THE EFFECT OF AMBIDEXTROUS LEADERSHIP AND SOCIAL CAPITAL ON COMPETITIVE ADVANTAGE WITH ENTREPRENEURSHIP ORIENTATION AS A MEDIATION VARIABLE: A STUDY ON MSMES IN SOUTH TANGERANG

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Abstract

This study aims to identify and analyze the factors that influence competitive advantage and provide suggestions for improvement to MSMEs in South Tangerang. In this study, the variables chosen as predictors of competitive advantage were ambidextrous leadership, social capital, and entrepreneurial orientation. This research is a type of quantitative research. Researchers will use 285 samples, namely the owner or main manager of SME company managers, with a minimum number of 3 employees, have good capital and operatimg in the city of South Tangerang with the business field of community consumption products that have been registered on the Small and Medium Enterprises Cooperatives of South Tangerang Office. The analytical method of this study uses descriptive analysis, validity test, reliability test, while data analysis test of Structural Equation Modeling (SEM) and Multi Analysis Group (MGA). The results of the study prove that (1) ambidextrous leadership has a direct positive effect on entrepreneurial orientation; (2) social capital has a direct positive effect on entrepreneurial orientation; (3) ambidextrous leadership has no direct positive effect on competitive advantage; (4) social capital has a direct positive effect on competitive advantage; (5) entrepreneurial orientation has a direct positive effect on the competitive advantage of employees; while (6) entrepreneurial orientation acts as a partial mediation variable between ambidextrous leadership and employee competitive advantage; and (7) entrepreneurial orientation acts as a partial mediation variable between social capital and competitive advantage.

Keywords: Ambidextrous Leadership, Social Capital, Entrepreneurial Orientation, Competitive Advantage.

INTRODUCTION

Changes in information technology and the presence of young entrepreneurs operating across borders in a globalized world continue to emerge in many industries, affecting established business players (incumbent), creating new markets that the incumbent has ignored, and causing deflationary effects (falling prices). Micro, small, and medium enterprises, or MSMEs, continue to dominate the business sector in the ASEAN region, where this type of business contributes significantly and becomes the pillar of a country's economy, and has a high absorption of labor; there are approximately 88.8 – 99.9 percent of MSME business actors in ASEAN, and they can absorb 51.7 – 97.2 percent of ASEAN's workforce (Permana, 2017). When it comes to dealing with the free trade of the ASEAN Economic Community, labor at the

ASEAN level has its own set of opportunities and obstacles (Permana, 2017)

In the business world, we are living in an era of VUCA World, which is characterized by increasing waves of volatility (which are difficult to foresee), uncertainty, and business complexity, as well as volatile markets and changes in existing market structures (Bennett & Lemoine, 2014). Human resources play an essential part in the organization's sustainability because it is a catalyst for major changes in aspects of organizational behavior that have a high influence on the organization's capacity to compete.

In order to enhance product sales, MSMEs for public consumption products are being compelled to make positive adjustments in order to create competitive advantages. Products that differ from existing competitors in terms of distinct product differences, pricing benefits, and on-time delivery. Product, process, or method innovation is achieved by creating new ideas that are in agreement with existing conditions both within and externally to the company. Responding to changes in the environment, sustaining existing products or business processes, and carrying out improvements or product development innovations, as well as carrying out strategic business planning and bold to do something different with an acceptable level of risk.

Organizational excellence that comes from machines, capital and geographical conditions has shifted to the superiority of quality human resources which are the advantages of the organization. Porter (1998) highlight that human resource management can assist a company succeed a competitive advantage by cutting costs, improving product sourcing, and/or differentiating its services. Developing a competitive advantage through human resource management demands a strategic approach on organizational management.

According to data submitted by the Ministry of Cooperatives and MSMEs in the Development of Micro, Small and Medium Enterprises (MSME) and large business (UB) data as contained in www.depkop.go.id of 2018 –

2019, in 2019 the proportion of sectors on the number of businesses that are included in the MSME category in the total registered business units is quite large. The number of MSMEs was recorded at 65.485.497 while the business units included in the large business unit category were 5.637 business units. Likewise, the ability to accommodate the number of workers. Large business units employ 3.805.829 employees, while the workforce for the MSME sector reaches 119.562.843, the data shows that of the total workforce in Indonesia, 96.92% of them work for the MSME sector. Meanwhile, the MSME sector accounts for 60.51 % of GDP at current prices, with the major corporate sector contributing the remaining 39.49 % (Widiatmo & Retnawati, 2019).

