

# Analysis Effect of Organizational Leadership Capability, Learning Orientation and Flexibility Strategy on Organization Performance Through Ambidextrous Capability in Private High School in West Kalimantan, Indonesia

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## Abstract

The purpose of this study is to know how the influence of organizational leadership capability, learning orientation and strategic flexibility either directly or indirectly as dynamic capability to organizational performance through ambidextrous capability as mediating variable. Sample in this study was 140 Private high Schools which have more than 100 senior high school students in West Kalimantan, Indonesia were given Questionnaire. The data were processed with AMOS 22 and hypothesis testing with Structural Equation Modeling (SEM). The result showed that organizational leadership capability was significantly influenced performance improvements but Learning Orientation and Strategic Flexibility do not significantly influence performance improvements. However, there is ambidextrous capability strengthened the influence of Organizational leadership capability, Learning Orientation and Strategic Flexibility on performance improvements. This present study will be applied for (1) theoretical implication; it can be a new theoretical framework of combining simultaneously the organizational leadership capability, learning orientation and strategic flexibility through ambidextrous capability to performance, and (2) for managerial implication that is in creating the capability of competitive advantage in the organization through ambidextrous capability to form strategy and management policy to increase the organization performance in the private sector in West Kalimantan.

**Keywords:** Organizational Leadership Capability, Learning Orientation and Strategic Flexibility, Ambidextrous Capability and Organization Performance

## 1. Introduction

In support of education performance, the government has allocated the budget in APBN by 20% in 2017. Indonesian's government distributed 268.2 trillion rupiahs of education funds to the regions and villages, 145.4 trillion rupiahs for central government expenditure and 2.5 trillion rupiahs for other expenses. This shows that the focus of the government in 2017 tends to fix human development index in Indonesia. To implementing the Minister of Education and Culture of Republic Indonesia number 19 of 2016 chapter 2a states that the Smart Indonesia Program is one of the government's efforts to support the implementation of 12 (twelve) years study or Senior High School level. According to Khan (2015) stated that the teachers who have teaching experienced at private schools were more competitive than at public schools. Other studies on private schools also suggested that private schools were more committed and performed well than public schools (Pagaoglu, 2013). Based on the result study of the Mendikbud (The Education Minister's research) stated that the Government of Indonesia has focused on this important matter that was for High and Vocational Schools at the border areas would get special treatment and special subscriptions through the School Outline Program (SOP), while the teachers would get training because SMA (High school level) becomes the final determinant of students before entering college or university (Mendikbud, 2016). The government also mentioned that the need for cooperation between the central government and local governments to revitalize the existing schools especially private schools to create a better educational competition among school, especially in the border area. In addition, the level of competition at border schools such as West Kalimantan is not only limited to local school's competition but also neighboring countries' school.

Resource Based View (theory) was introduced by Penrose in 1955 stated that there are two main factors can give effect to the competitive advantage of an organization namely asset or human being within the organization where through the assets of the organization can compete against its competitors. Along with changes in the dynamic external environment, the capability of the organization should follow the unpredictable environment changes which were introduced by Teece (1997) as dynamic capability. This dynamic capability is able to create innovations through Ambidextrous capability in different products or performance. Some previous studies conducted to analyze the organizational performance. Pokharel & Choi (2015) stated that the results showed a significant relationship between ambidextrous capability as a basis and enabler to improve manufacturing performance, build quality models, delivery, cost, and flexibility which this relationship was increasingly emphasized as companies work in dynamic environments is conducted in 132 LDSS in Virginia South Korea. Torres *et al.* (2016) stated that the business environment brings to better regulatory decisions and better decision-

