



### RESEARCH ARTICLE

## VUCA PRIME IMPACT ON PERFORMANCE AUTOMOTIVE INDUSTRY IN INDONESIA

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### Abstract

This study aims to identify and analyze the potential challenges of VUCA to the development of the automotive industry in Indonesia and their impact on company performance. The method used in this research is descriptive and verification research methods. The research sample was 255 respondents based on manager-level positions and above using purposive sampling method. In research VUCA will use VUCA Prime (VUCAP). The results showed that partially VUCAP had a positive and significant effect on agile leadership and company performance. VUCAP had a positive and significant effect on Strategic business. VUCAP had a positive and significant effect on Organizational change. VUCAP has a positive and significant effect on the performance of automotive industry companies in Indonesia. Agile leadership is intervening the influence between VUCAP and company performance. Organizational change is intervening between VUCAP and company performance. Strategic business is intervening between VUCAP and company performance in automotive industry companies in Indonesia.

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### Introduction:-

VUCA (Volatility, Uncertainty, Complexity, Ambiguity) conditions have an impact on business, building products with a solid and long-lived brand, can collapse due to rumors that someone exhales from their device. Many old professions are subverted. New professions appeared that in the past decade were unthinkable. Various businesses that are run conventionally, are turning to digital. Businesses that have been designed with digital platforms since the beginning are very vulnerable to disruption with new inventions that are more sophisticated and cheaper. Meanwhile, consumer behavior has undergone significant changes. Consumers have many choices, as well as having a variety of wants and needs that previously did not exist.

In the VUCA shock, there is one irreplaceable one that is leadership. The role of the leader at all levels of office becomes significant to the point of controlling this stark world. Leaders have three competencies to be successful in the VUCA wave. First is a clear vision, second is innovation and third is agility (Margianto, 2018).

In the Indonesian automotive business, new challenges to face the future in Indonesia there is competition in the automotive business with Thailand, making the national automotive industry increase sales to other countries that require good product quality and according to the tastes of the people of other countries. The business world today has many problems faced today. None of the companies feel safe from the tide of fragility, uncertainty, complexity and confusion. There are many challenges and obstacles to maintaining business conditions at this

time. VUCA comes from the U.S. military world that can be applied to the business world in the future. In 2020, there was a coronavirus pandemic around the world, including Indonesia. Automotive sales experienced a drastic decline in 2020. People's purchasing power has decreased considerably which affects economic growth to drop drastically. In the era of the corona pandemic, people's movements are limited, affecting automotive sales at wholesales in Indonesia and around the world. The following is presented car sales data of ASEAN countries in 2020.

In 2018, wholesale car sales and retail sales increased from 1,077,365 units to 1,151,291 units for wholesales. However, in 2019 and 2020, it successively experienced a decrease in wholesale sales to 1,030,126 units in 2019 and dropped drastically in 2020 to 532,027 units. This shows that the company's performance is still not optimal related to the influence of the VUCA phenomenon.

The concept of strategic dexterity not only connotes change but also focuses on ideas and rapid and beneficial changes (Sihite, 2019). Innovation disruption is related to new technologies in increasing competitiveness (Christensen, 2018). The achievement of automotive companies' performance in towards industry 4.0 and the challenges of VUCA paradigm faced in the era of globalization to increase regional competitiveness can be passed through synergy between business people running their strategic business following adaptive, transparent regulations so that the automotive business can be sustainable.

In the face of VUCA is anticipated through VUCA PRIME developed by Johansen. According to Lawrence, (2013) Volatility is anticipated through Vision, having a clear vision can avoid time shocks, Uncertainty can be anticipated through Understanding, that is, the leader has the ability to see and hear the shocks that occur. Complexity can be anticipated through Clarity, where the leader coordinates in dealing with each problem so that it is clearly handled. Ambiguity can be anticipated through Agility, that is, through the agility of the leader in solving every problem so that it does not drag on. VUCA Prime and the company's performance in this study can be influenced by leadership agility, strategic business and organizational change.

