

The Effect of Adaptive Leadership on Employee Performance and Organizational Sustainability

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Abstract

In the era of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), adaptive and innovative leadership is a key factor in improving employee performance and maintaining organizational sustainability. This study aims to identify effective leadership styles in influencing employee performance as well as explore the intermediary variables that contribute to these relationships. The research method used is a quantitative approach with survey techniques to collect data from various organizations. The results show that effective leadership not only plays a role in providing direction, but also in creating a supportive and motivating work environment for employees. Additionally, factors such as organizational culture, company policies, and individual motivation have an influence on employee productivity and loyalty. Furthermore, the study found that leadership that supports organizational sustainability is able to create more effective long-term strategies. Therefore, organizations need to implement a leadership strategy that is not only oriented towards achieving targets, but also on developing human resources and creating a healthier and more innovative work environment.

Keywords

Leadership, Employee Performance, Organizational Sustainability, Motivation

1. Introduction

In the modern business environment, rapid and unexpected changes have become the norm. The concept of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) describes this condition, where organizations are faced with increasingly dynamic and complex challenges. To survive and thrive, organizations need adaptive and innovative leadership. Leadership plays an

important role in forming a conducive work environment, providing clear direction, and supporting the achievement of organizational goals (Abadiyah et al., 2020).

The leadership style applied in an organization has a significant impact on employee performance. Effective leaders are able to create an authoritative work environment and motivate employees to work optimally. According to Rohman et al. (2020), leadership style is closely related to the way a leader interacts with his followers and how he directs and motivates them. In addition, leadership can also be defined as a skill used to positively impact individuals in an organization, so that they work together towards the achievement of common goals.

Further, leadership not only serves as a managerial tool for organizing the organization, but also as a code of ethics that determines how a leader influences the behavior of his subordinates. Each leader has a different stimulus pattern in directing and guiding his team. Effective leaders not only manage organizational resources efficiently but also build support systems that increase organizational productivity and sustainability (Sari et al., 2016). In the modern context, leadership is not only about providing instructions, but also playing a role in coordinating strategies, managing relationships with employees, as well as interacting with other stakeholders to achieve sustainable organizational growth (Hamdan, 2018).

Although various studies have examined the relationship between leadership and employee performance, there is still a gap in understanding how leadership contributes to organizational sustainability. The sustainability aspect in leadership is still under-researched. In addition, research by Carmeli et al. (2017) indicates that the eco-friendly behavior of executives and employees is closely related to the leadership style applied in the organization. Therefore, it is important to understand how individual behaviors in organizations can be directed to address sustainability challenges (Strauss et al., 2017). To address this research gap, this study aims to identify effective leadership styles in improving employee performance as well as explore variables that can be intermediaries in the relationship between leadership and employee performance.

On the other hand, employee performance is one of the main factors that determine the success of an organization. Employee performance can be interpreted as the level of individual achievement in completing the given tasks in accordance with organizational standards. Employees' success in achieving organizational goals does not only depend on individual skills but is also influenced by various factors, such as motivation, work environment, and leadership (Habibie & Mustika, 2020). In the context of service provider organizations, employee performance greatly affects the growth and competitiveness of the organization (Lestari et al., 2020). Therefore, leaders must be able to create a supportive work environment for employees to work optimally and contribute to the overall effectiveness of the organization.

Research shows that employee performance also impacts the profitability of the organization. Basori et al. (2017) affirm that employee performance is the result of individual achievements that are influenced by organizational policies and practices. Therefore, organizations must implement policies and strategies that can support the continuous improvement of employee performance. In addition, external and internal factors, such as the work environment, organizational culture, and company policies, also play an important role in determining employee productivity and work efficiency (Sausan et al., 2021). In an economic perspective, performance is often associated with productivity and work efficiency, emphasizing that

employee performance is not only about how much work can be completed but also how the work is done with high efficiency (Ardiansyah & Surjanti, 2020).

Based on the problems that have been raised, this study aims to examine the relationship between leadership style and employee performance in an organizational context. This study also seeks to explore factors that can be intermediaries in these relationships, including aspects of sustainability and organizational efficiency. By understanding more deeply the relationship between leadership and employee performance, this research is expected to contribute to organizations in developing more effective and sustainable leadership strategies in the VUCA era. This research is also expected to provide practical insights for leaders in managing their teams in order to achieve more optimal results and have a positive impact on the organization as a whole. This study uses a quantitative descriptive method with a survey approach to collect data from employees in various organizations. Data were analyzed using statistical techniques to identify the relationship between leadership style and employee performance and explore the intermediate variables that influence those relationships.

2. Leadership Style in the VUCA Era

In the era of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), organizations must have adaptive and innovative leadership to stay ahead. Leadership plays an important role in forming an effective and controlled work environment and supporting the achievement of organizational goals (Abadiyah et al., 2020). In addition, an effective leader can create an authoritative work environment and be able to direct his followers well. Leadership has a variety of styles that can affect employee performance. According to Rohman et al. (2020), leadership style is related to how a leader interacts with his followers and how he asks or directs them. Leadership style can also be interpreted as the skills that a leader uses to make a constructive impact on the people around him, so that they work together to achieve a common goal.