making performance on MBA managers and MSc university marketing in Chile. Mashahadi *et al.* (2016) found that only ambidextrous technology and non-technological innovation strategies can affect the internationalization performance of herbal-based small and medium enterprises (HbSME's). Kivipõld & Vadi (2015) stated that there was a positive influence Organizational leadership capability to Innovation in four service companies from banking and retail industries. Meanwhile, Jansen *et al.* (2009) found that the positive role of strategic leaders in pursuit of innovation that requires the capability is owned by leaders through explorative and exploitative innovation as a result of organizational learning process on European financial services. Tajeddini (2015) also suggested that learning orientation can encourage innovation and lead to better public organizational performance in Iran. In addition, Calisir *et al.* (2013) found that three dimensions of the learning orientation: Commitment to learning, shared vision and open-mindedness positively influenced innovation in Turkish companies. Different performance and competitive advantage can be created from adopted strategies that are capability of adjusting environmental changes through internal and external changes in the unpredictable and unknown environment as flexibility strategies (Lin, 2014). The results study of Guo & Cao (2013) suggested that managerial relations negatively moderate the impact of flexibility strategies on MSE performance in China (Beijing & Xi'an). Parnell (2011) also stated that strategic capability positively affected performance in retail services in Argentina, Peru and USA. However, it has still a lack of finding research involving the role of simultaneous influence of organizational leadership capability, learning orientation and strategic flexibility to performance and role of Ambidextrous capability as mediator variable. Therefore, this study would like to analyze the role of ambidextrous capability to strengthen influence of organizational leadership capability, learning orientation and strategic flexibility to Performance simultaneously. This study looks at the effects influence of organizational leadership capability, learning orientation and strategic flexibility on performance improvements and the role of mediating effect of ambidextrous capability in private school west Kalimantan. It also contributed to (1) theoretical developments; that is being a new theoretical framework of role the capability of organizational leaders, learning orientation and flexibility strategy through the existence of ambidextrous capability to performance, and (2) Managerial implication; in creating the capability of excellence and competitiveness of the organization (school) through the ambidextrous capability to form strategy and management policy can be used to form the structure and strength of the organization (school) in order to make different performance in the private sector in West Kalimantan.

## 2. Literature Review

### 2.1 Organizational leadership capability

Montgomery (2012) stated that a leader plays a role as a key in a strategy also influenced by external factors. The role of leadership in the formulation of strategies based on the needs of the object, the analysis of industrial structure of the formulation and the conditions of competition that will be adjusted with appropriate strategies (Kiechel, 2010). The strategic planning process consists of two functions, namely the formulation and implementation of strategies that require a significant difference in the ability of leaders (Marx, 2015). The Formulation Strategy is an analysis of the process of triggering a product on the market by a leader who has experience, intuition, disposition, bias and design of the effects strategy of motivation. Implementation is a people-oriented process, communication, inspiration, motivation, power and appreciation undertaken by leaders within organizations (Thompson *et al.*, 1976).

Strategic leadership theory developed from echelons theory by Hambrick and Mason (1984) who studied that it is not only instrumental way that dominates the impact of organizational performance but also the social capability of leaders. Definitions of organizational leadership capability can be seen and summarized in table 2.1 as follows:

Table 2.1  
 Definition of organizational leadership capability

Author(s)	Definitions
Kivipõld & Vadi (2010)	The organizational leadership capability as an organizational behavioral capacity, simultaneously associated with organizational alignment and adaptability defined as contextual.
Kuada (2012)	The internal determinants of organizational performance and that some leadership styles are considered to further improve performance.
Mendenhall (2013)	Leadership of top management organizations in the effective utilization of resources to achieve organizational development on financial and nonfinancial improvements.
Schweitzer (2014)	The capability of leadership as the ability of intellectual capital (IC) therefore, when the intellectual ability focuses on an organization's knowledge for value creation hence the concept of organizational learning.
Dorson <i>et al.</i> , (2017)	The ability of organizational leaders as a coordinating mechanism for all organizational capabilities and focuses on executive leaders that are not only limited to activity relations but also as a strategy activity.

