



# tampa bay leadership review

## IT'S 2015: DO YOU HAVE THE VUCA X-FACTOR NEEDED TO BUILD THE FUTURE YOUR ORGANIZATION NEEDS?

by **Gena Cox, Ph.D.,**  
**Organizational Consultant, IBM**



Gena Cox, Ph.D.

**M**any of the leaders and professionals I meet in business situations these days seem nervous and a little apprehensive. We are all focused on “something out there” we do not fully understand but for which we need to be prepared.

### The current business environment is uniquely challenging

When it comes to scary things ... I think of earthquakes. I cannot imagine living in a city where scientists have pronounced earthquakes inevitable. Earthquakes are scary because they are unpredictable, both in terms of when they will occur and in terms of how dramatically they will disrupt life as we know it.

In business, the scary, **unpredictable** thing that seems to be on the minds of all my colleagues involves answering the question, “What actions should I take as a business leader to create a successful future for, and in, my business?”

After living several years on the planet, reading a few *National Geographic* magazines and watching innumerable “B” movies, I have a sense of what an earthquake *is*, and I know a few things I should do if I ever find myself in one: If indoors, stay there. Get under — and hold onto — a desk or table, or stand against an interior wall, stay clear of exterior walls. If outdoors, get into the open. That’s my earthquake survival plan (with thanks to the California Department of Conservation), but what plan should a leader adopt for the future in a business, social and cultural environment that is both so scary and so complex?

At the end of the Cold War, the U.S. military coined a great acronym to represent the challenge of dealing with a world in which the “rules” had changed — a world that looked quite different by virtue of the greater variability of the challenge and the new unknowns. That term, Volatility, Uncertainty, Complexity and Ambiguity (V.U.C.A.), came into more common usage after 9/11 and after the financial crisis of 2008-2009. Today, anyone who works in a corporation knows that the “old” rules may no longer apply and that we have to work smarter in order to succeed when everything around us is changing constantly.

Merriam-Webster dictionary defines an “X factor” as “a circumstance, quality, or person that has a strong but unpredictable influence.” An X factor is a variable in a given situation that could have the most significant impact on the outcome. If VUCA represents the unknown, then the “VUCA X factor” represents the ideas and actions we, as business people, could put into place to influence the VUCA environment in ways that can help us succeed.

### How business leaders are using the VUCA X factor to build the future

I selected the term “X factor” because it is so evocative; it seems to have an emotional energy of its own. I needed a term that powerful because the ideas needed for success must exist a little (or a lot) outside of the ordinary. I figure if this term makes you think about the energetic, competitive, exciting, unconventional TV show of the same name, then we would be in sync. These days, we all need to be energetic, competitive, exciting and a little unconventional in order to succeed.

My thoughts on these issues have been greatly influenced by my research on work by futurists, industrial psychologists, business consultants and business leaders. Futurists like Bob Johansen have helped me see that the future is somewhat predictable; but, as he explains, it is now easier to predict what will happen in 10 years than to predict what will happen in two years.

To succeed in this environment, you need to constantly innovate. Bob Johansen calls it “**rapid prototyping**.” You need new ideas and you need to put them into place quickly. Then, you need to just as quickly cast aside the ones that don’t give you an advantage and keep just the nuggets. And you need to do that over and over again. One local senior executive describes this process as “changing the wheels on the bus while the bus is moving.” Of course, this concept also means that you have to be comfortable taking risks, and you have to create an environment around you in which risk-taking — depending upon the particular corporate culture and its tolerance — is rewarded.

James McQuivey helped me to understand that, as a corporate employee, I must constantly look for ways to make myself more valuable to my employer. It’s not so much that my employers want to get rid of me; (at least, I hope not), it’s that the technology on which their world was built undergoes constant and rapid reconfiguration. Digital

*continued on page 2*

## *It's 2015: Do you have the VUCA X factor needed to build the future your organization needs?*

*continued from page 1*

resources are being shared and redesigned much more quickly, and I need to look for ways to **create value/be increasingly valuable or risk becoming obsolete**. It's not enough to know what I know and do what I have always done. I need to do new things in different ways.

