

THE DETERMINANTS OF STRATEGIC RENEWAL AND ITS IMPLICATION ON DYNAMIC CAPABILITY (EMPIRICAL STUDY IN AUTOMOTIVE INDUSTRY)

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Abstract

This research aims to investigate about the effect of innovation, performance feedback and organizational learning on strategic renewal and their implication on dynamic capability in automotive industry. The methodology of this research was explanatory research with hypothesis testing for examining ten hypotheses. Populations were the automotive companies in Indonesia, most of the brands are Toyota, Daihatsu & Honda. with sample size were 282 companies. Data for this study were collected using questionnaires and SEM (Structural Equation Modeling) was employed for data analysis techniques. The results of this research were as follows: innovation positively and significantly influenced strategic renewal; performance feedback positively and significantly influenced strategic renewal; organizational learning positively and significantly influenced strategic renewal; innovation positively and significantly influenced Dynamic capability; performance feedback positively and significantly influenced Dynamic capability; organizational learning positively and significantly influenced Dynamic capability; strategic renewal positively and significantly influenced Dynamic capability. The most significant is the influence of innovation to strategic renewal. All of seven hypotheses which proposed in this research were being given can be accepted. innovation as an independent variable was the strongest influence on strategic renewal, and strategic renewal was the strongest influence on dynamic capability. This study also provides discussion on the findings as well as limitations, theoretical and practical contribution, theoretical and managerial implications of the study, and suggestions for future research.

Keywords: Innovation, performance feedback, organizational learning, strategic renewal, Dynamic capability.

1. INTRODUCTION

Developments in the rapidly changing business environment have had an impact on many companies having difficulty maintaining their competitive advantage. What is planned and becomes a strategy by the company is sometimes not able to compete with the ever-changing business environment, therefore in order to anticipate this, the business strategy must also change, the reality is sometimes that the new strategy outlined is not always successful and can return glory competitive advantage.

This shows that directly or indirectly the business environment can also change the priorities of the industry. This change also has an impact on changes in business strategy. Meanwhile, on the other hand, superior business strategies are generally based on superior resources (core resources) and superior capabilities (core competences), meaning that this

change also causes superior resources and superior capabilities to become obsolete or expired along with the change itself. This means showing that to be able to restore competitive advantage, in addition to updating the strategy, it is necessary to update the advantages of resources and capabilities. Meanwhile, dynamic changes also require the ability to update resources and capabilities quickly (dynamic capability).

Today's technological developments and global competition force companies to adapt to a rapidly changing environment. This change will lead to innovative actions and stimulate creative change (Kim and Pennings, 2009). Innovative businesses not only create new markets (Agarwal and Bayus, 2002, Knott and Posen, 2009), but also take new industries to new levels, extend their life cycles, and increase their competitive landscape (Kim and Pennings, 2009).

In addition to being innovative, companies must also be able to carry out good strategies based on previous experiences, especially from previous performances that have been achieved, in order to obtain maximum results in facing competition. This means that companies must also look at previous company performance achievements (performance feedback) so that they can determine strategic policy directions to achieve the desired goals. Corporate-level strategic renewal also often results from learning processes that emphasize different levels of management (McKinley et al. 2014; Floyd and Lane, 2000). Therefore, companies may benefit from the integration of strategic behavior as an important component of organizational adaptability (Burgelman, 2005).

