HEIDRICK & STRUGGLES

Leading in Uncertainty

A PLAYBOOK FOR HARNESSING THE POWER OF AGILITY

Our research on organizations and leaders who accelerate performance in a volatile and uncertain world indicates that **agility** separates the best from the rest. Too many organizations are slow, bureaucratic, and indecisive. They fail to embrace uncertainty.

Agility is the ability to pivot quickly with an open, flexible mindset for rapid response to change. In a post-COVID, increasingly turbulent world, we observe agile leaders demonstrating four distinct skills: **foresight, adaptability**, **learning**, and **resilience**. This playbook defines each skill and provides practical steps to boost each one.

Agility Resources

- Agility for the long term by Steven Krupp and Becky Hogan

- The future is now: How leaders can seize this moment to build thriving organizations by Steven Krupp

- Can you learn to be more agile? Yes – if you follow these 7 principles by Steve Krupp and Sharon Sands

- The Leadership Enigma Podcast: Leading with agility with Adam Pacifico and Steve Krupp

Agile Leader Potential

Interested in learning more about assessing leadership agility? Meet Agile Leader Potential (ALP), a state-of-the-art assessment of Agile Leadership Potential combining game- and video-based analytics.

- Click here to watch the 60-second overview.

Foresight

What we mean: *Anticipating and proactively getting in front of rapidly changing dynamics*

Leaders with foresight are adept at anticipating what's around the bend and accepting the discomfort of continuous change, while preparing in advance for a variety of possible futures. They make decisions with both today and tomorrow in mind. They employ tools such as scenario thinking and planning to embrace uncertainty and to create plans (versus a plan). Their aim is not to forward-engineer the past but to reverse-engineer the future, which is key for ensuring future success in an uncertain world.

Why it matters: We live in a world of uncertainty, volatility, and upheaval, in which leaders are challenged to engage and be proactive rather than reactive on multiple shifting fronts at the same time. Many advanced as leaders because they exemplified the capability to execute, not anticipate. Yet both skills are required to meet this moment as well as the uncertainties and upheavals that will certainly happen in the future.

Mini case/exemplar: Although IKEA was relatively late to e-commerce, CEO Jesper Brodin had the foresight to begin a major digital transformation push in 2017. Up until then, the in-store experience was at the core of the innovative retailer's success.

Nonetheless, while traveling the world to listen to customers, he heard that people can't always get out and wished they could order online. When COVID hit, the foundation that was in place at IKEA made it possible for heroics to happen: the retailer was able to implement in 8 weeks what was supposed to be a 2-year plan. Pre-COVID, online sales were 6%; during COVID, they were 100%. They're now 30%. Anticipation, and then a shift from slow to fast decisions, saved IKEA from dire straits. Future-focused foresight, commitment to sustainability, and listening to emerging employee concerns led to a small mattress recycling experiment that has ballooned into a great IKEA business venture. The intent now is to recycle every mattress made by anyone in Europe because it's good for the future, the business, and the climate—and also addresses a growing concern of coworkers and customers.

Consider

- How do you stress-test your strategies to ensure they are viable in a variety of future scenarios?
- What percent of your time do you spend looking forward and outside versus focusing on day-to-day execution?
- How do you build foresight as a capability in your team to better balance long- and short-term thinking?

TIPS

1

Scenario-plan for 18 and 36 months out. Project possible futures, implications, and winning strategies.

Experiment/action: Gather insights from desk research and industry experts about what the future might be like; then identify 4 scenarios in each timeframe that capture very different possible futures for your industry. Discuss implications and winning strategies for each future scenario. Then stress-test your strategic actions against these scenarios to anticipate unintended consequences and adjust as needed.

2

Accelerate your digital strategy and future customer experience. As we conduct business more virtually, and new digital tools become our way of life, how can your team reinvent solutions faster, be ahead of tomorrow's game?