This leadership has an eye on the needs and motives of followers, as well as trying to help followers reach their best potential (Northouse, 2013). Research conducted by James (2015) shows that there is a relationship between leadership agility and VUCA Prime management. Meanwhile, research conducted by Juhro&Aulia (2018) obtained the result that leadership agility is necessary because this leadership style not only motivates and moves the organization vertically and horizontally but also realizes the capacity of the organization to be agile and adaptive in world dynamics. Facing challenges in the VUCA era of organizations requires agile and adaptive leaders. A leader is constantly learning and updating the vision and strategy of the organization in order to adapt to a rapidly changing world.

VUCA Prime can influence strategic business factors. Strategic business in business in two categories, strategic is to establish a way to win the competition while tactics are to do what has been established in the strategy (Ramon et al., 2009). Strategic business that is well implemented by the company can improve the competitiveness and performance of the company. The automotive industry is an industry with a large capital in technology development to create quality products and provide customer value to consumers. In order to become a business, it can be sustainable and remain in demand by customers. How the business model is designed by the company by offering, creating in order to capture the value of that product.

In facing the era of globalization and industry 4.0, national automotive industry players need to carry out technological innovations with high leaps so as not to lag behind other countries. Descriptive creation is carried out by abandoning the old manufacturing production process and using new technology in order to compete with other countries, especially ASEAN. Research conducted by Hajar (2015) obtained the results that partially business strategy has a positive effect on innovation, business strategy has a positive effect on company performance, and innovation has a positive effect on company performance.

VUCA Prime also influenced organizational change. Organizational change is an organizational environment that accepts challenges and changes. In such an environment they easily understand the adoption of innovative policies and are happy to accept challenges and solve them easily (Bennett&Lemoine, 2014). Changes in the organization can make the company's performance capable of providing high competitiveness with optimal resources.

Research carried out by Pearse (2017) found that in the world of VUCA, change can no longer be treated as an event faced and planned by leaders over time, but is an everyday occurrence. Therefore, leaders are more focused on empowering members of the organization, so they are better able to face change. Meanwhile, Khatoon& Farooq (2016) in their research showed the results that there is a positive correlation between aspects of change (quality of change communication, participation, attitude of top management toward change, Leadership and readiness for change) and organizational performance.

Based on the description of the phenomenon of company performance that occurs in the automotive industry in the industrial era 4.0 with the existence of VUCA, the company's performance has decreased and to implement various policies and strategies in dealing with it. VUCA Model from Bob Johansen is via VUCA Prime (Najm, 2020). VUCA Prime (VUCAP) through vision or clear vision can counteract volatility or conditions of uncertain fluctuations or shocks, clear understanding through seeing, hearing problems so that it can counteract Uncertainty, uncertainty, Clarity or clarifying problems that have the right solution to counteract complexity or complexity, Agility to quickly ward off the obscure.

Strategic business needs to be improved so that the company's competitiveness improves and the company's performance also increases. Leadership agility needs to be implemented properly and be more responsive to changes that occur. The development of the automotive industry in Indonesia needs to be improved so that it has high competitiveness. (Najm,2020).VUCA method using VUCA Prime. How Prime can anticipate VUCA problems as one of the efforts to prevent a decline in the company's performance.

Factors affecting the performance of the automotive industry on internal and external factors. One of the internal factors is strategic business, organizational change and leadership. Competition, product innovation, innovation processes, competitive environment and organizational structures that interact and are closely related (Sihite, 2021). In the era of uncertainty, the workforce has new skills needed by the new digital world by investing efforts in making the existing workforce more agile and resilient to change (Sihite, 2019). In anticipation of VUCA can be done through VUCA PRIME (Vision, Understanding, Clarity, Agility) according to Sharma (2019) because it has a clear vision, coordinates every problem to be clear solution, listens and sees the situation and agility in order to be adaptive and responsive. External factors of political, social, economic, environmental and regulatory stability of the government. People's purchasing power is increasing in 2019 by 30% of Indonesia's 115 million people. (Ministry of Industry, 2019). The ability of people's purchasing power to increase has the potential to increase car sales if the stability of external factors such as political, social, and economic stability. Like 2019 there was a presidential election that affected the decline in automotive sales and in 2020 the corona pandemic sales dropped drastically and rapidly which cannot be anticipated by the government and automotive organizations. In 2021 the government decrease the luxury tax which had a positive impact on national automotive sales.

