



What in the world is going on? Mapping Vertical and VUCA beyond the bandwagon

A FutureNow piece from MDV Consulting

MDV Research and Innovation Alliance
April 2017



Leadership and talent consultants



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This article is the first public articulation of the joint work of the members of the MDV Research and Innovation Alliance. It lays out the background, framework and some practical steps for the MDV approach to Vertical.

MDV Research and Innovation Alliance

The MDV Research and Innovation Alliance (RIA) is a creative collaboration between specialists in vertical and leadership development and assessment. It began as a client working group, following increasing interest from MDV clients in the value of what is now called Vertical Development.

MDV Managing Partner Mike Vessey undertook some client-system exploration and then approached organisation consultant and leadership development designer Karen Ellis, with her 15 years of experience in the vertical field, to work with MDV consultants. The goal was to create a practical, leading-edge approach, encompassing the various theorists and models. Julie Allan, psychologist, author and wisdom researcher, was invited to bring her adult development insight to the approach, and take forward the first MDV white paper on the subject.

The MDV Research and Innovation Alliance (RIA) currently includes Karen Ellis, Julie Allan, assessment practice lead Carol Jefkins, talent development practitioner Alison Rose and Mike Vessey.

What in the world is going on?

Mapping Vertical and VUCA beyond the bandwagon

Stable, Certain, Simple, Unequivocal: If this describes your organisation, you might not need to read what follows. Drawing on client experiences, and the practice and scholarship sitting behind the MDV approach, this article begins a pragmatist's guide to VUCA and Vertical. It offers three key capacity areas, five key capabilities and an integrating framework for adult developmental implications in a VUCA world. With five developmental practices also included, it's an open invitation to anybody keen to explore how we can best partner with our future-in-progress.

Volatile. Uncertain. Complex. Ambiguous. Stable. Certain. Simple. Unequivocal.

ANY acronym that starts to come across as a bandwagon of choice, and VUCA would seem to be one, can annoy or bore. When it seems it may also have been borrowed from the military (*Lawrence and Steck 1991 pii*) for application to general leadership, some find further cause for suspicion.

On the other hand, the interest is a response to contemporary challenges. It has to be said that nobody has felt the need to come up with an acronym for when things are Stable, Certain, Simple and Unequivocal. If you swap the letters around, and have a go, you will find that it SUCS. And while 'bandwagon' will get you more than 17 million search engine hits, 'VUCA' manages a mere 800,000 or so (Feb 2017). So, it is still quite a newcomer but one that many find compelling. Why is this?

Says Mike Vessey, "in our individual work we hear a variety of metaphors for people's experiences at the moment. They say they feel out of their depth, the glass is overflowing and the tap is still on, or they feel they are running in a hamster wheel just to stand still.

"It's no longer unusual to find people who are hugely successful, high-flying, who have thrived in a number of fast-paced organisations, suddenly finding that something has fundamentally changed. And it isn't that they have burnt out, it's that a combination of things have happened, a set of circumstances have arisen, that have led them to notice that maybe not everybody or everything is playing by the same rules. Their assumptions of how things work has collapsed. Their world has shifted.

"They may be the very model of an exceptional corporate executive. . . and they have had a moment when they have seen that the world, and the model, and they, have changed. For others, the realisations are less progressed and they talk about confusion. But they all have a sense of increased unpredictability."

A precis of management theory reflects a changing world. From, say, the 1900s, it is possible to track the transition of the received wisdom on management and leadership from planful control, through systems thinking and responsive learning, to an emerging fundamental realisation that human behaviour and the world stage give rise to more intricacy than we can fully get a grip on. The next page shows some of the management directions during this period. ▷

Ready to be less steady?

◁ In 2015, a Conference Board/DDI Global Leadership Forecast (*Sinar et al*) was among a number of research reports that had some key messages in common concerning VUCA and leadership. The Forecast highlighted that those surveyed in 25% of global organisations doubted the VUCA-capability of their leaders: one-third or more of the HR professionals in the organisations had doubts, and when the leaders were asked directly, they agreed with the HR summary. In around 18% of organisations, a consensus of those asked considered that their leaders were actually 'very capable'. This Forecast also found that organisations whose leaders were more VUCA-capable were about three times more likely to have a financial performance equivalent to the top 20%.

All in a day's work?

Management theories from control to complexity

1911 → Taylor is credited with starting the scientific management movement, emphasising simplifying jobs to maximize productivity. Employees treated as machine-like, often responsible for tasks that are repetitive or not considered intrinsically interesting. Money regarded as the core motivator.

1916 → Fayol focused on systematic management, aiming to deconstruct the management role into its key parts. He proposed 14 comprehensive principles of management, including equity (sense of justice/fairness), initiative (staff should be encouraged to use initiative) and discipline (order and respect).

@ 1920s → Weber's bureaucratic management model was built on three basic principles: clearly defined tasks and duties, clear hierarchical lines of reporting and control, and using people qualified for the particular roles. Authority was important in this model.

@ 1918-1920s → Follet coined the term 'circular response' to define how the group affects leaders, which in turn affects how the leader influences the group. A contemporary of Weber, she emphasized group power over individual power, and put forward ideas that were later taken up as 'matrix management'. She added the idea of expertise authority to Weber's views and is regarded as seminal in introducing ideas of human or 'soft' factors in organisations.

1960 → McGregor's Theory X and Theory Y. A Theory X manager would exercise tight and specific control (authoritative) based on the premise that employees are inherently unreliable and lazy. A Theory Y manager may exercise control sufficient to the situation, but their premise is that employees are responsible and trustworthy, so promoting creativity and self-development will mean they will choose to work hard (participative).

1960s-70s → Katz and Kahn explored the social psychology of organisations, viewing each organization as a social system that is open to influence from many variables. Organisations thus adapt to change in the environment. An 'open system' has inputs (external influence), transformed within the organization to produce outputs, and then the outputs feed back to energise the next inputs.