There are some previous researchers that used different measurement of organizational leadership capability can be seen from several dimensional measurements as follows:

Table 2.2  
 Dimension of organizational leadership capability

Author(s)	Dimensions of Organizational Leadership Capability	Total
Kivipo & Vadi (2010)	Orientation Organization	2
	Adaptation Organization	
Rosing <i>et al.</i> , (2011)	<i>Representing</i>	2
	<i>Exploratory innovation</i>	
	<i>Exploitative innovation</i>	
Schneider & George (2011)	<i>Idealized Influence</i>	4
	Motivation	
	Intellectual stimulation	
	Individual Consideration	

This study adopted dimensions of Kivipo & Vadi (2010) is presented in table 2.2. Kivipo & Vadi (2010) suggested that the form of organizational leadership capability is differentiated by two dimensions that are orientation organization with respect to vision and missions and adaptation organization with respect to external change (offensive and defensive). Based on this analysis, the theoretical of organizational leadership capability in private high school is more propriated with their relationships to the traits of organization within strategic decision making, and the capabilities to generate different forms of strategic.

## 2.2 Learning Orientation

The early concepts of learning orientation were introduced by Dicson & Sinkula (1992). The process of innovation depends on the organizational capability and the source of knowledge (Aragon-Correa *et al.*, 2016). The learning orientation reflects the value of the organization and the belief that organizational behavior can create, share and apply knowledge. Learning orientation can trigger and enhance adaptive capacity and organizational innovation (Calantone *et al.*, 2012). If the organization is able to apply the learning orientation, in all its activities and enhance its ability to exploit and explore knowledge in increasing innovation (Aragon-Correa *et al.*, 2016; Calantone *et al.*, 2012; Hult *et al.*, 2014). Aragon-Correa *et al.* (2016) stated that learning inspires new knowledge and ideas and plays a key role in determining innovation. Some Definitions of previous researchers are presented in Table 2.3.

Table 2.3  
 Definitions of learning orientation

Author(s)	Definitions
Awasthy <i>et al.</i> , (2011)	Particular criticisms for the organization to take appropriate action in responding to respond rapid changes and environment compounds
Yannopoulos <i>et al.</i> , (2012)	Encouraging adaptive behaviors that help organizations make decisions, collaborate issues and coordinate
Beneke <i>et al.</i> , (2016)	The learning agent for the organization responds to changes in the internal and external environment of the organization by detecting and correcting errors in the organizational theory used
Aragon-Correa <i>et al.</i> , (2016)	Carrier of an organization to think how to survive external environmental conflicts

There are some previous researchers that used different measurement of learning orientation can be seen from several dimensional measurements as follows:

Table 2.4  
 Dimensions of learning orientation

Author(s)	Dimensions of Learning Orientation	Total
Wang (2008)	Commitment	3
	Share vision	
	Open mindedness	
Song <i>et al.</i> , (2008)	<i>Continuous learning</i>	7
	Inquiry and dialogue	
	Team learning	
	Embedded system	
	Empowerment	
	System connection	
	providing leadership	
Chiva <i>et al.</i> , (2007)	<i>Experimentation</i>	5
	Risk taking	
	Interaction with the external environment	
	Dialogue	
	Participative decision making	

The different dimensions are due to adjustments to the object of study and the need of different organization in learning orientations. From some dimensions above, this study uses the dimensions of commitment, share vision and open mindedness of Wang (2008) because it is simpler and has been summarized from the third core of other learning orientation measurements and also more precisely shave the learning state in this research object.

### 2.3 Strategic Flexibility

The strategic flexibility was first introduced by Aaker & Mascarenhas (1984) and defined as the capability to adapt to substantial, uncertain and rapid environmental changes that affect organizational performance through the creation of decision-making in different organizations. The concept of strategic flexibility was increasingly important over time within the organization. Although it has emerged in the management literature and it was still important among researchers in the last decade. This concept of strategic flexibility has been defined in several ways and has been shrouded in ambiguity and consider to integrate the concept of this modularity concept into change, evolution and innovation that play an important role the strategic flexibility has been considered by previous research in strategic management, economics, organizational theory and marketing. This term has a wide and vary of definitions as described below (Girotra & Netessine, 2014).