Research shows that competitive advantage and product innovation provide empirical evidence for the achievement of superior marketing performance for Batik MSMEs in Indonesia (Nofrizal, 2021). Meanwhile, according to Porter (1990) in (Setiawan, 2012) explained that competitive advantage is the core of marketing performance to face competition. Further, according to Raymond et al. (2003) providing an understanding of competitive advantage as a company's ability to create products or service offerings that are more valued by customers compared to competing companies. According to the study conducted by Luu (2015), by collecting data from 427 managers of software companies in a business context in Vietnam, he concluded that competitive advantage influenced by social capital, ambidextrous leadership and entrepreneurial orientation.

Based on the foregoing issue, there are several factors that affect the competitive advantage of the MSME business. However, in this study, it is only limited to ambidextrous leadership, social capital and entrepreneurial orientation because these factors have an influence on business performance. The researcher took the title "The Effect of Ambidextrous Leadership and Social Capital on Competitive Advantage with Entrepreneurship Orientation as A Mediation Variable: A Study on MSMes In South Tangerang". To investigate MSMEs in order to have a better knowledge of the

requirements for their growth and development. Such understanding will allow scientists, practitioners, and policymakers to develop effective support methods for MSMEs. Because of the importance of MSMEs to the local and national economies, it is critical to understand and investigate their competitive advantages.

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Competitive advantage

Ceglinski (2017) came to the conclusion that the idea of competitive advantage is typically employed for the purposes of examining a company's outcomes that are above average in a competitive market, according to his study findings. However, as a result of recent changes in the organizational environment, competitive advantage has become more complex, and the relationship between the sources of profit and the results of activities has become less obvious.

Ambidextrous Leadership

Ambidextrous leadership refers to a leader's capacity to encourage followers to engage in exploratory and exploitative conduct by altering the variability of their own behavior and moving back and forth between the two as needed. Leaders who are themselves ambidextrous might encourage and motivate their subordinates to follow in their footsteps (ambidextrous) (Rosing et al., 2011).

Social Capital

Social capital can be defined as a collection of values or informal norms that are spontaneously shared among members of a group and that allow them to work together in a cooperative environment (Fukuyama & Khan, 2000).

Entrepreneurship Orientation

Covin and Slevin (1989) in Pukkinen (2018) defines entrepreneurial orientation as the degree to which top-level managers take risks in reaction to changes and place a strong emphasis on innovation in order to acquire a

competitive advantage from the organization as well as to actively compete with competitors.
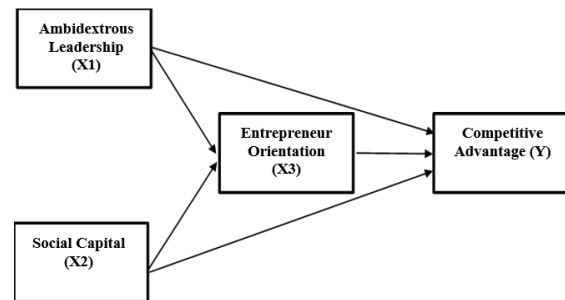
Theoretical Framework

Figure 1 – *Model of Research Framework*

Based on the research framework above, the researchers developed a research hypothesis with the following hypothesis formulation:

H1   : Ambidextrous leadership has a direct positive effect on entrepreneurial orientation.

H2   : Social Capital has a direct positive effect on entrepreneurial orientation.

H3   : Ambidextrous leadership has a direct positive effect on competitive advantage.

H4   : Social capital has a direct positive effect on competitive advantage.

H5   : Entrepreneurial orientation has a direct positive effect on competitive advantage.

H6   : Ambidextrous leadership has a positive indirect effect on competitive advantage through entrepreneurial orientation.

H7   : Social capital has a positive indirect effect on competitive advantage through entrepreneurial orientation.

RESEARCH MODEL

This research was conducted using quantitative methods, namely the methods used in revealing the facts of a phenomenon so that it can be evaluated based on a theoretical review. This research is required to use numbers, starting from data collection, interpretation of the data, as well as the results presentation (Arikunto, 2013). Data collection in this study was carried out by distributing questionnaires. The

measurement scale used in the questionnaire is the Likert scale. The Likert scale is used to measure attitudes, opinions, and perceptions of a person or group about social events or phenomena (Arikunto, 2013).

Table 1- *Likert Scale Score*

Information	Score
Strongly Agree (SA)	5
Agree (A)	4
Neutral (N)	3
Disagree (D)	2
Strongly Disagree (SD)	1

The population in this study is the owner or the main manager of the MSME company in the city of South Tangerang. In this study, the sample collection technique used purposive sampling method. Researchers will use 285 samples, namely the owner or main manager of MSME company managers, with a minimum number of 3 employees, have good capital and are in the city of South Tangerang with the business field of community consumption products that have been registered with the Office of Small and Medium Enterprises Cooperatives of South Tangerang City. The data used will then be processed using Structural Equation Modeling (SEM). According to Hair et. al.,(2010) Structural Equation Modeling (SEM) is a multivariate analysis technique developed to cover the limitations of previous analytical models that have been widely used in statistical research. The data is processed with SmartPLS software to test the reliability, validity, estimation of structural data models in testing hypotheses.