1970s-80s → Checkland developed Soft Systems Methodology to help managers deal effectively with common problems that are never static. It represents a systematic process of inquiry that promoted a shift in focus from 'hard' to 'soft' systems thinking (where hard assumes problems are clearly defined, while soft assumes problems are open to interpretation).

1990 → Senge's inter-related Fifth Discipline perspective highlighted the importance of learning organizations in which employees feel engaged and committed to their organization's vision. Senge used the concept of the 'mental model' to highlight that how we see the world can diminish our ability to respond flexibly to new circumstances.

2000s → Stacey is among the authors drawing on complexity perspectives in organisations. His 'Complexity Matrix' draws out the impacts of (un)certainty and (dis)agreement to offer guidance on navigating a complex organisational environment in which cause-effect is not always easily identifiable.



A 2015 Harvard Business School report (*Axon et al*) placed 'Managing Complexity' as the first of eight critical capabilities – also including: fostering innovation, personal adaptability and learning agility. High 'cognitive readiness', defined as, the mental, emotional, and interpersonal preparedness for uncertainty and risk', was highlighted in relation to the increasingly VUCA world by EDA's *Trends in Executive Development 2016* (*Hagemann et al*). Looking from now to 2020, "particular need is also seen... for a new type of senior manager who will successfully steer companies through the upcoming change and disruption," states The World Economic Forum's *The Future of Jobs* report (2016), addressing what it refers as the Fourth Industrial Revolution. Respondents to this survey expected the implications for significant social, cultural and technological changes to impact within the next five years, so the call for immediate adaptive action is clear.

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Megatrends and MDV clients

MDV clients increasingly notice that even 'traditional' selection and development activities need to take on board a pressing need to navigate and prosper under increasingly fluid conditions. The challenges raised have some variation according to sector, but more aspects in common. MDV has elsewhere written about long-range forecasting and interdependent ecosystems, for example (see www.mdvconsulting.co/experience/articles) and hosted client sessions responding to a need to explore particular examples of so-called megatrends.

The first megatrends explored were:

- Power moving from West to East and/or towards developing nations
- Urbanisation
- Technological breakthroughs
- Demographic and social shifts
- Resource and climate shifts

Says Vessey, "not everything is new, but clients report some sense of increased pace, and of things colliding. Competition can now arise very quickly, and from non-traditional places."

Examples of 'in the world' events that MDV clients have noticed include regulation, taxation and views on social responsibility. The fact that supermarkets are downplaying sugary products impacts manufacturing of such goods, as does sugar taxation and policy and/or social change. In turn, these impact farming, the rural economy and the wider economy..

Competition can now arise very quickly, and from non-traditional places

In financial services, Apple Pay has arrived to challenge traditional card providers. Airbnb impacts hotels, UberEATS is a left-field entrant that shakes up ideas of 'fast food' outlets, and the growth in open source code has seen Blockchain support currency movement, with impacts yet to be discovered. And there has been a shake-up in consumer behaviour too, with the young adult market for fashion, beauty or games following individual vloggers. Geo-political changes continue to be well documented, with the impacts of the US presidential election and Brexit among the world events reflecting some sense of the 'old rules' no longer applying. ▷

◁ It is easy to point to particular changes after the fact, and indeed this has likely been part of the impetus for VUCA becoming a familiar term inside organisations. However, the real sharper need for organisations is, "akin to seeing and hearing in a different way, to co-evolve rather than simply react as quickly as possible," says Julie Allan. "The ability to do business with dynamics labelled as VUCA goes beyond subject area expertise or general cleverness, although it may draw on these, to align with behaviour that people recognise as wise judgment."

Various significant lines of study have opened up that have been integrated into MDV's thinking and practice. Metacognition, cognitive complexity and self-regulated development are among them; work on decision-making and some elements of complexity studies are perhaps more widely known. And a small number of recent books have started to triangulate leadership, development and context (eg *Garvey Berger and Johnston 2015; Kegan and Lahey 2016*); Garvey Berger (2011) writes very helpfully about at-work leadership development.

Occupying a position that sits somewhere between leading edge and bandwagon is Vertical Development. This term has arisen from attention to adult development theories and it elicited more than 1.5 million search engine hits in February 2017, often appearing with the word 'leadership' added – as in Vertical Leadership Development.

Not everyone likes the term, comments Allan. "Nevertheless, it alludes to a theory and practice base in human psychology and development that it would be unwise to ignore. It concerns not just the content of our thinking – the **what** – but the options we have available for **how** we go about considering things. What do we individually and collectively encompass, and what are the benefits or otherwise?" The 'Big ideas' panel later in this article (p7) includes some of the names familiar to those who follow the overlap between adult constructivist development theory and leadership, such as Laske and Kegan, as well as potentially less familiar but important names such as Flavell, who instigated the work on metacognition in the 1970s.

"And the picture has many other elements when you pay attention," says Allan. "MDV has been unusually attentive to both deep dive learning and environmental scanning, whether it's called behavioural economics, complexity, physics, neurophysiology or the psychology of wisdom. . . I could go on. Learning from these disciplines, combined with organisational experience, provides a very fertile ground."

A Center for Creative Leadership article (*Petrie 2013, p8*) states, "Vertical Development refers to advancement in a person's thinking capability. The outcome of vertical stage development is the ability to think in more complex, systemic, strategic, and interdependent ways. It is about how you think, which we can measure through stage development interviews and surveys."

