

“And the earth was void and empty...” – Traditional Organizations in a World of Complexity, Innovation and Disruption (VUCA World)



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How many times have you scanned the headlines and the thought crossed your mind that the world has gone crazy?

Applications and bots are replacing humans. Digital transactions assume the roles of bank clerks, currencies with strange names skyrocket and plunge rapidly. Amazon and EBay take the place of the malls, Google has rendered the encyclopedia, dictionary and compass redundant. Facebook substitutes friend, WhatsApp replaces talking and even the Israeli post barely deals with the envelope and stamp.

At times it seems that the universal order is changing with an intensity and pace that are hard to fathom: technological, demographic, sociological and cultural. The global, geopolitical, and macroeconomic pendulum fluctuates. The boundaries of traditional and stable industries are breached by the entry of competitors from foreign industries and geographies. Traditional industries in different fields are doomed to destruction. The list of professions rendered extinct grows daily.

Every managerial conference opens with phrases such as the “world in disruption”, “world in transformation”, or “it’s a VUCA world”. The sense of chaos – the disruption of the existing order and the breaching of the boundaries of industries, organizations, and individuals is stifling.

In the academic literature as well as the managerial arena the sense of chaos is expressed by the acronym VUCA, which stands for Volatility, Uncertainty, Complexity and Ambiguity.

What are the effects of the chaos and disruption on the managerial mindset, on strategy, on organizational design, on HR management and on leadership? These questions are the central focus of this paper.

The major argument of this paper is that the VUCA conditions challenge not only the managers but also the managerial tools which in the past served successfully in less stormy times. Nowadays managers are looking for a clear “managerial solution” that will ease the path in the current turbulent reality. Unfortunately, as a result of the complexity – the solution is neither to be found in the preservation of the existing stability nor in a swift and agile transformation. The VUCA world demands a two-sided managerial infrastructure comprising diametrically opposed elements: on the one hand, traditional managerial tools that enable planning, prediction, efficiency, quality and order, and, on the other hand, a managerial array that enables chaos (innovation, flexibility, and a shattering of the traditional paradigm of structures and processes).

This paper reviews the VUCA concept and the challenges facing managers and organizations. Finally, we present some practical guidelines as to how managers will be able to navigate the VUCA journey and be prepared for the future which is already here.