Experiment/action: Brainstorm 3 solutions you offer that could be disrupted, eliminated, or dramatically altered due to digital advances. Determine what signs must be monitored to indicate your current offer is at risk. Study innovators to see what they are promoting and create a SWAT team to explore how you can compete if the disruption happens.

3

Do a pre-mortem before pulling the trigger on a strategic decision. Brainstorm to anticipate what could go wrong with the plan and think systemically.

Experiment/action: Discuss each step of the plan, and brainstorm 3 major areas of risk. Employ a devil's advocate to voice contrarian views and push the thinking about systemic consequences. Nominate a team member to be the voice of the customer, and ensure a customer-centric perspective on how the best-laid plan could go off track.

Thought Leadership

- Foresight in the fog by Steve Krupp, Jarrad Roeder, and Eryn Davis
- Foresight failures by Jarrad Roeder, Steve Krupp, Charles MacDonald, and Eric Skoritowski
- The Leadership Enigma Podcast: The 4th Industrial Revolution with Jonathan Reichental, former CIO for the city of Palo Alto
- What it takes to assemble IKEA by Daniel Roth

Adaptability

What we mean: *Shifting priorities and flexing leadership style quickly as circumstances change or evolve*

Adaptive leaders step above the fray, recognize when the situation has shifted in fundamental ways, and drop old mindsets to launch new business models and innovative ways of working. Adaptive leaders quickly flex their own style in response to changing circumstances.

Why it matters: The world is constantly changing, and the pace of disruption is increasing. To succeed in these uncertain conditions, leaders must be nimble in the way they lead teams, set strategy, and drive for results. Leaders must pivot quickly to navigate the changing environment and ensure their teams and organizations succeed.

Mini case/exemplar: Synchrony Financial, a leading global financial institution, has continued to buck the trend advocated by leading voices in the banking industry for a full return to the office. During COVID, Synchrony leaders committed to listening to the needs of employees and proactively adapting when they learned that many wanted more flexible work options. In fact, based on employee input, they declared that workers did not have to come back to the office 5 days a week.

In July 2022, they announced a permanent work-from-home option for all employees. This decision reflects the company's firm commitment to supporting all employees, their families, and the business by adopting an agile, industry-leading workplace model. This makes Synchrony very attractive to talent during the current shortages, as 92% of employees say it is a great place to work, compared to the 57% average in the banking industry overall.

Consider

- What current assumptions about customers, business, or leadership need to be reexamined because they may no longer be relevant? Have you considered setting self-imposed expiry dates on ways of working to proactively audit what still works and what doesn't?
- Do you encourage active debate, diverse points of view, and healthy challenge, or do you avoid conflict by seeking quick agreement or premature consensus?
- Are you willing to adapt your typical style to move quickly and not allow "perfection to be the enemy of the very good?"

T I P S

1

Shift the frame to deliberately challenge long-standing assumptions and old mental models in your organization by asking team members to list operating assumptions that are no longer relevant.

Experiment/action: Brainstorm assumptions you have about the way the world and your business work. Revisit each and discuss if it still applies. How would it need to shift to succeed today and tomorrow? Align on 3 new operating assumptions that better fit today's world.

2

Deploy a devil's advocate to encourage contrarian, diverse views and creative ideas, as diversity of thought is a powerful ally.

Experiment/action: Nominate or rotate team members to voice controversial views and respond with openness when they do. Listen, ask open-ended questions, and encourage discussion and debate to broaden your thinking to ultimately achieve a better business outcome.

3

Adapt your leadership style to be more facilitative. Listen and support before jumping in with your opinion or direction.

Experiment/action: Be the last, rather than the first, to speak in a team meeting. Instead of taking the lead and focusing on what you want to say, listen to your colleagues as you would to a friend at a coffeehouse by paying full attention in the moment. Maintain eye contact, lean in to listen, and consider body language and expressions, not just words.

