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**KC5 – CORPORATE STRATEGY AND CONTEMPORARY ISSUES  
SEPTEMBER 2019**

**Assignment**

## **Leading in a VUCA World**

There is no doubt that we are in a VUCA environment. What is VUCA? The acronym was first introduced by the U.S. Army in the 1990s to describe the post-Cold War world. In short VUCA stands for: volatile, uncertain, complex and ambiguous. The idea of VUCA has since been talked about everywhere, and has been embraced by leaders in all sectors of the economy in every country to explain the nature of the world in which they operate: the accelerating rate of change (volatility), the lack of predictability (uncertainty), the interconnectedness of cause and effect forces (complexity) and the strong potential for misreads (ambiguity). Beyond just being a simple acronym used by most contemporary organisations—business, government, the military, education, healthcare etc.—VUCA is now considered to be a code for awareness, anticipation, readiness, preparedness, evolution, and intervention. In today's corporate world companies operate in such a complex business environment where everything changes so fast with no control in their hands. Only those companies that act fast and adapt to changes are able to sustain their businesses. Corporate leaders should follow their own leadership strategies that are resilient to the changes in the environment. In this context, it is better to study and evaluate how CEOs and their companies understand the challenges of a VUCA environment, and how they respond to and survive during any challenging event.

Even if we consider a small business entity, it has a very complicated landscape. Technology is moving. Customers are redefining business models based on what they value now versus what they previously valued. Therefore, leaders must act fast. We need leaders who have the ability to develop and inculcate an adaptive and responsive culture in their organisations so that they can be resilient and move quickly during any uncontrollable circumstance. We do not know what will happen tomorrow; therefore leaders need to get ready for unexpected circumstances taking place at any given time.

### **VUCA and the 2019 Sri Lanka Easter Bombings**

On Sunday 21 April 2019, the deadliest terror attack since the end of the civil war was perpetrated in Sri Lanka, which significantly impacted the day-to-day lives of many people in the country. For a few weeks everything was silent and no one had any idea of what would happen next. Everyone in the country was affected; from the rural village family to those who lived in the heart of Colombo. Many businesses had to close down their operations for weeks. The impact on the tourism industry was especially huge. Many tourists cancelled their planned holidays for the next few months, those who were enjoying their holidays in different parts of the country shortened them, packed their luggage and flew back to their home countries given the unsecure situation in the country. USA, the UK and many other countries banned their residents from travelling to Sri Lanka until further notice. Although the situation has now changed a bit positively, the bad repercussions of the Easter attacks still prevail in the country.

**Required:**

Assume that you are going to submit an article that will be considered for publication in a quarterly journal published by a leading professional management institute of Sri Lanka. For this purpose, **select a company that is directly linked to the tourism industry** that was badly affected by the 21 April 2019 Easter attacks.

**Write** an article on the selected company with special attention given to “leading in a VUCA world”.

**(Total: 20 marks)**

**Assessment criteria and marking scheme**

	<b>Assessment criteria</b>	<b>Marks (%)</b>
1.	Overview and literature review of VUCA, leadership, culture etc.	10
2.	Industry analysis, including the current status of the tourism industry in Sri Lanka and discussion of tourism in the VUCA world.	20
3.	Background of the company, its culture and leadership style.	20
4.	Discussion of the measures taken by the company and its leaders to manage the impacts of the Easter attacks, and sustain the business in the market.	25
5.	Conclusion and recommendations.	20
6.	Overall write-up and presentation of the article.	5

You could follow the guidelines below but your answer should not be limited to the same scope.

- Understand the company culture and leadership style by way of interviews and questionnaires, where required. (attach questionnaires as annexures)
- Study how the leaders behaved and their reactions to overcome the impacts of the Easter attacks.
- Review and evaluate the emergency response protocols they took in the immediate aftermath of the Easter attacks.
- Evaluate strategies that could be used by the company within the tourism industry to attract more tourists.
- Conclude whether the company has the resilience to bounce back stronger than before at this time, and whether it can be revived within a period of six months to one year.