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**Article**

## THE VUCA CONCEPT IN THE DIGITAL SPHERE

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## THE VUCA CONCEPT IN THE DIGITAL SPHERE

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**Abstract.** *The article's main goal is to explain the idea of VUCA in detail and show how it may affect digital marketing efforts. The article's goal is to give those interested skills and strategies to deal with the difficulties and uncertainties in a constantly evolving digital world by examining the idea of VUCA in the context of digital marketing. It will examine how decision-making in digital marketing can be influenced by elements including volatility, uncertainty, complexity, and ambiguity and how these factors can be effectively controlled. The article's main objective is to inform about the significance and influence of the VUCA concept in the digital sphere and to offer helpful advice for adjusting to and thriving in a digital marketing environment.*

**Keywords:** *volatility, uncertainty, complexity, ambiguity, digital marketing, strategies*

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### INTRODUCTION

Systematic cost reduction, creating an agile operating model, mastering collaboration, developing future-ready capabilities, being aware of the use of digitalization, measuring impact and sustainable value, and the courage to innovate and transform in the right way are the characteristics that sustainable business should embody. These necessities fluctuate across various industries and sizes of businesses. The frameworks, information, presumptions, interests, and expectations used by managers in big, medium, and small businesses to make choices are all evolving quickly.

Managers must make judgments with more ambiguity due to the VUCA reality. Businesses must learn to navigate and manage their plans in a VUCA-influenced environment if they want to first survive and then develop. Businesses will survive and thrive in the face of a variety of growing unfavorable and intensely competitive business conditions if they recognize and take advantage of the opportunities and possibilities for change in VUCA market conditions. Therefore, it gets difficult for the top executives of organizations to consider fresher concepts for sustainability and expansion in the unusual circumstance.

VUCA is an acronym that stands for volatility, uncertainty, complexity and ambiguity. The term was originally used in the military context to describe the rapidly changing and uncertain combat environment, but was later adopted in business and leadership to illustrate today's global business environment (Whiteman, 1998).

These four factors create a powerful cocktail that can lead to market volatility and unpredictable results. It is a measure of how risky a financial market is and how quickly it can change. Each of these factors can create a significant change in the price of an asset. For example, volatility refers to how much a security's price fluctuates throughout the day. Uncertainty refers to the lack of clarity about future events and how they might affect the price

of an asset. Complexity measures how many possible outcomes there are for a given situation, and ambiguity is the presence of many different interpretations of a situation (Gerras, 2010).

Here is a more detailed explanation of each component of the VUCA acronym:

*Volatility:* Refers to the rapid pace of change and instability that characterizes today's business environment. Factors such as economic fluctuations, technological innovations, political and social changes can generate volatility in an unpredictable and rapid manner.

*Uncertainty:* This refers to the lack of accurate information and knowledge to make correct and predictable decisions. The VUCA business environment is often characterized by ambiguity, uncertainty and a multitude of unknown factors that can affect the results and direction of organizations.

*Complexity:* Describes the interconnectedness and diversity of factors and relationships that influence the business environment. Organizations face complex systems of interactions, unpredictability and multiple challenges such as technological change, regulation, cultural diversity and global competition.

*Ambiguity:* This refers to the lack of clarity and interpretation in the business environment. Information may be incomplete, contradictory or difficult to understand, making decision-making more difficult. The consequences of actions can be uncertain and the results can be interpreted in many ways.

The abbreviation VUCA stands for a volatile, unpredictable, complex, and ambiguous environment in the area of digital marketing. The phrase was first employed in a military context before being modified to reflect the commercial climate and the quick changes occurring in the digital economy (Bennett & Lemoine, 2014).

Therefore, in digital marketing the acronym VUCA is interpreted as (Hall & Rowland, 2016):

*Volatility:* The digital environment is quite unstable and changes very quickly. Rapid changes in consumer preferences, trends and technologies require continuous adaptation of the marketing strategy.

*Uncertainty:* The outcomes and effects of campaigns are frequently highly unpredictable in digital marketing. Search engines and social networking sites' algorithms and platforms are subject to unforeseen changes, and it can be challenging to forecast customer behavior.

*Complexity:* There are many different channels, technology, and techniques used in digital marketing. It can be difficult for marketers to manage the complexity of this digital environment and incorporate these into a coherent plan.

*Ambiguity:* Information in digital marketing is frequently ambiguous or inconsistent. As there are many variables and circumstances that might affect results, interpreting data and assessing the efficiency of campaigns can be quite ambiguous.

Organizations and executives must learn specialized skills to deal with the VUCA environment's rapid changes and unpredictability. These abilities include flexibility, agility, ongoing education, strategic thinking, and the capacity for making choices in the face of ambiguity (Xing et al., 2020). In general, in digital marketing the concept of VUCA emphasizes the need for adaptability and the ability to act quickly in response to changes in the sector. To react to new digital trends and opportunities, companies need to be proactive in managing uncertainty and develop flexible marketing strategies to adapt to new digital trends and opportunities (Tsui & Dragicevic, 2018).