The phenomenon of strategic renewal has attracted the attention of previous researchers, by placing strategic renewal on strategy content and research on dynamic capabilities (Agarwal and Helfat, 2009). Although there have been advances in theory and concepts, the focus of previous research has been more on the processes and behaviors of strategic renewal. Only a limited number of studies have investigated the relationship between strategic renewal and firm performance (Koponen, 2014; Vandenbempt, 2012), or considered the process and economic outcomes of strategic renewal (McKinley, Latham, and Braun, 2014; McGrath, 2001). Meanwhile, subsequent studies have analyzed performance as the dependent variable (Volberda, Baden-Fuller and Van den Bosch, 2001; Folkeringa, Meijaard, Van Stel., and Zoetermeer. 2004),

From what has been described above, company innovation, performance feedback and organizational learning should also pay attention to strategic renewal processes that affect a company's adaptation in facing opportunities and challenges related to the environment. Companies that are the object of this research are companies engaged in the automotive industry in Indonesia. The selection of companies in the automotive industry in Indonesia is very relevant to dynamic strategic and capability changes in the automotive business competition and can show how these activities affect products, services, and technological developments through the industries they are involved in. In this study also found marketing activities of innovative companies that focus on targeted, stimulate sales, and reduce uncertainty in marketing about an innovation, and also as a major stimulus for technological change around a market defining artifact (Kim and Pennings, 2009).

The companies studied in this dissertation are Toyota, Daihatsu and Isuzu and Honda. The determination of these automotive companies (car brands) is based on the large market share owned by these companies, namely Toyota first, Daihatsu ranks third, and Isuzu ranks seventh while Honda ranks second (<http://autotekno.sindonews.com/read/1003479/120/toyota-daihatsu-dan-hondamerek-mobil-paling-diminati-1432167926>) in the first half of 2016 Isuzu came in ninth (<http://otomotif.kompas.com/read/2016/07/21/111046315/ranking.merek.mobil.paling.laris.di.indonesia;>

gaikindo.or.id/10-merek-mobil-terlaris-di-indonesia-januari-juni-2022) Second, the development of these companies in carrying out innovation and strategic renewal of their company's products in competition in Indonesia. The three Toyota, Daihatsu and Isuzu are from the same country, namely Japan with their respective companies, but in Indonesia, these companies are in the same group of companies (except Honda) so it is interesting when viewed from the corporate strategy and business strategy. The following is a sales table for the automotive industry in Indonesia:

Table 1. Car Whole Sales in Indonesia during the first half of 2022

No	Brand	2021	2022
1	Toyota	120.717	149.461
2	Daihatsu	67.323	90.343
3	Honda	49.439	62.585
4	Mitsubishi Motors	47.781	51.296
5	Suzuki	40.928	41.413
6	Isuzu	11.968	17.229
7	Mitsubishi Fuso	14.098	15.799
8	Hino	8511	12.426
9	Hyundai		11.282
10	Wuling	10.187	11.261
11	Nissan	4.616	

Source: Gaikindo.or.id/10-merek-mobil-terlaris-di-indonesia-januari-juni-2022/

From the description above, it can be seen how these companies always carry out strategic renewals on their respective products. In addition, strategic renewal in the company must also be balanced with changes in resources (dynamic capability), because strategic renewal without updating resources or dynamic capabilities (dynamic capability) can affect the success or failure of the strategy set. The same is true for automotive companies by updating their resources (dynamic capability) to offset the strategic renewal that has been set.

2. LITERATURE REVIEW

A. Dynamic Capability

Based on Teece (2007), dynamic capabilities can be divided into three basic categories, where each capacity is based on specific activities, namely:

1. Sensing capacities. In this capacity includes organizational activities to identify, detect, identify, and interpret strategic opportunities and threats in the environment such as, for example, related to new technologies, target segmentation, changing customer needs, new innovations, and new business models.
2. Seizing capacities. This capacity refers to the ability to seize perceived opportunities, by making timely decisions, such as on business models, investments, and resource allocations (Teece, 2012). In addition, this capacity also includes how to design effective decision-making procedures and build organizational structures capable of achieving decision-making and achieving competitive struggles in the cognitive area, as well as achieving dependency structural paths that underline decision-making activities (Teece, 2007).
3. Reconfiguring capacities). This capacity is based on patterned activities that enable

renewal, orchestration, and rearrangement of resources – assets, routines, and capabilities – in order to keep key resources aligned with changes in operational environment (Stadler et al, 2013). In addition, this capacity includes how to learn new skills, build and adopt new processes and organizational structures, effectively apply knowledge management activities, such as sharing knowledge within the organization.