I learned from Frans Johansson that it is easier for me to generate new ideas (i.e., to become more valuable) when I **spend less time around the familiar and more time sharing ideas with people who are "different"** from me. For example, I recently came up with an idea for a new way of doing something at work that would never have occurred to me had I not recently spent some time talking to an Agile developer in my company. Her way of solving problems sparked a whole new way for me to do something that I have done many times before.

I **spend less time on development and delivery tasks and more time on discovery tasks** because Jeff Dyer and his colleagues helped me see that failing to do so would prove career suicide. In his book, *The Innovator's DNA*, Dyer makes the case that, in this environment, I must think like the CEO or the chief marketing officer of my company. As a result, I now think and act in ways that help me project myself into the future. I have always displayed curiosity, but now I do so conspicuously. My colleagues may wonder, "Why is Gena always poking into corners that do not seem to be in her 'wheelhouse'?" I know that living in a "wheelhouse" is *not* going to help me build the future. In fact, I try to stay away from wheelhouses. You should too!

My training in industrial psychology and my exploration into the newest research in the discipline taught me that I **should be using Big Data and analytics to improve my business decisions whenever possible**. Industrial psychologists are data scientists, but we have often been hampered by the difficulty of getting access to large data sets. Even if we had the large data set our data analysis methods sometimes limited what we could do with it. We have long been challenged to generalize what we learn from these small-ish research projects to the broader business world. Now, with the advent of democratic access to Big Data-based analytics tools, we can see new patterns and see patterns in new things. We are at the point where we can really use these large data sets to make predictions!

What does this idea have to do with the VUCA X factor? It's simple. Every leader in the business world today needs this level of insight in order to create the future. Your competitors have probably already started to use Big Data in one form or another to glean insights that give them the competitive advantage. Those insights enable them to do something that I have heard CEOs describe as "seeing around the corner." If you are not **using Big Data insights to help you see around the corner**, you are probably losing ground as I write this. I am a data analyst. You do not need to be a data analyst yourself, but you need to figure out how to get the insights that data analytics provide. You can get insight from the data you already have. You may just need new tools to mine it. And this applies whether you are in a business that is traditionally data-focused (like financial services) or one that depends on creativity (like marketing or retail).

The other lesson I learned from industrial psychology that often trumps many of the other behaviors I mentioned above is to **find ways to create the most collaborative environment you can**. If you learn how to bring people together, you will find that the VUCA X factor will become organic. You will learn and gain new insights, and the process will be as simple as talking to people and helping them think through their own challenges. Their challenges can become your insights!

### **It's all about changing how you think and changing how you act**

The current environment is tough. You need the VUCA X factor. You can get the VUCA X factor by practicing the six behaviors I mentioned in this article:

1. **Try new things — become a rapid prototyper** — You will fail at some. But, since you will not be wedded to just one, you will increase your chances for success.
2. **Aim to constantly create value** — Become more valuable or risk becoming obsolete.
3. **Spent less time around the familiar** — Share ideas with people who are "different."
4. **Spent more time on discovery tasks** — Spend less time on development and delivery tasks.
5. **Use Big Data insights** — These insights will provide the clarity to help you see around the corner.
6. **Continue to work on bringing people together** — It's the quickest and most satisfying way to really make a difference.

Good luck! I'm off to create some value for my company.