### **Future research on VUCA in other knowledge areas**

Regarding the VUCA concept, there may be new research opportunities related to the different fields of knowledge, such as: management, strategic management, human resources, *Management* - managing circumstances where uncertainty and turbulence are key components requires the development of specific talents. The characteristics of a leader must be redefined. Given the difficulty of developing a future perspective based on present information, skills such as vision, which have been crucial until now, are less useful in the context of VUCA. According to Schoemaker et al. (2018), adaptability is a crucial component of research. The emergence of adaptive leadership has been a recurring theme in the research.

*Strategic management* - the investigation and exploitation of techniques must be well balanced in the ambidexterity literature. In the face of an uncertain world, aspects of adaptation and foresight take on significantly greater significance (O'Reilly & Tushman, 2008). The speed of response should be seen as a key component, with a direct impact on the organizational development and human resources (HR) of the company. Due to the more relative nature of the value of information learned from the environment, higher doses of intuition are required (Robinson et al., 2017). In addition to adaptation and flexibility, appropriate risk management at organizational, group and individual levels must be taken into account (Getele et al., 2019).

To address them as fast as possible and lessen their consequences, it is important to identify the predecessors of a VUCA element within an organization (Codreanu, 2016; Heinonen et al., 2017). Organizational development is one of the aspects of this VUCA reality to which the management of the firm must give the most attention because it is essential to the proper evolution of the business.

*Human Resources* - Issues like the selection of staff are particularly pertinent at the moment because of the features of the contemporary environment. Their requirements must be viewed through a VUCA lens since being able to adjust to environmental changes is crucial. Although factors like dedication and the capacity for teamwork must always be taken into consideration, given the unique features of the setting, they now take on a key role.

To be able to give firm managers sound decision-making tools, the management of the flow of knowledge between departments must be effective and transparent. New skills are required in this emerging reality, and the HR department must put them into practice based on effectiveness and adaptability. The environment's features and the field's growth and effectiveness are closely related, therefore it is important to model a work team's dynamics appropriately to foresee needs (Mathieu et al., 2014).

Similar to how new jobs necessitate new profiles, human resource departments have difficulties in this area (Reichel & Mayrhofer, 2009). Given that they are essential resources for developing dynamic capabilities, they also involve the development of individual skills as a component of change within the organization (Kamprath & Mietzner, 2015). As a result, there is particular interest in the creation of suitable technologies to aid management teams in tackling VUCA difficulties.

*Organisational development* - Precision and agility are required to react quickly in a chaotic and changing environment. It is crucial to properly manage the company's own expertise and transfer it to all relevant departments. The HR division must play a major role in helping the organization develop these competencies. It is crucial that the organization's

demands are communicated, as well as its capacity to respond appropriately to the environment. All of this has to have the management team for the company's active support.

*Education and learning* - An unfamiliar setting necessitates learning new information, and executive training is a sector that is continuously changing. To manage such an environment, where unpredictability and instability play a particularly prominent role, it is necessary to have specialized abilities. Given this reality, new teaching concepts are emerging to close these gaps.

These concepts include the curriculum development of the new generation of TMT components and the adaptation of VUCA teaching to give educational institutions specialized tools to help them tackle the contemporary problems. Creativity and innovation, with an emphasis on both leadership and management, stand out among the emerging leadership talents as essential components.

## **CONCLUSIONS**

From this vantage point, a wide range of pertinent topics could be the subject of study in the near future. These include innovation and entrepreneurship, which have long been influenced by this shifting environment and are directly related to innovation and performance improvement in businesses operating in unstable environments (Yasir et al., 2017). Last but not least, management and leadership find training to be a very fascinating discipline (Orphanos & Orr, 2014).

We can also make observations about other fields of knowledge that, despite their importance, have received little to no research, such as the changes in B2B and market relations that are occurring as a result of the introduction of new technologies and their implications for e-commerce (Iyer et al., 2009). A key component of effective business management is the creation of control and management systems for customer connections (Bonnemaizon et al., 2007).

Public administrations and their performance in the VUCA environment, as well as the development of citizen engagement in a more dynamic environment and its ramifications (Stivers et al., 2018), as well as the field of complexity management constitute a distinct field.

The company environment, in particular, and reality in general are both determined by the VUCA context. It is notably gaining ground in the fields of strategic management, leadership, human resources, and education and learning. Businesses need to respond to this new reality with stronger guarantees. As a result, this gives a chance for the scientific community to gain a deeper understanding of the direction that business management is taking.

This literature analysis has revealed the need to reconsider several aspects of leadership and innovation in its numerous parts, which has ramifications for managers. Leadership in a VUCA environment must be supported by the organization's excellent adaptability. In this perspective, HR departments should emphasize promoting the ongoing acquisition of new skills related to environmental adaptation and resource flexibility. Structures that are far more adaptable and flexible should also be implemented to promote organizational learning.

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