B. Strategic Renewal

The idea that strategic renewal is an integral part of strategic management can be traced from the contributions that helped shape this field (Schendel and Hofer, 1979). At the beginning, the contribution of strategic self-renewal was generally understood as a transformation activity related to the environment, objectives, strategies and structures that ensure long-term survival (Chakravarthy, 1984). In today's perspective, strategic renewal has evolved into a continuing research domain, especially for researchers active in the areas of:

1. Strategy process (Chakravarthy and Doz, 1992; Floyd and Wooldridge, 2000; Lechner, 2006).
2. Corporate entrepreneurship (Guth and Ginsberg, 1990; Zahra, 1993; Zahra, 1995; Zahra, 1996; Sharma and Chrisman, 1999; Zahra, Nielsen et al. 1999).
3. Research related to strategic content, organizational design, and dynamic capabilities literature (Agarwal and Helfat, 2009).

In the process-oriented strategy research of strategic management, strategic renewal is more associated as strategic change. While strategic change represents a wider area, namely as a reflection of pluralism theory (Rajagopalan and Spreitzer, 1997), strategic renewal has integrated more specifically into the evolutionary and ecological perspectives of strategy making (Floyd and Lane, 2000).

As reflected in entrepreneurial characteristics, strategic renewal also represents a phenomenon of interest in corporate entrepreneurship research (Guth and Ginsberg, 1990; Zahra, 1993; Zahra, 1995; Zahra 1996; Sharma and Chrisman, 1999; Zahra, Nielsen et al. 1999). Here, strategic renewal has become more narrowly associated with renewal research of existing organizations, as opposed to corporate speculation, especially with regard to the formation of new businesses in existing organizations.

Several key definitions from strategy process, corporate entrepreneurship, and strategy content/dynamic capabilities research are discussed to introduce the overall concept and illustrate its evolution.

1. The central evolutionary theoretical framework of strategy process, intra-organizational ecology, strategic renewal is thought of as the main strategic change preceded by internal selection and experimentation (Burgelman, 1991). This concept emphasizes the importance of the bottom-up learning process of new capabilities and skills. Floyd and Wooldridge (2000: 49) define strategic renewal as:

“a managerial process associated with promoting and accommodating new knowledge and innovative behavior which results in change in an organization's product-market strategy and/or its core capabilities”.

This concept emphasizes that renewal is not only related to changes in the market product domain, but also changes in relevant strategic capabilities. Furthermore, Volberda et al (2001: 160-161) assumes that strategic renewal is “activities a firm takes to alter its path dependence”, an idea which finds expression in studies from a co-evolutionary perspective (Flier, Van Den Bosch et al. al. 2003).

2. Strategic renewal can also be found in the corporate entrepreneurship domain. Guth

and Ginsberg (1990) characterize strategic renewal as a transformation of organizations through renewal of the key ideas that are built on them, which then refers to the processes associated with the birth of new businesses in existing organizations. Furthermore, the theoretical framework of corporate entrepreneurship has built on this idea (Zahra, 1993; Stopford and Baden-Fuller, 1994; Zahra, 1995; Zahra, 1996), with a reconciliation of some of the issues provided by Sharma and Chrisman (1999).

