VOLATILITY

UNCERTAINTY

COMPLEXITY

AMBIGUITY

Leadership Lessons for a
Challenging V
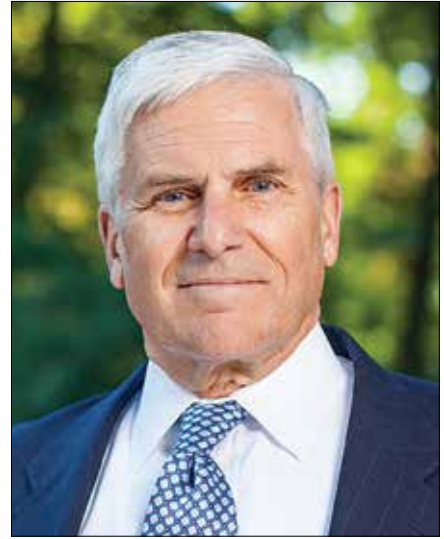
Insights from General George W. Casey Jr. (Ret.), U.S. Army

BY ERIC WISCHMAN

World

When I first heard General George Casey[1] speak, I was captivated with his insights into leading in a "VUCA" world — one marked by volatility, uncertainty, complexity, and ambiguity. His words resonated deeply, addressing the very challenges I had encountered as a risk management professional, inspiring me to share his wisdom with readers.

Although VUCA is a term that was coined by the U.S. Army War College after the Cold War, it transcends military contexts and offers valuable lessons for leaders in all fields, particularly in risk management in the financial services industry. Without a doubt, risk and compliance professionals operate in a VUCA world. We are well aware that solutions must meet the needs of multiple critical stakeholders, including executive leadership, the board of directors, our customers and regulatory stakeholders. All the while, stakeholder expectations are evolving, making it increasingly difficult to assess and solve issues. Time and again, we find ourselves in a reactionary posture.

General Casey recognizes that many of us often feel like we are perpetually "on the back foot." When challenges and uncertainties force leaders into a defensive position, this makes decisive action more difficult. His message is clear: effective leaders must find ways to regain balance, adopt an offensive mindset, and proactively create the future they want. The ability to lead and mitigate risk in a VUCU world is a critical distinguishing factor for leaders and organizations that will thrive in the most challenging future environments.

In the following interview, General Casey reflects on the lessons he's learned from leading in some of the world's most challenging settings, including leading the multinational forces in Iraq and serving as the 36th Army Chief of Staff. From embracing uncertainty to building trust and fostering resilience, he shares practical strategies for leaders to thrive in a world where instability is the norm — and stability is the passing phase.

Eric Wischman and General Casey

The concept of VUCA provides a framework for understanding today's challenges. Given your years of military service, what aspects of VUCA resonate most strongly with you?

In Bosnia in 1996, Kosovo in 2000, and especially in Iraq in 2004, each of these environments was marked by volatility, uncertainty, complexity, and ambiguity, and the challenges only grew harder.

One thing I've learned is that many people want to wish these challenges away. They hope their environment will become simpler and more predictable. But the first step to successfully leading in a VUCA world is accepting that this is the reality. Change is constant. Uncertainty is inherent because we're human and can't predict the future. Complexity is only increasing. Ambiguity will always be present because people interpret situations differently.

Once you accept that this is the world you operate in, you can focus on adapting and moving forward. I should note that these elements don't come at you one at a time. They hit you all at once, and usually at the worst possible time.

Can you elaborate on each element of VUCA — volatility, uncertainty, complexity, and ambiguity? Specifically, what are the immediate impacts on a leader when faced with these challenges, and how should they respond?

As I've thought through this, I've realized that each aspect of VUCA impacts leaders differently, requiring distinct approaches.

VOLATILITY is about the rate and pace of change, often outside our control. In Iraq, I found that volatility puts leaders on the back foot, making them doubt their ability to plan. It diverts focus from critical tasks. I often remind those I engage on this topic about how we can plan our week meticulously, but by Friday, little has gone as planned. For me, the key to managing volatility was taking control of my calendar and prioritizing what mattered most. It's also crucial to see volatility as not just a challenge but an opportunity to find new solutions.

UNCERTAINTY stems from our inability to predict the future or read minds — an inherent part of being human. Yet leaders often are unable to make decisions and consequently don't act… once it's obvious, it's too late. In Iraq and at the Pentagon, I managed uncertainty by framing my view of the future: I'd say, "This is how I see it, and because of that, this is what I'm going to do." Framing, communicating, and acting are essential to leading through uncertainty.