Instrument Development

To develop the instrument in this study, the authors adapt the indicators that have been used in previous studies. This action is taken as part of instrument validation because it has been tested and validated (Suhud et al., 2017). To measure competitive advantage, the authors adapt indicators from Sachitra (2016). Meanwhile, the indicator of the ambidextrous leadership variable was adapted from Taylor

(2016). Moreover, social capital is measured using indicators tested by Rodrigo-Alarcon et.al. (2018), Parra-Requena et.al. (2011). Lastly, entrepreneurial orientation is measured by indicators used by previous research by Campos, de la Parra and Parellada (2012) and Krauss et. al. (2005).

RESULTS

Respondent Description

Researchers used 285 samples, namely the owner or main manager of MSME company managers, with a minimum number of 3 employees, with a fairly good working capital, and operating in the city of South Tangerang with the business sector of public consumption products that have been registered with the Office of Small and Medium Business Cooperative City of South Tangerang. The results of data processing can be seen from the following table:

Table 2 – *Description of Respondents*

Criteria	Scale	Amount	Percentage
Age	<25 years	24	8%
	25-50 years	152	53%
	>50 years	109	38%
Gender	Man	126	44%
	Woman	159	56%
Last education	< high school	30	11%
	high school	64	22%
	> high school	191	67%
Business Length	< 3 years	101	35%
	3-5 years	60	21%
	>5 years	124	44%
Position	Business Owner	253	89%
	Business Manager	32	11%
Types of MSMEs	Fashion	37	13%
	Creative	10	4%
	Convection	82	29%
	Culinary and Restaurant	156	55%
Startup	< 25	166	58%

Capital	million			Data Analysis Results
	> 25 million	119	42%	Reliability and Validity Test Results
Total Sample		285		

Table 3 – *Construct Reliability and Validity Table*

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1_Ambidextrous Leadership	0.765	0.794	0.840	0.514
X2_Social Capital	0.853	0.857	0.889	0.534
X3_Entrepreneur Orientation	0.814	0.817	0.866	0.519
Y_Competitive Advantage	0.875	0.882	0.903	0.572

Source: Data Analysis Using Smart-PLS Program (2021)

From the table above, it can be seen that the Cronbach alpha (CA) and composite reliability (CR) values of each variable are: Leadership variable ambidextrous CA = 0,765, and CR = 0,840; Social Capital variable value of CA = 0,853, and CR = 0,889; Entrepreneurial Orientation variable CA = 0,814, and CR = 0,866, while for Competitive Advantage variable CA = 0,875 and CR = 0,903. All research variables have a Cronbach Alpha value > 0,7, and all variables have a Composite Realibility value > 0,6, which means the reliability of the four variables is good or reliable. Likewise, the results of the Average Variance Extracted (AVE) calculation, all variables value > 0,5, which means Convergent validity has met the requirements. Furthermore, the results of the calculation of the discrimant validity of the four variables can be seen in the following table.

Table 4- *Fornell-Larcker Criterium*

	X1_Ambidextrous Leadership	X2_Social Capital	X3_Entrepreneur Orientation	Y_Competitive Advantage
X1_Ambidextrous Leadership	0.717			
X2_Social Capital	0.682	0.731		
X3_Entrepreneur Orientation	0.588	0.677	0.720	
Y_Competitive Advantage	0.415	0.490	0.494	0.756

Source: Data Analysis Using Smart-PLS Program (2021)

From the table above, it can be seen that the value of the Fornell-Lacker Criterium for the ambidextrous leadership variable is 0,717 and the social capital is 0,731, while the competitive advantage variable is 0,756 and the entrepreneurial orientation variable is 0,720, which means all variables have met the requirements, namely > 0,7.

Table 5– *R Square Result*

	R Square	R Square Adjusted
X3_Entrepreneur Orientation	0.488	0.485
Y_Competitive Advantage	0.292	0.285

According to the R Square table above, the first model where the competitive advantage variable as the dependent variable with ambidextrous leadership variables, social capital and entrepreneurial orientation the independent variable has an R-Square value of 0,292, which indicates that this model shows the dependent variable is influenced by 29,2% by independent variable, while the remaining 70,8% is influenced by other variables outside the model. Likewise, the second model where the entrepreneurial orientation variable as the dependent variable with ambidextrous leadership variables and social capital as the independent variable has an R-Square value of

0,488, which indicates that this model shows the dependent variable is influenced by 48,8% by the independent variable, while the remaining 51,2% influenced by other variables outside this model.