3. Agarwal and Helfat (2009: 282) proposed a strategic renewal covering the dimensions of process, content, and results as “...includes the process, content, and outcome of refreshment or replacement of attributes of an organization that has the potential to substantially affect its long-term aspects.” This perspective describes refresh or replacement as a relevant type of change, and long-term prospects from the time dimension. As illustrated by this definition, the concept of strategic renewal includes continuous change, consisting of emergence, a bottom-up learning process with top-down control, deliberating change. This understanding of strategy stands for the contribution of the research process which provides evidence of the behaviors that emerge in the making of the strategy (Lindblom, 1959; Bower, 1970; Mintzberg, 1978; Quinn, 1980). Given the importance of renewal activities being allocated in the middle or at the operational level of the organization, a literature has developed a middle-management perspective focusing on activities and

C. Innovation

Innovation from beginning to end has been characterized as highly uncertain and creative (Poskela and Martinsuo, 2009), therefore requiring a high level of freedom and independence for those who execute the initial and final activities. However, a number of controls are needed to protect the effective use of resources and the achievement of long-term corporate goals (Folkerling, et al. 2004). Successful innovation often changes the relative positions of companies competing in an industry and reshapes their competitive landscape (Kim and Pennings, 2009). Anderson and Tushman (1990) view that cycles of technological change are the essence of an evolutionary perspective, an industry that has established itself through a period of experimentation when unsustainable technologies are introduced and then enters a further change when a dominant design emerges. The unsustainability of technology will open up an opportunity for companies, both old and new companies, to seek alternatives from different knowledge bases. With the emergence of a dominant design, the industry will transform itself at a new level, where the new role of the industry with new competitors. One interesting phenomenon during industrial transformation is the fluctuation in uncertainty. As companies try to take advantage of opportunities that open up through technological unsustainability, an industry undertakes strategic options, which have never been tried before, so that uncertainty regarding technical details increases significantly (Kim and Pennings, 2009). Of course, questions also arise about how the market reacts to technological developments.

Technological alternatives with low uncertainty can emerge as the focal point of innovative endeavors and become industry standards. How proponents of technology choices manage market and technical uncertainties has been of great interest to researchers and managers because it is unusual for an alternative to be instantly superior on most product dimensions.

D. Performance Feedback

Learning performance feedback (Greve, 2003c) can be considered as a direct derivative of

the theory of corporate behavior (Cyert and March, 1963/1992). Theory related to aspiration levels, performance feedback, and problematic pursuits has been found to have increased to the point where it is one of the most active streams of research on the strategic change of companies (Argote and Greve, 2007). In this dissertation, the researcher argues for a broader application domain from strategic change to strategic renewal.

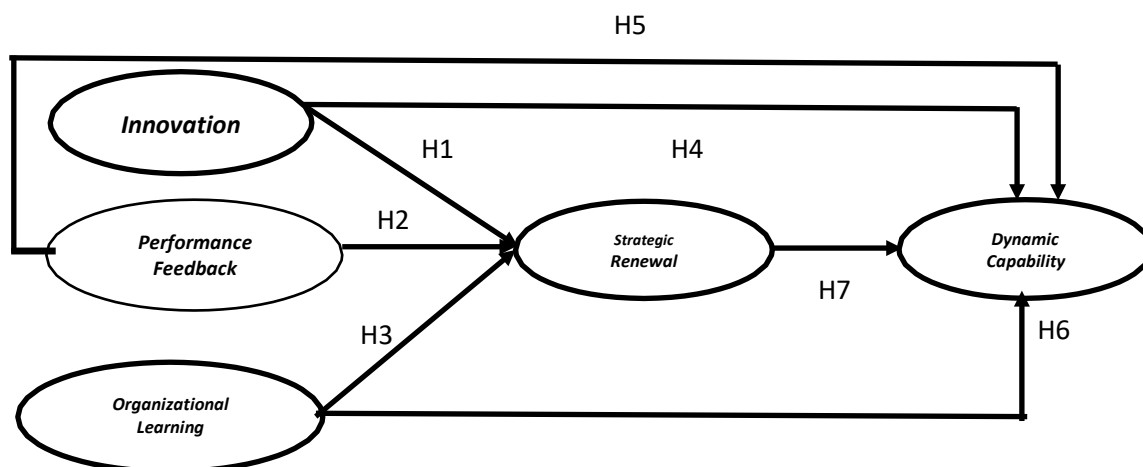
Furthermore, successful performance also takes into account organizational flexibility, for example, availability as a resource for innovations (Cyert and March, 1963/1992). The steps of the performance feedback process, and decision making are key concepts for the study of the performance feedback effects of strategic renewal actions.

