaptive, and generative capacities. "Absorptive Capacity" is that which enables a firm to innovate dynamically and continuously. Drivers of absorptive capacity include learning relationships, environmental conditions, and internal and external knowledge. Collectively, absorptive, adaptive, and generative capacity reflects key competencies that leaders and organisations need to thrive in VUCA environments. Building on the insights above, there is much that leaders can do to develop these three capacities within their organisations.

The new-normal change leaders need to have

- A focus on people, human resources, mentoring, learning, healing emotions;
- A leader who is a facilitator, never top-down, conscious of leadership development;
- A healthy working environment, respect, exchange of ideas, a creative class;
- Build trust by sharing with teams, embracing equality and diversity;
- Have vision and commitment to the vision through talent, technology, storytelling; and
- Creating dynamic interplay between all stakeholders, employees, customers, investors, shareholders.

Leadership development is critical at normal times as leadership decisions have far-reaching consequences during crisis management. Agile leaders who can deal with information extremes can take critical decisions and deliver needed change as

organisations navigate turbulence. A relatively small cause can have huge worldwide consequences due to globalisation (Butterfly effect). Trial and error have become the only way forward in the fast-changing sectors of the economy as the world has become so unpredictable. Organisations are trying to be proactive by continuously developing new products and services by imagining what the world could be like tomorrow.

Old certainties have disappeared in a mist of haziness and misunderstanding. The ubiquitous availability of information has reduced clarity and increased complexity and unpredictability that many leaders avoid taking positions. Strategic leaders in the VUCA world need to:

- Set up incremental milestones, particularly when goals and priorities keep shifting. They need to develop consistent messaging and give clear direction.
- They must always have the big picture while trying to solve all challenges at hand.
- They must retain a clear vision over which judgments should be made while responding to rapidly unfolding scenarios.
- They must develop processes and concepts to test new ideas and existing challenges.
- They must always be open to new opportunities without losing sight of the longer-term goals.
- They should be open to communication among employees, encourage networks, and develop interdisciplinary and collaborative teams.

Strategic leaders should develop new strategic-thinking mindsets among employees. Strategic leaders work in an ambiguous environment, and these environmental factors are influenced by occasions and organisations. The main objective of strategic leadership is strategic productivity, forecasting the organisation's requirements, motivating employees in idea generation, etc. To facilitate this, a strategic leader must possess competencies to foresee and comprehend the work environment.

They should keep themselves updated about what is happening within their organisation. They should have the ability to go beyond the borders and think out-of-the-box. Leaders must be compassionate to understand the views of their subordinates and make decisions after considering them. They must have the self-control to manage their moods and emotions in case of ambiguity of the situation and should be aware of the ins and outs of situations and the complexity involved. Leaders should be willing and ready to change as the situation demands. They also should articulate enough to communicate the vision of the organisation and drive everyone towards the attainment of that vision. Leaders need to work on their energy to be able to function at their best. Focusing on their physical and mental well-being, spending time with their families, and making efforts to recharge will all go a long way in building capacity to run what is increasingly appearing to be a gruelling marathon over a short sprint?

5. Conclusions and Recommendations

According to Bennis WG (2007), the four major threats to world stability are a nuclear/biological catastrophe, a worldwide pandemic, tribalism, and the leadership of human institutions. Exemplary leadership is required to solve the first three problems for sure. Right now, we are amid a worldwide pandemic that has put us into a VUCA world where all four components are present. COVID-19 has been declared as a pandemic, and lockdowns are going on in various parts of the world for the past three months. This has created an unprecedented situation worldwide. It has exposed the lack of global leadership. The current Covid-19 situation requires leaders to cut through the noise to identify and address the most critical issues at each point. It also demands that they think ahead, and retain the sight of the bigger picture to avoid decisions that could have unintended adverse consequences, today as well as down the line. In addition to this business intelligence, the rapidly changing nature of this crisis necessitates agility in thought well as action, where leaders need to evaluate and continually recalibrate the way forward as the situation evolves. Given the complexity and gravity of what we are dealing with, a leader would have to be