COMPLEXITY is the interwoven nature of problems. Iraq was the most complex environment I've ever faced. The Pentagon posed its own challenges with regulation, process and procedure. What I learned is that complexity overwhelms and results in an inability to focus. It's vital for focusing organizational efforts on what truly matters. I would encourage you to zoom in close enough on the most important issues to ensure you understand the essence of the problem. Without focus, efforts are scattered and ineffective. However, I caution leaders they need to zoom back out so that decisions are made with the big picture in mind. In implementing a zoom in/out approach, you will be able to understand issues and put them in the proper context for your team.

AMBIGUITY is like sand in the gears — it slows everything down because people interpret the same data differently and results in a lack of agility. I encouraged open and frank discussions to uncover varying perspectives. But as a leader, you still need to make decisions. I would bring people back together, summarize the discussions, and explain my decisions, even when they disagreed. This not only kept dialogue open but empowered people to challenge me later if they turned out to be right. Believe me, colonels love telling a general that they themselves were right!

It's clear that a key part of your leadership approach is not only creating a strong feedback loop but also an environment where it's safe for people to share updates or ideas. Could you expand on that?

That's absolutely right. When I talk about building teams, I emphasize the leader's responsibility to create a psychologically safe environment. There's so much going on in any organization that, unless you have an open environment where people feel safe saying, "I don't think this is going right," you're never going to know. Problems will just keep growing until they eventually break something.

Could you also share your thoughts on the sandpile analogy you've used to describe today's world?

When I came back from Iraq in 2004, I was trying to describe what I thought the next decade would look like because I needed

to prepare the Army for it. I came across a book by Joshua Ramo called *The Age of the Unthinkable.* In it, he uses the analogy of sand running through an hourglass.

As the sand settles at the bottom, it organizes into a pile that appears stable from the outside. But in reality, the pile is highly unstable because every grain of sand is connected to others in ways we can't see or understand. You never know which grain will cause the whole pile to collapse. Ramo expresses that the sandpile is a metaphor for our world: increasingly granular, with more players entering the scene daily, and more interdependence, with countless connections we can't fully grasp.

Look at technology. In 2001, fewer than 500 million people were online globally: now, it's over five billion. Back then, there were fewer than a billion cell phones; today, there are over eight billion — more phones than people. This connectivity means anyone with a smartphone has 24/7 access to information. That's granularity.

With increased granularity comes greater interdependence. Facebook has over three billion users, and platforms like X have hundreds of millions of active users. Every minute, 275,000 tweets — or messages — are sent. This interconnectedness is profound.

And the risks are clear and those were displayed during July with the issues related to CrowdStrike. A misstep disrupted 911 services, forced hospitals to adjust plans, and shut down airlines. As David Sanger of *The New York Times* wrote, "Nobody knows what's connected to what." That's the reality of today's interdependent world. It's granular, interconnected, and unpredictable. That's the world we live in.

If you're going to lead effectively today, you must accept that instability is the norm. It's stability that's the passing phase.

As Ramo's sandpile analogy suggests, complexity is increasing. For example, in financial services, the digital environment has forever altered customer expectations. As the pace of change accelerates, what techniques, skills, and attributes do you think leaders need to navigate a VUCA world effectively?
I've thought a lot about this, especially after nearly three years in Iraq, observing exceptional leaders managing the most VUCA situations imaginable. It reminded me of what many leaders faced during COVID — an environment fundamentally different from anything they had prepared for.

I often tell people I spent 30 years of a 40-year career training to fight a war I never fought and the last 10 years learning to fight a different kind of war while actively fighting it. That's the reality: leaders are often learning together with those that they lead.

In the Army, we emphasize that leaders must be certain things and do certain things. From my experience, effective leaders today must be people of vision, courage, and character with an offensive mindset. I recommend they focus their intellectual and emotional energy in four high-payoff areas: pointing the way ahead, building a high-performing team, making it happen, and preparing for the future. Let me briefly expand on each.

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1. **Pointing the Way Ahead.** A leader's number one job is to provide clear direction. In a VUCA world, this requires a deep understanding of the operating environment and the ability to articulate a concise plan. Leaders must focus their teams on the most critical elements of success.

2. **Building a High-Performing Team.** Teams outperform individuals every time. I saw this firsthand as a young man working for Vince Lombardi. He was a tough taskmaster who demanded excellence, held people accountable, and invested in making his team as good as they could be. It became clear to me through this experience how important fostering a high performing team is to success, resulting in National Football League championships and Super Bowl victories.

Remember, in today's world, where technology is accessible to all, people remain the decisive competitive advantage.

3. **Making It Happen.** Leaders can't rely on "if only" thinking — "if only someone else would do this, we'd succeed." If something is critical to your goals, you must act or adapt your plan. For example, as Army Chief of Staff, I needed $1.4 billion more than I had in the budget to accelerate the Army's growth. Well, I couldn't just walk up to Secretary Gates, the Secretary of Defense and say, can I have $1.4 billion? I had to take the necessary steps to get his staff on board.