The strategic flexibility refers to the extent to which the organization was prepared to change its strategy in response to opportunities, threats, and changes in the external environment (Zahra *et al.*, 2008). In a dynamic environment, the capability of organizations to rapidly reconfiguration their strategies were critical to competitive advantage. The flexibility strategy helps organizations feel about environmental change, overcoming organizational inertia (Zhou & Wu, 2010), allocating resources that stimulate creativity and innovation (Li *et al.*, 2010), and exploring new business opportunities (Bock *et al.*, 2012).

Some definitions of strategic flexibility in previous researchers are presented in Table 2.5

Table 2.5  
 Definitions strategic flexibility

Author(s)	Definitions
Aaker & Mascarenhas (1984)	The capability to adapt to substantial, uncertain, and rapid changes in the environment that affect organizational performance through the creation of decision-making in different organizations
Zahra <i>et al.</i> , (2008)	The extent to which the organization is willing to change its strategy in responding to opportunities, threats, and changes in the external environment
Evans (2009)	The capability to change strategy
Li <i>et al.</i> , (2011)	The inherent nature of the resource is temporary from the coordination of flexibility that reflects the organization capability to apply resources
Kouropalatis <i>et al.</i> , (2012)	Organizational capability to deal with uncertainty. Flexibility provides an opportunity for an organization capability to respond quickly to market opportunities and technological changes and is likely to continue with ever-increasing market changes
MacKay & Chia, (2013)	Strategic change is the speed and magnitude of strategic change, through which a company can survive and succeed by adjusting the direction of strategy, resources and capabilities required in a fast-paced environment, has long been regarded as an important strategic management field
Guo & Cao, (2014)	The ability of organizations to rapidly re-calibrate their strategies is critical to competitive advantage (The strategic flexibility helps organizations afeel environmental change and overcome organizational inertia, reallocate resources, stimulate creativity and innovation, and explore new business opportunities
Vecchiato, (2015)	The capability of the organization to respond the changes in market conditions quickly
Yi <i>et al.</i> , (2017)	Rapid strategic decision making in achieving a better organizational performance, especially in dynamic environment.

There are some previous researchers that used different measurement of strategic flexibility which can be seen from several dimensional measurements as follows:

Table 2.6  
 Dimensions of Strategic Flexibility

Author(s)	Dimensions of Strategic Flexibility	Total
Lundell <i>et al.</i> , (2006)	<i>Strategic incentives</i> Relational complexity Operational priorities Cognitive exigencies	4
Roberts & Stockport (2009)	External Internal	2
Singh <i>et al.</i> , (2013)	Operational Flexibility Human capital Flexibility Information Flexibility Supply Chain Flexibility Financial Flexibility	5

Based on this analysis, dimension of strategic flexibility was adopted by Roberts & Stockport (2009) to develop dimension of strategic flexibility that takes account of the capabilities issue at a cognitive level. These dimensions consist of External and internal. Their relationships to trait within strategic decision making, and new product of market through different forms of strategic flexibility are appropriate using Robert & Stockport.

#### 2.4 Ambidextrous Capability

To create innovation capabilities, an organization required ambidextrous leadership where the interaction between two behaviors of leadership that be able to drive exploration and exploitative forces (Rosing *et al.*, 2011). Exploitation (innovation incremental) and exploration (discontinuous innovation) are important knowledge for organizational welfare and long-term competitive of an organization (Baškarada *et al.*, 2016). The ambidextrous organization emerged as the appropriate theoretical perspective to explain innovation, organizational learning, and performance improvement. In order to successfully implement ambidextrous strategies over the long term, an organization has to acquire dynamic capabilities (Kristal *et al.*, 2010; Kriz *et al.*, 2014). Some definition of previous researchers about ambidextrous capabilities are presented in Table 2.7