E. Organizational Learning

All activities of the organization that can produce knowledge and techniques through interactions with external fields can be called organizational learning when viewed from a psychological perspective (Lee and Chen, 2015). Organizational learning is a mutually beneficial interaction behavior between individuals, teams, and organizations and the constitutive adaptive behavior of organizations (Edmondson, 2002). Lipshitz, Friedma, and Popper (2007) say organizational learning represents an interaction between individuals, actions, symbols, and procedures. Hhysman (2000) argues that under situations of implementing organizational learning as a formation of organizational memory can make the learning process more successful. Arthur and Smith (2001) argue that appropriate technologies can be applied to control organizational learning and manage organized knowledge to bring out the effects of organizational learning in the long term. Gomes (2004) defines organizational learning as the procedures of the organization to modify its own behavior and actions through new knowledge obtained from the point of view. Gheradi and Nicolini (2000) argue that the study of literature is basically divided into two perspectives of organizational learning from a cognitive perspective and a cultural perspective. In the cognitive orientation of organizational learning, is to realize organizational learning with the cognitive patterns of individuals and to realize the organization to emphasize individual learning and sharing in the organizational context or try to let individuals become agents of organizational learning. Heijden (2004) states that organizational learning is a conclusion from experience and a process for exploring new knowledge, and internalizing this experience throughout the organization. Subramaniam (2005) divides organizational learning into learning through experience, learning from imitation and learning through creation. Chou (2003) says that organizational learning includes forms of learning within organizations and learning between organizations. Experts consider that research on organizational learning should concentrate on issues regarding how to change, disseminate and store the learning knowledge of individual members in the organization (Collinson, Cook and Conley, 2006). Hult, Ferrell and Hurley (2002) argue that organizational learning plays an important role while the capacity of companies is being built, and allows companies to transform resources into capabilities and develop into core competencies. The main reason is that learning represents a part of dependability and uniqueness, and therefore creates key skills that are difficult to imitate and establish an advantage over the competition.

Conceptual Framework

Figure 1. Conceptual Framework



Hypothesis 1: there is a positive influence between innovation and strategic renewal.

Hypothesis 2: there is a positive influence between performance feedback on strategic renewal.

Hypothesis 3: there is a positive influence between organizational learning on strategic renewal.

Hypothesis 4: there is a positive influence between innovation and dynamic capabilities.

Hypothesis 5: there is a positive effect between Performance Feedback on dynamic capabilities

Hypothesis 6: there is a positive influence between Organizational learning on dynamic capabilities.

Hypothesis 7: there is a positive influence between strategic renewal on dynamic capabilities.

3. METHODS

The method used in this study is a descriptive survey and a verification survey by collecting primary data in the field in order to explain the reasons for the phenomena observed in the descriptive study. From the survey data obtained, it will be able to describe or describe according to the perceptions or responses of the respondents. This research was conducted in a certain period, namely by distributing to several head offices and branch offices/dealers of each car brand (Toyota, Daihatsu, Isuzu and Honda) spread across Jakarta and its surroundings. Questionnaires were distributed by visiting these companies and then taken back at another time / next. In addition to visiting companies, the questionnaires in this study were also distributed online using the available links so that when respondents filled out and sent their questionnaire links, they could be received directly in the online table that was created. The population in this study by its nature is a homogeneous population, namely employees who work in the automotive sector who have worked for more than 1 year in the automotive sector and have been included in company strategy training either to increase company sales or service and others. which are spread across dealers, branch offices/head offices in Jakarta and its surroundings under the coordination of the management of Toyota Astra Motor, Astra Daihatsu Motor, Isuzu Astra Motor, and Honda Prospect Motor with a total of 170 dealers.