I had face-to-face meetings with the Assistant Secretaries of Defense, Deputy Secretaries of Defense, four-star generals and admirals. It took me four months to get everybody on board, but I made it happen because it was vital.

4. Preparing for the Future. Success exists in the future, which is why risk management is so important. Leaders must periodically lift their heads from day-to-day operations to assess what's ahead (i.e. zoom out). I found that without dedicated forums or procedures to encourage this, people wouldn't naturally focus on the future. Have you ever noticed geese around a pond? There's always one with its head up — that's the sentry goose. As a leader, you must be the sentry goose, always looking ahead.
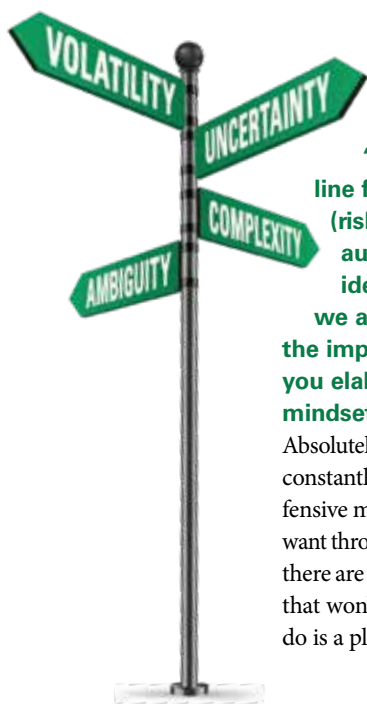
In banking, particularly in risk management, our industry focuses on the "lines of defense" — the first line (business line functions and processes), the second line (risk management), and the third (internal audit). With our collective goal being to identify and mitigate risks before they occur, we are all focused on defense. You mentioned the importance of an offensive mindset. Could you elaborate on the power of having an offensive mindset and why it's essential to risk management?

Absolutely. If your strategy is purely defensive, you'll find yourself constantly in a reactionary posture. To succeed, you need an offensive mindset — one where you actively create the future you want through deliberate action. In doing so, one must acknowledge there are only two types of plans, ones that might work and ones that won't work. Because we're human, the best we're going to do is a plan that might work and you have to acknowledge that

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When I first arrived in Iraq, the environment was so overwhelming that it initially put me in a defensive posture, and I worried it might do the same to my subordinates. I told them, "Focus on the enemy. Be opportunistic. Scratch and claw for an advantage every day."

For business audiences, I frame it as creating a clear vision of where you want to be in three to five years and taking the actions necessary to get there. To develop an offensive mindset, I believe four key elements are essential:

1. Humility. When I was younger, I believed my bosses were omniscient, and they often fostered that perception. But after 18 years of war, the Army recognized this couldn't be the standard anymore. In 2019, it revised its leadership manual to include humility as a core characteristic for all leaders, from corporals to four-star generals. Humility — the absence of arrogance — is

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2. The VUCA Paradox. Jim Collins, in Great by Choice, studied companies that outperformed their industries tenfold over a decade. He looked at 20,400 companies and he found seven CEOs that outperformed the industries over 10 years by 10 times. He found that these leaders accepted their VUCA environments but refused to let external factors dictate their results. They imposed their will on the environment to create the future they wanted. It's about defining your goals, figuring out how to achieve them, and pressing forward despite challenges.

3. Homework and Conviction. Making informed decisions requires doing your homework. When I arrived in Iraq, I tried to see problems from all perspectives and involved diverse voices in the process. This gave me confidence that I was making the best decision possible with a clear mind and pure heart. That conviction is critical — it fuels the courage to act amid the chaos of a VUCA environment.

4. Continuous Assessment and Adaptation. Plans will change — it's inevitable. The key is being ready to adapt when they do. To stay on course, I used two critical questions in our assessment processes: "Are we doing what we said we'd do?" and "Is the plan still right?" The first question is about tracking metrics, which everyone understands. The second requires revisiting assumptions periodically to ensure the strategy still aligns with the environment. In Iraq, I made significant strategy changes based on these assessments.

Finally, the toughest challenge is driving change for a future that others don't yet see. When things are going well, people resist change. But as a leader, you must look ahead, anticipate what's coming, and act now to prepare. That's the essence of an offensive mindset.

Could you elaborate more on the concept of decison making with a clear mind and pure heart? I imagine those qualities were key to building the trust necessary for candor.

Absolutely. Candor and transparency start with the leader. If the leader is candid and transparent about the current state, others are much more likely to follow suit.