superhuman to be able to handle it all alone. Learning intelligence, i.e., the ability to learn from and leverage others' thinking and experiences, becomes especially critical, allowing leaders to make well-informed decisions. In today's situation, this means that they need to actively invite and objectively evaluate information and ideas – not only from within their organisations but also through ongoing dialogue with their peers in other organisations. Most of the top political leaders like American President Trump and Indian Prime Minister Modi have no clue and are not able to lead. They tried the traditional method of controlling and were not transparent or authentic, with the result; therefore, they were not able to instil any confidence in the people. In the case of Mr Trump, the Black Lives Matter movement after the killing of George Floyd caught him unaware and was not sensitive to the needs of the people. On the other hand, the police officers in the US, with kneeling and gesture of taking the knee, were able to assuage the felling and bring the country back to normal. At the same time, it is nice to note that Chief Minister Mr Pinarayi Vijayan, the health minister Shilaja Teacher and a host of bureaucrats in the small state of Kerala has given a real model to the world on collective leadership. There is no hierarchy and controlling relationship, but there is complete trust and acceptance. This has led the leaders to be able to cope up with the COVID-19 in an effective way. They have also been able to take in their political opponents along with them in the state. Leaders must be open about the gravity and nature of the problem. At the same time, they need to give hope that normalcy can be reached back soon. People want and expect the leader to be compassionate with an understanding of the situation for those affected. They need to project the hope that we can manage the crisis together even though we do not know everything about the present situation. This is, of course, a difficult balancing act for most of our leaders. Leading from the front does not mean being isolated. To be sure, for many leaders, one of the hardest things to do is to rely on the opinions and decisions of other people. However, that is what they need to do in times of crisis, especially when the cause of the crisis is outside of their area of expertise. Leaders also have to be agile in changing not only plans and work schedules but also their leadership styles. As the year progresses through different stages, there is a need for

different leadership styles. Right now, for instance, a participative style of leadership, where decisions made through consensus and based on relationships, may be best. Later, assuming the virus runs its course, a pacesetter “run fast and keep up” style or a more directive “here’s what we need to do to make up for lost time” approach may be in order. Experts say leaders need to be authentic and transparent. People are nervous about the implications of the virus, and it is essential to keep them engaged, informed, and safe. Sometimes that means admitting to stakeholders about being afraid, and other times it may mean admitting ignorance. Communications should always include “here’s what we know, what we don’t know, and what we’re trying to find out.” Unfortunately, this has been lacking in the current situation for most of the time.

6. Limitations and Further Scope of the Study

There is tons of research on leadership theories. The researcher could cover only a small fraction of the same in the literature due to time and space constraints. The scope of this study has been to bring out a logical relationship of the leadership theories and finding the best suitable one during the current situation of the COVID-19 pandemic. This can open numerous scopes for future studies on collective leadership. Actions taken during the COVID-19 pandemic may result in case studies and empirical studies of the lessons learnt.

References

- Barentsen, J., & Kok, J. (2017). Leadership, (super) diversity and identity construction. Increasing diversity: loss of control or adaptive identity construction.
- Barton, L. (2008). Crisis leadership now, McGraw-Hill Professional Publishing
- Bass, B. M. (1999). Two decades of research and development in transformational leadership. *European journal of work and organisational psychology*, 8(1), 9-32.
- Bass, B. M., & Bass Bernard, M. (1985). Leadership and performance beyond expectations.
- Bass, B. M., & Stogdill, R. M. (1990). Bass & Stogdill's handbook of leadership: Theory, research, and managerial applications. Simon and Schuster

- Bass, B. M., Waldman, D. A., Avolio, B. J., & Bebb, M. (1987). Transformational leadership and the falling dominoes effect. *Group & Organization Studies*, 12(1), 73-87.
- Bawany, S. (2016). NextGen Leaders for a VUCA World: Transforming Future Leaders for Success in Leadership Excellence Essentials.
- Bennett, N., & Lemoine, G. J. (2014). What a difference a word makes: Understanding threats to performance in a VUCA world. *Business Horizons*, 57(3), 311-317.
- Bennis, W. (2007). The challenges of leadership in the modern world: Introduction to the special issue. *American psychologist*, 62(1), 2.
- Bennis, W. G. (1959). Leadership theory and administrative behavior: The problem of authority. *Administrative science quarterly*, 259-301.
- Bennis, W., & Nanus, B. (1985). The strategies for taking charge. Leaders, New York: Harper. Row, 41.
- Berinato, S., & Allen, T. (2010). You have to lead from everywhere. *Harvard Business Review*, 88(11), 76-79.
- Boin, A. (2006). Organisations and crisis: The emergence of a research paradigm. *Key readings in crisis management*, 84-98.
- Burnes, B. (2004). Kurt Lewin and the planned approach to change: a re-appraisal. *Journal of Management Studies*, 41(6), 977-1002.
- Burns, J. M. (1978). Leadership, Harper & Row, New York, NY.
- Chakraborty, S. K., & Chakraborty, D. (2008). Spirituality in management: Means or end?.
- Coldwell, D. A. L., Joosub, T., & Papageorgiou, E. (2012). Responsible leadership in organisational crises: An analysis of the effects of public perceptions of selected SA business organisations' reputations. *Journal of Business Ethics*, 109(2), 133-144.
- Collins, W. (1978). Collins concise dictionary of the English language. Glasgow, UK: William Collins Sons & Co. Ltd.
- Conner, D. R., & Conner, N. (1998). Leading at the edge of chaos: How to create the nimble organisation. University of Texas Press.
- Day, D. V. (2014). Time and leadership. In Time and Work, Volume 2 (pp. 40-62). Routledge.
- De Klerk, J. J. (2019). Leading transitions in traumatically experienced change—a question of doing or being? *Journal of Organizational Change Management*.
- DelCampo, R. G., & Haggerty, L. A. (2011). Managing the multi-generational workforce: From the GI Generation to the millennials. Gower Publishing, Ltd.
- Denise Caron (2009), President at APSG Inc. It's A Vuca World! CIPS CIO breakfast presentation March 5, 2009. Available at