And the picture has many other elements when you pay attention



There are some limitations to this definition, depending on what you would allow the word 'think' to encompass. Indeed, thinking is vital. Yet, perennial and valid arguments about how intelligence or 'cleverness' can be measured, have sometimes encouraged intellectual ability to be regarded with suspicion. Alongside this has been the benefit of greater willingness to research personal and interpersonal factors including emotion, motivation and reflection. A more nuanced approach to human behaviour and performance is now what we expect, and when it comes to what might be encompassed in vertical development, it is clear that being 'clever' is insufficient.

Yet sometimes it goes without saying that there is indeed usefulness in thinking well, in having cognitive capability. It shouldn't; especially where that supports more complex, responsive and fluid approaches to the challenges facing us. Making Vertical a unidimensional or reductionist concept would render it far less useful, and the work that has been done on the psychology of wisdom seems to bear this out.

In theory and in practice, what people regard as wise behaviour brings together a number of elements that include cognition, emotion and practical knowhow.

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A criticism of Vertical that should not be ignored, perhaps to help avoid the baby getting thrown out with the bathwater, is that attaining the farthest reaches of vertical development becomes the only thing that counts. It is not; indeed there is no consensus on what this means. So, some contexts are known to induce stress and overload, and vertical development also relates to our ability to encompass complexity and function well in the face of ambiguity and uncertainty. However, wanting people to be more developed in ways that serve this purpose shouldn't encourage inappropriate requirements to 'put up and shut up', or strategies that are just delaying burnout. Instead, it concerns increasing people's capacity – taking a more fundamental approach to development and enabling a better match between individuals and the demands they face.

The following sections of this paper introduce and explore three key capacities and five key capabilities worthy of attention in order to address how people can best navigate VUCA contexts. These capacities and capabilities have emerged from a number of honourable theory and research traditions, combined with the situated learning available through organisational experience. ▷

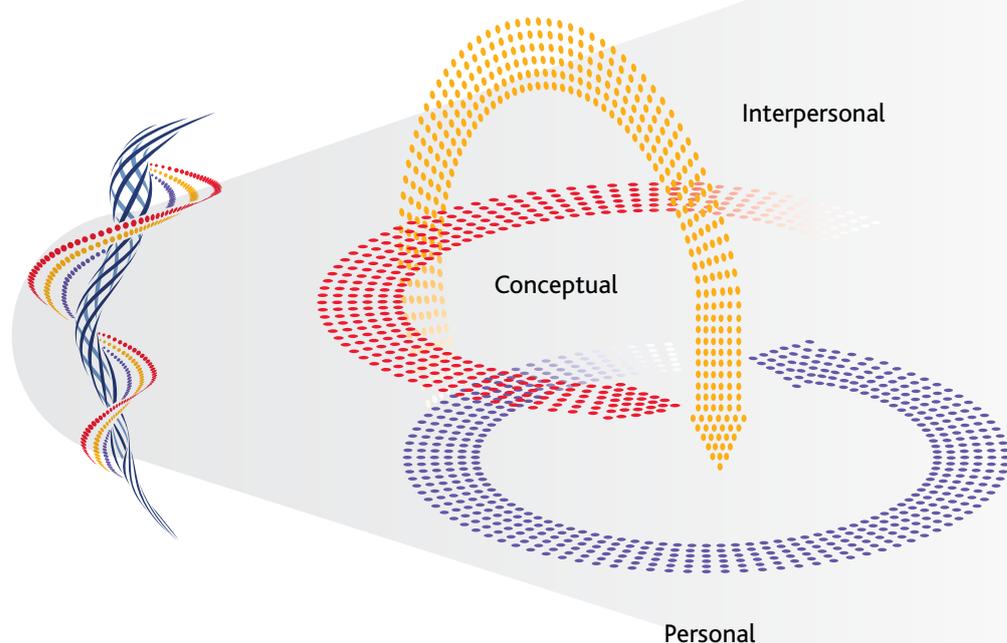
Three key capacities

<1 Any map or model can at best be a pointer to significant features of a territory, however Figure 1 shows a nuanced set of three key areas of capacity that need to be addressed and can readily be understood in modern organisational contexts. The figure highlights a **personal capacity strand**, an **interpersonal capacity strand** and a **conceptual capacity strand**.

The conceptual capacity realm is an enriched version of the traditional cognitive domain, and includes the 'thinking' side of perspective taking, as well as the ability to handle conceptual complexity and dialectical or relativistic approaches to our mental models. The interpersonal capacity strand has the 'engaged' side of perspective taking and includes communications with others. The personal capacity realm includes self regulation and personal development. The figure tries to illustrate that a number of circles of mutual influence are at play when using and developing these capacities. The conceptual and personal continually inform each other, while the interpersonal informs, and is informed by, both of them.

It is inevitably difficult to find the most helpful way to label and illustrate underlying capacities. However, the current configuration takes on board Laske's (*eg 2016*) view that cognitive complexity had become unhelpfully sidelined or entwined with social-emotional development. The model includes cognition, to acknowledge its particular role and place it alongside the work of other writers, academics and practitioners in adult development. Indicative names can be found in the 'Big ideas' panel (*p7*), although this is by no means exhaustive.

Figure 1:
three key capacities



Big ideas: selected key names and sample contributions

Who	Known for	Sample paper
Jane Loevinger	Pioneering work in ego development and adult development.	Loevinger, J. (1966). <i>The meaning and measurement of ego development.</i>
John Flavell	Seminal/defining work on metacognition, a term he created.	Flavell, J. H. (1979). <i>Metacognition and cognitive monitoring: A new area of cognitive–developmental inquiry.</i>
Robert Kegan	Constructive developmental thinking, meaning-making, change processes, the Subject-Object interview.	Kegan, R. (1980). <i>Making meaning: The constructive developmental approach to persons and practice.</i>
Elliott Jaques	Stratified systems theory, work complexity and human development/ability. The 'requisite organisation' view of matching task complexity with employee capability when faced with complexity, for effectiveness and creativity.	Jaques, E. (1986). <i>The development of intellectual capability: A discussion of stratified systems theory.</i>
Karen Kitchener, Patricia King	Intellectual capacity development, reflective judgment.	Kitchener, K. S.; King, P. M. (1981). <i>Reflective judgment: Concepts of justification and their relationship to age and education.</i>
Otto Laske	Developmental theory, constructive developmental approaches, dialectical thinking (which has to do with holding different/opposing viewpoints and finding a non-reductive new position).	Laske, O. E. (1999). <i>An integrated model of developmental coaching.</i>
Anastasia Efklides	Learning and metacognition, systemic views on metacognition.	Efklides, A. (2006). <i>Metacognition and affect: What can metacognitive experiences tell us about the learning process?</i>

So what does this look like in practice for the individual?

