Leading in the Hurricane: Three Ways to Get Yourself and Your Team into the Eye of the Storm

From a distance, the passenger could see that the hurricane they were about to fly into was massive; 400 miles in diameter according to flight commander Captain Samantha Smith of the USAF Reserve’s 53rd Weather Recon Squadron. Even at 250 mph, it took the Lockheed Martin C-130 Hercules turboprop about 25 minutes to pass through the first 100 or so miles of tropical force winds and thunderstorms. A Hurricane Hunter crew member called this the “outer rain bands.” The passenger thought that a prosaic description. Still, he had known the ride would be more violent than any turbulence on a commercial flight, but he had not anticipated the impact of the next 60 or so miles of dense storm and hurricane-force winds. “Rough” did not even begin to describe that part of the journey. Even tightly harnessed to his seat, he found it difficult to keep from pitching about.

Then suddenly, the Hercules dropped from 10,000 to 7,000 feet, and almost as quickly lurched back up to 9,000. Unprepared, the passenger struggled to hang on to his camera, grabbing for it as it first flew from his hands to the ceiling, then crashed to the floor. Captain Smith shouted to the passenger (who was, by this time, looking more than a little green in the gills), “Don’t worry, that happens sometimes. We’re crossing the eyewall—it’s the most turbulent and unpredictable part of the storm, but it won’t last long. This plane is specially equipped for the mission, and we haven’t lost one since 1955.”

Ninety seconds later they broke through into completely calm air. A bright cerulean circle of sky appeared above, surrounded by deep black clouds extending thousands of feet down to the surging ocean. The passenger breathed an audible sigh of relief. Captain Smith smiled. “We’re in the eye,” she said and continued a bit wistfully, “this is my favorite place on earth—it makes me feel like I can take on anything. I wish we could stay here, but once we release the dropsonde to get the temperature, moisture, pressure, and wind speed measures at this altitude, we’re going back into the eyewall, out and around again … eight more times.”

“Management, like the combustion engine, is a mature technology that must be reinvented for a new age.”

- Gary Hamel

Every generation or so, someone boldly states that the rate and nature of change in which we live and lead is unprecedented. And they are always right. In the 1960s, it was the leader’s struggle to manage the rising tide of information overload caused in large part by the shift from primarily manual to knowledge work. Compared to today, this was the equivalent of flying through a hurricane’s outer rain bands, bumpy and turbulent in contrast to previous years, and although at the time it felt overwhelming, it was doable. By the 1990s the struggle was to lead in continuous change rather than in continuity punctuated by occasional change. This, in contrast, felt more like flying through hurricane-force winds.

The long and the short of it is that what leaders are doing is not working (and in many cases it makes things worse), and they don’t know what to do differently.

But now, a decade into the 21st century, leaders must manage and lead through all of the above and much, much more. While no single word or phrase adequately captures today’s situation, in hurricane terms, we are in the eyewall—a place of intensely unpredictable turbulence. Hurricanes are rare events that roar to life only when an unlikely convergence brings together specific conditions (among others, air pressure, wind speed, and temperature). Alone, or even paired, these conditions are relatively harmless, but in combination, they are potentially lethal. This generation of leaders is experiencing just such a convergence. We call it “the leadership eyewall.”
The Leadership Eyewall

Pressure: The World Is Flat, Small, and Rapidly Transforming. “Made in China” once meant cheap, or substandard, but now it means “can’t live without.” Globalization once meant developed-economy companies had new markets to exploit, but now means interdependence and competition as economic power increasingly shifts to developing markets and homegrown companies. The global financial crisis that began in 2007 continues to illustrate the degree and consequence of our entangled markets and economies. Today, geographically “far off” political, financial, social, and economic events can have as powerful and meaningful direct or indirect consequences for individual organizations and leaders as events in local markets.

Wind Speed: The Meaning of “Organization” Is Changing. The days when organizations struggled to flatten into a workable matrix will soon seem quaint as markets and organizations become increasingly borderless. Social media has changed the marketing landscape, increased transparency, and made it so that one vote (or voice) really does count. The demand is to innovate constantly, get to market first, and reexamine strategic direction under radically foreshortened time frames, sometimes quarterly. The pressure is on for global citizenship, truly sustainable operations, and to expand beyond a primary focus on shareholder needs to include a broad set of external and internal stakeholders. Employee engagement is a more fundamental differentiator today as organizations struggle to understand and meet the disparate needs and expectations of multiple workplace generations and to manage the rapidly evolving expectations for meaningful work and more opportunity in the developing-world workforce.