Furthermore, leadership style is also considered a code of ethics applied by a leader in influencing the behavior of his subordinates. Each leader has a different stimulus pattern in directing his followers. An effective leader can efficiently manage and mobilize organizational resources to achieve set goals. In the context of modern organizations, leadership is not only about providing instructions, but also coordinating guidelines, practices, and building support systems that can improve organizational performance (Sari et al., 2016). In addition, leadership also deals with project management, relationships with employees, and interactions with stakeholders. Therefore, effective leadership not only affects individuals in the organization but also has a broader impact on society (Hamdan, 2018).

However, while many studies have addressed the relationship between leadership and employee performance, there is still a gap in studies on how leadership can contribute to organizational sustainability. The sustainability aspect in leadership is still not widely researched. In addition, research by Carmeli et al. (2017) indicates that the eco-friendly behavior of executives and employees has a close relationship with the leadership style applied in the organization. Therefore, it is important to understand how individual behaviors in organizations can be directed to address sustainability challenges (Strauss et al., 2017). In facing these challenges, this study aims to identify effective leadership styles in improving employee

performance. In addition, this study also seeks to explore variables that can be intermediaries in the relationship between leadership and employee performance.

3. Employee Performance in an Organizational Context

Employee performance can be interpreted as the level of achievement of an individual in completing a given task. Employee performance is one of the main factors that determine the success of an organization. According to Faozi & Handayani (2019), performance is the result of completing work in accordance with the goals and needs of professional organizations. Therefore, employee performance is not only related to individual productivity but also contributes to the overall effectiveness of the organization. Employee performance is measured based on the comparison between work results and set standards. Meanwhile, Habibie & Mustika (2020) emphasized that employee performance is influenced by various factors, including motivation, work environment, and leadership. In other words, the success of employees in achieving organizational goals is highly dependent on the support and direction provided by the leader. Furthermore, employee performance can be seen from the results of efforts carried out in a certain period of time, taking into account the criteria and standards that have been set. In the context of service provider organizations, employee performance greatly affects organizational growth (Pranogyo & Hendro, 2022). Good employee performance can improve the competitiveness of the organization as well as help the company achieve a competitive advantage.

In addition, research shows that employee performance also has an impact on the profitability of the organization. Basori et al. (2017) affirm that employee performance is the result of individual achievements related to organizational policies and practices. Therefore, organizations need to ensure that the policies and strategies implemented can support the improvement of employee performance. Employee performance is also influenced by external and internal factors, such as the work environment, organizational culture, and company policies. According to Ardiansyah & Surjanti (2020), from an economic perspective, performance is often associated with productivity and work efficiency. This shows that employee performance is not just about how much work can be completed, but also about how well the work is done with high efficiency.

4. Conclusion

In the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), adaptive and innovative leadership is the key for organizations to survive and thrive. Effective leadership not only provides direction, but also creates a supportive work environment, increases employee motivation, and encourages productivity. The results of this study show that leadership style has a significant impact on employee performance. Leaders who are able to communicate well, provide motivation, and adjust to organizational dynamics can create a more solid and productive team. In modern organizations, the role of leaders is not only as a controller, but also as a facilitator who helps employees develop their potential.

Employee performance is a major factor in the success of an organization. Employees who are motivated and feel supported by their leaders tend to show higher performance, contribute to the achievement of organizational goals, and increase the company's competitiveness. In addition to leadership, factors such as the work environment, organizational culture, and company policies

also play an important role in influencing employee productivity. Organizations that implement appropriate leadership strategies tend to have better performance levels compared to organizations that pay less attention to leadership aspects.

In addition to having an impact on individual performance, leadership also plays a role in creating organizational sustainability. This research shows that sustainability-oriented leaders can encourage positive behaviors among employees, including work efficiency and concern for the environment. This shows that leadership should not only focus on short-term outcomes, but must also consider the long-term impact on the organization and society at large. However, there are still gaps in research on how leadership contributes to organizational sustainability, which needs to be explored further.

To meet the challenges of the VUCA era, organizations need to develop a leadership strategy that is not only oriented towards achieving targets, but also on developing human resources and creating a healthier and more productive work environment. Leaders must have flexible skills, be able to adapt their leadership style to organizational conditions, and build good relationships with employees. Successful leaders are those who are able to motivate, create a positive work culture, and encourage innovation in the organization.

In the face of rapid change, organizations must ensure that their leadership is not only oriented towards efficiency, but also innovation and sustainability. By implementing the right leadership style, organizations can improve employee performance, create a harmonious work environment, and achieve a competitive advantage. This research provides insight into the importance of leadership in increasing productivity and organizational sustainability, while highlighting the need for further exploration of the variables that affect leadership effectiveness in the long term.

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