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VUCA n+1. To the Infinity and Beyond!

Marius Constantin ROMAȘCANU¹, Dan Florin STĂNESCU²

Abstract

Starting from the observation that nowadays, the need to operate in a world described by Horney et al. (2010) as a world characterized by its volatility, uncertainties, complexity, and ambiguity has become more evident than ever, we aim at identifying and reveal the need for a ceaseless VUCA model. During the last decade, the term VUCA has easily migrated in other areas, being transformed into a common expression due to rapid change manifested in the technological, political, financial, and administrative fields (Sarkar, 2016). In this context, we have analyzed the existing VUCA models and proposed the n+1 version of them. Within the current stream of events, including Brexit and especially the COVID-19 pandemic, the way managers addressed the ever-changing business environment has become less efficient in the current disruptive type of period we are facing. Therefore, the VUCA 2.0 model was developed. The model comprising the same acronym is based on the following elements: vision, understanding, courage, and adaptability (George, 2017). But, in the last years, technology has accelerated the VUCA world and, in 2020, the VUCA 3.0 popped out (Day, 2020). As the results of the analysis pointed out, the incredible pace and amplitude of change, together with the associated disruption in the way businesses are managed, call for the constant development of a never-ending VUCA n+1 model. With a wider spread of automatization, cyber systems, and artificial intelligence, a new VUCA model will soon be necessary. This framework invites the reader to think not only about a potential but to a factual infinite sequence of VUCA models..

Keywords: *VUCA; infinity; disruption; change; Internet of bodies.*

1. Introduction

First conceptualized under the name of VUCA world, this concept was born in response to the need for the U.S. War College to delineate the coordinates of the NextGen war (Cousins, 2018) and the increasingly complex geopolitical world landscape. During the last decade, the term VUCA has easily migrated in other areas, being transformed into a common expression due to rapid change manifested in the technological, political, financial, and administrative fields (Sarkar,

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2016). Nowadays, we are more and more embedded in a VUCA environment, governed by disruptive changes and global crises.

Bennett and Lemoine (2014) highlight how leaders can appreciate the differences between the four challenging components that make up the acronym VUCA, and how can they appropriately allocate the organization's valuable resources so that they can keep and improve organizational performance (Bennett & Lemoine, 2014).

Regarding the Volatility dimension, the authors stated that it could be described as: „relatively unstable change; information is available and the situation is understandable, but change is frequent and sometimes unpredictable. Agility is key to coping with volatility. Resources should be aggressively directed toward building slack and creating the potential for future flexibility” (Bennett & Lemoine, 2014, p. 3).

In a volatility climate, leaders understand the changes that are taking place and, at the same time, have enough information, but the fact that the change is unforeseeable and subjective to compound risks can influence or affect the process of decision (Horney & O'Shea, 2015; Gilman, 2017). Bennett and Lemoine (2014) believe that in volatility there are opportunities from which one can take advantage, in other words, the most efficient way to manage volatility, equally valid for all VUCA components, is to understand the opportunities that result from this and the implicit situational threats. In the opinion of Horney and colleagues (2010), it is necessary for 21st-century organizations to "strive to become Velcro organizations, in which people and capacity can be reorganized creatively and quickly without major structural changes" (Horney et al., 2010, p. 33).

Moreover, referring to the Uncertainty dimension, Bennett and Lemoine (2014) point to the fact that it is defined by „a lack of knowledge as to whether an event will have meaningful ramifications; cause and effect are understood, but it is unknown if an event will create significant change. Information is critical to reducing uncertainty. Firms should move beyond existing information sources to both gather new data and consider it from new perspectives” (Bennett & Lemoine, 2014, p. 3).

Uncertainty is used to better express „a situation characterized by a lack of knowledge, not as to cause and effect but rather pertaining to whether a certain event is significant enough to constitute a meaningful cause” (Bennett & Lemoine, 2014, p. 4).

