



# The Browning Leadership Institute

## The Tumultuous Nature of the VUCA Environment Faced by Senior Leaders

Following are two tables that illustrate the tumultuous nature of the VUCA (volatile, uncertain, complex, and ambiguous) environment.\* Changes in a small corner of the globe can quickly spread with worldwide consequences. The “right thing to do” often no longer exists. As former US Secretary of State, Henry Kissinger posits, “Each success only buys an admission ticket to a more difficult problem.”†

Table 1 provides a listing of the VUCA environment faced by senior leaders common to all organizations (government, military, business / industry, and nonprofit). Table 2 provides a listing of key elements faced by senior leaders based on specific organizational environments.

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\*VUCA is the environmental profile faced by senior leaders. **Volatility:** The increasing pace of change in conditions, situations, information, networking, technology, and so on. **Uncertainty:** Doubt about the present situation, courses of action, and future decision outcomes. **Complexity:** The multiplicity of factors associated with a decision. **Ambiguity:** The lack of clarity and meaning in an event.

† Henry Kissinger, “National Security Strategy,” Testimony, U.S. Senate Armed Forces Sub-Committee, January 30, 2015, <http://www.bing.com/videos/search?q=kissinger+senate+speech+2015&FORM=VIRE2#view=detail&mid=D44E13FAB87F8E88A583D44E13FAB87F8E88A583>.

**Table 1: Tumultuous Nature of the VUCA Environment Common to all Organizations  
(Government, Military, Business/Industry, and Nonprofit)**

<ul style="list-style-type: none"> <li>• VUCA</li> <li>• Wicked Problems</li> <li>• Risk, Threats, Costs, &amp; Opportunities</li> <li>• Globalization—Interconnectedness</li> <li>• Economic, Financial and Political Instability</li> <li>• Competitors</li> <li>• Customers</li> <li>• Access to Raw Materials, Resources, &amp; Energy Economy &amp; Economic Policies (Macro and Micro Economics)</li> <li>• Suppliers</li> <li>• Emerging Technologies—Exponential Pace—often can be disruptive</li> <li>• Substitute Products/Services</li> <li>• Ethics and Social Responsibility</li> <li>• Demographic Shifts</li> <li>• Cultural Awareness; Cultural &amp; Demographic Tensions</li> <li>• Terrorism</li> <li>• Vulnerability Due To Weak, Fractured &amp; Failing States</li> </ul>	<ul style="list-style-type: none"> <li>• Courts and Legal Institutions (e.g., Fairness, Justice)</li> <li>• Federal, State, Local Governments (e.g. Congress, Tariffs, Taxes, Laws &amp; Regulations)</li> <li>• Politics and Political Forces</li> <li>• Shifting of Global, Economic, and Military Power</li> <li>• Pandemics, Major Accidents, Climate Change, Global Warming</li> <li>• Cyberspace (Managing, Innovating &amp; Securing Safe &amp; Resilient Communication &amp; Information Systems)</li> <li>• Use &amp; Security of Space (e.g., Costs To Do Business/ Security in Space)</li> <li>• Healthcare (Affordable Care Act)</li> <li>• Sophisticated and Broadly Available Technology</li> <li>• Nations Unwilling to Abide By International Norms</li> <li>• Media and Scrutiny</li> </ul>	<ul style="list-style-type: none"> <li>• Immigration</li> <li>• Stakeholders</li> <li>• Labor Unions</li> <li>• Educational Institutions</li> <li>• Current and Future Workforce: (Educated? Trained? Quality?)</li> <li>• Generational Differences</li> <li>• Social Values, Beliefs</li> <li>• Language</li> <li>• Religion</li> <li>• Government-Private Sector Partnerships</li> <li>• Organizational Demographic Shifts (Leaders/Workforce Retiring Later, Greater Number of Generations in Workforce With Differing Values, Expectations, Goals; Global Workforce &amp; Outsourcing.)</li> <li>• Major Unforeseen Strategic Disruptions or Shocks—Wall Street Downturn, 9/11, Natural Disasters (e.g., Haiti, Katrina)</li> </ul>
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**Table 2: Additional Specific Organizational External Environments**

<b>Government &amp; National Security</b>	<b>Military</b>	<b>Business</b>	<b>Nonprofit</b>
<ul style="list-style-type: none"> <li>• National Security Environment More Severe Than Business Environment—Magnitude of Decision-Making</li> <li>• National Interests/Priorities/Objectives</li> <li>• Power and Influence (Political/Economic/Military)</li> <li>• Unity of Effort (Interagency)</li> <li>• Diplomacy</li> <li>• United Nations, Nongovernmental Organizations (NGOs)</li> <li>• Security Capacity of Partner States</li> <li>• Proliferation of Weapons of Mass Destruction (WMD)</li> <li>• Illicit Trafficking &amp; Transnational Crime</li> <li>• Radical Ideologies &amp; Global/Violent Extremism</li> <li>• Politics &amp; Political Risk</li> <li>• Allies and Alliances</li> <li>• Budget and Resources</li> <li>• Growth in Power of Non-State Actors</li> <li>• Treaties and Obligations</li> <li>• Vulnerability of Nation &amp; Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing Conflict</li> <li>• Vulnerabilities, Risks and Threats</li> <li>• Strategists Need to Understand Economic Reality—No Longer Can Afford to Do It Alone—There are No Budgets with Up Vectors</li> <li>• Changes in How Wars are Fought—Agile, Innovative Adversaries</li> <li>• Ability to Project and Logistically Support Military Power</li> <li>• Succeed in Counterinsurgency, Stability, and Counterterrorism Operations</li> <li>• Acquisition System Reform</li> <li>• Sizing and Shaping the Military Force</li> </ul>	<ul style="list-style-type: none"> <li>• Stockholders</li> <li>• The Board</li> <li>• New Markets</li> <li>• Weak Market Rivals</li> <li>• Growth of Existing Market</li> <li>• Multiple Bottom Lines (profit, sustainability)</li> <li>• Hyper-competition</li> <li>• Pressure for short-term results</li> <li>• Outsourcing and supply-chain continuity</li> <li>• Collapse or severe downsizing of demand</li> </ul>	<ul style="list-style-type: none"> <li>• The Board</li> <li>• Volunteers</li> <li>• Fund Raising</li> <li>• Limited Resources</li> <li>• Limited Training &amp; Leader Development</li> <li>• Public Benefit</li> <li>• Political Support</li> <li>• Regulatory</li> <li>• Public opinion</li> <li>• EAT: Effectiveness, Accountability, Transparency</li> <li>• Stakeholders</li> <li>• Technology</li> <li>• Clients</li> <li>• Human Services</li> </ul>