*Note: The thoughts expressed in this article are my own and do not necessarily represent IBM's positions, strategies or opinions.*

#### References:

- California Department of Conservation. (Downloaded 1/13/2015). **Be Prepared: Before, During and After an Earthquake**. [http://www.consrv.ca.gov/index/earthquakes/Pages/qh\\_earthquakes\\_what.aspx](http://www.consrv.ca.gov/index/earthquakes/Pages/qh_earthquakes_what.aspx)
- Conner, Daryl. (1992). **Managing at the speed of change**. New York, NY: Villard Books.
- Dyer, Jeff, Gregersen, Hal & Christensen, Clayton. (2011). **The innovator's DNA: Mastering the five skills of disruptive innovators**. Boston, MA: Harvard Business Review Press.
- Johansson, Frans. (2006). **The Medici effect: What elephants and epidemics can teach us about innovation**. Boston, MA: Harvard Business Review Press.
- Johansen, Bob. (2012). **Leaders make the future: Ten new leadership skills for an uncertain world**. San Francisco, CA: Berrett-Koehler Publishers, Inc.
- McQuivey, James. (2013). **Digital disruption: Unleashing the next wave of innovation**. Las Vegas, NV: Amazon Publishing.

## LEAN IN TO LEADERSHIP

by **Jordan Schmidt** and  
**MacKenzie Hayden**

**S**heryl Sandberg's book, *Lean In*, is an inspiring call to action and a blueprint for individual growth for both males and females. The book recounts her decisions and mistakes as she struggled to make the right choices for herself, her family and her career. Within its first year of publication, *Lean In* sold more than 1.5 million copies and over 12,000 "*Lean In*" circles have been created in 50 different countries. Sandberg examines why the percentage of women in top positions is still proportionately low despite the fact that for over 30 years, women have comprised 50 percent of all college graduates. Men still control the vast majority of leadership positions in both government and in the business industry. At lower levels in large business organizations, more than half of the employees are females, but as one examines the corporate structure of these organizations, it becomes clear that women are sparsely represented; for example, worldwide, only 3-4 percent of women serve as CEOs (Sherwin, 2014).

According to *Fortune*, even though the chancellor of Germany, the chair of the U.S. Federal Reserve, and the heads of General Motors, IBM, and Lockheed Martin are all women, the percentage of women at or near the top has flat-lined (Fisher, 2014). Their research shows women's share of corporate board seats — 16.6 percent — has not grown since 2004. In addition, the percentage of female executive officers at Fortune 500 companies is 14.3 percent and has remained static for the past three years. They have determined that men more often receive "high-profile assignments, mission-critical roles, and international experiences" all of which tend to lead one to the corporate suite.

Based on a review of the literature, experts consistently suggest two approaches to help both men and women get to the executive level. Below we will share our personal experiences regarding these two approaches and their impact on our previous work experience.

**Find a Sponsor** — It is important to find an influential higher-up who can help pave your way and serve as your mentor. Neither of us was able to secure sponsors in the fields we worked in prior to pursuing our MBAs. As one of the few females in a predominately male driven industry, Hayden encountered setbacks. Having graduated from Stetson University with a degree in business finance, she was one of the few females in her undergraduate program. Upon graduation she accepted a job as a financial advisor — the only female in the office with this title. This fact created a great deal of responsibility and pressure: She felt that she had to work harder to prove herself, but her hard work and effort paid off. Not only did she reap monetary benefits, she also earned numerous awards and recognition for selling the most term life insurance policies in one quarter and for selling the highest premium disability insurance and the most policies sold in another. Hayden's gender created social obstacles: It wasn't uncommon for the guys in the office to go out to lunch or happy hour, or catch a game together, but she considered it inappropriate to have a drink one-on-one with one of



Jordan Schmidt



MacKenzie Hayden

the other male advisors. As both the only female and the youngest person in the office, she felt that different rules applied.

In her book, Sheryl Sandberg emphasizes that gender equality in the workplace is imperative. Men and women must acknowledge and understand how stereotypes and biases cloud our beliefs and bolster the status quo. For example, even today women must decide whether to work outside the home or to fulfill the traditional wife and mother role, but until women have a true support system in the form of colleagues, employers and partners who share family responsibilities, they don't really have a choice. Similarly, until society respects men for contributing inside the home, they don't seem to have a real choice either. Sheryl Sandberg says "equal opportunity is not equal unless everyone receives the encouragement that makes seizing those opportunities possible." We must gain the power to change how we view certain gender roles. Once we accomplish this goal, both men and women can attain their full potentials.