Where aspects of organisational life have some genuine certainty or greater predictability to them, we don't want to stop doing what serves that well. However, we also need to spot when we are in conditions of unpredictability, where the 'predictable' behaviour set will not serve us at all.

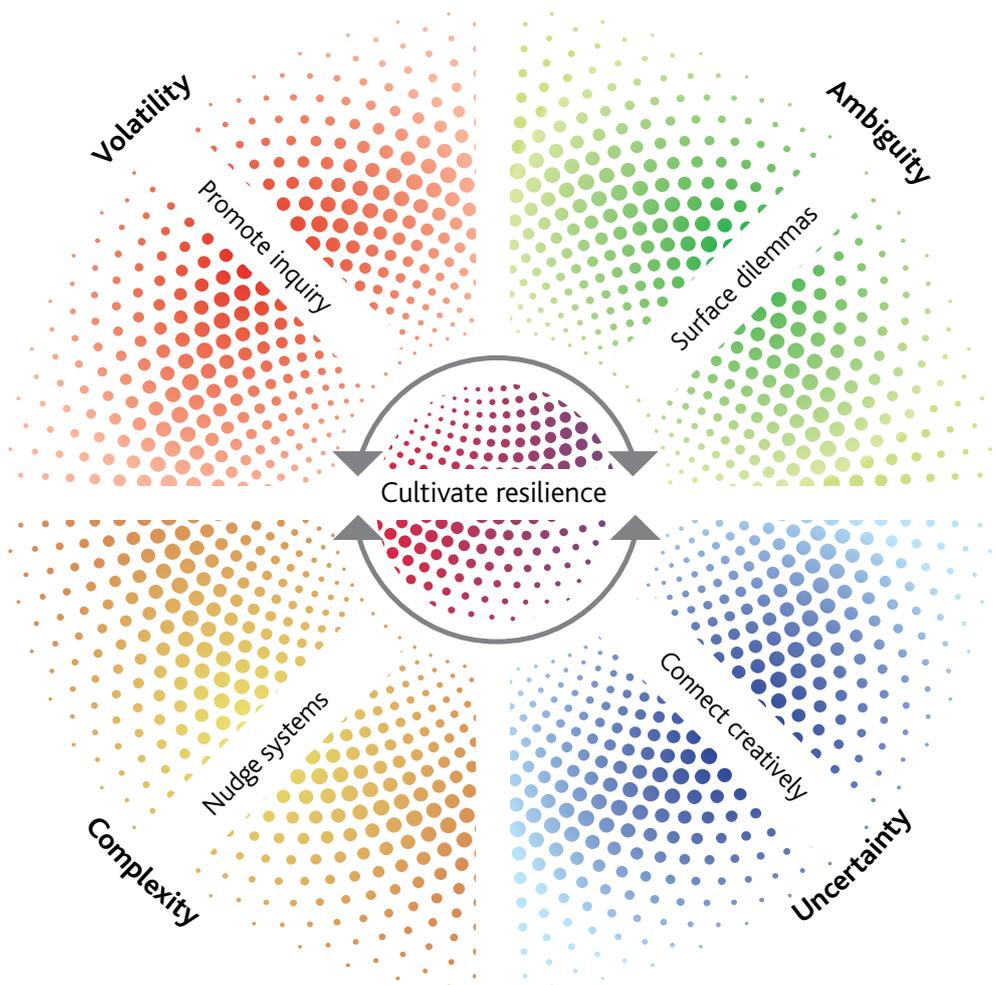
What sort of things can be helpful when circumstances are such that no accepted best practice is available, and alleged good practice is open to debate? ▷

Five key capabilities

<1 Says Karen Ellis, "The important thing about the capabilities is that they needed to be consistent with the underlying capacities, which, largely, we can't see – but to be organisationally relevant, they must offer ways to spot helpful and unhelpful behaviours for VUCA conditions. The purpose of the capabilities is to tap how things show up in the way people respond in their day-to-day world. This is what makes them different from the underlying capacities – they could be regarded as 'enacted capacities'."

The five capabilities, illustrated in Figure 2, draw on Ellis's extensive consideration of the leading edge of relevant fields and deep attention to the dynamics of client issues. Practicing what we preach on matters of agility, collaboration and rigour, the MDV Research and Innovation Alliance (RIA) and indeed some clients, have helped form the position being shared here. The result is a set of capabilities that are credible from the perspectives of both theory and practice, and, importantly, can be nurtured deliberately and productively. Four address each element of VUCA, while the fifth both feeds and is fed by them.