4. RESULTS

Based on the results of data collection carried out by distributing questionnaires to

employees of automotive companies in Jabodetabek Indonesia who were used as respondents, it is possible to know the characteristics of each respondent with the hope that this information can be used as input for leaders in automotive companies in Indonesia. The characteristics of the respondents who have been determined consist of 5 (five) characteristics, namely (1) Gender, (2) Age, (3) Education, (4) Years of Service, (5) Principle/Dealer and (6) Position.

Table 2.
Gender

Gender	Frequens	Percentage
Male	183	64.9
Female	99	35.1
Total	282	100

Source: Data processed using SPSS 22.

Table 3.
Age

Age	Frequens	Percentage
< 20 Tahun	7	2.5
20-30 Tahun	110	39.0
30-40 Tahun	111	39.4
> 40 Tahun	54	19.1
Total	282	100

Source: Data processed using SPSS 22.

Table 4.
Education

Education	Frequens	Percentage
Senior High/Diploma	117	41.5
S1	160	56.7
S2	5	1.8
Total	282	100

Source: Data processed using SPSS 22.

Table 5.

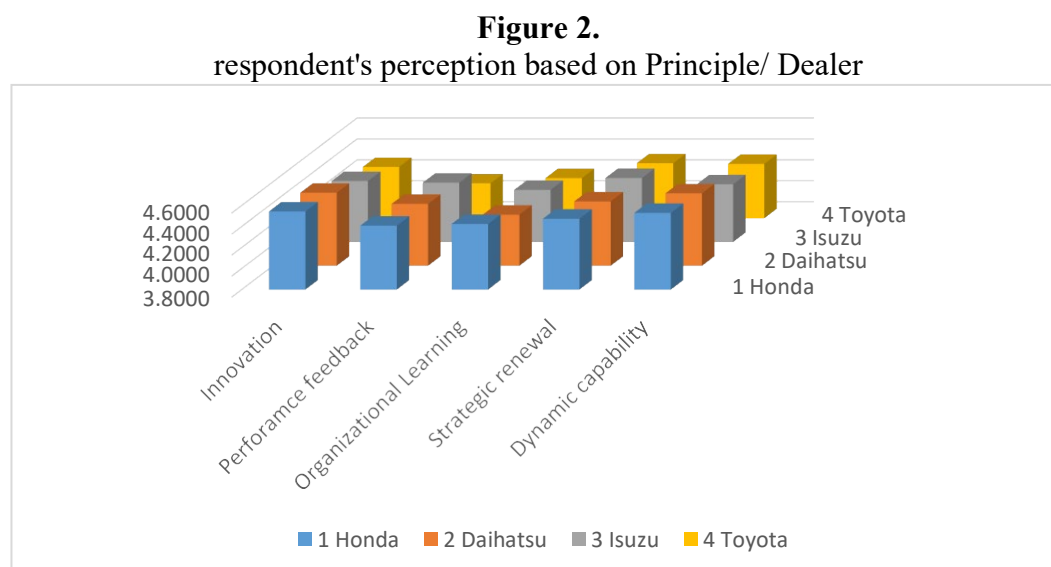
Working Period		
Working Period	Frequens	Percentage
1-2 Year	57	20.2
2-3 Year	42	14.9
3-4 Year	47	16.7
> 4 Year	136	48.2
Total	282	100

Source: Data processed using SPSS 22.

Tabel 6.
Principle/ Dealer

Principle/ Dealer	Frequens	Percentage
Toyota	95	33.7
Daihatsu	41	14.5
Isuzu	47	16.7
Honda	99	35.1
Total	282	100

Source: Data processed using SPSS 22.



Source: Data processed using SPSS 22.

The results of the reliability test for each research variable can be seen in Table 7 below.