**Don't be Afraid to Move** — This statement refers to moving to a different company or to moving from your current career path. It is important to stay visible and to make your accomplishments known in order to gain the kind of experience necessary to reach senior management. It is also important to get out of your comfort zone by making moves and taking risks. Schmidt experienced this phenomenon in her previous role in spa management consulting. At the new hire level, involving service providers such as massage therapists or estheticians, over 80 percent were women. At the supervisor and manager levels over 60 percent were women; however, at the time of her employment, seven out of the nine senior level executives in the corporate office were men. While working for this company Schmidt experienced growth and promotion within, which was an opportunity available to many middle-level managers as new spa accounts continuously opened. The challenge was moving from mid-level management to the senior level and, eventually, to the corporate level. When she asked her senior vice president why there were so few women on the executive board, he cited family obligations — whether involving children or a spouse's job — and reluctance on the part of many women to leave current positions in which they had become comfortable. At no time did he mention anything related to ability-level or intellect. Schmidt heard his advice, and she decided to leave her job to pursue an MBA full-time. In *Lean In*, one of Sandberg's statements that truly resonated with Schmidt during this decision was "taking initiative pays off. It is hard to visualize someone as leader if she is always waiting to be told what to do." As women, we can't expect growth and leadership opportunities to just fall into our laps, we have to be hungry enough to go out there and get them ourselves.

Business Insider, an American business and technology news website, has been collecting data over the past decade from organizations around the world to determine what traits and qualities make a

*continued on page 4*

leader effective. One of the most telling categories they evaluated was the difference in effectiveness of leaders based on age and gender (Sherwin, 2014). As women and men begin their careers there is little perceived difference in their leadership effectiveness; quickly thereafter, however, men become perceived as slightly more effective. As men and women mature in their late 30s and early 40s, women begin to be perceived more positively, and this perception remains the trend until men and women reach their 60s, when the gap narrows again.

One of the reasons for this difference in perceived effectiveness is the idea of “practicing self-development.” This concept evaluates the extent to which people ask for feedback and then make changes based on that feedback. I think we can all agree, as graduate MBA students, that feedback is vital to our academic success and personal growth. This measure found that both men and women practice self-development equally as they begin their careers; but, over time, as people gain competence and experience, they become complacent and view feedback as less useful and necessary. As men age, their self-development practice continually declines, whereas women tend to maintain the habit. In addition, women were ranked higher than men in competencies such as taking initiative, displaying integrity and honesty, and driving for results (Sherwin, 2014). Why, then, do we still see so few female leaders at the head of organizations?

Instead of viewing corporate level leadership as solely a women’s problem or as a problem of equality, Sandberg provides women and men with a roadmap to a more gender-balanced organization and with solutions that empower both men and women to achieve.

**Women need to be more open to career risks** — Women tend to think “I’m not ready to do that,” while men jump at new opportunities for growth. Instead of this current paradigm, both genders should feel comfortable thinking “I want to do that, and I’ll learn by doing it.”

**Skip the people pleasing** — Many women want everyone to like them, but this desire will ultimately just hold you back. Growth and innovation tend to develop out of conflict and negotiation. We must eliminate this debilitating mentality.

**Visualize your career as a jungle gym, not a ladder** — According to Sandberg, “Ladders are limiting. Jungle gyms offer more creative exploration. The ability to forge a unique path with occasional dips, detours and even dead ends provides a better chance for fulfillment.”

As we bring our discussion to a conclusion, we’d like to leave our readers with this final thought:

We must also allow ourselves to fantasize about our careers — we should never lose sight of that long-term dream, but we must also possess an 18-month immediate plan. Men and women alike should always continually strive toward our ultimate dream, but as MBA students we need to weigh the costs and benefits of achieving that dream.