Furthermore, the results of calculations to see the fit of the model are shown in the table below.

Table 6- *Calculation Results of Fit Model*

	Saturated Model	Estimated Model
SRMR	0.080	0.080
d_ULS	2.092	2.092
d_G	0.708	0.708
Chi-Square	1081.276	1081.276
NFI	0.706	0.706

Source: Data Analysis Using Smart-PLS Program (2021)

From the Model Fit table above, it can be seen that the Standardized Root Mean Square Residual (SRMR) value is 0,080, which means that the fit of the research model with the model is quite good (Henseler et al., 2014; Hu & Bentler, 1999).

From the results of several tests above as a prerequisite, it can be seen that after eliminating the indicators that have a low loading factor value, it shows that all research variables have very high reliability, as can be seen from the value of Cronbach's alpha and composite reliability. All variables also have an AVE value > 0,5, which means they meet their discriminant validity. Likewise, judging from the Fornel-Larcker Criterium and Inner VIF Values all have met the requirements, so that further data analysis can be carried out by bootstrapping to analyze the inner model to test the hypothesis of this study.

Structural model or inner model is a model that describes the relationship between latent variables that are evaluated using path coefficients. The value of t-statistics or t-count is the value of the path coefficient in the calculation of the structural model. Through the bootstrapping process, the results of data analysis are obtained as shown in the following figure:
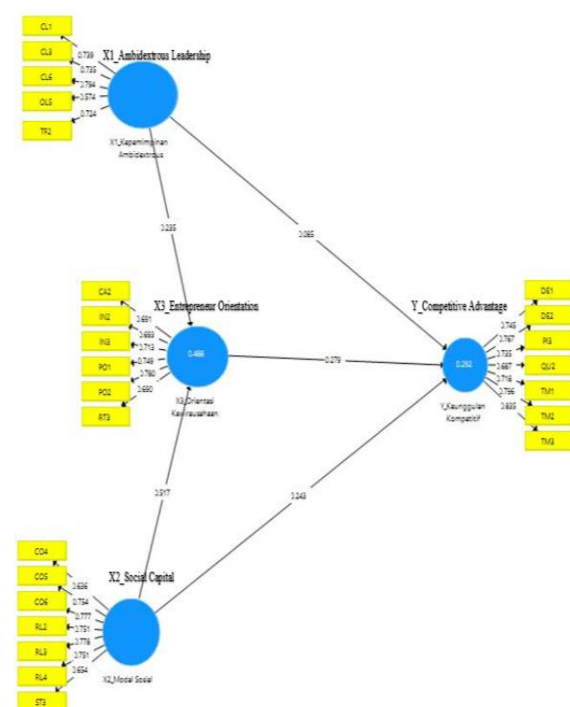

Figure 2- *Structural Model (Inner Model)*

Table 7- *Path Coefficient Result*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1_Ambidextrous Leadership -> X3_Entrepreneur Orientation	0.235	0.238	0.076	3.093	0.002
X1_Ambidextrous Leadership -> Y_Competitive Advantage	0.085	0.084	0.080	1.066	0.287
X2_Social Capital -> X3_Entrepreneur Orientation	0.517	0.516	0.071	7.255	0.000
X2_Social Capital -> Y_Competitive Advantage	0.243	0.245	0.086	2.834	0.005
X3_Entrepreneur Orientation -> Y_Competitive Advantage	0.279	0.281	0.067	4.144	0.000

Source: Data Analysis Using Smart-PLS Program

Furthermore, from the Path Coeficients table the following analysis can be performed:

a)   Based on calculations using bootstrap or resampling, where the test results of the ambidextrous leadership estimation coefficient on the entrepreneurial orientation of the bootstrap results are 0,235 with a t-statistic value of 3,093 > 1,96 and standard deviation 0,076, and hence the P value is 0,002 < 0,05, which means significant. Thus, H0 is rejected, which means that there is a direct effect of ambidextrous leadership (X1) on entrepreneurial orientation (X3).

b)   Based on calculations using bootstrap or resampling, where the results of the leadership estimation coefficient test onentrepreneurial orientationbootstrap result with t-statistic value of 7,255 > 1,96 and the standard deviation is 0,071, and hence the P Value is 0,000 < 0,05 which means significant. Therefore, H0 is accepted which means there is a direct effect of social capital (X2) on entrepreneurial orientation (X3) statistically significant. In other words, social capital (X2) has a direct positive effect on entrepreneurial orientation (X3).

