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## The Nexus of Women Leadership and Organizational Performance: The Mediated Role of Ambidextrous Capability

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#### ABSTRACT

**Objectives**: The objective of this study is to explores the relationship between women leadership and organizational performance, emphasizing themediating role of ambidextrous capability—the ability to balance innovation (exploration) and efficiency (exploitation).

**Methodology**: This study uses quantitative Structural Equation Modeling-Partial Least Squares. In Jakarta, Indonesia, 163 employees under women leadership completed a 7-point Likert scale survey. Using SmartPLS 4. **Finding**: The findings confirm that women leadership enhances ambidextrous capability, enabling organizations to balance innovation and efficiency, thereby improving adaptability and competitiveness. While women leadership alone does not directly impact organizational performance, ambidextrous capability serves as a crucial mediator, highlighting its role in translating leadership effectiveness into business success.

**Conclusion**: This study underscores the importance of fostering ambidextrous capability and employee trust to maximize the impact of women leaders. Organizations should prioritize strategies that support ambidexterity, ensuring sustainable growth and improved performance through inclusive and dynamic leadership. Future research should explore contextual factors such as industry type, cultural dimensions, and organizational structure.

**Keywords**: Women Leadership; Organizational Performance; Ambidextrous Capability; Resource Based View; Dynamic Capability.

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## **INTRODUCTION**

Sustainable Development Goal 5 emphasizes gender equality and increasing women's leadership. Despite progress, according to Deloitte Global eighth edition of Women in the Boardroom: A Global Perspective, women hold only 23.3% of global board seats, and gender parity in leadership remains distant. Women face barriers such as gender stereotypes, cultural norms, and historical biases, particularly in underdeveloped countries.

In Indonesia, gender norms still limit women's leadership. According to Statistics Indonesia, women represent 35% of managerial roles in 2023. An increase of 3% from the previous year. Government policies; Law No. 2 of 2011 on Political Parties and Law No. 7 of 2017 on General Elections, mandate a minimum of 30 percent female representation in parliament. As so far, the

current percentage of female representation stands at 22.5%. However, as stated by Indonesia's Ministry of Women Empowerment and Child Protection (2024), challenges like discrimination and societal expectations persist.

Women leaders contribute to organizational performance through transformational and servant leadership styles (Dewi & Alviani, 2023; Lemoine & Blum, 2021). Their dynamic capability, including organizational learning and adaptability, is crucial in navigating business challenges. Past research highlights the need to explore cognitive capability (ambidexterity)—balancing existing and potential resources—to enhance performance. This study investigates the mediating role of ambidextrous capability in the relationship between women's leadership and organizational performance. The findings aim to provide insights into how women's leadership traits impact business success.

## LITERATURE REVIEW

Given the many aspects of leadership and the inner workings of an organization led by women, it is important to understand the relationships and interconnectedness of these aspects. The following literature review explores the intersection of the Resource-Based View (RBV), Dynamic Capability Theory, Women Leadership, Ambidextrous Capability, and Organizational Performance.

#### **Resource Based View**

The Resource-Based View (RBV) emphasizes a firm's internal resources as the foundation for competitive advantage, using the VRIO framework, such as; valuable, rare, inimitable, and organized (Oh, 2019). Women leaders can be a strategic asset under RBV, contributing through unique leadership styles, diverse perspectives, and inclusive decision-making. They enhance collaboration, innovation, and adaptability while fostering trust and employee commitment. Their rarity and inimitability make them a crucial resource for organizational success (Eagly, 2013).

## Women Leadership

Leadership is the process of influencing a group to achieve common goals, involving influence, communication, and group dynamics (Northouse, 2021; Ruben & Gigliotti, 2017). Women's leadership, characterized by transformational leadership, collaboration, inclusivity, and ethical governance, offers distinct advantages to organizations (Eagly, 2013). Research suggests women leaders enhance employee well-being, teamwork, and ethical decision-making while promoting corporate social responsibility (Galbreath, 2018; Vieira et al., 2022). However, gendered stereotypes, implicit biases, and structural barriers often hinder women's leadership potential (Offermann & Foley, 2020). Overcoming these challenges is crucial for maximizing the benefits of female leadership in organizations (Fletcher, 2004).

## Theory of Transformative Feminist Leadership

Transformational leadership inspires significant change in individuals and organizations through trust, loyalty, and mentorship (Chitiga, 2018; Sharif, 2019). It involves four key dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2006). Transformative feminist leadership

extends this model to advocate for social and gender equity (Batliwala, 2011). Research suggests that women predominantly exhibit transformational leadership styles, blending androgynous traits that emphasize collaboration, empathy, and ethical governance (Eagly, 2013; Sharif, 2019). These qualities contribute to inclusive workplaces, employee engagement, and corporate sustainability (Vieira et al., 2022).