Thought Leadership

- [Adaptability: How to be fast, fluid, and humane in the face of uncertainty](#) by Dorothy Badie and Steve Krupp
- [The turmoil, uncertainty, challenge, and opportunity: Am I enough?](#) by Adam Pacifico
- [The Leadership Enigma Podcast: The 6 mindsets of the enterprise leader](#) with Nick Holley, global educator and associate with the Corporate Research Forum

Learning

What we mean: *Being curious and open-minded by testing ideas, experimenting, and iterating in real time*

Successful leaders acknowledge what they don't know and seek to learn at pace. They are aware of their own strengths and weaknesses, embrace a growth mindset, and influence others to stay inquisitive and open-minded. By implementing after-action reviews and learning in real time, these leaders promote a culture of experimentation, rapid-cycle iteration, and "failing forward" that promotes innovation. If plans go wrong, leaders who embrace learning get curious about what happened. This fast pace of learning and curiosity is critical for survival and future success in a dynamic world.

Why it matters: Whoever learns fastest has the advantage in an uncertain world. There is no guide for leaders to navigate disruption; therefore, it is critical for leaders to cultivate a culture of experimentation and innovation. Rapid-cycle iterations based on success and failure promote the quick learning required in dynamic business environments.

Mini case/exemplar: When Garry Ridge became CEO of WD-40, it was a successful company built around an iconic brand. He realized that for long-term growth and sustainability, he would need to create a culture that allowed people to thrive and learn continuously.

At the center of this radical cultural transformation is the clear expectation that everyone takes full accountability. This is underpinned by the WD-40 Maniac Pledge, whereby all employees subscribe to their responsibility to each other: "I am responsible for taking action, asking questions, getting answers, and making decisions." WD-40 is itself a result of failure and learning. It was the 40th attempt that created the successful WD-40 formula. However, Ridge tells us, "WD-40 is about creating memories, not just oil in a can." To reinvent and stay ahead in a complex and unpredictable world, learning must be an obsession. Otherwise, we become complacent and stagnant. Ridge views his 26 years as CEO of WD-40 as merely his apprenticeship in leadership. Each and every manager within the business acts as a coach, encouraging team members to learn from failure while providing unwavering employee support.

Consider

- How open and vulnerable are you about what you do not know, and how often do you seek feedback on your leadership impact?
- How rigorously do you lead your team through timely after-action reviews to capture learnings for the future?
- Are you willing to let people experiment, or are you overly concerned with the potential for mistakes?

- **TIPS** -

1

Be transparent and vulnerable about what you do not know or areas in which you are trying to improve. Ask team members for honest feedback, and make sure they feel safe to share input or speak up. Applaud people willing to raise difficult issues.

Experiment/action: Start team meetings by sharing something you learned or want to learn. Invite your team members to do the same. Respond with affirmation when someone voices an uncertainty or area where they want to grow. Encourage them to help each other be curious and keep learning.

2

Run small experiments rather than making big bets to rapidly test novel approaches. Practice by creating an agile process for tracking time-limited experiments and using metrics to quickly determine which to scale up.

Experiment/action: Help your team identify projects or initiatives where they can practice a "fail fast" way of working. Encourage them to identify what success would look like by including key metrics and stage gates for scaling or killing the experiment. Frame the "win" as rapid learning based on data and metrics, not the success of the initiative.

3

Conduct after-action debriefs and course-correct as necessary. In the after-action review, ask, "What can we learn?" and "How can we refine or shift?" Make this egalitarian—what the military calls a "stripes off" conversation.

Experiment/action: Hold an after-action debrief with blame off the table. Have people state, "I am proud of…" and then ask the team to complete the statement, "I wish…" to move into the conversation about what did not go according to plan. For unbiased participation, have members write sticky notes before sharing. Capture the ideas for learning and course correction.

Thought Leadership

- Resolution 2021: Get curious by Steve Krupp
- Self-coach to boost your agility by Tori Morgan
- The Leadership Enigma Podcast: Growth mindset and psychological safety with Chis Samsa, psychologist and founding director of the NeuroLeadership Institute

Resilience

What we mean: *Leading with purpose, having an ownership mindset, and persisting in the face of setbacks.*

Resilient leaders bounce back from failure or struggle. They project positive energy, yet stay transparent, real, and straightforward with facts. They link their change and transformation efforts back to purpose, while encouraging practices that promote health, well-being, and connectivity among employees.