As a tool to anticipate the occurrence of VUCA in the future can be through VUCA Prime (VUCAP) According to Atheya (2020) VUCA Prime as a skill and ability in anticipating VUCAP situation, as follows: 1). Volatility is anticipated through Vision with a clear vision so that it focuses on the goals to be missed.2). Uncertainty is anticipated through Understanding by understanding the situation through listening and seeing the situation to be flexible 3). Complexity anticipated through Clarity with implification of procedures can more clearly and quickly solve problems. 4). Ambiguity anticipated through Agility with agility change can be anticipated quickly and adaptively, responsively. Hillson (2017) identified VUCA risks through the implementation of VUCA Prime. Although there are fluctuations in the situation by understanding the situation through hearing, seeing, clarifying the problem so that the right solution can be achieved and the ability to move quickly in the face of the problem. Because it can provide better leadership and adaptive skills development in the future.

Basedon the journal that VUCA can be anticipated VUCA Prime (VUCAP) and how VUCAP can affect variables and their intervening. The novelty of this research is to develop a system to overcome the occurrence of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) with a strategy to implement VUCA Prime so that the automotive industry in Indonesia can continue to develop sustainably. Through variable intervening and what strategies towards industry 4.0 by 2030.

### Conceptual Framework

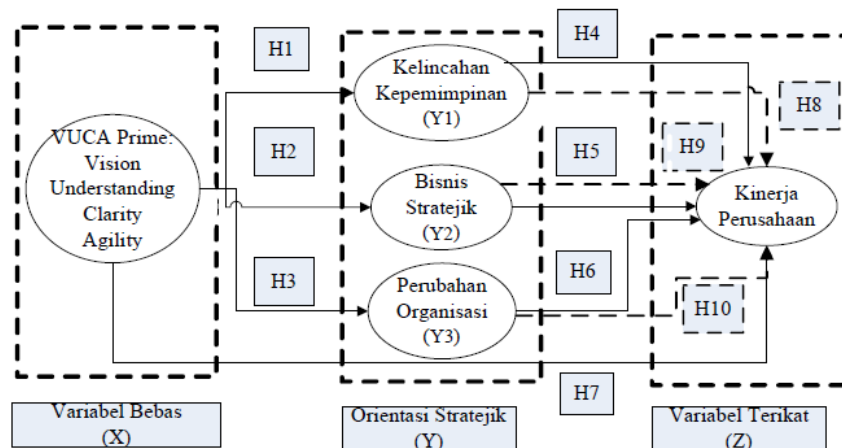


Figure 1.3:- Conceptual Framework.

VUCA Prime as variable X whether there is a positive correlation to variable Y and variable Z will be tested for correctness through the hypothesis proposed in the following hypothesis.

H1. There is an influence of VUCA Prime on leadership agility in automotive industry companies in Indonesia.

This is in accordance with the research of James (2015) and Juhro&Aulia (2018) which showed that VUCA Prime has an effect on leadership agility.

H2. There is an influence of VUCA Prime on strategic business in automotive industry companies in Indonesia. The results of Rafael's research, (2020) show that VUCA Prime has a strategic business effect.

H3. There is an influence of VUCA Prime on organizational changes in automotive industry companies in Indonesia. The results of Pearse's research (2017) show that VUCA Prime has an effect on organizational change.

H4. There is an influence of leadership agility on company performance in automotive industry companies in Indonesia. Research Results of Morales et al. (2012) which shows that leadership agility affects company performance.

H5. There is a strategic business influence on the company's performance in the automotive industry in Indonesia. Research results of Hajar (2015), Hasnu (2016), Widyastuti et al. (2020) which shows that strategic business affects the company's performance.

H6. There is an influence of organizational changes on company performance in automotive industry companies in Indonesia. The results of research by Khatoon& Farooq (2016) showed that organizational changes affect company performance.

H7. There is an influence of VUCA Prime on the company's performance in automotive industry companies in Indonesia. These results are Potsangbam (2017), Bennett &Lemoine (2014) which show that VUCA Prime has an effect on company performance.

H8. There is an influence of VUCA Prime on the company's performance in automotive industry companies in Indonesia mediation through leadership agility.

H9. There is an influence of VUCA Prime on the company's performance in automotive industry companies in Indonesia mediation through strategic business.

H10. There is an influence of VUCA Prime on the company's performance in automotive industry companies in Indonesia mediation through organizational changes.