Table 2.7  
 Definition of Ambidextrous Capability

Author(s)	Definitions
Rosing <i>et al.</i> , (2011)	The capability to create innovation where the interaction between two behaviors of leadership can encourage exploration and exploitative forces
Nosella <i>et al.</i> , (2012)	The nature of management as opposed to contradictory sources of the management process of knowledge management deals with tensions between conflicting activities and achieving contractual objectives
O'Reilly & Tushman, (2013)	The capability to play as a key role and apply current knowledge so that organizations can compete and increase competitive advantage and superior performance
Teece (2014b)	Reflection of exploration and exploitation activities or the basis for the establishment of dynamic capacity processes
Baškarada <i>et al.</i> , (2016)	As important knowledge for organizational welfare and long-term competitiveness of an organization

There are some previous researchers that used different measurement of ambidextrous capability can be seen from several dimensional measurements as follows:

Table 2.8  
 Dimensions of Ambidextrous Capability

Author(s)	Dimensions of Ambidextrous Capability	Total
Cao <i>et al.</i> , (2009)	Eksplorasi Eksplotasi Imitability	2
Chandrasekaran <i>et al.</i> , (2012)	Accuration Timing Capability	4
Mei <i>et al.</i> , (2013)	Balance of ambidexterity Synergy of ambidexterity Sensing Seizing	2
Lee & Rha (2016)	Reconfiguring Exploitation Exploration	5

The dimension of each researcher above is to measure ambidextrous capability dimension. The dimensions which used may differ due to adjustments to the object and subject of each study. From some dimensions above, this study was adopted the exploitation and exploration dimension by Cao *et al.*, (2009) because the measurement has already cover from other dimensions in other studies above.

## 2.5 Organizational Performance

Performance Strategy and Strategy was a way to ensure a sustainable competitive advantage by investing the resources needed to develop profitable storage capability, the performance will be better superior performance (Lin *et al.*, 2014). Anwar & Hasnu (2017) identified the basic principles for strategic positioning and the creation of uniqueness, valuable positions and involves the different activities required to create something that is not appropriate. A strategy that involves conformity between organizational activities. Organizations use strategies against environmental change because they have the capability to hide the situation within the organization. The basis of this strategy involves decision making, the content of the strategy, and the process by which action is decided and implemented.

Wibowo (2011) stated that the performance is the ability to perform an activity and refined it in accordance with its responsibilities with the expected results where the performance of the organization includes how an organization achieves profit or goal and the level of satisfaction from customers or service users. The definition of organizational performance was also proposed by Drew (2011) as a description of the level of achievement of the implementation of tasks within an organization, in realizing the goals, objectives, mission, and vision of the organization. Sarrico *et al.*, (2012) stated that performance management should relate to strategic planning and organizational direction, budgetary budget processes, employee development plans and enhancement programs such as wage or wage rates, rewards and promotions. To measure organizational performance, this study derived by Parnell *et al.*, (2011) through a subjective approach of management capabilities because management capabilities is more able to reflect in terms of strategy, capability, and the right performance in making strategic decisions in organization subjectively.

### 3. Methodology

This study uses Structural Equation Modeling (SEM) with causal effect to test the strength among the latent variables and indicators. The data is collected and analyzed to test the hypothesis. To measure the organizational leadership capability, it was adopted by Kivipõld & Vadi (2010) with six items of organizational orientation and seven items of organizational adaptation. Learning orientation was adopted by Wang (2008) with five items of commitment, five items of share vision and five items of open mindedness. The Strategic Flexibility was adopted by Roberts & Stockport (2009) with five items of external and five items of internal and ambidextrous capability was adopted by Cao *et al.*, (2009) with four items of exploitation and four items of exploration.

