

How Can A Systemic Change Help Companies Navigate in the New VUCA World?



Published on 13/07/2021

In the modern workforce where new work styles, cultures and business models have emerged, the systems of yesterday are gradually becoming obsolete and being phased out. Understandably, there is now a growing focus on Systems Leadership, which can be defined as a set of skills and capacities that any individual or organisation can use to catalyse, enable and support the process of systems-level change.¹

Developed as a framework to complement the 2030 Sustainable Development Agenda set forth by the United Nations General Assembly in 2015, Systems Leadership emphasises a departure from traditional hierarchical approaches to implementing change. Instead, it focuses on innovative approaches that engage diverse stakeholders to advance toward shared visions and goals, and can be characterised by the following attributes:

1. Well-suited to complex challenges that require collective action, where no single entity is in control
2. Involves building and mobilising of teams with mutual accountability to shift towards sustainability
3. Systems Leaders are the catalysts of the entire framework, and require optimism, flexibility, open-mindedness and empathy to empower stakeholders with different perspectives and incentives

Now that we've established the basics, read on as we outline how Systems Thinking can play a major role in helping you tackle the challenges present within the VUCA world.

Adopting Systems Thinking for a VUCA World

More recently, there has been a lot of discussion regarding a VUCA world and leadership within this environment. In response to the VUCA variables of volatility, uncertainty, complexity and ambiguity², we can look towards Systems Thinking for ideas that enhance operational efficiency.

Systems Thinking is a way of perceiving reality that helps us better understand and work with systems to influence the quality of our lives, and comes with its own unique language to describe systemic behaviour.³ It comprises various techniques and devices for visually capturing and communicating about systems, and therefore can be viewed as a comprehensive set of tools as well.

In this context, systems possess four defining characteristics:

1. **Systems have purpose** – Any system has an overall purpose that defines and identifies it. For instance, a car's purpose is to transport passengers from Point A to Point B.
2. **All parts must be present for a system to operate optimally** – Further to the point above, if the engine or steering wheel is removed from a car's system, it would not be able to operate as intended.
3. **The order in which a system's parts are arranged matters** – Just as you would not place the steering wheel of a car on its bumper, placing a manager in a line worker's position and carrying out menial duties does not make strategic sense when operating a company.
4. **System stability can be maintained through feedback** – Feedback allows information to be received and not just transmitted, so that a system knows how it is performing relative to a desired outcome.

All systemic behaviour can be described through reinforcing and balancing processes; the combination of these processes result in a rich diversity of dynamic behaviour in systems all around us. Think of reinforcing processes as those which accelerate change in a single direction, much like positive word-of-mouth that improves your company's image in the eyes of the public. Conversely, balancing processes help to stabilise an entire system; despite occasional fluctuations in staff turnover, a business can still maintain a stable core and deliver profits year-on-year.

At the corporate level, establishing data-driven systems across the entire organisation is necessary, so that factors such as employee happiness, product quality and public reputation can be mapped out and improved on a continual basis.

Paving the Way Forward Through Learning

As digital transformation continues to gain traction and disrupt the world, proactive leaders can adjust by improving their ability to connect, adapt and deliver. Apart from trust-building activities, learning quickly and embracing Systems Thinking are perhaps the most important processes they need to internalise, since information is vital to leadership in a VUCA world and allows them to build up their knowledge quickly in order to expand into new markets.⁴

From this perspective, undergoing a professional development course in Systems Leadership can prove to be particularly useful. A good example would be the 3-day programme, [Systems Leadership for Executives](#), offered by SIM PDEL, where participants will gain a better understanding of the following:

- What is Systems Leadership?
- Shifting to the Systems Perspective
- Systemic Diagnosis
- Overview of Languages & Tools of Systems Thinking
- Systems Archetypes
- From Diagnostic to Systemic Intervention
- Practising Systems Leadership and Becoming an Effective Systems Leader

Remember, formulating effective strategies for problem solving and managing change within a VUCA world is a continual process, so visit our website today to get started!

¹ Harvard Kennedy School, 2019: Systems Leadership for Sustainable Development: Strategies for Achieving Systemic Change (<https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/Systems%20Leadership.pdf>)

² Forbes, 19 Dec 2018: What Does VUCA Really Mean? (<https://www.forbes.com/sites/jeroenkraaijenbrink/2018/12/19/what-does-vuca-really-mean/?sh=bd6436417d62>)

³ Daniel H. Kim: Introduction to Systems Thinking (<https://thesystemsthinker.com/introduction-to-systems-thinking>)

⁴ Business 2 Community, 16 Sep 2019: 5 Ways Agile Leaders Navigate a VUCA World (<https://www.business2community.com/leadership/5-ways-agile-leaders-navigate-a-vuca-world-02240131>)