### Research Methodology:-

This researcher uses a descriptive and verifiable research method approach, while the object of research on motor vehicles that produce in Indonesia (see Table 3.1), sampling technique uses purposive sampling with manager-level criteria and above, as many as 255 correspondence.

Table 1.1:- Motor Vehicle Manufacturers in Indonesia:

No	Motor Vehicle Manufacturers
1.	PT. Astra Daihatsu Motor
2.	PT. Hino Motors Manufacturing Indonesia

3.	PT. Hyundai Motor Manufacturing Indonesia
4.	PT. Honda Prospect Motor
5.	PT. Mitsubishi Motors KramaYudha Indonesia
6.	PT. Isuzu Astra Motor Indonesia
7.	PT. SGMW Motor Indonesia
8.	PT. Suzuki Indomobil Motor
9.	PT. Toyota Motor Manufacturing Indonesia

Source : Researcher

The analysis technique for data processing will use the SEM (Structure Equation Model) statistical tool through the LISREL 8.80 (Structural Relations Linear Statistics) software for analysis of the influence between variables.

### Research Results And Discussion:-

Based on the results of hypothesis testing and discussion of theories in the previous chapters, the following discussion and interpretation as follows :

#### Hypothesis 1:

##### The Effect of VUCAP on Leadership Agility

Based on the results of the study, a t-value of  $24.13 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_1$  was accepted, which means that there is a positive and significant influence of VUCAP on leadership agility. Leadership agility is the ability of a leader to dynamically sense and respond to changes in the business environment with focused, fast, and easy-to-understand actions (Horney et al. (2010). While an important concept in the VUCAP (Vision, Understanding, Clarity, Agility) process is a managerial acronym that trends with the realities of the business environment and risk management challenges Foo See Liang, et al (2016). The VUCAP context means more than systemic or more detailed complexity of work because complexity is filled with strength and results across all dimensions and levels of the business from strategic to operational Cockburn, et al (2016).

The changes that occur in the industrial era 4.0 or the digitalization era are marked by the existence of a VUCAP state. Many companies, whether small or large, that are not ready to make changes quickly will lose competition with similar companies that are able to adapt quickly to the digital era. Facing the changes that occur in the industrial era 4.0, companies need a leader who is quick to respond in overcoming them. Leaders of the industrial era 4.0 are expected to be able to understand, look for opportunities and solutions in facing changes, so as to be able to turn a challenge into an opportunity. Leadership agility is able to transform quickly following changes in the VUCAP world in order to be able to compete and survive the various challenges that exist. Well-implemented leadership agility can anticipate the occurrence of VUCAP so that the company stays afloat and wins the competition.

#### VUCAP affects Leadership agility has several dimensions and indicators, :

- 1) Anticipate change, a). Visioning, creating clarity about the core value proposition of a company engineered into what workers do every day to produce the desired outcomes for all stakeholders. An agile leader in the automotive industry company will create a clear vision and mission for the sustainability of the company's life. The vision and mission for long-term goals with consideration for future developments. The vision and mission that have been set are followed by a detailed explanation of understanding for all members of the organization so that they can be carried out together in an integrated manner. The members of the organization in this case are all stakeholders and also the human resources it has. With clarity and understanding of the company's vision and mission, the company's goals can be achieved together. This condition, when implemented properly, will be able to overcome the occurrence of VUCA.. The increasingly business competition in the automotive industry makes a leadership agility to be more conscientious in improving the performance of his company in the face of competition.
- 3). Generate confidence, a). Connecting, establishing a clear line of sight for all stakeholders with how each can contribute to the success of the company and people. b). Leadership agility can build a clear line of sight within the company that covers all members of the organization, so as to achieve organizational goals that are based on all the support of the members of the organization. Clear and understandable corporate values in the form of a strong organizational culture can make the company stronger in facing all changes that occur including the existence of VUCA conditions. c). Aligning, building and living the conformity of vision, values, priorities, and

actions. A consistent leadership agility in carrying out and building the suitability of the company's vision and mission. They direct human resources to carry out the company's operational activities according to the company's vision.