The population is the principal of private senior high schools in west Kalimantan, Indonesia. The sample in this study is taken by purposive sampling with some characteristics. Here the following characteristics: first, the schools must be established more than five years, second, the school must have more than one hundred students and the third, it was registered in education department of Indonesia. Quantitative data were processed using statistics and 165 respondents was collected from primary data. Primary data was collected through questionnaire based on the determined characteristics. The perception of respondents were measured by using Likert scale, consists of strongly agree (6 point), agree (5 point), less agree (4 point), agree (3 point), disagree (2) and strongly disagree (1 point). The data is tabulated and processed by AMOS 22 analysis tools to test the formulated hypothesis.

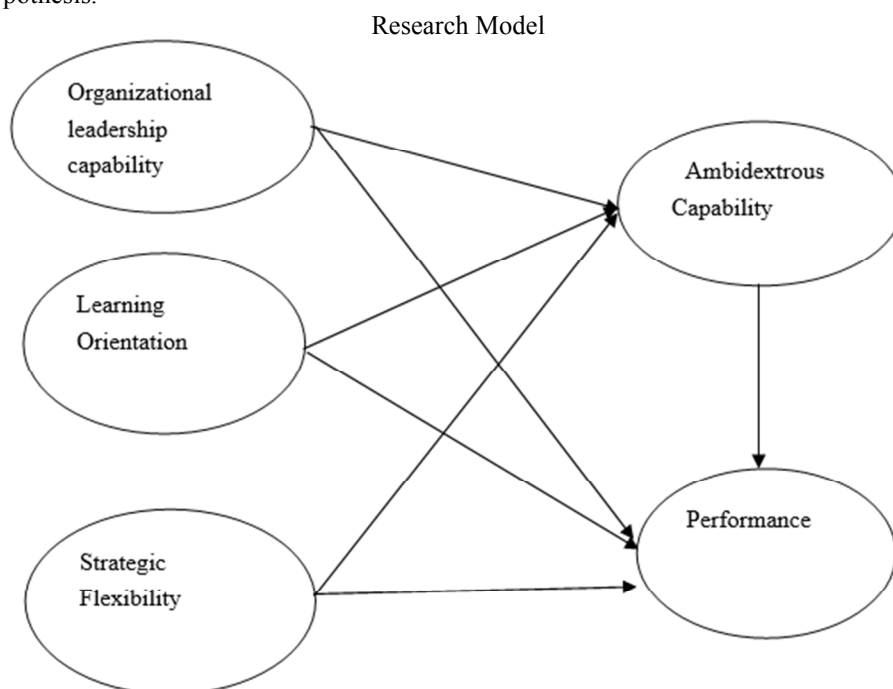


Figure 1: Resource Based View: Dynamic Capability  
(Penrose, 1955; Teece, 1997)

## 4. Result and Discussions

### 4.1 Respondent Characteristics

Characteristics of a total of 140 respondents based on age, gender, education, and Length of occupation are as follows:

Table 4.1 Profile Respondents

Description	Frequency	Percentage (%)
<b>Age</b>		
< 30 years old	14	10
30-55 years old	109	77.86
> 55 years old	17	12.14
Total	140	100
<b>Gender</b>		
Male	87	62.14
Female	53	37.86
Total	140	100
<b>Education</b>		
< Bachelor	8	5.71
Bachelor	103	73.58
> Bachelor	29	20.71
Total	140	100
<b>Length of occupation</b>		
< 1 year	6	4.29
1-5 years	80	57.14
> 5 years	54	38.57
<b>Total</b>	<b>140</b>	<b>100</b>

Source: Data process result, 2018

In Table 4.1, the percentage of dominant respondents (n = 140) is comprised Age: 78% of 30-55; gender: 62% of male sex; 74% of education bachelor and 57 % length of occupation is 1-5 years.