Figure 2:
five capabilities for VUCA



Growing capability, developing people

Each of the five capabilities can be supported and developed in a range of ways, to take into account 'worldview' or adult developmental theory. So a combination can be crafted to suit any particular organisation or leader. Table 1 highlights examples of a set of capabilities, with just one indicative framework or model relevant to each, to illustrate the type of ways forward that already exist. ▷

Table 1: growing helpful capabilities for VUCA contexts

Dynamic	Capability examples	Reason	Development programme option
Volatility	Promote inquiry 	as Volatility involves sudden and unexpected changes of direction, there is a need to encourage a questioning approach, with an experimental and agile orientation.	Action Inquiry (Torbert). Taking ideas around inquiry-based leadership to help participants improve their diagnostic and strategic questioning, including how their own thinking may be contributing to difficulties.
Ambiguity	Surface dilemmas 	as Ambiguity is often associated with there being a variety of 'best' or 'right' answers, and perceived incompatibility, there is a need to pay attention to relationship and politics, ensuring dilemmas are overtly raised and appreciated.	Polarity Management (Johnson). Helping participants to more fully understand the archetypal dilemmas and conflicts that show up in organisations and how to use a specific approach to surface and resolve them.
Complexity	Nudge systems 	as Complexity goes beyond the influence of clever planning, there is a need for consistent awareness of environmental fluctuations and weak signals, and an ability to act in small ways frequently.	Cynefin (Snowden). Working with a framework for decision making and action, including in complex situations, in a way that helps participants practically apply concepts to their leadership challenges.
Uncertainty	Connect creatively 	as Uncertainty can cause inaction, withdrawal, confusion or conflict, there is a need to help people move beyond 'fight, flight, freeze' responses to embrace and work with different worldviews, and be better resources to each other.	Dialogic Leadership (Isaacs). Using dialogue approaches to convene effective conversations, enabling leaders to work with others, surface assumptions and craft new ways forward in the moment.
VUCA	Cultivate resilience 	all of the above capabilities contribute to this one and vice-versa, for a virtuous cycle in the face of multiple demands. Consistent action is needed in order to promote individual and organisational types of resilience – which includes pacing, recovery and wellbeing.	Five Ways to Wellbeing (New Economics Foundation/ Foresight). Research-based recommendations around resilience and wellbeing – report and a set of easily usable daily practices.



◁ A framework such as this therefore provides some pragmatic workable shape or boundaries for organisational purposes and can guide activities in a strategic way. In assessment terms, it can start to provide a diagnostic structure for addressing strengths or gaps in leaders' individual or shared capabilities. It can help in selecting and tailoring development in a more integrative way than is often done, embedding practices that can lift underlying individual and organisational capacity.

It is easily possible to incorporate staged development, which:

- honours the benefits of existing capability and allows it to be used well
- assists in providing the most appropriate development
- matches people well to the demands of particular roles or situations and enables appropriate support

tailoring development in a more integrative way than is often done, embedding practices that can lift underlying individual and organisational capacity

As an approach can be selected or crafted to suit any particular point in adult development, what appears to be a relatively simple framework can encompass the required complexity and not become reductionist.

To map capability against stage requires a deep attention to the relationship between measures of adult development and the way that this can impact how people 'show up'. Such mappings are not there to be definitive, but to guide. By way of an example, Table 2 references an activity that most organisations find important – collaboration. In this table, four of the developmental stage labels of a relatively well known measure, the Leadership Development Framework (LDF, see *Rooke and Torbert 2005*), are used to illustrate collaboration-relevant behaviour at different developmental stages (action logics).

The sharp eyed will spot 'Connect creatively' in both tables 1 and 2. This is because Table 1 reflects an adult developmental position approximating the Individualist action logic. It is possible to create versions of Table 1 for different action logics or other mappings of adult development. Table 2 shows how a particular purpose can be served in different ways by different developmental stages.

Table 2: Collaboration capabilities at selected developmental stages

	Developmental stage (LDF)			
	Expert	Achiever	Individualist	Strategist
Capabilities relevant for collaboration.	Link people: meetings to argue/test out the best way forward.	Build bridges: meetings across silos to ensure a project is completed.	Connect creatively: get disparate views, stakeholders etc in the room to emerge new options.	Convene conversations: long term, short term, multiple strands, iterative, monitor salience and need.

Putting a capability to work

Continuing with the example of collaboration, and relating it to leadership at different developmental stages, gives the opportunity to explore what behaviour might be seen.

In a VUCA environment, where uncertainty is high, organisations can slide into stasis or confusion, as people look around for the 'clear vision and direction' of much conventional leadership advice. But what happens when the way forward is genuinely unclear?

For example when:

- there is doubt about where an industry or market is heading (think of the processed food industry in Western Europe. Social and fiscal changes, with factors including a sugar tax, prompted a range of behavioural changes through the food chain)
- there has been a sudden and unexpected discontinuity in consumer behaviour (eg the fate of Nokia after the Apple-isation of the world)
- an entire sector is thrown into uncertainty after a sudden political decision (eg the UK pharmaceutical industry after the Brexit vote facing inter-related issues of trade agreements, economics, NHS pressures and regulation)

In times of high uncertainty, it is tempting to fall back on the heroic leadership approach. We try to find the person who will reassure us that things aren't really so different from the old days or that crafting some new words to encompass a new mission or purpose will somehow magically help us direct our way through.

Wiser leaders at any organisational level know, however, that the best way to support the organisation in these situations is to build the social system and reinforce the links between people and their ideas. This helps people who feel unclear and troubled to regain their confidence – in themselves and their colleagues. And it drives cross-organisational sharing of projects and ideas – a key facet of collaboration.

We asked Karen Ellis to bring to life the way in which collaborative leadership might show up in practice across different developmental stages. The following vignettes reflect some of the key drivers and behaviours, again drawing on four of the LDF terms. ▷



For vertical development purposes, a practice is a consciously chosen, regular 'habit of action' that we select to help us actively build our capacity

<| **Expert** stage leadership **links people** by bringing professionals together in meetings, conferences and committees so that individuals can share their expertise and concepts to create a shared view about the situation. Levels of debate and creative disagreement are high as each person tries to clarify her own viewpoint against those of other respected colleagues until a majority view can be identified, articulated and, usually, captured in the form of a report or presentation. The 'output' can then be shared across the business as the professional 'position statement' that summarises the current 'state of the nation' and a set of proposals for action in the new situation – which is, thankfully, certain again.