### **Theory of Servant Leadership**

Servant leadership prioritizes the needs, empowerment, and development of followers, emphasizing ethical leadership that serves organizations, communities, and society (Lemoine et al., 2019; Northouse, 2021). It is characterized by ten key qualities, including listening, empathy, awareness, persuasion, foresight, and stewardship. Unlike coercive leadership, servant leadership fosters trust, growth, and community-building. Research suggests that women may be more effective servant leaders, as they inspire higher team performance and cultivate servant leadership qualities in others more effectively than men (Lemoine & Blum, 2021).

## **Ambidextrous Capability**

Organizational ambidexterity refers to the ability to balance exploration (innovation and new opportunities) and exploitation (efficient use of existing resources) to enhance performance (Jansen et al., 2009; Popadiuk et al., 2018). Ambidexterity can be managed structurally or contextually within the same unit (Gibson & Birkinshaw, 2004). Ambidextrous leadership theory highlights two key behaviors: opening behavior, which encourages creativity and risk-taking, and closing behavior, which emphasizes execution, stability, and adherence to processes (Caldwell & O'Reilly, 2003; Zhang et al., 2019). Balancing these behaviors is crucial for driving innovation and achieving strategic goals (Luo et al., 2018).

#### **Dynamic Capability**

Ambidexterity is recognized as a dynamic capability, involving decentralized decisionmaking, differentiation, and leadership's ability to manage trade-offs between exploration and exploitation (Jansen et al., 2009; Popadiuk et al., 2018). Dynamic capability refers to a firm's ability to integrate, build, and reconfigure resources to adapt to changing environments (Teece, 2016). It comprises three key processes: sensing (identifying opportunities), seizing (mobilizing resources to act), and reconfiguring (adapting internal structures to sustain innovation) (Teece, 2017). This capability enables firms to sustain competitive advantage by continuously evolving in response to market shifts (Eisenhardt & Martin, 2000; Wang & Ahmed, 2007).

#### **Organizational Performance**

Organizational performance refers to an organization's ability to meet stakeholder needs while ensuring its own survival (Gutterman, 2023). It extends beyond financial metrics like profit margins and market share to include broader nonfinancial factors. Organizational performance comprises three key aspects: financial performance, business performance, and organizational effectiveness. It encompasses both result-oriented measures (e.g., productivity) and normative measures (e.g., efficiency, quality, and consistency), along with the development of skills and tools for performance management, such as education and training (Gutterman, 2023).

#### **Hypotheses Development**

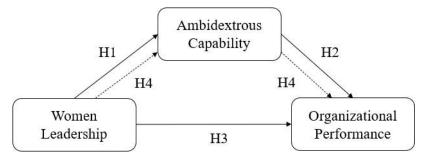


Figure 1. Conceptual Framework

H1: Women leadership has positive and significant relationship on Ambidextrous Capability.H2: Ambidextrous capability has positive and significant relationship on Organizational Performance.

H3: Women leadership has positive and significant relationship on OrganizationalPerformance.

H4: Ambidextrous capability mediates the relationship between Women Leadership and Organizational Performance.

#### METHOD

This study employs a quantitative research approach to systematically examine the relationships between Women Leadership and Organizational Performance, with Ambidextrous Capability asmediating variable. This research aims to examine the impact of women leadership on organizational performance, focusing on the mediating role of ambidextrous capability. Specifically, it seeks to analyze the direct relationships between women leadership and ambidextrous capability, ambidextrous capability and organizational performance, and women leadership and organizational performance, as well as the mediated effect of ambidextrous capability on the women leadership–organizational performance relationship.

The research tests hypotheses and evaluates mediating impacts using Structural Equation Modeling-Partial Least Squares (SEM-PLS). This methodology allows for robust statistical analysis, particularly in examining complex relationships between multiple latent variables

Table 1	Measuring items sources				
Variables	No. of items	Sources			
Women Leadership	9	Gaur et al. (2023); Saleem et al. (2020)			
Ambidextrous Capability	9	Ali et al. (2022)			
Organizational Performance	5	Gaur et al. (2023)			

#### Table 1. Measurement Scale

#### Source: Previous journals

## **RESULT AND DISCUSSION**

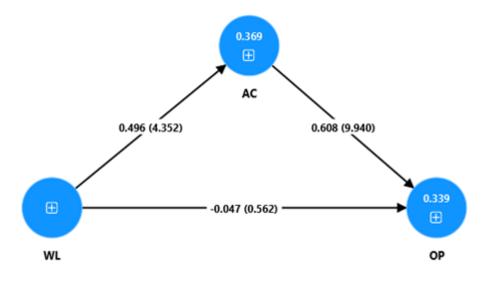
#### Result

The study targets employees working under women in managerial positions across all sectors in Jakarta, Indonesia. It uses purposive sampling, a non-probability technique, with respondents meeting the criteria of having worked at their company for over a year and currently

The measurement model was validated and reliable using SmartPLS 4.0. All indicators had factor loadings over 0.7 and AVE values above 0.5, showing that the constructs explain a considerable amount of variation. Each construct was shown to be unique using Fornell-Larcker Criterion, HTMT Ratio (<0.90), and Cross Loadings, demonstrating discriminant validity. Cronbach's Alpha and Composite Reliability showed that all variables were above 0.7, indicating internal consistency.