<https://www.slideshare.net/dcaron/its-a-vuca-world-cips-cio-march-5-2009-draft>

- Doh, J. P., & Quigley, N. R. (2014). Responsible leadership and stakeholder management: Influence pathways and organisational outcomes. *Academy of Management Perspectives*, 28(3), 255-274.
- Gesell, I. (2010). How to lead when the generation gap becomes your everyday reality. *The Journal for Quality and Participation*, 32(4), 21.
- Glaser, J. E. (2016). *Conversational Intelligence: How great leaders build trust and get extraordinary results*. Routledge.
- Grint, K. (2010). *Wicked problems and clumsy solutions: the role of leadership*. The new public leadership challenge (pp. 169-186). Palgrave Macmillan, London.
- Horney, N., Pasmore, B., & O'Shea, T. (2010). Leadership agility: A business imperative for a VUCA world. *Human Resource Planning*, 33(4), 34.
- Hutton, E. L. (2012). Perception of organisational openness to performing Kouzes & Posner's Five Practices of Exemplary Leadership (Doctoral dissertation, Walsh College).
- Johansen, R. (2012). *Leaders make the future: Ten new leadership skills for an uncertain world*. Berrett-Koehler Publishers.
- Katz, D., & Kahn, R. L. (1978). The social psychology of organisations (Vol. 2, p. 528). New York: Wiley's
- .Kinsinger, P., & Walch, K. (2012). Living and Leading in a VUCA world. *Thunderbird University*, 1-4.
- Klein, G. (1999). *Sources of Power: How People Make Decisions* (Vol. 1). The MIT Press.
- Kotter, J. P. (2012). *Leading change*. Harvard business press.
- McClelland, D. C. (1970). The two faces of power. *Journal of International Affairs*, 29-47.
- Millar, C. C., Groth, O., & Mahon, J. F. (2018). Management innovation in a VUCA world: Challenges and recommendations. *California Management Review*, 61(1), 5-14.
- Mitchell, R., Boyle, B., Parker, V., Giles, M., Joyce, P., & Chiang, V. (2014). Transformation through tension: The moderating impact of negative affect on transformational leadership in teams. *Human Relations*, 67(9), 1095-1121.
- Reeves, M., Love, C., & Mathur, N. (2012). *The most adaptive companies 2012: Winning in an age of turbulence*. Boston Consulting Group.
- Rodriguez, A., & Rodriguez, Y. (2015). Metaphors for today's leadership: VUCA world, millennial, and "Cloud Leaders". *Journal of Management Development*.
- Rosenbach, W. E. (2018). *Contemporary issues in leadership*. Routledge.

- Rost, J. C. (1995). Leadership: A discussion about ethics. *Business ethics quarterly*, 129-142.
- Sarkar, A. (2016). We live in a VUCA World: The importance of responsible leadership. *Development and Learning in Organisations: An International Journal*, 30(3), 9-12.
- Stiehm, J. H. (2002). US Army War College.
- Sullivan, J. (2015). Talent strategies for a turbulent VUCA world – shifting to an adaptive approach. Ere. net. October 22, 2012.
- Trauffer, H. C. (2008). Towards an understanding of discernment: A 21 st-century model of decision-making. Regent University.
- Uhl-Bien, M., & Ospina, S. (2012). Paradigm interplay in relational leadership: A way forward. *Advancing relational leadership research: A dialogue among perspectives*, 537-580.
- Van den Broeck, H., & Jordaan, B. (2018). The agile leader's scrapbook. Lannoo Campus.
- Wooten, L. P., & James, E. H. (2008). Linking crisis management and leadership competencies: The role of human resource development. *Advances in developing human resources*, 10(3), 352-379.
- Zaccaro, S. J., Kemp, C., & Bader, P. (2004). The nature of leadership. Antonakis, J., Cianciolo, AT y Sternberg, RJ The nature of leadership. London: Sage