- 4). Initiate action , a). Bias for Action, building an implementation culture where a sense of urgency around improvement and all stakeholder satisfaction is a common basic expectation. Leadership agility can build and implement an organizational culture on the basis of common interests and make various management improvement efforts that are needed in overcoming various changes that occur that can provide mutual benefits. b). Decision Making, creating the ability for fast, precise and effective decision making at all levels. A leadership agility has the ability to make decisions that are fast, precise and effective at all levels in the company in the face of various changes that occur.
- 5). Liberate thinking, a). Bias for Innovation, establishing permissions and expectations that innovation is a universal requirement for the participation of all stakeholders. For a leadership agility, the changes that occur can be overcome by creating new innovation. b). Customer Focus, building ongoing alignment and understanding of customers to be able to offer business solutions that meet their needs and often identify unfamiliar needs. Leadership agility can focus more on customer-oriented service. The resulting products are aligned with the wants and needs of customers. Leadership agility can convince customers that the products offered can provide solutions according to customer needs. ...
- 6). Evaluate result, a). Creating Expectation, provide clear, measurable priorities and resources that align with all stakeholders and desired outcomes. Leadership agility in carrying out the company's operational activities always prioritizes and prepares and places human resources in accordance with the capabilities in their respective fields. Reliable placement and ability of employees can produce performance according to company expectations. The ability of employees according to their fields can flexibly keep up with the changes needed in the face of the occurrence of VUCA. b). Real-Time Feedback, providing timely and accurate feedback on key steps of success for all stakeholders. A leadership agility is able to see the changes taking place and can understand and provide the right solutions.

### **Hypothesis 2:**

#### **The Effect of VUCAP on Strategic Business**

Based on the results of the study, a t-value of  $23.84 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_2$  was accepted, which means that there is a positive and significant influence of VUCAP on strategic business. Strategic business in business is divided into two categories: strategic is a set way to win the competition while tactics are to do what has been set out in the strategy (Ramon et al., 2009). Strategic business that is well implemented by the company can improve the competitiveness and performance of the company. The automotive industry is an industry with a large capital in technology development to create quality products and provide customer value to consumers.

Strategic business carried out by automotive companies in Indonesia is able to consider changes that occur in the industrial era 4.0 so that it is no less competitive with similar companies both domestically and abroad. The products offered by companies in the automotive industry are able to present various touches of digitalization technology such as the use of keyless, GPS (Global Positioning System), parking / collision sensors and so on. The addition of features to this automotive product can attract consumers to use the products offered. In industry 4.0 automotive companies are able to innovate so that they are able to win the existing competition. In the national automotive industry, there is a need for quality improvement through innovation and technology that can provide cost efficiency so as to market its production in high quality at competitive prices with other countries. In the face of the era of globalization and industry 4.0 automotive industry.

The differentiation strategy is an emphasis on unique products (goods or services), the characteristics of companies that use the strategy are to build a potential market perception of superior products with different characteristics so that consumers become insensitive to prices (Ardhan and Hatane, 2015: 59). The company has a clear vision, adaptive in conditions full of uncertainty.

The differentiation strategy creates customer value in several ways, product innovation, the most superior quality and technology, a unique image of imaging, good service that distinguishes an institution from other institutions (Hutchinson et al, 2007). Barney and Hesterly (2008) add that a differentiation strategy is a business strategy in which an institution seeks to gain a competitive advantage by increasing the value of their products and services above other institutions.

The company's ability to offer something different from its competitors can increase the company's competitiveness. In the world of the automotive industry, there are many products created that are different from its competitors. It is commonly known that products issued by the automotive industry of such well-known companies as Toyota, Daihatsu, Honda, Suzuki and others have different product advantages between one company and another.

## **2). Low Cost**

Cost leadership (lowcost) is a company strategy that aims to have a lower price than competitors without reducing profits. Maintaining targeted profits is not easy for companies that use this strategy, as it requires efficient use of facilities, financing and strict cost control (Arviantoetal, 2014: 42). Everything is done to produce a lower selling price than its competitors. In this way, an institution can effectively protect itself from price competition and fight its competitors through price to gain market share (Pearce II and Robinson, 2011). The low cost strategy implemented by the company is carried out to overcome price competition that occurs in automotive companies in Indonesia. 3). Focus strategies, whether based on low-cost leadership or differentiation, seek to meet customer needs from specific market segmentations (Pearse 2017). The focus strategy implemented by the company's management aims to offer its products on a specific market segmentation.