Table 7.
Research Variable Reliability Test Results

NO	Variable	Cronbach's Alpha	Decision
1	Innovation	0.883	Reliable
2	Performance Feedback	0.886	Reliable
3	Organizational Learning	0.900	Reliable
4	Strategic Renewal	0.927	Reliable
5	Dinamic Capability	0.943	Reliable

Source: Appendix SPSS output 22 Reliability Test.

The coefficient or parameter value is a value that has been previously estimated which is used as a comparison of the t-value to test the hypothesis of the study. The results of this evaluation can be summarized in the table below which is accompanied by the assumptions of the hypotheses of the research model as follows:

Table 8.
Evaluation of Structural Model Coefficients

usality relationship	coefficient	t-value
ovation has a positive and significant effect on Strategic Renewal	0.54	6.12
formance Feedback has a positive and significant effect on Strategic Renewal	0.15	2.11
ganizational Learning has a positive and significant effect on Strategic Renewal	0.26	3.64
ovation has a positive and significant effect on Dynamic Capability	0.25	3.06
formance Feedback has a positive and significant effect on Dynamic Capability	0.12	2.05
ganizational Learning has a positive and significant effect on Dynamic Capability	0.22	3.69
ategic Renewal has a positive and significant effect on Dynamic Capability	0.42	5.00

Source: Results of Processing with LISREL 8.8.

Table 9.
Calculation Results of Direct and Indirect Effects of Innovation, Performance Feedback and Organizational Learning on Dynamic Capability through Strategic Renewal

Variable	Influence			
	Direct	Indirect	Description	Total
Innovation	0.25	0.23	Through Strategic Renewal	0.48 (t=4.10)
Performance Feedback	0.12	0.06	Through Strategic Renewal	0.18 (t=1.96)
Organizational Learning	0.22	0.11	Through Strategic Renewal	0.33 (t=3.03)

Source: Results of Processing with LISREL 8.8.

Table 26
Hypotheses Testing Results

Hypothesis	Description	result
H1	Innovation influences the Strategic Renewal	Accepted
H2	Performance Feedback influences the Strategic Renewal	Accepted
H3	Organizational Learning influences the Strategic Renewal	Accepted
H4	Innovation berpengaruh influences the Dinamic Capability	Accepted
H5	Performance Feedback influences the Dinamic Capability	Accepted
H6	Organizational Learning influences the Dinamic Capability	Accepted
H7	Strategic Renewal influences the Dinamic Capability	Accepted

Source: Results of Processing with LISREL 8.8.

5. CONCLUSIONS

This study has the aim of looking for factors that influence strategic renewal and dynamic capability. This study uses a survey method to find out an overview of the influence of innovation, performance feedback and organizational learning on strategic renewal and its implications for dynamic capability. Based on the results of hypothesis testing and discussion in the previous chapter, it can be concluded that some of the research results are as follows:

Innovation has an effect on strategic renewal of automotive companies in Indonesia. The influence of innovation on strategic renewal is positive and significant, while the dimensions of innovation that are very dominant are the dimensions of new product launches and communications.

Performance feedback has an effect on strategic renewals for automotive companies in Indonesia. The effect of performance feedback on strategic renewal is positive and significant.

Organizational learning influences strategic renewal in automotive companies in Indonesia. The influence of Organizational Learning on strategic renewal is positive and significant, with the most dominant dimension being the slack dimension.

While the most influential variable of the three variables (Innovation, Performance Feedback, and Organizational learning) on the renewal strategy is Innovation, with a value of 0.54.

Innovation affects the dynamic capability of automotive companies in Indonesia. The effect of innovation on dynamic capability is positive and significant.

Performance Feedback influences dynamic capability in automotive companies in Indonesia. The effect of performance feedback on dynamic capability is positive and significant.

Organizational learning influences dynamic capability in automotive companies in Indonesia. The effect of organizational learning on dynamic capability is positive and

significant.