Complexity is described as being represented by „many interconnected parts forming an elaborate network of information and procedures; often multiform and convoluted, but not necessarily involving change. Restructuring internal company operations to match the external complexity is the most effective and efficient way to address it. Firms should attempt to ‘match’ their operations and processes to mirror environmental complexities” (Bennett & Lemoine, 2014, p. 3).

The last dimension of the VUCA is Ambiguity. Ambiguity is presented as being a situation represented by „a lack of knowledge as to ‘the basic rules of the game’; cause and effect are not understood and there is no precedent for making predictions as to what to expect. Experimentation is necessary for reducing ambiguity. Only through intelligent experimentation can firm leaders determine

what strategies are and are not beneficial in situations where the former rules of business no longer apply” (Bennett & Lemoine, 2014).

Ambiguity is best operationalized as being a specific situation in which cause-effect relations are fuzzy or blurry and in which a series of different interpretations are possible (Horney et al., 2010). Therefore, ambiguity arises “where the traditional power of the hierarchy is limited and where objectives and technologies are unclear” (Denis et al., 1996, p. 673).

2. Next generations of VUCA

A few years ago, George (2017) developed the VUCA 2.0 model, the so-called VUCA manager, redefining the 4 letters of the acronym to stand for Vision, Understanding, Courage, and Adaptability (Leong, 2020).

Vision represents the manager's ability to adopt a lucid and coherent vision, a vision based on a comprehensible outlook and forecast. Such a clear vision will warrant that the leaders pay attention to the right things to lead their followers in the right direction.

Understanding is the ability to employ and use the analysis and synthesis of a large array of variables that might have a significant effect on organizational outcomes. This requires an in-depth analysis and comprehension of the internal organizational capacity to recognize the available resources and mobilize their assets, their strong points, at the same time controlling for the fragile aspects (George, 2017). Leaders will need to gather information from different sources to ensure that they can understand different viewpoints and be aware of the market changes. This is usually achieved by engaging in direct communication with both internal and external clients to gather a wide range of information.

Courage represents the attitude that managers need to have when dealing with new and unpredictable changes and taking risky decisions and making bold moves. The reaction speed and the ability to make decisions based on calculated risks can make a huge difference between failure and success, especially in the rapidly changing environment of today's world (Leong, 2020).

Adaptability describes a new attitude and mindset that leaders need to adopt to increase their flexibility in adapting to a fast-paced changing environment. Strategies and long-term plans have to be flexible enough to continuously adapt to external circumstances (George, 2017).

Starting from the evidence of Industry 4.0 and the fact that technology has accelerated the VUCA world, Day (2020) proposed the VUCA 3.0 as a natural reaction to the ever increasingly fast pace of technological development. We cannot compare the pace of changes people have to face with previous decades. Nowadays we face disruptive and unexpected changes, incredibly fast development of IoT, AI, Machine learning, and automation (Day, 2020).

Furthermore, considering the challenges of the current global pandemic, Balita (2020) introduced the Positive VUCA, a new 4.0 version of the model with a strong positive meaning and an optimist perspective. In his view, the new acronym

comprises the following dimensions: Virtuous Values, Utilitarian Unity, Circumspective Clarity, and Agile Action (Balita, 2020).

In his opinion, Virtuous values harbor both the individual and the organization to a humanistic utilitarian approach, in which morality and the good of many prevail (Balita, 2020). The present context, including lockdowns and several types of restrictions, gave us enough time to become more reflexive and mentalize on what matters the most.

Utilitarian unity encourages people's partnership and action “to give the greater good to the greater number” (Balita, 2020). The pandemic should unite people together in an unprecedentedly fight with an invisible enemy.

Moreover, Circumspective clarity focuses attention on the need for a holistic understanding which can be achieved by taking as many variables as possible into account.

Last but not least, Agile action should aim to execute the foreseen strategy even in an environment challenged by current pandemic experience. Finding the leverage points in a systemic approach and maintaining a steady pace of action to achieve the proposed results is compulsory (Balita, 2020).

