

THINK—OR SINK

LEADING IN A VUCA WORLD

by Lee G. Bolman and Terrence E. Deal

A wise and successful executive got to the heart of the challenge managers face every day: “The world simply can’t be made sense of, and facts can’t be organized, unless you have a mental model to begin with.” Contemporary leaders need mental models that are versatile and subtle enough to make sense of the VUCA (volatile-uncertain-complex-ambiguous) world of modern institutions. In such a confusing world, leadership has to begin with thinking—making sense of what’s going on. Effective leaders find options in messy situations through multiframe thinking and parsimonious stories that provide focus and offer direction.

Cognitive psychologists tell us that human thinking and perception don’t work the way people typically believe. Common sense, for example, says that vision is simple: you look at something and see it. Not so, says the research. Instead, your brain is always looking for matches between what’s out there and what’s inside. The brain pays attention to differences between what it expects and what’s there. It’s an efficient process that can be very powerful when your mental images are accurate but very poor when they’re not. Newborns, for example, can’t tell the difference between their mother’s face and a pumpkin because they haven’t yet developed their visual software. Chess masters, in contrast, can instantly recognize more than 50,000 configurations of a chessboard. That’s why grand

masters can play 25 lesser opponents simultaneously, beating all of them while spending only seconds on each move.

Neuroscientists now tell us that believing is seeing rather than the reverse. The human brain constructs its own images of reality and then projects them onto the external world. Reality, therefore, is what each of us believes it to be. Our mental models—rich or impoverished—determine the breadth and depth of our personal reality. How you think determines what you see and how you respond to situations.

There are many labels for such mental models: maps, paradigms, mind-sets, worldviews, and cognitive lenses, to name a few. We call them frames. A frame is an amalgam of beliefs and assumptions that you carry in your head to help you understand and negotiate some part of your world. An accurate frame makes it easier to (a) know what’s going on, (b) see more options, and (c) make better choices. Frames are vital because muddled human affairs don’t come with computerized navigation systems to guide you turn by turn to your destination. Instead, you need to develop and carry accurate cognitive maps in your head.

Frames make it possible to register and assemble key bits of available data into a coherent pattern—an image of what’s going on. When it works fluidly, the process takes the form of “rapid cognition,” which Malcolm

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Gladwell examines in his best-seller *Blink*. He describes such swift thinking as a gift that makes it possible to read “deeply into the narrowest slivers of experience. In basketball, the player who can take in and comprehend all that is happening around him or her is said to have ‘court sense.’” In the military, it’s called “situational awareness.”

Even with the right map, getting around will be slow and awkward if you have to stop and ponder at every intersection. The ultimate goal is fluid expertise, the sort of know-how that lets you think on the fly and navigate organizations as easily as you drive home on a familiar route. You can make decisions quickly and automatically because you know at a glance where you are and what you need to do next.

Frame Breaking

Framing involves matching mental images to situations. Reframing involves shifting frames when circumstances change. But reframing also requires another skill—the ability to break frames. Why do that? A news story from the summer of 2007 offers a powerful example. Imagine yourself among a group of friends enjoying dinner on the patio of your Washington, DC, home. An armed, hooded intruder suddenly appears and points a gun at the head of a 14-year-old guest. It’s a potentially lethal home invasion. “Give me your money,” he says, “or I’ll start shooting.”

If you’re at that table, what do you do? You could freeze. Or you could try to creatively break frame and put a new spin on the situation. That’s exactly what the hostess did. She offered the new arrival a glass of wine. He was so impressed with the Chateau Malescot that

she offered him the bottle. He drank some more and sampled the cheese. He put the gun away, apologized for the disturbance, and walked off with his wine. No one was hurt, and nothing was stolen. He left an unbroken wine glass in an alley behind the house.

Breaking frame made the difference. In one stroke, the hostess redefined the situation from “we might all be killed here” to “let’s offer our guest some wine.” Like her, artistic managers frame and reframe experience fluidly, sometimes with extraordinary results. Frames are both windows on a territory and a sextant or compass for navigation. Each window offers a unique view. Every directional device has strengths and limitations. Only experience and practice bring the adroitness and wisdom to take stock of a situation and plot a course with confidence and skill.

Four Leadership Frames

What you read or hear about leadership takes many different directions, producing conflicting schools of thought. Each theology has its own scripture, and you have to sort through a cacophony of voices and visions when seeking enlightenment. Instead of choosing one or another of the competing voices, we have merged four distinctive ideas—structural, human resource, political, and symbolic—into an inclusive framework. Together, they are powerful enough to capture the subtlety and complexity of leadership and organizations yet simple enough to be helpful. Each frame tells a different story about leadership, and each offers a distinctive path for leaders.