Leadership at the **Achiever** level **builds bridges** between local teams and functions, thinking through the gaps in inter-group working, seeking to 'break down silos' and generate new ideas through the conversations. This often takes the form of joint team meetings or workshop sessions, where each team expresses its current situation and viewpoints. Agreements are negotiated between teams to define 'how we will work together' through the uncertainty – which is regarded as a temporary phase before a clear way forward reappears again. Ideas are turned into initiatives and effectively implemented, using cross-functional teams. As they tend to be generated by people with a shared paradigm, the new ways are likely to be no more than a gradual improvement on the status quo.

If coming from an **Individualist** frame, leaders have become more interested in the wider relationships between different elements of 'the system', aiming to **connect creatively** across disparate groups, players and ideas. They will favour a somewhat emergent approach to conversations, bringing disparate groups of players together – colleagues who would not normally work together, clusters with strongly differing views and people from outside the organisation who can offer new perspectives. Large group approaches are at their peak here – leaders use open space and future search approaches to generate energy and new ideas. However, the main emphasis is on the connection – new insights are not always followed through and a lack of political 'nous' can leave groups foundering without support.

Strategist leadership takes the longest term view – leaders coming from this stage know that the uncertainty is here to stay and that the idea is not to find clarity or keep the sense-making to themselves. If coming from a Strategists frame, a leader will identify the issues that are the most salient in shaping the future and **convene conversations** across the organisation and beyond, out into the industry, with regulators and politicians, with customers and citizens. These conversations are sometimes long term – a single cycle may take months or even years. Sometimes, equally, a Strategist approach will aim to tackle a 'wicked' issue via a sprint, or a deep-dive, using a data-driven collective workshop approach culminating in collective ownership and prioritised action across borders.

Says Ellis, "The concept of practices is well established as part of adult development – the view that 'we are what we repeatedly do', and the need to notice how many times we must do a new thing for it to become embedded. For vertical development purposes, a practice is a consciously chosen and regular 'habit of action' that we select to help us actively build our capacity."

In the panel on page 13, Karen Ellis suggests five practices that can help us with specific aspects of a VUCA environment. They align with the Individualist terminology of Table 1.

Five VUCA practices

1. In turbulent or volatile moments, we can foster inquiry in ourselves and with others by avoiding premature sense-making, asking relevant questions and seeking new perspectives.

The practice: each day, pick one new question seeking to improve your understanding of someone else's perspective. Ask that question at least once in every conversation you take part in. For example, "Can you tell me your thinking on . . .?", "Please say more about how you came to that view", "We differ strongly on this – can you explain your perspective on it?"

2. Uncertain environments demand that we connect creatively with others to build confidence and collaborative thinking, and that we connect people to each other too.

The practice: at least once a week, think back over all the colleagues you have met over the past few days. Identify at least one person who should be connected to someone else you know – because they share ideas or initiatives in common or just because they would be interested in each other. Introduce them to each other via email, social media or in person.

3. In complex situations, we need to probe experimentally to determine what to do and progress our intentions. We diagnose the condition of the system(s) of which we are part and nudge the system in the direction we think it should move.

The practice: on a regular basis, map the system of people and relationships involved in an issue you are trying to progress. Identify the strengths of relationships between you and others; look at where the power lies and notice the alliances that exist. Hold one conversation a week with the aim of improving a priority relationship to see how that impacts on the progress of your issue.

4. Ambiguity means that there is no one right or best answer to the issues that we face. Views are contested and people or groups can polarise as each tries to 'do the right thing'. As leaders, we can avoid this tendency by helping others to surface dilemmas and hold the different viewpoints as equally valid while we find a collective way forward.

The practice: once a week, take an 'observer' role in a key meeting you are participating in. As people talk, notice when they oppose each other or polarise in their views. What unspoken dilemma might be at play? Share your observation with the group in a neutral way (neither side is more right than the other) and ask if they are interested in exploring the dilemma together.

5. VUCA environments cause higher levels of stress, frustration and anxiety in many people – the way forward is unclear, roles keep changing and the temptation to do 'something, anything' rises, resulting in overload. Leaders need to cultivate resilience in themselves and in others – building ongoing practices for recalibrating and rebalancing themselves intellectually, physically and emotionally.

The practice: at the end of each week, take 20 minutes to create a 'mood map' of your week, noticing when you felt at your most calm and when you were most 'off kilter'. Notice the patterns – what experiences or people were most helpful in restoring balance? Decide on one action you will take in the next week to add in one more 'resilience boosting' experience or conversation.

The final section of this paper revisits the broader challenge for organisations, which is to foster beneficial practices in the face of competing demands and the same VUCA world that requires so much of its people. To the extent that 'the organisation' and 'its people' are seen as indivisible, the rest of the article also applies. But it can also be useful to choose different perspectives or scales. ►

The organisational challenge

◁ A thorny issue for some organisations will be the way in which notions of vertical development do not necessarily neatly align with organisational hierarchies. What happens when the more senior person would appear to have the more limited worldview, with less appreciation of complexity than their organisational subordinate? It may be true that the senior person brings highly valuable experience-based information and knowhow. It may also be true that the more junior person brings differently valuable experience and knowhow that has yet to find its place at the table and is perceived as untested, perhaps highly risky.