#### 4.2 The fit Measurement model

The fit measurement model is obtained by looking at some measurement criteria (Hair *et al.*, 2014). Result of model test as a whole or (structural model) with various type of measurement goodness of fit model is presented in table 4.2 as follows:

Table 4.2 Goodness of Fit (Gof) Result

Goodness of Fit	Cut -off	Model Result	Conclusions
RMSEA	≤ 0,08	0,784	Good
Std. RMR	≥ 0.90	0,041	Bad
NFI	≥ 0.90	0,955	Good
CFI	≥ 0.94	0,951	Good
IFI	≥ 0.90	0,904	Marginal
RFI	≥ 0.90	0,900	Marginal
GFI	≥ 0.90	0,908	Marginal
AGFI	≥ 0.90	0,981	Marginal

Source: Data process result, 2018

Based on Table 4.2 above, all the measurement criteria of the Goodness of fit index with a cut-off value or close to the cut-off value. It means, this model is acceptable at both marginal and fit levels. Hair *et al.*, (2014) stated that one or two criteria of goodness of fit that have met the model could be said a good model. Therefore, it could be concluded that a statistically constructed model could be supported and in accordance with the specified fit model and all measurements show by Fit Model.

#### 4.3 Hypothesis Testing Results

Based on the full structural model analysis, it is obtained and it has met the all criteria and requirements of goodness of fit model, then further testing hypothesis can be done. Hypothesis testing was tested using a significant level of  $\alpha = 0.05$  or  $p < 0.05$ . The result of hypothesis in this study is presented in the following table:



Table 4.3 Conclusion of  $p$  value for the Significance of Research Model

Variables	CR value	$p$	Conclusions
Ambidextrous Capability <---- Organization leadership capability	6.021	***	There is a positive influence organization leadership capability on ambidextrous Capability, it is showed by $p$ value <0,05 or ***<0,05, means the hypothesis 1 is accepted.
Ambidextrous Capability <---- Learning Orientation	5.754	***	There is a positive influence learning Orientation to ambidextrous capability, it is showed by $p$ value <0,05 or ***<0,05, means the hypothesis 2 is accepted.
Ambidextrous Capability <---- Strategic Flexibility	3.196	,001	There is a positive influence strategic flexibility on ambidextrous capability, it is showed by $p$ value <0,05 or 0,001<0,05, means the hypothesis 3 is accepted.
Performance<----Organization leadership capability	3.125	,041	There is a positive influence organizational leadership capability on Performance, it is showed by $p$ value <0,05 or 0,041<0,05, means the hypothesis 4 is accepted.
Performance <---- Learning Orientation	0.359	,719	There is no influence learning orientation on Performance, it is showed by $p$ value >0,05 or 0,719>0,05, means the hypothesis 5 is rejected.
Performance <---- Strategic Flexibility	-1.357	,175	There is no influence strategic flexibility on Performance, it is showed by $p$ value >0,05 or 0,175>0,05, means the hypothesis 6 is rejected.
Performance <---- Ambidextrous Capability	2.168	,030	There is a positive influence ambidextrous capability on Performance, it is showed by $p$ value <0,05 or 0,030<0,05, means the hypothesis 7 is accepted.

Source: Data process result, 2018

This study concludes that organizational leadership capability has  $p$  value \*\*\*, learning orientation has  $p$  value \*\*\* and strategic flexibility has  $p$  value  $0.001 < 0.05$ . it indicates that there are three variable independents are positive and significantly influent ambidextrous capability. Organizational leadership capability has  $p$  value  $0.041 < 0.05$  means positive and significantly influent to performance. However, learning orientation and strategic flexibility do not influent performance. The ambidextrous capability is capable of being a good mediating variable to performance and this research also supports the previous research by Mudamhi & Swift (2011) which stated that ambidextrous capability was capable of being a good mediating variable that could be seen on the table 4.4 below:

Table 4.4  
 The Role of Ambidextrous Capability as Indirect Effect to Performance

No	The Variable Role of Ambidextrous capability to mediate relationships between variables	conclusions
1	Performance<---- ambidextrous capability<---- organizational leadership capability	H8, supported, *** <0.05
2	Performance <---- ambidextrous capability <---- learning orientation	H9, supported, *** <0.05
3	Performance <---- ambidextrous capability <---- strategic flexibility	H10, supported, *** <0.05

Source: Data process result, 2018

Therefore, this research concludes that organizational leadership capability has the highest influence when through ambidextrous capability to school performance. A good Ambidextrous Capability will increase organizational leadership capability to support performance improvement. Likewise, a high learning orientation and strategic flexibility will be able to improve performance if they have good ambidextrous capability and this research also supports Mudamhi & Swift (2011) research which states that ambidextrous capability was capable of being a good mediating variable.

