

About the Journal

International Journal of Professional Business Review, aims to publish original research in order to contribute to the promotion and dissemination of key issues in professional business and related areas. The *JPB Review* is published by [Logos University International](#), Florida, United States of America. The **JPB Review's** content aspires to be relevant and interesting to a wide readership, which adds to the understanding and discussion of professional business from all areas of knowledge and academia worldwide. To be published in the **JPB Review**, authors must adhere to high standards of research and contribute to theory and/or practice in related areas, regardless of whether the level of analysis is the organization, region or country.

The **JPB Review** challenges potential authors to produce high quality distinguished research, well grounded in theory and with high methodological rigor. The demonstration of an effective conceptual contribution will be considered in the journal's editorial process.

To submit your paper (**English, Portuguese and Spanish language**), please visit the online submission page (login and download template). All articles are subject to a double-blind review process. **JPB Review Journal** require a Contributor ID (see [ORCID and Redalyc ID](#)) for all authors. ORCID is a persistent unique identifier for researchers and functions similarly to an article's Digital

[Make a Submission](#)

Current Issue

[ATOM 1.0](#)

[RSS 2.0](#)

[RSS 1.0](#)

Keywords



Home / Editorial Team

Editorial Team

Editor-in-Chief



Gabriel Lopes, Logos University International, Florida, United States of America. <https://orcid.org/0000-0002-4977-5873>

Adjunt Editors



Liem Gal Sin, Central Queensland University, Queensland, Australia. <https://orcid.org/0000-0003-0406-1890>



Anderson Catapan, Universidade Tecnológica Federal do Paraná, Paraná, Brazil. <https://orcid.org/0000-0002-7028-0509>

Scientific Editorial Board



Tarika Singh, Prestige Institute of Management & Research, Gwalior, India. <https://orcid.org/0000-0002-9778-0589>



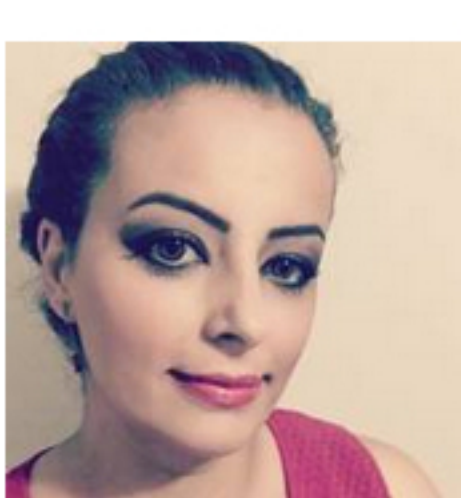
Halder Falah zaeid, University of Thi-Qar, Nasiriyah, Iraq. <https://orcid.org/0000-0002-4005-6880>



Isabel Soares, Universidade do Porto, Porto, Portugal. <https://orcid.org/0000-0002-2707-7089>



Hazhar Talaat Abubaker Bibas, Salahaddin University, Erbil, Iraq. <https://orcid.org/0000-0002-5760-3019>



Sema Yilmaz Genç, Yıldız Technical University, Turkey. <https://orcid.org/0000-0002-3138-1622>



Maria Dolores Sánchez-Fernández, Universidade da Coruña - UDC, Coruña, Spain. <https://orcid.org/0000-0001-9065-1699>



Luiz Henrique Lopes Vilas, Florida Christian University, Orlando, United States of America. <https://orcid.org/0009-0004-0143-887X>



Adel Sarea, Ahlia University, Manama, Bahrein. <https://orcid.org/0000-0001-6154-4261>



Alexander Rosado Serrano, Universidad Interamericana de Puerto Rico - Recinto de Guayama, Puerto Rico. <https://orcid.org/0000-0002-7361-8173>



Sergey E. Baryklin, Peter the Great St.Petersburg Polytechnic University, St Petersburg, Russia. <https://orcid.org/0000-0002-9048-009X>



Lis M Yapanto, Gorontalo State University, Gorontalo, Indonesia. <https://orcid.org/0000-0002-5602-8219>

Make a Submission

Current Issue

ATOM 1.0

R5F 2.0

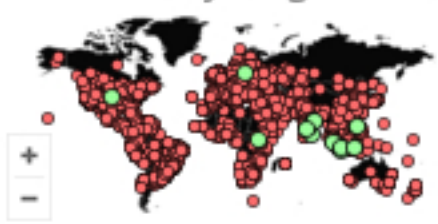
R5F 1.0

Keywords



VISITORS

292 Today Pageviews



MOST READ LAST WEEK

The Power of Artificial Intelligence in Recruitment: An Analytical Review of Current AI-Based Recruitment Strategies
108

The Significance, Role, and Need for Public Sector Enterprises in Economic Growth
96

Consumer Buying Behaviour Towards Online and Offline Shopping: Pre, During and Post Covid 19 Pandemic
52

The Influence of Hedonic Motivation, Influencer Marketing on Purchase Decision With fomo (Fear of Missing out) As Mediation
51

Motivating Tacit Knowledge Sharing: The Role of Perceived Value of Knowledge and Organizational Citizenship Behavior
47

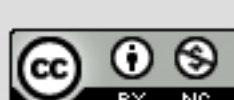
Intern. Journal of Profess. Bus. Review (e-ISSN: 2525-3654)

E-mail Contact: jpbreview@openaccesspublications.org and ijpbreview@gmail.com

OPEN ACCESS PUBLICATIONS LLC.