1. Analysts and factories: the structural frame

In 2012, Forbes rated Amazon founder Jeff Bezos as the best CEO in America: “the corporate chief that others most want to meet, emulate and deify.” Fifteen years earlier, when his fledgling company was barely a year old, Bezos’ letter to shareholders laid out his leadership story in three elegantly simple themes: First, Amazon would focus relentlessly on its customers—the company uses hundreds of metrics, most related to customer service, to track its performance. Theme two: Amazon would make decisions based on long-term

leadership rather than short-term profitability. Bezos repeatedly ignores complaints from Wall Street that he's cheating his shareholders by shaving his margins too thin and plowing too much money back into the business. Theme three: Amazon would thrive on data-based learning, killing initiatives that weren't panning out and doubling down on those that did. Bezos's formula for success is deceptively simple. Anything that isn't about customers, long term, or data based isn't important. He's kept his word.

Like any great leader, Bezos relies on more than one perspective, but is particularly at home in the structural frame. This view emphasizes rationality and structure, including policies, goals, technology, specialized roles, tight coordination, data-driven decisions, and formal relationships.

2. Catalysts and families: the human resource frame

One thing that distinguishes CEO Terri Kelly from most of her 10,000 associates at W. L. Gore is that she has a title. Most of her colleagues are simply "associates." Like other leaders at Gore, Kelly was elected to her job by her peers, because Gore believes that you're a leader only if people want to follow you. Gore's lifeblood is innovative products, and to get there it has shaped itself as "a team-based, flat lattice organization that fosters personal initiative." Teams form and leaders emerge around opportunities. Creativity flourishes in small, mutually accountable teams where individuals can be themselves and maximize their potential. Traditional managers would see it as a perfect recipe for chaos and failure, but Gore has sales of more than \$3 billion annually and has never had a losing year since it was founded in 1958 by W. L. (Bill) Gore.

Terri Kelly credits Bill Gore as the architect of Gore's management approach, but she's continued the tradition as a true believer and an evangelist. At the heart of the approach, as she describes it, is a belief that individuals do best when they, not bosses, decide what they want to work on and where they can make the greatest contribution. But the

coin has a flip side—once you make a commitment, you're expected to deliver, and your teammates will hold you accountable. At Gore, that philosophy allows both "rainmakers" and "implementers" to flourish. Rainmakers come up with wild ideas, and implementers make them real. The two types drive each other crazy, but both are essential. Part of Kelly's job is to create a climate in which both can prosper.

W. L. Gore is one of many companies whose leadership is strongly committed to basic tenets of the human resource frame. Other examples include Costco, Google, Men's Wearhouse, and SAS. All are committed to a philosophy that's easy to espouse but tough to practice: if you hire good people and support and engage them, good things will happen.

3. Warriors and jungles: the political frame

Artist, entrepreneur, futuristic visionary, and brilliant marketer—Apple's Steve Jobs was all of these. He was also an aggressive pugilist ready to slug it out for any project or cause he championed. His combative style relied more on persistence and brute force than compromise and subtlety. A case in point was his battle with Michael Eisner, Walt Disney Studios CEO, over kids' movies. The skirmish traced back to 1986, when Jobs bought 70 percent of Lucasfilm's computer division because he thought its technology was "really cool." Over the next several years, Jobs poured more than \$50 million into the business, even as it kept losing money. As things started to turn around, he persuaded a player with deep pockets—Walt Disney Studios—to finance the studio's first feature film, *Toy Story*.

The Disney deal saved the business—now called Pixar—but led to running battles between Jobs and Disney CEO Michael Eisner over how to split the profits. The feud got worse after Eisner publicly criticized "computer companies" for promoting digital piracy. Eisner didn't name names, but everyone knew he was talking about Apple and iTunes. Whether he wanted a war or not, Eisner had inflamed a dangerous adversary. He and Jobs

traded salvos as the Disney–Pixar deal was coming up for renewal.

Jobs, as a shrewd warrior, began to assemble his allies. He cultivated relationships with key members of Disney’s board and spread the word that there would be no new deal as long as Eisner was CEO. Eisner countered with a memo to the board insisting that Disney was in the driver’s seat because it owned all of Pixar’s characters—and, furthermore, Pixar’s next film wasn’t expected to be very good. The memo leaked, and Jobs was predictably infuriated. Even worse, Eisner had seriously underestimated Pixar’s next film, *Finding Nemo*, which won the Oscar for animated films and became one of Disney’s most successful movies.

Two proud and stubborn warriors dug in for a battle that many observers viewed as more about ego than substance. Eisner threatened to make *Toy Story 3* with no help from Pixar. Jobs countered that he was cutting off negotiations with Disney and added that Disney produced nothing but flops in recent years. The impasse broke only when the Disney board decided they needed Pixar more than they needed Eisner. They fired their CEO and replaced him with his deft, good-humored second-in-command, Bob Iger. Iger quickly phoned Steve Jobs. After extended negotiations, Disney agreed to buy Pixar for \$7.1 billion in stock. Jobs became a billionaire, a board member, and Disney’s biggest shareholder.