When I was in Iraq, I had a daily quote calendar and the quote that resonated with me the most was by Sun Tzu, "Enlightened leaders make decisions with a clear mind and a pure heart." When I reflected on that quote, it struck me as a powerful framework for navigating the complexities of leadership, and it inspired four guiding principles that are essential for leaders:

- Strive to become enlightened. Perform the necessary work to deeply understand the issues and challenges facing your team. Develop the expertise your organization needs to succeed.
- Operate with an offensive mindset, making decisions with courage and conviction, even in uncertainty.

- Have a clear mind. Believe in the rightness of your actions and ensure they are grounded in integrity and purpose.
- Lead with a pure heart. Act with humility and a strong ethical compass, inspiring trust and respect.

These principles serve as a valuable compass for leaders striving to meet the demands of an unpredictable and fast-changing world.

One of the practices I adopted was to open the door for these conversations. People won't just walk into your office and tell you something's not going well — especially when you're the manager. What I found effective was getting out of my office, walking around, and visiting people in their spaces. I'd say something like, "Hey, this doesn't seem to be going right to me. What do you think?" Once I opened the door, people were usually happy to step through and share their thoughts.

The most consistent practices that encourage psychological safety are listening, asking questions, and being candid. Those are hard to do in an authentic way if you're arrogant or believe you already have all the answers. That's where having a clear mind and pure heart comes in — it fosters humility and trust, which are essential for creating an open and safe environment.

With all the challenges of navigating a VUCA world, how important is it for leaders to prioritize self-care? Leaders often face significant stress. How do you sustain effective leadership under such pressure?"

Like many things I've learned, I discovered this the hard way. As Brigadier General in Bosnia, I joined a unit that had already been there for six months. I tried to absorb six months of knowledge in six days, burning the candle at both ends. I wasn't exercising, sleeping, or eating properly, and within a week, I was completely burned out. I realized then that to be effective, leaders need a regimen to take care of themselves.

Since then, I've prioritized four things: reading, exercising, sleeping, and thinking (REST). I encouraged every leader I deployed to do the same.

1. **Read.** I make time to read something every day that isn't related to emails or intelligence reports. In Iraq, I read myself to sleep every night — even if it was just a few pages. Reading outside of your day-to-day responsibilities sparks fresh ideas and broadens your perspective.

2. **Exercise.** I'm a mind-body person, and I found that exercising four or five days a week wasn't just about staying in shape — it made me more effective. It helped me manage stress, and when I was on the elliptical for 40 minutes, nobody could bother me. It became a rare time to think.

3. **Sleep.** When I first joined the Army, it was common to stay awake for 72-hour exercises. But over time, we learned that sleep deprivation is as extremely debilitating. In Iraq and Afghanistan, where deployments could last a year or more, I made sure to get six or seven hours of sleep a night whenever possible. It didn't always happen, but I caught up when I could.

4. **Think.** I found that daily and periodic quiet time to think was essential. I started my mornings with 20-30 minutes of intelligence reports, followed by another 20-30 minutes organizing my day and planning for the next few days. Once a month, I'd disconnect from everything to reflect deeply on the future and current challenges. Without that time, stray thoughts would ricochet in my mind, leaving me unable to focus or sort out their implications.

The REST approach allowed me to sustain myself through the most challenging environments. It's not a luxury; it's a necessity for any leader under pressure.

Are there any final thoughts you would like to share with risk management leaders?

The biggest thing I'd say is, don't let the VUCU environment overwhelm you. We're better than that. If you focus on the principles we've covered today — staying disciplined and doing the things you know you need to do — you'll succeed where others might not.

The VUCA environment will always try and place you in a reactionary posture, but by applying these strategies, you can position yourself to succeed despite the challenges.

On a personal note: Leading in a VUCA world

Reflecting on the risk management challenges throughout my career, the VUCA elements very often increased the difficulty to assess, monitor, and mitigate risks. Organizations rely on effective risk management to achieve success, placing a significant responsibility on risk and compliance professionals to navigate these uncertainties.

In such a challenging environment, success requires humility, grace, and adaptability. Teams must rely on leaders to make informed decisions despite imperfect information, while remaining open to diverse perspectives and ready to adjust plans as circumstances evolve. Rest assured, the VUCA world will find you. Will you be ready? ∎

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Endnote

1. https://sfs.georgetown.edu/general-george-casey-jr-sfs70/

RESOURCES

Training: Leadership in Action Suite
aba.com/training-events/online-training/leadership-in-action-suite

Discussion Group: Emerging Leaders Exchange
aba.com/experts-peers/discussion-groups/aba-emerging-leaders-exchange

Topic: Leadership
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