MDV experience suggests that a misunderstanding based on worldview or relationship with a VUCA world can be limiting for all concerned, and it adds another dimension to the sorts of conversations that sometimes start about 'old school' versus 'millennials', for example. Providing leadership teams with general background and shared language on further development in the adult years, combined with something as practical as evidence-based and staged capability development, can enable generative conversations to resume.

a misunderstanding based on worldview or relationship with a VUCA world can be limiting for all concerned

Another challenge may be that one worldview is dominating all circumstances, including those for which it is not suited. Looking at the organisational research related to adult developmental theory (eg Rooke and Torbert 2005, Kegan 1994, Jaques 1994, Laske 1999, 2011), the majority of managers could be characterised as fitting a description equivalent to the LDF 'Achiever', with associated benefits for the organisation in goal-based approaches to delivery, for example. But if the environment demands a more multifaceted perspective, with a longer time frame - more in line with the 'Strategist' descriptors – will that voice be heard when it might seem (to the Achiever-like majority view) to be getting in the way?

An important piece of the solution for this is to help raise awareness across the organisation, of what is being attended to and what is not. And then to highlight the relationship between these elements and the consequences of current activities. Some conversations may require particular sensitivity and persistence, but effective ways of working with VUCA, including matters of adult development, can give them a better platform.

The capacities and capabilities introduced in this article sit within an integrating framework that MDV has created. It facilitates a comprehensive review of crucial factors, including standard best practice and the VUCA and Vertical concerns.

Initially, it was evolved for internal use as a result of lively attention from MDV consultants and the RIA to client work, thought leadership and testing out leading-edge thinking and practice from a variety of domains. But it became evident that the framework could really help clients discuss the different needs in their organisations, as well as address elements that might come in to conflict when looked at through a developmental lens. This could include aligning recruitment with organisational development or using placements for both development and succession, for example.

Integrating for better outcomes

the VUCA world doesn't eradicate the need for 'steady state' approaches. But it is clear that they have some limits to their effectiveness

This integrating framework is illustrated by Figure 3, overleaf. It includes the three areas of capacity – conceptual, personal and interpersonal – and the five capability areas addressing VUCA. “It is clear,” explains MDV assessment specialist Carol Jefkins, “that the VUCA world doesn’t eradicate the need for ‘steady state’ approaches. But it is also clear that steady state approaches have some limits to their effectiveness.” So the integrated framework explicitly acknowledges extent of (un)predictability.

Any given role or industry will contain elements of relative predictability and unpredictability. In clothing retail, for example, some seasonality of sales is predictable. However, weather patterns or vloggers may impact the supply chain in less predictable ways. In professional services, some variations in any client engagement are expected and predictable: the client interaction has to be managed, as do staffing matters and delivery to some form of project plan and agreed ways of working. However, a change in key personnel within the client, losing a sponsor, or external threats to the client system such as a sudden loss of finance, may impact and reverberate in less predictable ways.

Relative unpredictability comes from factors including social, economic, environmental and political change and/or new technologies; at the individual level they need to be reflected in the types of capacity and capability highlighted throughout this article. In addition, to help organisations address a perennial challenge of evidence and transparency in people development, the framework takes on board that some relevant aspects of human beings are observable in context, while others are largely invisible. Only those invisible elements that are detectable in some validated way are included; these need to be kept under constant review based on environmental scanning, research and practice.

Important features of the integrating framework include:

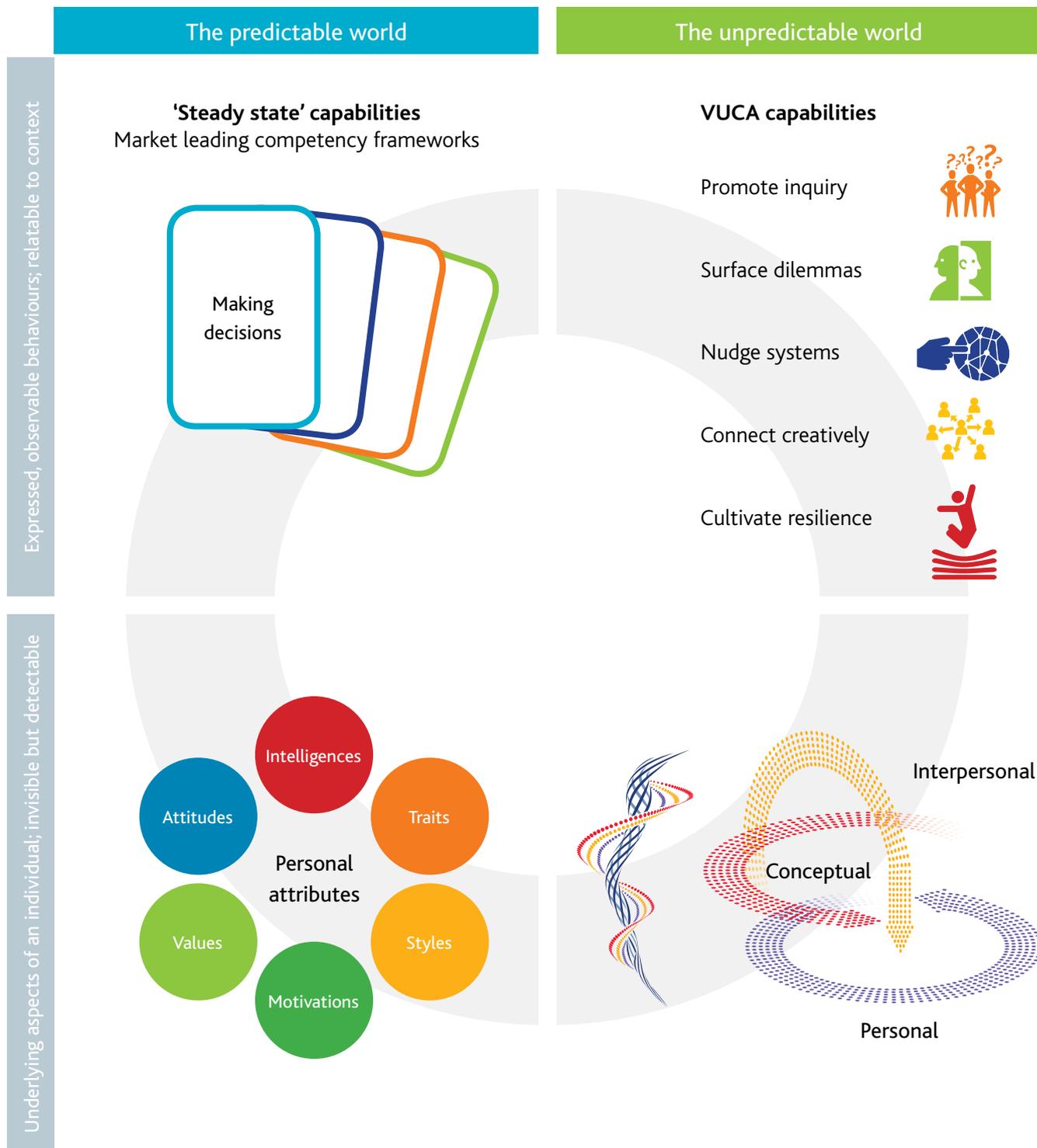
- The four quadrants are not hermetically sealed at the edges
- The learning and activities most relevant to the ‘unpredictable’ versus ‘predictable’ have significant differences, although not mutually exclusive. Addressing technical and behavioural learning needs (change gear) and addressing more ‘vertical’ needs (change vehicle) each has a place
- The framework is better imagined in three dimensions than reduced to a flat world, to better allow for nuanced relationships between the elements across time, place, industry and so on