c)   Based on calculations using bootstrap or resampling, where the test results of the estimated coefficient ambidextrous leadership against competitive advantage the bootstrap result is 0,085 with a t-statistic value of 1,066 < 1,96 and the standard deviation is 0,080, and hence the P Value is 0,287 > 0,05, which means it is not significant. Therefore, H0 is rejected which means the direct effect of ambidextrous leadership (X1) on competitive advantage (Y) is not statistically significant. In other words, ambidexrous leadership (X1) has no direct positive effect on employee competitive advantage (Y).

d)   Based on calculations using bootstrap or resampling, where the test results of the estimated coefficient knowledge management towards entrepreneurial orientation the bootstrap result is 0,243 with a t-statistic value of 2,834 > 1,96, and the standard deviation is 0,086, and hence the P Value is 0,005 < 0,05, which means significant. Therefore, H0 is rejected, which means that there is a direct effect of social capital (X2) on competitive advantage (Y) is statistically significant. In other words, social capital (X2) has a direct positive effect on competitive advantage (Y).

e)   Based on calculations using bootstrap or resampling, where the test results of the estimated coefficient of entrepreneurial orientation on competitive advantage, the bootstrap result is 0,279 with a t-statistic value of 4,144 > 1,96 and the standard deviation is 0,067, and hence the P Value is 0,000 < 0,05 which means significant. Therefore, H0 is rejected which means that there is a direct effect of entrepreneurial orientation (X3) on competitive advantage (Y) which statistically significant. In other words, entrepreneurial orientation (X3) has a direct positive effect on employee competitive advantage (Y).

Meanwhile, the indirect effect can be seen in table below:

Table 8- *Specific Indirect Effect*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1_Ambidextrous Leadership -> X3_Entrepreneur Orientation -> Y_Competitive Advantage	0.066	0.067	0.027	2.451	0.015
X2_Social Capital -> X3_Entrepreneur Orientation -> Y_Competitive Advantage	0.144	0.145	0.042	3.442	0.001

Source: Data Analysis Using Smart-PLS Program

From the Specific Direct Effect table above, the following analysis can be performed:

1.   Based on calculations using bootstrap or resampling, where the test results of the

estimated coefficient of ambidextrous leadership on competitive advantage through the entrepreneurial orientation of bootstrap results are 0,066 with a t-statistic value of 2,451> 1,96 and a standard deviation of 0,027, then the P value is 0,015 <0,05 which means significant. Therefore, H0 is accepted, which indicates that the direct effect of ambidextrous leadership (X1) on competitive advantage (Y) through entrepreneurial orientation (X3) is statistically significant. In other words, when ambidextrous leadership (X1) has an effect on competitive advantage (Y), either directly or indirectly through entrepreneurial orientation (X3), it means that entrepreneurial orientation (X3) acts as a partial mediation variable.

2. Based on calculations using bootstrap or resampling, where the test results of the estimated coefficient knowledge management on competitive advantage through the entrepreneurial orientation of bootstrap results is 0,144 with a t-statistic value of 3,442> 1,96 and a standard deviation of 0,042, then the P Value is 0,001 <0,05 which means significant. Therefore, H0 is rejected, which indicates that indirect effect of social capital (X2) on competitive advantage (Y) through entrepreneurial orientation (X3) is statistically significant. In other words, when social capital (X2) has an effect on competitive advantage (Y), either directly or indirectly through entrepreneurial orientation (X3), it means that entrepreneurial orientation (X3) acts as a partial mediation variable.

Discussion

Ambidextrous Leadership has a direct positive effect on Entrepreneurial Orientation

In the literature review, it is stated that there are only a few empirical studies that examine the relationship between ambidextrous leadership and competitive advantage or in other words, only a few studies support the opinion that ambidextrous leadership has an effect on competitive advantage, which means the theoretical support is not yet solid. However, because this research is an exploratory study, the researcher proposes a hypothesis that

ambidextrous leadership has an effect on entrepreneurial orientation. This hypothesis refers to the opinion of several studies that have examined this relationship, including research conducted by Luu (2015) that found the influence of ambidextrous leadership on a positive entrepreneurial orientation.

The results of the data analysis of this study indicate that ambidextrous leadership has no effect on entrepreneurial orientation. Thus, the hypothesis proposed in this study is empirically proven (H1 is accepted).

The innovation component of entrepreneurial orientation can stem from multiple structural arrangements such as exploitation and exploration under ambidextrous leadership (Frishammar & Hörte, 2007). Ambidextrous leadership fosters learning and strengthens organizational knowledge which is the premise for entrepreneurial orientation (Krauss et al., 2005).