Why it matters: Resilience is the horsepower that will help you and your team keep moving toward goals and continue to deliver value in spite of headwinds. Without resilience, setbacks and failure derail progress. Resilient leaders tap into the energy and big-picture thinking necessary to persevere through uncertainty.

Mini case/exemplar: Chef José Andrés' nonprofit World Central Kitchen connects the chefs of the world with a higher purpose to feed the hungry. He declared that "an army of cooks stands ready to serve vulnerable citizens, at a time when those very cooks are themselves in desperate need of support." These "food first responders" have been resilient and courageous responding to severe food shortages caused by hurricanes, natural disasters, COVID, and the invasion of Ukraine. They are providing hundreds of thousands of meals a day, often putting their own safety at risk. Countless stories of World Central Kitchen workers' heroism to feed starving people reflect the resilience that stems from a powerful purpose.

Consider

- How are you connecting daily activity with the organization's larger purpose and values? What strengths do you have that can build hope and optimism in your team or customers?
- Do you recognize the links between mental health and well-being and performance? Are you taking care of your own mental health and emotional well-being, so you don't pass stress on to others?
- Do you manage the balance between working hard and working smart? How can you do less so you make sure you do what matters most?

- **TIPS** -

1

Connect change initiatives to a larger purpose for your organization or community.

Experiment/action: Lead your team in a reflection exercise to identify at least 3 ways today's actions contribute to the larger purpose of your organization or community. Encourage team members to think about their own purpose and values. Identify connections to the larger purpose you are working toward.

2

Mind your leadership shadow. Everyone is taking cues from the leader, so stay congruent and real. Be transparent and remember that your team will be hypersensitive to any perceived mixed messages during turbulent times.

Experiment/action: Find out what most energizes and refreshes you, and do more of that in stressful times. Spend time with inspiring, upbeat colleagues from whom you get positive energy.

3

Focus on what you can control yet prepare for setbacks. Expect that you can bounce back. Be persistent but open-minded with contingency plans. If plan A or B doesn't work, be prepared with plan C.

Experiment/action: Identify 2 to 3 setbacks you might experience over the next several months. Generate ideas about what could be done to overcome those setbacks. What would be your backup plans?

Thought Leadership

- Leadership in the new era: Why your most important asset is you by Ed Manfre
- Leading through the crisis by counting on purpose and values by Rose Gailey
- Six quick tips for re-energizing your working life and beat the great fatigue by Dustin Seale
- The Leadership Enigma Podcast: The Resilient Leader with Alexandra Altinger, CEO of J O Hambro Capital Management

Conclusion

The current environment requires a concerted effort across all sectors and regions to navigate unprecedented upheaval in the world order, customers' expectations, the way we work, and what people value. We see remarkable examples of reinvention, innovation, human-centered leadership, and agility, and we are also painfully aware when our leaders fall short of exemplifying those characteristics. By embracing foresight, adaptability, learning, and resilience, leaders can navigate this time of intense uncertainty more effectively and better prepare for ongoing shifts and disruptions, whatever form they might take.

Heidrick
Consulting

We partner with our clients around the world to develop future-ready leaders and organizations, bringing together our expertise in:

- Leadership assessment, development, and coaching
- CEO, board, and team acceleration
- Organization acceleration and culture shaping
- Building diverse organizations and inclusive cultures
- Digital acceleration and innovation

Our proprietary analytical tools use data and technology to bring science to the art of human capital development and organizational design. As one united team, we develop a deep understanding of each client's unique situation and bring together a customized configuration of tools, approaches, and experts needed to build and maintain agile, resilient organizations at every level.

The result: great leaders, effective teams, and thriving, future-focused cultures—and organizations that can accelerate performance, effect transformative change, and boldly create the future they envision.

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