Managerial Implication

The results of this study found that there was a positive influence of innovation, performance feedback and organizational learning on strategic renewal and implications for the dynamic capability of automotive companies in Indonesia, which can be described as follows:

1. This study finds that innovation has a positive and significant effect on strategic renewal. So the implication is that managers or decision makers should maintain things that are already good in innovation. This study found that performance feedback has a positive and significant effect on strategic renewal. The implication is that managers or decision makers should maintain good things, among others, by making efforts to produce maximum results; and always evaluate performance. Besides that, it is also necessary to fix things that are lacking, such as evaluating performance every month.
2. This study found that organizational learning has a positive and significant effect on strategic renewal. So the implication is that if you are going to improve strategic renewal, you need to improve organizational learning.
3. This study found that innovation has a positive and significant effect on dynamic capability. The implication is that if you are going to increase dynamic capability, you need to improve Innovation.
4. This study found that performance feedback has a positive and significant effect on dynamic capability. The implication is that if you are going to increase dynamic capability, you need to improve performance feedback.
5. This study found that organizational learning has a positive and significant effect on dynamic capability. The implication is that if you are going to increase dynamic capability, you need to improve organizational learning.
6. This study finds that strategic renewal has a positive and significant effect on dynamic capability. The implication is that if you are going to increase dynamic capability, you need to improve strategic renewal.
7. This study finds that the mediating effect of strategic renewal can increase the influence of innovation on dynamic capability. The implication is that if you are going to increase dynamic capability, innovation and strategic renewal are needed.
8. This study found that the mediating effect of strategic renewal can increase the effect of performance feedback on dynamic capability. The implication is that if you are going to increase dynamic capability, you need to improve performance feedback and strategic renewal.
9. This study found that the mediating effect of strategic renewal can increase the effect of organizational learning on dynamic capability. The implication is that if you are going to increase Dynamic Capability, you need to improve organizational learning and strategic renewal.
10. Company leaders must try to encourage the government and associations, in this case GAIKINDO can provide facilities for automotive companies in increasing strategic renewal and dynamic capability, including encouraging policies that stimulate company innovation, for example by providing low taxes/entry to new machines with new technology in supporting the company's operations in order to keep abreast of technological developments
11. Company leaders must try to encourage the government to make regulations that do

not make it difficult for companies in terms of product development and company development so that new innovations are created by learning from previous experiences, and looking at the performance that has been achieved or not to determine the strategies that will be implemented. determined and adjusted to the capabilities possessed.

Limitation

This study has limitations where the data samples taken were only four automotive companies in Indonesia, and the researchers limited the variables examined only to innovation, performance feedback, and organizational learning as independent variables, and strategic renewal as the dependent and intervening variables, as well as dynamic capability as the dependent variable. There are other possible variables that can influence strategic renewal and dynamic capabilities actions. Besides that, the strategy research conducted was only at the strategic business level and not yet at the corporate level even though 3 (three) of these 4 (four) companies for the Indonesian market were in one holding company.

This research was also only conducted in Jakarta and its surroundings even though the automotive industry in Indonesia is spread out across all regions within the territory of the Republic of Indonesia.

Future Research

After conducting this research, based on the empirical findings obtained, the final part of writing this dissertation, the authors convey several suggestions for further research in efforts to improve innovation, performance feedback and organizational learning by mediating strategic renewal of dynamic capability. Based on the results of the research and discussion, suggestions for further research include taking into account the limitations of this study, the researchers provide suggestions for further research, including: Consider doing similar research by expanding other industries; Consider adding the type/brand of car if it is done in the automotive industry; Consider adding another independent variable to the dependent variable. Because apart from innovation, performance feedback and organizational learning there are many other variables that affect strategic renewal and dynamic capability; Consider conducting broader research in Indonesia because Indonesia has many regions that can be used as research samples; Considering conducting research at the corporate strategic level, among others by researching Honda's strategy which is in a different corporation than Toyota, Daihatsu and Isuzu which are in the same corporation, as well as in other similar industries.

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