3. To the infinity and beyond!

According to Maor (1991), infinity has many faces. For a non-expert, it represents a kind of number larger than any other number. For some tribes, as Maor mentioned (1991, p. 2) “infinity begins at three, for anything larger is “many” and therefore uncountable”. Moving forward, for some people the infinity represents God, eternity, or the universe.

In everyday language “infinity” means, e.g.: “so many times that I do not remember”, or “I can’t count how many times” (Trześicki, 2015, p. 179). For example, “the concept of natural number can be understood in terms of a generating process $0 \rightarrow 1 \rightarrow 2 \rightarrow 3 \rightarrow \dots$, which can be continued as long as one pleases without coming to an end; this is potential infinity” (Fletcher, 2007, p. 1).

Starting from the analysis of the current state of affairs, and from Bauman's conceptualization of liquid life (2005) and liquid times (2006), we have proposed a ceaseless, almost infinite $n+1$ VUCA model. As mentioned above, the VUCA model has already reached the 4.0 version and we will surely meet soon the 5.0 version of it.

The liquid metaphor proposed by Bauman (2005, 2006) points to the fact that same as liquid, modern society cannot keep its shape for long and that life is lived under conditions of constant uncertainty. Furthermore, the current decade is characterized by exponential change and highly developed artificial intelligence, machine learning, Internet of Things (IoT), and the Internet of Bodies (IoB), all of them being present more and more in almost all areas of life (Schwab, 2016), is as well contributing to a new VUCA world – Industry 4.0.

But the instant that people adjust to new technologies (e.g. wearables), a new, even more disruptive technology arises (e.g. implants), a new $n+1$ version of the VUCA world being forged.

Currently, we are beginning to face a new type of society, a society in which technology is embedded in the human body (Matwyshyn, 2019). “The IoB generates tremendous amounts of biometric and human behavioral data. This is, in turn, fuelling the transformation of health research and industry, as well as other aspects of social life, such as the adoption of IoB in work settings, or the provision of new options for entertainment – all with remarkable data-driven innovations and social benefits” (Liu & Merritt, 2020, p. 7).

As Matwyshyn (2019) mentioned, the first generation of body external IoB devices have become almost standard nowadays (fitness tracking devices, “smart” glasses, and watches, brain-sensing headbands) and the second generation of body internal devices (pacemakers, cochlear implants, digital pills) are on their way to mainstream usage. Third generation IoB “meld the human mind with external computers and the Internet” (Matwyshyn, 2019, p. 112).

4. Conclusions

In this paper, we aim at identifying and reveal the need for a ceaseless VUCA model. The reviewed literature showed that scholars and professionals already reached the VUCA 3.0 version of the model but, as Skapinker (2018) mentioned, “VUCA is a vacuous concoction”, and often can mislead people into believing that challenges conjured by VUCA are new and specific to current times, although acerb competition and rapid technological change have been around for decades. The reality is that we do live in a less comprehensible international political environment, constant geopolitical turmoil being the new normal business environment.

As mentioned before, enabled by technology and innovation, increased volatility has become a reality for many organizations. And, due to increased globalization and constant changes in the market demand, the complexity of the current business environment has also escalated. Nevertheless, as Kraaijenbrink (2019) mentioned, due to exactly those technological changes such as enormous computing power, including the use of AI and machine learning, we have become able to develop new ways of data analysis (such as big data), allowing us to rapidly adapt and react to challenges (Kraaijenbrink, 2019). Therefore, a more positive approach proposed by Falkenberg (2019) will allow us to view VUCA as a structure, a foundation „designed to let people think about challenges, frame them intelligently, and establish a reasoned and appropriate response” (Falkenberg, 2019).

Much like the work of many scholars (Lee et al., 2020; Liu & Merritt, 2020; Matwyshyn, 2019), the current paper leaves open an entire set of significant, unanswered, and in most cases, uneasy social questions. We have chosen to end this paper with a quote from Neo from the Matrix movie (Wachowski & Wachowski, 1999) which best describe the entire topic: “I don’t know the future. I didn’t come

here to tell you how this is going to end. I came here to tell you how it's going to begin”.

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