Of the three dimensions of the ambidextrous leadership variable, on average the dimensions show a very good value, namely the OL dimension with a value of 4,1, the CL dimension with a value of 4,3, and the TF dimension with a value of 4.2, meaning that the respondent's answers are in the range of answers "agree" and "strongly agree". When viewed more deeply on the OL dimension, the answer to the question "I dare to take risks (OL3)" has an average value of 4,1 where as many as 182 respondents (64%) gave the answer "agree". Similarly, the question "I take a personal approach according to the situation at hand" has an average value of 4,1 where as many as 159 respondents (56%) gave the answer "agree".

On the other side of the respondents' answers to the question of the entrepreneurial orientation variable, there are two dimensions that have an average value below 4 (always category), namely the CA dimension with an average value of 3,7 and the AT dimension with an average value of 3,5, meaning that respondents views that the entrepreneurial orientation of MSMEs in South Tangerang is not an

orientation that leads to CA and AT, in other words it is easy for other parties to do.

Even more deeply in the AT dimension, there are two questions with a low mean score, namely the question "my team and I believe that the best results occur when an individual or team decides on an AT2 business opportunity" with an average score of 3,4 where as many as 126 respondents (44%) gave answers with a range of "strongly disagree" and "disagree". As for the question "my team pursues business opportunities by making decisions independently AT3" the average respondent's answer is 3,2 where as many as 151 respondents (53%) gave answers with a range of "strongly disagree" to "neutral".

Therefore, MSMEs in South Tangerang should have transformed their entrepreneurial orientation which has been developing in the entrepreneurial environment in order to be able to answer the challenges of the times as well as an anticipatory step to changes in business processes after the Covid-19 pandemic. Based on the data analysis of respondents' answers, generally the ambidextrous leadership of SMEs in South Tangerang, but there are several things that need to be improved, namely: management or business owner always gives a picture of the future company that can be achieved and explain the policies taken by the company so that employees have a clear direction in their work.

Social Capital has a direct positive effect on Entrepreneurial Orientation

In line with the prior theory, it has been defined that social capital has a positive effect on entrepreneurial orientation. This means that any positive changes that occur in social capital will have a positive impact on entrepreneurial orientation.

This is in line with the results of Prakasa (2018a) which found that personal values have a significant effect on entrepreneurial orientation. Meanwhile, social capital has an influence in shaping one's values and behavior so that the relationship between personal values, social capital, and entrepreneurial orientation becomes interesting. Previous research conducted by Rodrigo-Alarcon et. al. (2018) argues that entrepreneurial orientation is determined by a higher level of social capital so that social capital as described is strongly influenced by society's value system.

The results of data analysis prove that social capital has a positive effect on orientation of entrepreneurs, that showed by the original sample value or path coefficient of 0,517, p value 0,000<0,05, which means that the hypothesis proposed in this study is proven (H0 is rejected).

These results are in line with research conducted by Wimba et. al., (2015) which showed the result that Social Capital significantly increased the Entrepreneurial Orientation of MSMEs in wood crafts in Bali Province. Small and Medium Enterprises in Wood Crafts in the Province of Bali, take advantage of interpersonal relationships shown by participation in networks, mutual care, trust, values, norms and acting as a proactive wood craft business community. With the existence of a small community group that is cohesively bound by a network of fellow entrepreneurs, reciprocally, entrepreneurs have more knowledge and managerial competence, so they are more independent, innovative, dare to take risks even in uncertainty. Likewise in the research of Castro et. al. (2014) stated that there is a relationship between social capital and entrepreneurial orientation. Further, Prakasa (2018) also shows the result that there is a significant relationship between social capital and entrepreneurial orientation.

Ambidextrous leadership does not have a direct positive effect on Competitive Advantage

The proposed hypothesis is based on a theoretical study that ambidextrous leadership has a positive effect on competitive advantage. Many managers usually refrain from engaging in combat activities that exist in a multi-organizational setting where ambidextrous dominance inserts a vital role between strategic leadership and competitive advantage. For opportunities inan organization, the relationship between organizational ambidexterity and managers has a dominant influence (Mom et

al., 2019; Qammar & Abidin, 2020). The main role ambidextroously has been mentioned in various studies induces a dominant role between competitive advantage and leadership. For the most part, small businesses have been viewed as an efficient strategic view in which competency structures have been heavily embedded for competitive advantage. Usually, in industrial action strategic competencies are required to be adjusted to the dominance of skills and knowledge that can increase achievement. Dominant interactions have been mentioned in extensive studies that mention the importance of business competence and export performance (Birru et al., 2019).