## **Hypothesis 3:**

### **The Effect of VUCAP on Organizational Change**

Based on the results of the study, a t-value of  $24.62 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_3$  was accepted, which means that there is a positive and significant influence of VUCAP on organizational change. Organizational change is an organizational environment that accepts challenges and changes. In such an environment they easily understand the adoption of innovative policies and are happy to accept challenges and solve them easily (Gilbreath& Benson, 2004). In the industrial era 4.0, efforts are needed to make adjustments to automotive industry companies to the changes that occur. Organizational changes in a company are very necessary to adapt to the changes that occur in the industrial era 4.0. Organizational changes that are carried out adjust to conditions and prepare all members of the organization, both employees and stakeholders, to always be ready to face changes that occur. Changes to the organization can make performance ... The results of this study support research conducted by Pearse (2017) which states that VUCAP has a significant effect on organizational change. VUCAP can influence organizational change has the following dimensions and indicators:a). Structure, changing the structure includes making changes in authority relationships, redesigning work, or similar structural variables. Changes can be made by changing one or more of the main elements in the design or organization. Organizational structure is a way of dividing work tasks which are then grouped and coordinated formally. Clarity of duties in the organizational structure can increase the morale of the employee and know more about the responsibilities of the work imposed on him. Companies that have a strong organizational structure and have been fully implemented according to their respective duties and authorities can cope with changes.b). Technology, changing technology includes modifications in the way it works and in the methods and equipment used. Technological change usually includes the emergence of new equipment, tools, or methods, automation or computerization. Automation is a technological change that replaces people with machines. The internal and external factors of the organization affect the acceptance of organizational members to technological changes. Technological changes made to companies by utilizing more modern technology.d). People, changing employees refers to changes in an employee's attitudes, skills, expectations, perceptions, and behaviors. Individual change exists to help individuals and groups within that organization to work together more effectively. The VUCAP condition that occurs can improve the ability of employees to be more reliable and understand the work in their respective fields. The efforts taken by the company can be made by conducting more incentive training to conduct comparative studies.

## **Hypothesis 4:**

### **The Effect of Leadership Agility on Company Performance**

Based on the results of the study, a t-value of  $3.90 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_4$  was accepted, which means that there is a significant positive influence of leadership agility on company performance. Leadership agility that is well implemented by leaders can quickly understand and strategize in the face of changes that occur both from within and from outside the company. Leadership agility can develop a business and can foster and manage employees to keep working with passion in accordance with company goals. Agile leadership can encourage every member of the organization to create new innovations in product development. Innovations that get responses from company management can drive the company's performance to improve. The results of this study support the

research conducted by García-Morales et al. (2012) which states that leadership agility has a positive and significant effect on company performance.

#### **Hypothesis 5:**

##### **The Effect of Strategic Business on Company Performance**

Based on the results of the study, a t-value of  $7.06 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_5$  was accepted, which means that there is a positive and significant influence of strategic business on company performance. Strategic business that is implemented with an effort to carry out a strategy of making new products or modifications that are different from competitors, adding various features with a touch of digitalization technology, offering lower prices than competitors of the same quality and segmenting certain markets can improve company performance.

Strategic business can create high competitiveness for the company against its competitors so that it can win the existing competition and at the same time can affect the improvement of company performance. The results of this study support research conducted by Hajar (2015), Hasnu (2016), Widyastutiet al. (2020) which shows that strategic business has a positive and significant effect on company performance.

#### **Hypothesis 6:**

##### **The Effect of Organizational Change on Company Performance**

Based on the results of the study, a t-value of  $2.07 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_6$  was accepted, which means that there is an influence of organizational changes on company performance. An organizational structure with clarity of duties and authorities, utilization of new and renewable technologies, good placement of workspaces and developing employee capabilities through various trainings can improve company performance.

Organizational changes made by company management in accordance with the conditions in the existing industrial era 4.0 both internally and externally, are able to prepare employees and stakeholders to accept changes that occur that can affect the improvement of company performance. The results of this study support research conducted by Khatoon& Farooq (2016) which shows that organizational changes have a positive and significant effect on company performance.