There is much more to be said about all the material presented here, and further articles will follow, with different depth or breadth on individual aspects of the capacities, the capabilities and the integrating framework. The intention is to continue to relate theory and practice, evolving both in ways that can be applied to meet our 21st-century challenges.

Says Julie Allan, “achieving outcomes that we can recognise as wiser, at every scale, is a very consequential challenge of our times – and not one that needs us to leave organisations on the sidelines. More people are realising that life in general, including life in organisations, is lived in beta, not pinned as a version 1.0. More people see that boundaries we have drawn between functions, sectors and knowledge areas are labels of convenience that can inhibit rather than enhance development. And this is happening in the world of work, in education, in evolutionary biology (*de Botton, Maxwell, Noble*)... the leading edge has become an increasingly lively place”.

Karen Ellis describes her focus for the work reflected in this article as, “bringing a recognition of the deep need to bring currently disparate theories of constructivist development together to give a practical and implementable framework for clients and practitioners. It’s about moving genuinely developmental approaches out of the classroom and into the hurly-burly of modern working life.” ▷

Figure 3: integrating framework for VUCA



The ongoing discipline

◀ Adds Mike Vessey, "When we ran Building Leadership Capabilities for the Future, in London, in May 2016, and 90 people came along, it was clear that we were not alone in our passion for this leading edge. The investments we have made in VUCA and adult development, and we continue to make, have been significant and hard work. But we have also had a very uplifting response from clients and can see the traction that comes from the types of intervention that we can create."

But a final conundrum remains and should not be ignored: articles like this one, with their intention to provide helpful lenses, maps and frameworks, run the risk of being interpreted as a final or comprehensive position. In addition, it can feel, paradoxically, that the intricacy and valuable nuances of being human have disappeared. Never would this make less sense than when addressing matters of VUCA and vertical development.

We are dancers not statues

So, yes, this article has introduced some elements of the integrated approach that MDV continues to develop as a response to client needs around VUCA. And yes, while there are pitfalls to avoid when an overly simplistic interpretation is given to vertical development, the majority of evidence, conversation and experience favours the need to become skilful in this area.

However, also yes to the view that as human beings, we are dancers, not statues. Nor are we sealed off or distinct from our environments, even when we characterise things in that way. As leaders develop vertically, and as they make a commitment to their development, they become increasingly aware that what they are able to notice about what is going on *for* them is highly related with what is going on *around* them. They move from being reactive observers of a dance 'over there' to responsive co-creators of the dance. They find flexible ways to take forward intentions, while keeping track of their own sense of integrity, in ways that others notice and want to learn from. You might be able to name some of these leaders. Better still, you might be able to arrange spending time with them.

Here at MDV our ongoing discipline is to co-create the emerging future rather than simply react to it. We like to lead, to play big in a way that serves what is needed, to practice what we are passionate about. So we love to debate and test our thinking to develop our awareness and to learn from our actions ... and that includes your responses to what is written here.

What do you think?

- With regard to the ideas expressed here, where would you say you are doing really well? What got you there?
- We quoted some reports in which organisations thought their leaders were perhaps 25-33% VUCA-capable. What % would you expect from a 'corporate audit' of your own? What could raise your rating?
- Do you see your competitive advantage coming from your predictable activities, your less predictable ones, or both? Why?
- What one practice would you add to the list of five we offered as starting points?
- What one thing could you do next, given what you have read?

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You may also like:

These MDV articles related to vertical development are available at www.mdvconsulting.co/experience/articles

The Value of Vertical Leadership Development in a Volatile World (April 2016)

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Vertical Leadership Assessment – A New Approach for a VUCA World (March 2017)

Taking the Fear out of Feedback (October 2016)

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Julie Allan FRSA is a chartered psychologist, author and co-creative who helps people engage with their emerging future through executive coaching, supervising, facilitation, writing and advisory. Her work has encompassed a range of business sectors, local and national government and small enterprise. Her expertise areas include adult development, complexity, narrative, metacognition and the psychology of wisdom.

Karen Ellis has worked in leadership and organisational development with global corporates, governmental organisations, entrepreneurial start-ups and everything in between. She has worked with adult development theories for more than 15 years and is both stunned and delighted by the new interest in 'Vertical'. Her expertise areas include adult development, systemic approaches to organisations and networks, embodied thinking and cognitive development.

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