References:

- Sandberg, Sheryl. (2013, March 12). **Lean In.** Location: New York, NY: Random House, Inc.
- Sherwin, B. (2014, January 24). **Why Women Are More Effective Leaders Than Men.** Retrieved February 20, 2015, from <http://www.businessinsider.com/study-women-are-better-leaders-2014-1>
- Fisher, A. (2013, January 17). **Why are there still so few women in top leadership jobs?.** Retrieved February 20, 2015, from <http://fortune.com/2013/01/17/why-are-there-still-so-few-women-in-top-leadership-jobs/>

## Emerging Leaders Professional Development Seminar Saturday, June 6, 2015

SESSION ONE

### “Integrative Negotiation a Tool for Leaders”

Faculty: **Cindy Goldman** — JP Morgan Vice President Oversight and Controls  
9 a.m. – noon

SESSION TWO

### “Multigenerational Implications for The Future @ Work”

Faculty: **Michele Norris** — President, Navigen Leadership, LLC  
1 – 4 p.m.

**FREE to attend for students. Must register at link below.**

**General attendees: \$99 for both sessions**

Registration required by Monday, April 6, 2015 • <http://emergingleaders-apr11.eventbrite.com>



## UPCOMING DEVELOPMENTS FOR THE AFFORDABLE CARE ACT

**by Andrew W. McLaughlin, Esq.  
Attorney at Macfarlane Ferguson  
& McMullen**

2015 should be a busy year for the Affordable Care Act with important implications for individuals, employers and, most importantly, questions about the continued existence of the act.



Andrew W. McLaughlin

### Supreme Court Proceedings:

On March 4, 2015, the U.S. Supreme Court heard oral arguments regarding whether individuals who receive insurance from exchanges set up by the Federal government in states which did not create their own exchanges are eligible for subsidies. The Supreme Court will examine the meaning of "Exchange established by the State under section 1311." 26 U.S.C. 36B(2)(A)(i). Opponents of the Affordable Care Act argue that this language clearly and unambiguously limits subsidies only for insurance purchased through an exchange created and run by a state and that the regulations issued by the IRS improperly expanded the availability of subsidies to individuals who purchased insurance from a federal exchange. The proponents of the Affordable Care Act reject this argument as overly simplistic and narrow. The proponents instead argue that this provision must be read as part of the entire law and that the regulations issued by the IRS only clarify that the subsidies are available for any insurance purchased from an exchange regardless of whether the state or federal government created the exchange.

The continued existence of ACA is at risk if the Supreme Court invalidates the IRS regulations and disallows subsidies for insurance purchased through federal exchanges. If the regulations are overturned, over 11 million individuals would be forced to repay the subsidies they received in 2014 and would not receive subsidies in 2015 for insurance coverage. The ruling would also create ripple effects in other parts of the law. Large employers in states without state exchanges would not face penalties for failing to offer coverage to all their full time employees or for offering unaffordable coverage as the penalties under 26 U.S.C. §4980H are only triggered if at least one employee receives a subsidy — and without a state exchange, no employee could receive a subsidy.

### Individuals:

Regardless of how the Supreme Court rules, individuals filing their 2014 tax returns will see the impact of the individual insurance mandate and insurance subsidies on their returns. Individuals who did not have coverage in 2014 must pay a penalty of the higher of \$95 per family member or 1% of their annual household income. In 2015 this penalty increases to \$325 per person or 2% of household income. The penalty is capped at the average cost of a bronze plan without subsidies. Individuals who received subsidies may see an impact on their tax returns. When an individual applies for insurance from an

exchange, the exchange uses the individual's self-reported financial information to determine the individual's eligibility. The individual's actual eligibility is not calculated until the individual files his/her tax return after the end of the year. Individuals who underreported their income or who had a change in financial circumstances during the year may have to repay the subsidies they received during the year and could see a large tax liability with their return. The IRS has created a database of insurance information called the Coverage Data Repository to cross-check returns in order to ensure taxpayers properly report any exchange subsidies they receive.