From the results of data analysis, it can be concluded that there is no positive effect of ambidextrous leadership on competitive advantage, indicated by the original sample value or path coefficient of 0,085, and p values of 0,287>0,05, thus the hypothesis proposed in this study is not proven (H0 is accepted).

However, this result is not in rhyme with Clauss et. al.,(2020) which found that there is a significant positive impact of ambidextrous leadership ability on competitive advantage. Further, Sibghatullah and Reza (2020) also shows that ambidextrous leadership has a significant positive impact on competitive advantage. Likewise, Martinez-Climent et. al. (2019) shows that ambidextrous leadership significantly predicts competitive advantage.

Many barriers were removed by the competence of managers which also helped the company in its rapid growth. As a result, many companies are in a strategic competency development environment that can provide better results for significant competitiveness evaluations. The induction of various service and delivery objectives also has a direct impact on competitive advantage. Studies explain the relationship between competitiveness, marketing and strategic outlook for competitive advantage (Papadas et al., 2019).

Social Capital has a direct positive effect on Competitive Advantage

The theory proposed as a hypothesis in this study is that social capital has a positive effect on competitive advantage. This hypothesis is supported by several studies, including: One of the resources that can provide a competitive advantage is a resource that is developed through various social approaches with its social attributes known as social capital (Al-daibat, 2017). In this regard, social capital is seen as an instrument that encourages the growth and development of competitive advantage which is the target of a business strategy that mediates the process of achieving goals (Al-daibat, 2017).

Research conducted by Odeh (2014) in Al-Daibat (2017) aims to identify the role of social capital in achieving competitive advantage in private banks in Iraq. The results show that there is a statistically significant relationship between the dimensions of social capital and competitive advantage (Al-daibat, 2017). In addition, there is a statistically significant effect for the dimension of social capital on competitive advantage.

The results of empirical data analysis prove that social capital has a positive effect on competitive advantage, which indicated by the original sample value or path coefficient of 0,243, or p values of 0,005 <0,05, meaning that the hypothesis proposed in this study is proven (H0 is rejected).

Studies by Xiang & Shen (2009) which aims to measure and analyze the impact of social capital, dynamic capabilities, and innovation on competitive advantage in China's real estate industry. The results show that there is a positive correlation between sustainable competitive advantage and social capital, dynamic capabilities, and innovation. Meanwhile, Tuominen et al. (2013) in test results and model analysis show that social capital has a significant positive effect on competitive advantage. Likewise, in the research conducted by Al-Daibat (2017), the results of the research regression show that there is a statistically significant effect for social capital on competitive advantage in Jordanian banks. Similarly, Prasad et al. (2012) found that there is a relationship between social capital and competitive advantage.

From the data analysis of social capital variables, it can be seen that all dimensions obtain good results where the average value is 4,1 with details ST 4,2 RL 4,0, and CO 4,0, meaning that the statement in the questionnaire is considered approved by the respondents.

Entrepreneurial Orientation has a direct positive effect on Competitive Advantage

This hypothesis is built on the theory that statesEntrepreneurial orientation through an attitude that continues to be developed can increase the potential of MSMEs in making their capabilities and resources a competitive advantage (Utami & Wilopo, 2018a).

According to Wadud (2019), the entrepreneurial orientation has a positive effect on competitive advantage. Entrepreneurship orientation is in the form of various activities that are innovative, able to develop marketing strategies, are proactive, dare to take risks. Meanwhile, competitive advantage is carried out by increasing innovative capabilities, production management and marketing. Therefore, if entrepreneurs want to have a competitive advantage, entrepreneurs must have an entrepreneurial orientation seriously and effectively so that they can overcome competition between MSMEs.

Moreover, Sriram et al. (2020) found the results where entrepreneurial orientation has a relationship with innovation, where innovation is one of the benchmarks of competitive advantage. Similarly, Sirivanh et. al., (2014), the research produces data that entrepreneurial orientation has a positive effect on competitive advantag. Further, according to Mahmood & Hanafi (2013); Sadalia et al. (2020); and Utami & Wilopo (2018b) highlight that entrepreneurial orientation has a positive effect on competitive advantage. According to the results of data analysis, the hypothesis proposed in this study is proven (H0 is rejected), marked by the original sample value or path coefficient of 0,388, and p values of 0,001<0,05. This explains that the various changes that occur in the entrepreneurial orientation, will affect the competitive advantage of employees.