Temperature: Leaders Struggle to Catch Up, Keep Up, and Get Ahead. These external and internal conditions represent an intensifying flood of challenge for leaders. “Technological advancement” once meant “time-, labor- and money-saving,” but now means extreme information overload, “always on,” and the need to upgrade knowledge and skills constantly. Leaders must both face outward toward customers and the rest of the world, and inward toward employees and other stakeholders, addressing off-competing needs, while handling their own increasing loads of “individual contributor” work. They must lead and influence across the organization, across generations, and across borders.

It’s a Very “VUCA” World Out There

You have probably heard the acronym VUCA (pronounced “vooh-kah”), which is popping up everywhere in the leadership literature. This acronym for volatility, uncertainty, complexity, and ambiguity was first used at the U.S. Army War College about 20 years ago to characterize the world in which today’s soldiers and commanders must operate—even during peacetime. It serves as a diagnostic framework to assess and plan accordingly for circumstances on the ground. Today, the War College, sometimes referred to by its nickname, VUCA-U, teaches leaders the skills required to lead and operate under these conditions. VUCA resonates deeply with non-military leaders, because it describes the environment in which businesses operate and leaders lead today.

“VUCA” also captures what leaders themselves say is different today. Senior leaders in one study ranked “the rise of complex challenges” as creating the most obstacles for and the greatest potential impact on organizations and leadership. Sixty percent of CEOs in another study said their organizations and leaders currently experience high or very high levels of complexity (defined to include volatility, uncertainty, and sustained change); 79 percent believed they would continue to confront significant complexity into the future.

Leadership Has Changed, But Leaders Haven’t

Eighty-four percent of leaders say that what defines effective leadership has changed since the mid-2000s. Equally important, the majority of today’s challenges go beyond leaders’ current knowledge, processes, and perspectives; often they result from unpredicted events that require an immediate response—difficult to address if you don’t know what to do. Maybe this is why despite the fact that leaders are working harder and harder today, leadership still falls short. In fact, in one study of 700 leaders, only 10 percent demonstrated the ability to lead in conditions of rapid change and increasing complexity. And finally, even CEOs feel ill-prepared to manage in VUCA: of the 79 percent we referenced earlier who believed complexity is here to stay, less than half felt personally prepared to manage it. Why? There is much more to manage and master than even a scant 5 years past.
The VUCA Framework

**Volutility:** The rate, amount, and magnitude of change

Drastic, rapid shifts can bring about instability for organizations and leaders, but even the minor or innocuous shifts that occur daily, such as new and “immediate” priorities that disrupt plans, or the increasing need to “multi-task,” are changes that increase volatility.

**Uncertainty:** The amount of unpredictability inherent in issues and events

We can’t predict because we lack clarity about the challenges and their current and future outcomes. Uncertainty can result in an over-reliance on past experiences and yesterday’s solutions or to analysis paralysis as we sift through more and more data.

**Complexity:** The amount of dependency and interactive effect of multiple factors and drivers

Complex interactivity requires non-linear thinking and gray (as opposed to black and white) solutions.

**Ambiguity:** The degree to which information, situations, and events can be interpreted in multiple ways

Ambiguity increases doubt, slows decision-making, and results in missed opportunities (and threats). It requires that we think through and diagnose things from multiple perspectives.

This begs the question of what leaders are doing. Unfortunately, rather than getting them to a place where they could make some difference—like the eye of the hurricane—their actions tend to keep them in the eyewall, where they feel the effects of VUCA most intensely. Consequently, they redouble their efforts. What Forum finds is that most leaders try to reduce VUCA by intensifying counterproductive behaviors like being “more agile” (which generally means doing everything faster), doing more with less (which generally means working longer hours and expecting their teams to do the same), multitasking (which, according to more research than we can cite here, generally means getting less done and done less well), and trying to be all things to all people (which generally results in superficial adequacy). No wonder so many leaders today describe work as “crushing.”

The long and the short of it is that what leaders are doing today is not working (and in many cases it makes things worse), and they don’t know what to do differently.

Operate from the Eye of the Storm

Forget about reducing volatility, uncertainty, complexity, and ambiguity. You can’t. Leaders never could. Another pipe dream? Thinking that you or your team can just step up, do more, and adapt more quickly to multiple changing circumstances. That effort merely moves the leader from the eyewall out into the hurricane force winds (admittedly less intense, but on the whole no less risky). Best-case scenario is to land in the outer rain bands where leaders suffer from the common delusion that what they did made things better and that “this too shall pass.” But it didn’t and it won’t. This hurricane is too all-encompassing, which means that the place to be is in the eye, because it’s from this position of calm that leaders can fully assess the situation and take action that makes a difference. Organizations whose leaders are able to do this outperform the competition.