The structural model was evaluated through R<sup>2</sup>, predictive relevance (Q<sup>2</sup>), and effect size (f<sup>2</sup>). The R<sup>2</sup> value for Organizational Performance (0.339) indicates a moderate explanatory power. The predictive relevance test (Q<sup>2</sup> = 0.046) is considered to have good predictive relevance, in line with the criterion that a Q<sup>2</sup> value > 0 indicates adequate predictive relevance.

Effect size  $(f^2)$  results indicate that ambidextrous capability has a moderate to large effect on organizational performance. Since 0.122 is closer to the medium threshold (0.15) but still in the small range, it suggests that women leadership has a modest yet meaningful impact on ambidextrous capability. This means WL contributes to AC, but the effect is not as strong as inlarger effect size cases. Since 0.002 is well below 0.02, it suggests that women leadership has an extremely weak or almost no direct effect on organizational performance. This could imply that the relationship between WL and OP might be indirectly influenced through another variable, such as ambidextrous capability (AC), rather than a strong direct link.



Source: Data processing results using SmartPLS 4.0, 2025. Figure 2. Bootstrapping Output

The inner model was tested using path analysis and hypothesis testing via bootstrapping. A hypothesis is supported if the p-value is below 0.05.

Table 2	Hypotheses testing					
Hypotheses	Beta	t-value	p-value	Decision		
$H1:WL \square AC$	0,496	4,352	0,000	Accepted		
$H2:AC \square OP$	0,608	9,940	0,000	Accepted		
$H3:WL \square OP$	-0,047	0,562	0,287	Rejected		
$H4:WL \square AC \square OP$	0,302	3,941	0,000	Accepted		

## **Table 2.** Hypothesis Testing

**Source:** Author's own creation

#### Discussion

The PLS-SEM hypothesis testing results provide insights into the relationships among women leadership, ambidextrous capability, and organizational performance. Hypothesis 1, which proposed a positive relationship between women leadership and ambidextrous capability, was supported, indicating that women leaders effectively balance exploration and exploitation, fostering organizational agility. Hypothesis 2, which suggested a positive relationship between ambidextrous capability and organizational performance, was also supported, highlighting its role in enhancing adaptability and resilience. However, Hypothesis 3, which posited a direct positive relationship between women leadership and organizational performance, was rejected, suggesting that leadership alone is insufficient to drive performance without structured mechanisms to enhance employee capabilities. Lastly, Hypothesis 4, which proposed ambidextrous capability as a mediator between women leadership and organizational performance, was supported, emphasizing that women leadership and organizational performance ambidextrous capability as a mediator between women leadership and organizational performance and organizational performance, was supported, emphasizing that women leadership and organizational performance ambidextrous capability as a mediator between women leadership and organizational performance.

## CONCLUSION

The study underscores the importance of understanding how women leaders can enhance their effectiveness and contribute to organizational performance despite challenges like career barriers and the "glass ceiling." Women leaders must navigate ambidextrous capabilities— balancing exploration and exploitation—to drive transformation while maintaining operational stability. The findings confirm that women leadership positively influences ambidextrous capability, which, in turn, enhances organizational performance, aligning with the Resource-Based View (RBV). However, the direct effect of women leadership on organizational performance was not significant, highlighting the need for effective engagement mechanisms. Ambidextrous capability mediates this relationship, reinforcing its critical role in organizational success. Women leadership does not directly enhance organizational performance. Simply having women in leadership positions does not automatically lead to better results unless they facilitate ambidextrous capability within their teams. Therefore, women leaders need to create an environment where employees are

encouraged to adapt, learn, and balance both flexibility and discipline in their work. Women leadership behaviours such as empowerment, collaboration, and transformational leadership will help employees develop the skills necessary balance these dual activities.

Ambidextrous capability enhances an organization's adaptability and competitiveness, enablingit to respond to market changes effectively. Companies that successfully balance exploration (innovation) and exploitation (efficiency) achieve higher productivity, sustained growth, and competitive advantage. Organizations should prioritize leadership strategies that support ambidexterity to maximize the impact of women leadership on performance and ensuresustainable growth.

The study recommends managerial strategies to strengthen women's leadership by fostering employee trust through transparent communication, empowerment, psychological safety, and recognition. Women leaders should leverage inclusive leadership, emotional intelligence, and motivation techniques to enhance agility in dynamic markets.

For future research, expanding the study to different industries and geographical locations can offer deeper insights, particularly comparison with male-dominated sectors where leadership traits may be perceived differently. Future studies should also explore mentorship, sponsorship, and organizational policies that support women's leadership. Additionally, longitudinal and mixed-method approaches could provide a more comprehensive understanding of leadership dynamics. A suggested research direction includes examining gender bias and employee well-being in organizations led by women.

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