## 5. Discussion

This study examines a significant result on the hypothesis 1. it shows that the positive and significantly influence of the organizational leadership capability to ambidextrous capability by creating innovation was shown by  $p$  value =  $0.41 > 0.05$ . The result of this study supports the previous studied by Dorson *et al*, (2017) stated that innovation as a strategy and also, organizational leadership capability was positive and significantly related to

organizational improvement either in non-financial or financial performance. Then organizational leadership was not only as predictors of a strategy formulation but also as a fit strategy in improving organizational performance. The principal's behavior can provide a positive boost to the organization's ability through the performance of school teachers. How the principals think and make a decision strongly affects school performance. However, there is no significant influence of hypothesis 5 of learning orientation to the performance which is indicated by  $p$  value =  $0.719 > 0.05$ . The result of this study supports the results of previous research by Beneke *et al.*, (2016) stated that learning orientation has no significant direct effect on the performance of SME organizations in Cape Town, South Africa. This study which is likely due to the Africa organizational culture and the Indonesian organizational culture are developing countries. Hypothesis 6 also proves that the lack of role of influence strategic flexibility to performance is indicated by  $p$  value =  $0.175 < 0.05$ . The result of this study supports by Thoeni *et al.*, (2016) stated that most research on strategic flexibility focus on technology and resources as an antecedent. However, the relationship between strategic flexibility and organizational performance have not been fully achieved because there are many inconsistent findings suggest that the impact of the strategic flexibility on organizational performance depends on the context.

Therefore, this research concludes that organizational leadership capability has the highest influence on performance when through ambidextrous capability. Ambidextrous capability will be able to increase organizational leadership capability to support performance improvement. Likewise, a high learning orientation will improve performance as well as appropriate strategic flexibility.

## 6. Conclusion

In conclusion, this study highlights the crucial value of the mediating role of ambidextrous capability of this research as followed; firstly, the analysis of this result shows that the direct effect of independent variables on dependent variable has fulfilled the criteria of SEM test and it means that the model is a good model on theoretical base. Secondly, there is a positive and significantly influence of organizational leadership capability and ambidextrous capability to school performance while there are no effect of learning orientation and strategic flexibility to school performance. However, organizational leadership capability, learning orientation and strategic flexibility have strongly influence in improving school performance through ambidextrous capability. Therefore, there were eight hypotheses were accepted and there were two hypotheses were rejected. The ambidextrous capability played an important role as a mediator in improving the influence of organizational leadership, learning orientation and strategic flexibility to school performance.

## 7. Recommendation, Limitation and Future Research

This research can be contributed by: Firstly, the stakeholders to evaluate the principals 'work, secondly, the principals can get the right information material to make strategic decision as well and thirdly, it can be used as reference for further research.

The findings of this study have some limitations. Firstly, this study only has 140 samples of private high schools in West Kalimantan, Indonesia which is requiring customization if they wish to be generalized in different industrial. Secondly, this research is conducted by cross-section method that is focused on a certainly time, therefore, it has some limitations in showing the relationship of causality. Thirdly, this study focuses on nonprofit organization which all activities do not orient to profit but focus on creating a better education curriculum.

In addition, future research could be added some variables such as education, work experience or another service sector to examine the effect of organization leadership capability, even strategic flexibility in a dynamic environment, therefore the longitudinal research is needed to be done to measure ambidextrous capability as a sum of exploration and exploitation.

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