Our research suggests that leaders who operate from the eye of the storm are doing these things:

- Rather than trying to go faster, they are being deliberate and purposeful
- Rather than doing too many things at once with too few resources, they are doing less with greater impact
- Rather than trying to be everything to everyone, they are gaining proficiency where it matters

Three Practices That Move You into the Eye

1. **Build Your Context Agility.** The local organizational and broader external environments combine to create differing levels of volatility, uncertainty, complexity, and ambiguity. Leaders who operate within the eye do so in part because they and their teams are prepared for changes in the environment (because they constantly sense the triggers indicating the possible trajectory of future events, can tolerate risk, know how to learn from mistakes, are flexible, tenacious, curious, and action oriented).

   Equally important, these leaders are very good at diagnosing context, and it is context that helps to formulate the appropriate response. We’ve found that the majority of leadership situations fall into a limited few contexts. We focus on two here. At one end of the spectrum you have the straightforward context, characterized by stability, predictability, and clear cause effect. Easily governed by existing processes and guidelines, mental models, predictability, and clear cause an effect. Easily governed by existing processes and guidelines, mental models, experiences and best practices, this context includes any type of financial process, manufacturing, and many customer experience and employee situations.
At the other extreme is the highly disordered context, where things are highly unpredictable and turbulent. Fortunately rare, examples of such a context include the events of 911, the early days of the 2008 world financial crisis, or any situation characterized by a sudden, disruptive outlier event or convergence of events, such as unexpected regulatory changes, the sudden appearance of a strong new competitor, and many others, none of which conforms to processes, procedures, existing mental models and may be beyond the personal experience of all involved. Rather than trying to go faster, leaders who apply a context-sensitive response enable deliberate and purposeful agility in their organizations.

2. Exercise Judgment in Action. Leadership is about execution and, particularly today, execution requires effective, bold, confident, and situation-specific action. Leaders who do this well in today’s VUCA environment enact good judgment. Often seen as an innate characteristic, our research shows that the components of effective judgment (decisiveness, information filtering, risk assessment, confidence, and the ability to mitigate cognitive limitations) can be learned, developed, and honed. Perhaps most critically, these leaders then apply their judgment differentially based on context. In the straightforward context, the appropriate response is to determine the facts of the situation and apply normal processes or guidelines. In the disordered context, research shows that the best judgment puts action to the forefront, followed by a focus on interpreting what has and has not worked, and course correction. Applying judgment in action enables leaders to do less with much greater impact.

3. Develop Professional Intelligence. The core defining characteristics of any profession are (1) the commitment to objectives beyond economic gain and self interest, and (2) its members must apply a specialized body of knowledge to their work. Leaders who work from the eye have refined, to a professional degree, their ability to work up and down, across, and outside the organization, with various generations and with multiple cultures. Because these leaders operate in an evolved, cultivated, mature, and nuanced way (read: professional), they are proficient where it matters. They do this by creating intelligence (that specialized body of high-value information and experiences) about social interactions, including today’s technology-mediated interactions, generational and cultural needs, stakeholders, industry, and market nuances. These leaders are highly skilled at perceiving, evaluating, and managing their own emotions and understand the impact of emotions on decisions, climate, and actions.

Gordon Bethune, now retired CEO of Continental Airlines, provides an instructive example of a leader who not only embodied these three practices, but also embedded them in his organization. When he took over as CEO in 1994, Continental was on the verge of bankruptcy—for the third time in 10 years. Within the space of a few short years, Continental went from being the laughingstock of the industry to winning more customer satisfaction awards from J.D. Power and Associates than any other airline. He first demonstrated his highly sophisticated professional intelligence when he took a few simple steps to break down the silos within the organization that had kept Continental dead last in the industry in every measurable performance metric. By “simple” we mean steps that focused on engaging employees in their work and initially required no structural or process reorganization. Then, he worked to ingrain context agility and judgment in action throughout the ranks of management and employees alike, so that when the worst blackout in U.S. history occurred on August 14, 2003, Continental kept virtually all of its planes flying in and out of its Newark and Cleveland hubs, while other airlines cancelled most of their flights. In a blackout estimated to have cost $6 billion in losses, Continental exceeded revenue forecasts by $4.34 million. Clearly there is more to be said about Bethune and other leaders who move themselves, their teams, and organizations into the eyewall. And we will do so. Stay tuned for upcoming publications and research from Forum on this topic.
Endnotes


3. Driven by a variety of factors, including but not limited to the increasing rate of planned changes in organizations, and the need to manage and lead them, as well as by major external forces on organizations, such as the technology boom, the beginning of intensive globalization, the death of the “company man,” sometimes also described as the severance of the social contract between companies and employees, and many, many other factors.


5. Capitalizing on Complexity: Insights from the Global Chief Executive Officer Study (2010: IBM); interviews with a global pool of over 1,500 CEOs, representing a cross section of industries and both the developing and developed world as well; in this study, complexity also incorporates the following: volatility, uncertainty, and sustained change.


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