#### **Hypothesis 7:**

##### **The Effect of VUCAP on Company Performance**

Based on the results of the study, a t-value of  $2.77 > 1.96$  was obtained so that  $H_0$  was rejected and  $H_7$  was accepted, which means that there is an influence of VUCAP on company performance. VUCAP is a condition that can anticipate uncertainty in the business world that can be overcome by companies. Companies that can understand and overcome through VUCAP will still be able to survive and develop and can affect the company's performance. The results of this are in accordance with the research of Potsangbam (2017), Bennett & Lemoine (2014) which shows that VUCAP has a positive and significant effect on company performance.

#### **Hypothesis 8:**

##### **The Effect of VUCAP on Company Performance Through Leadership Agility**

Based on the results of the study, the direct influence of VUCA on company performance was  $0.29^2$  (0.08) while the indirect influence through leadership agility was  $0.89 \times 0.19 = 0.17$ . L value  $< TL$ , This shows that VUCAP can improve company performance if the company has good leadership agility which is done by involving all employees of the automotive industry. Leadership agility that is well implemented by leaders can quickly understand and strategize in the face of changes that occur both from within and from outside the company. Leadership agility can develop a business and can foster and manage employees to keep working with passion in accordance with company goals. Agile leadership can encourage every member of the organization to create new innovations in product development. VUCAP encourages an agile leader to quickly adapt and find solutions in dealing with them. An agile leader through VUCAP is a challenge faced so that the company's performance will increase.

#### **Hypothesis 9:**

##### **The Effect of VUCAP on Company Performance through Strategic Business**

Based on the results of the study, the direct influence of VUCAP on company performance was  $0.29^2$  (0.08) while the indirect influence through strategic business was  $0.91 \times 0.42 = 0.38$ . L value  $< TL$ , this shows that VUCAP can



improve company performance by involving strategic business. This means that even though there is anticipation through VUCAP the company can improve the company's performance by continuing to run a strategic business.

Strategic business that is implemented with an effort to carry out a strategy of making new products or modifications that are different from competitors, adding various features with a touch of digitalization technology, offering lower prices than competitors of the same quality and segmenting certain markets can improve company performance.

#### **Hypothesis 10:**

##### **The Effect of VUCAP on Company Performance Through Organizational Change**

Based on the results of the study, the direct influence of VUCAP on company performance was  $0.29^2$  (0.08) while the indirect influence through organizational change was  $0.89 \times 0.10 = 0.09$ . L value < TL, this shows that VUCAP can improve company performance if the company can carry out organizational changes made by involving all employees of the automotive industry.

Organizational changes made by company management in accordance with the conditions in the existing industrial era 4.0 both internally and externally, are able to prepare employees and stakeholders to accept changes that occur. Through VUCAP encourages company management to make organizational changes more quickly in accordance with VUCAP condition. Organizational changes made according to VUCAP conditions make the company able to improve company performance.

#### **Conclusion and Recommendations:-**

##### **Conclusion:-**

Based on the results of research and discussion, it can be concluded as follows:

1. There is a positive and significant influence of VUCAP on leadership agility in automotive industry companies in Indonesia. Leadership agility that is well executed by the leaders of automotive industry companies in Indonesia based on a predetermined strategy can face the occurrence of VUCA.
2. There is a positive and significant influence of VUCAP on business strategy in automotive industry companies in Indonesia. A well-executed business strategy by the management of automotive industry companies in Indonesia can increase competitiveness by adding a touch of digitalization technology to all products offered.
3. There is a positive and significant influence of VUCAP on organizational changes in automotive industry companies in Indonesia. Organizational change is made through new skills through innovation and flexibility in the face of uncertainty.
4. There is a positive and significant influence of leadership agility on company performance in automotive industry companies in Indonesia. Leadership agility that is well executed by the leaders of automotive industry companies in Indonesia based on a predetermined strategy can improve the company's performance.
5. There is a positive and significant influence of business strategy on the company's performance in automotive industry companies in Indonesia. A business strategy that is well executed by the management of automotive industry companies in Indonesia can increase the competitiveness of transforming digitalization technology.
6. There is a positive and significant influence of organizational changes on the company's performance in automotive industry companies in Indonesia. An organizational structure that adapts to changing times to keep sales stable.
7. There is a positive and significant influence of VUCAP on the company's performance in automotive industry companies in Indonesia. Companies that can understand and overcome the occurrence of VUCA through VUCA PRIME will still be able to survive and thrive.
8. Leadership Agility mediates the influence between VUCAP and the company's performance on automotive industry companies in Indonesia. Leadership agility that is well executed by the leaders of automotive industry companies in Indonesia based on predetermined strategies can face the occurrence of new skills in the digital world can anticipate VUCA.
9. Strategic business can mediate the influence between VUCAP and the company's performance on automotive industry companies in Indonesia. Digital transformation opens up business opportunities to anticipate uncertainty.
10. Organizational changes can mediate the influence between VUCAP and company performance on automotive industry companies in Indonesia. A flexible and adaptive organizational structure can anticipate uncertainty. a). The automotive industry in facing the industrial era 4.0 in 2030 from the results of the SWOT Analysis focuses on the diversification strategy, in the following way: a0.. In fossil fuel vehicle products (products are running)