### Employers:

The large employer mandate phases in during 2015. Generally, applicable large employers with more than 100 full-time equivalent (FTE) employees must begin offering affordable coverage to all full-time employees by the first day of their benefits plan year starting in 2015. Employers with 50-99 FTE have until the first day of their plan year in 2016 to offer coverage.

As part of the large employer mandate, employers will need to select safe harbors to determine full-time status, determine affordability and comply with other parts of the law. Generally, the safe harbors must be selected at the beginning and cannot be retroactively applied. The failure to select a safe harbor can make it quite difficult, if not impossible, to comply with the Affordable Care Act.

For example, affordability of coverage is determined by comparing the employee's cost of self-only coverage to the employee's adjusted gross income for the year. If the employee's cost exceeded 9.5 percent of the employee's adjusted gross income, the coverage is unaffordable for the entire year. Under this calculation, affordability cannot be calculated until after the year ends leaving the employer with no opportunity to adjust the premium to avoid penalties. The affordability safe harbors provide three methods for an employer to calculate affordability which fixes this issue.

The next few years will prove vitally important for the Affordable Care Act as the final legal challenges to the law are resolved and more provisions become effective.

- 1) If an employer recently changed its plan year or failed to meet certain other requirements, the employer must provide coverage by Jan. 1, 2015.
- 2) This percentage may be adjusted based on ratio of premium growth to income growth in the preceding calendar year. IRS Rev. Proc. 2014-37.



The University Of  
**T A M P A**  
 SYKES COLLEGE OF BUSINESS  
 TECO ENERGY CENTER FOR LEADERSHIP

For program details, contact the Center for Leadership  
 (813) 257-3782 | [cfl@ut.edu](mailto:cfl@ut.edu) | [www.ut.edu/cfl](http://www.ut.edu/cfl)



# CENTER for LEADERSHIP

## TECO ENERGY Center for Leadership Advisory Board

**Rod Buchen**

*CEO and Senior Leadership Coach*  
 The Buchen Group, LLC

**Jeff Cathey**

*Senior Vice President, Military and Veterans Affairs*  
 Bank of America, Military Segment

**Gena Cox, Ph.D.**

*Senior Managing Consultant*  
 IBM

**Deirdre Dixon, Ph.D.**

*Adjunct Professor*  
 The University of Tampa

**Joe House**

*President/CEO*  
 PowerHouse Consulting

**Christian McNamera**

*Vice President, Organizational Effectiveness (Retired)*  
 Time Customer Service

**Tracy McPhail, Ph.D.**

*Manager, Assessment, Performance and Development*  
 Tampa Electric Company (TECO)

**Shannon Reid**

*Chief Administrative Officer*  
 Raymond James Financial

**Jennis Thomas**

*Director, Organizational Effectiveness*  
 Time Customer Service

**John Townsend**

*Senior Vice President*  
 T. Rowe Price

**Edward Valaitis**

*Managing Director*  
 MarketChief/FBX

## TECO ENERGY Center for Leadership Staff

**F. Frank Ghannadian, Ph.D.**

*Dean, Sykes College of Business*  
 Director

**Bella Galperin, Ph.D.**

*Professor of Management*  
 Associate Director

**Joseph Sclafani, Ph.D.**

*Professor of Psychology*  
 Associate Director

**Mary Anne Watson, Ph.D.**

*Professor of Management*  
 Associate Director

**Julia (Julie) Pennington**

*Assistant Professor of Marketing*  
 Associate Director

Articles in this newsletter do not necessarily reflect the opinions of The University of Tampa, Sykes College of Business, TECO Energy Center for Leadership.



The University Of  
**T A M P A**  
 SYKES COLLEGE OF BUSINESS  
 TECO ENERGY CENTER FOR LEADERSHIP

TECO Center for Leadership | 401 W. Kennedy Blvd. | Box 0 | Tampa, FL 33606

(813) 257-3782 | [www.ut.edu/cfl](http://www.ut.edu/cfl)