Jobs, Microsoft’s Bill Gates, and Oracle’s Larry Ellison are among the many legendary entrepreneurs who relish combat and are accomplished politicians. The political frame sees a world of scarce resources and competing interests in which conflict is a central process and power is the critical resource. Ellison, who was one of Jobs’s best friends, put it bluntly, “I’m addicted to winning. The more you win, the more you want to win.”

4. Magicians and temples: the symbolic frame

Steve Jobs was magician as much as warrior. The public knew him as a charismatic salesman whose flair for drama could transform product

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announcements into compelling, captivating theater. But not all magicians are warriors. Howard Schultz, who built Starbucks from a tiny retailer in Seattle to thousands of outlets around the globe, will fight if he has to but is happier talking about love, soul, and spirit. The essence of his leadership story is simple: coffee and community. He believes in offering great products in a warm and welcoming environment that functions as a “third place” between home and work. In his mind, you build a powerful and enduring brand spiritually “with love, one cup at a time,” not with a formal ad campaign.

He retired as Starbucks’ chief executive in 2000 but returned in 2008 when the business was beginning to slump. In his visits to stores, he saw nothing very tangible or specific wrong but felt that the magic and soul were dissipating. On his return, Schultz closed all the stores for an afternoon of barista reeducation, and engaged the executive team in a discussion of what they could learn from the Beatles as an example of an iconic brand that reinvented itself several times but finally fell apart. The magic was rekindled. Starbucks weathered the economic downturn of 2008 and came back stronger than ever.

Schultz joins legends like Thomas Watson of IBM, Bill George of Medtronic, and Herb Kelleher of Southwest Airlines, all magicians at home with symbolic ideas and assumptions. The symbolic frame sees a world of ambiguity and uncertainty in which individuals and institutions continually seek to make sense and create meaning. Logic and data matter less than faith and values, which are expressed through stories, heroes, ceremonies, humor, play, and drama.

	Frame			
	Structural	Human Resource	Political	Symbolic
<i>Metaphor for organization</i>	Factory	Family	Jungle	Temple, theater
<i>Central concepts</i>	Rules, roles, goals, policies, technology, environment	Needs, emotions, skills, relationships	Power, conflict, competition, organizational politics	Culture, meaning, metaphor, ritual, ceremony, stories, heroes
<i>Image of leadership</i>	Social architecture	Empowerment	Advocacy and political savvy	Inspiration, Significance
<i>Basic leadership challenge</i>	Attune structure to task, technology, environment	Align organization with human needs and talent	Develop agenda and power base	Create faith, hope, meaning, and belief

TABLE 1. THE FOUR-FRAME MODEL

Multiframe Thinking

Table 1 provides an overview of the four-frame model. It shows that each frame has its own image of reality. You may be drawn to some and puzzled or repelled by others. Our research has consistently shown that the ability to use multiple frames is associated with greater effectiveness for managers and leaders. Successful leaders reframe, consciously or intuitively, until they understand the situation at hand. They use multiple perspectives to develop a diagnosis of what’s really going on. Then they integrate their understanding into their leadership story, the script they use to guide themselves and their constituents.

Multiframe thinking requires moving beyond narrow, mechanical approaches for understanding the world. We cannot count the number of times managers have told us that they handled some problem the “only way” possible. Such statements betray a failure of both imagination and courage and reveal a paralyzing fear of uncertainty. It may be comforting to think that failure was unavoidable and that you did all you could. But it can be liberating to realize there is always more than one way to respond to any problem or dilemma. Those who master reframing report a liberating sense of choice, freedom, and power.

Akira Kurosawa’s classic film *Rashomon* recounts the same event through the eyes of several witnesses. Each tells a different story. Similarly, every organization is filled with people who have their own interpretations of what is and

should be happening. Each version contains a glimmer of truth, but each is a product of the prejudices and blind spots of its maker. Great leaders rely on multiple lenses, possess the skill to use each, enjoy the wisdom to match frames to situations, and have created a leadership story that assembles what they see into a powerful and coherent script that is right for the times and circumstances.

Conclusion

How leaders think determines what they see, how they act, and what results they achieve. Each of four lenses—structural, human resource, political, and symbolic—opens a new set of possibilities for leaders to use in finding their bearings and choosing a course. Narrow thinking all too often leads to a failure of imagination, a major cause of the shortfall between the reach and the grasp of so many leaders—the empty chasm between noble aspirations and disappointing results. Great leaders use multiple frames to see what they need to see and to craft a story about what will work.

Great leaders rely on multiple lenses.

Organizations, over time, have spawned their own narratives. The interplay of leaders' and organizations' stories gives rise to an emerging script that, at its best, provides a compelling image of where a group or organization is, where it needs to go, and how it will get there. The story serves as a



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drama in which both leader and constituents become actors. Great leaders test and evolve their story over time, experimenting, polishing, abandoning plot lines that don't work, and reinforcing those that do. Bad stories lead to disaster. Good ones conjure magic.



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