or ICE (Internal Combustion Engine). The strategy of diversification through product modification The development of existing products and there are some changes that are tailored to consumer tastes or adjustments to government regulations. and limited modifications Development of new products with new markets. To expand the market and maintain automotive products. b). Diversification strategy on the development of electric vehicle (EV) products. Automotive products in the future and become products replacing products using fossils. For example, Air Ev by Wuling brand.

11. Foresight strategy is a strategy that prioritizes predictive ability by the organization in an effort to anticipate rapid and unstable changes and can reduce weaknesses in the organization. By prioritizing transformation in an effort to improve company performance.
12. The novelty of research is possible through improvement because it is to improve previous research. Researchers found improvements in mediation variables in leadership agility, organizational change and strategic business have a greater role as mediation on company performance. In facing the era of leadership agility, organizational and strategic business changes are able to face uncertainty, chaos and uncertainty so that the company's performance is sustainable. Implementation Toyota has been doing virtual meeting with college discussion about climate change, Skill up human resources by vocational academic partnership with industry. The national automotive industry towards zero emissions requires maximum effort and effort by industry players and the Government as regulators. Strategic agility in 2030 requires a change in leadership style from top management to transparency, continuity, consistency, flexibility, feasibility, engagement and increasing the expertise of the workforce in the digital world which will almost use robots in production.

### **Recommendations:-**

Several things are recommended in anticipating the occurrence of VUCA and improving the performance of automotive industry companies in Indonesia, as follows:

1. The novelty of research is that in essence transformation and improvement in the agility of leadership is needed in the expertise of human resources in order to adapt to conditions that are quickly responsive, flexible and always closely side by side with technology, through training and vocational education that already exists in collaboration with the automotive industry to improve technological expertise. Regulations from the government are needed for collaboration between education through academics and industry players to increase the competitiveness of human resources. Organizational change in an effort to increase renewal, responsiveness to political and economic social conditions. and strategic business in an effort to anticipate the conditions of the VUCA era and the industrial era 4.0. The strategy of the present to the future requires the right transformation so that the company's performance remains sustainable. Three strategies needed by the automotive industry in anticipating the vuca era and industry 4.0, diversification strategy, foresight strategy and strategic agility as an effort to increase the competitiveness of quality products towards climate change electric vehicles with zero emissions as the main target.
2. The industrial era 4.0 in 2030 the era of change towards climate change, zero emissions where electric vehicles are the main target. There are two infrastructures that are indispensable and of concern to the Government, : a) Infrastructure to electric vehicles needs to be considered for the provision of electricity supply in each place of the SPKLU (Public Electric Vehicle Charging Station) area. The roadmap for the development of charging stations is urgently needed. b) Infrastructure towards the availability of high-quality lithium batteries that can be exchanged in several places as well as fast battery charging. Supporting industries such as lithium batteries are needed, which currently have a battery industry that is managed in collaboration with the Hyundai brand located in Karawang, West Java. It is expected that other battery industry investments throughout Indonesia as a strategic to support the availability of lithium batteries.
3. For other similar companies to be able to implement various strategies in dealing with the occurrence of VUCA so that the company can still survive and develop during the industrial era 4.0 where the use of technology will continue to grow which of course requires considerable investment.
4. For other researchers who want to conduct research with a similar theme to add some variables that can affect VUCAP and company performance. It is recommended for other researchers to expand the object of research not only limited to automotive industry companies but can be done in other industries with a wider coverage area.

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