Companies with an entrepreneurial orientation can reach the target market and be in a market position that is ahead of their competitors. The company constantly monitors market changes and responds quickly. Innovation and proactive attitude are needed to increase competitive advantage (Jayaningrum & Sanawiri, 2018). Companies that have an entrepreneurial orientation will be able to innovate so that they can create products that are more unique / attractive compared to their competitors. The company will also dare to take risks in making decisions that are uncertain but provide opportunities for better results. The proactive nature of looking for markets is done in order to get a wider market in the midst of competition (Fatmawati, 2016).

Porter (1990) further suggests that companies can create competitive advantage through innovation by presenting new ways to improve the value chain so as to create superior customer value. A proactive company will have a competitive advantage regarding the speed of response to environmental changes and customer needs. In addition, Miller & Friesen (1983) argues that proactive can be described as a company with speed in innovation and being the first to introduce new products and services. Courage in taking risks is also needed so that companies are able to act proactively and innovatively to gain a competitive advantage. This condition shows that companies that apply an entrepreneurial orientation will gain a competitive advantage (Aloulou & Fayolle, 2005).

There are also those who argue that a company must have a good understanding of the role of innovation-based entrepreneurship in competitive advantage in order to be more familiar with the market it faces (Stambaugh & Yuan, 2017). Other experts also added that in order to better understand entrepreneurship in order to achieve competitive advantage, companies need to investigate how the marketing model developed by the company adapts to the market and environment (Kisaka & Anthony, 2014).

By improving the entrepreneurial orientation, it is possible for MSMEs to develop the

dimensions of MSMEs so as to increase sales which means also increasing competitive advantage.

Ambidextrous Leadership has a positive indirect effect on Competitive Advantage through Entrepreneurial Orientation

The hypothesis developed is that when ambidextrous leadership affects entrepreneurial orientation and entrepreneurial orientation affects competitive advantage, it is reasonable to suspect that entrepreneurial orientation can act as a mediating variable between ambidextrous leadership and competitive advantage.

This hypothesis is supported by various studies on the effect of ambidextrous leadership on entrepreneurial orientation (Martinez-Climent et. al., 2019; Luu, 2015) and the effect of entrepreneurial orientation on competitive advantage (Mahmood & Hanafi, 2013; Sadalia et al., 2020; Utami & Wilopo, 2018b).

The results of data analysis show that entrepreneurial orientation significantly mediates between ambidextrous leadership and competitive advantage, meaning that the hypothesis proposed in this study is proven (H0 is rejected).

The results of data analysis show that entrepreneurial orientation mediates between ambidextrous leadership and competitive advantage, which indicated by the original sample value or path coefficient of 0,066, t-statistic value of 2,451 > 1,96 and P-Values of 0,015 < 0,05. This means that ambidextrous leadership has an indirect effect on competitive advantage through the mediator variable, namely entrepreneurial orientation.

Social Capital has a positive indirect effect on Competitive Advantage through entrepreneurial orientation.

The hypothesis that is built is that when social capital has a significant effect on entrepreneurial orientation and entrepreneurial orientation has a significant effect on competitive advantage, it can be ascertained that entrepreneurial orientation can function as a mediating variable or intervening between

social capital and employee competitive advantage.

This hypothesis is supported by the results of research which concludes that capital social has an effect on entrepreneurial orientation (Castro et al., 2014; Prakasa, 2018b; Wimba, 2015), and several studies that conclude that entrepreneurial orientation has an effect on competitive advantage (Mahmood & Hanafi, 2013; Sadalia et al., 2020; Utami & Wilopo, 2018b).

The results of data analysis show that entrepreneurial orientation significantly mediates between social capital and competitive advantage, which indicated by the original sample value or path coefficient of 0,144, t-statistic value of 3,442> 1,96 and P-Values of 0,001 <0,05.

Thus, entrepreneurial orientation acts as a partial mediating variable, meaning that social capital can have a direct effect on competitive advantage or through its mediator variable, namely entrepreneurial orientation. Empirically, this explains that entrepreneurial orientation can create situations and conditions that can stimulate the development and distribution of entrepreneurial orientation and will have an impact on increasing employee capabilities, which will also increase the employee's competitive advantage.

CONCLUSION

To sum up everything that has been stated so far, the conclusion can be drawn based on the results of the study, which prove that (1) ambidextrous leadership has a direct positive effect on entrepreneurial orientation; (2) social capital has a direct positive effect on entrepreneurial orientation; (3) ambidextrous leadership has no direct positive effect on competitive advantage; (4) social capital has a direct positive effect on competitive advantage; (5) entrepreneurial orientation has a direct positive effect on employees' competitive advantage; while (6) entrepreneurial orientation acts as a partial mediation variable between ambidextrous leadership and employee

competitive advantage; and (7) entrepreneurial orientation acts as a partial mediation variable between social capital and competitive advantage

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