Number of the company L22000259354

1191 E Newport Center Dr. #103
Deerfield Beach, FL 33442 - Florida
United States of America




This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).



TECHNOLOGICAL CAPACITY AND ORGANIZATIONAL CULTURE: THE IMPORTANCE OF ORGANIZATIONAL AMBIDEXTERITY IN THE BANKING SECTOR

Tyna Yunita^A, Sasmoko^B, Agustinus Bandur^C, Firdaus Alamsjah^D



ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 20 February 2023</p> <p>Accepted 08 May 2023</p>	<p>Purpose: The research aims to identify the role of organizational cultures mediating technological capacity in the relationship with organizational ambidexterity.</p> <p>Theoretical framework: The effect of technological capacity on organizational ambidexterity is still relatively low. However, when technological capacity is mediated or supported by organizational culture, the effect of technological capacity on organizational ambidexterity becomes greater when compared to its direct effect.</p> <p>Design/methodology/approach: An online poll was utilized to collect data from the highest levels of management in Indonesia's banking industry. Following nine months, 75 responders completed the surveys. We employed Smart PLS software for statistical analysis and testing hypotheses.</p> <p>Findings: The findings revealed that technological capacity and organizational cultures have a beneficial effect on organizational ambidexterity. Organizational cultures mediate the impact of technological capacity and organizational ambidexterity.</p> <p>Research, Practical & Social implications: The study shows that the role of technological capacity with an established organizational culture will support acceleration in achieving organizational ambidexterity. This research contributes to the existing literature by empirically examining the relationship between technological capacity, organizational cultures, and organizational ambidexterity.</p> <p>Originality/value: Several research models and empirical investigations have investigated the relationship between organizational culture, technological capacity, and ambidexterity. There has been a paucity of research on the 'technological capacity' of the banking sector, particularly in developing nations.</p>
<p>Keywords:</p> <p>Organizational Ambidexterity; Organizational Culture; Technological Capacity; Banking Sector.</p> <div data-bbox="172 965 480 1211" style="text-align: center;">  </div>	<p>Doi: https://doi.org/10.26668/businessreview/2023.v8i5.1479</p>

CAPACIDADE TECNOLÓGICA E CULTURA ORGANIZACIONAL: A IMPORTÂNCIA DA AMBIDEXTERIDADE ORGANIZACIONAL NO SETOR BANCÁRIO

RESUMO

Objetivo: A pesquisa visa identificar o papel das culturas organizacionais mediadoras da capacidade tecnológica na relação com a ambidestria organizacional.

^A Doctor of Research in Management, Bina Nusantara University. Management Department, BINUS Business School. Indonesia. E-mail: tyna.yunita@binus.ac.id Orcid: <https://orcid.org/0000-0002-1171-3626>

^B Doctor of Research in Management & Primary Teacher Education Department, Faculty of Humanities, Bina Nusantara University. Management Department, BINUS Business School. Indonesia. E-mail: sasmoko@binus.edu Orcid: <https://orcid.org/0000-0001-9219-9237>

^C Doctor of Research in Management, Bina Nusantara University. Management Department, BINUS Business School. Indonesia. E-mail: abandur@binus.edu Orcid: <https://orcid.org/0000-0002-6225-5418>

^D Master of Industrial Engineering, Bina Nusantara University, Industrial Engineering Department, BINUS Graduate Program, Indonesia. E-mail: alamsjah@binus.edu Orcid: <https://orcid.org/0000-0002-3501-3755>

Referencial teórico: O efeito da capacidade tecnológica na ambidestria organizacional ainda é relativamente baixo. No entanto, quando a capacidade tecnológica é mediada ou apoiada pela cultura organizacional, o efeito da capacidade tecnológica sobre a ambidestria organizacional torna-se maior quando comparado ao seu efeito direto.

Desenho/metodologia/abordagem: Uma enquete online foi utilizada para coletar dados dos mais altos níveis de gerenciamento no setor bancário da Indonésia. Após nove meses, 75 respondentes completaram as pesquisas. Empregamos o software Smart PLS para análise estatística e teste de hipóteses.

Resultados: Os resultados revelaram que a capacidade tecnológica e as culturas organizacionais têm um efeito benéfico na ambidestria organizacional. As culturas organizacionais mediam o impacto da capacidade tecnológica e da ambidestria organizacional.

Pesquisa, implicações práticas e sociais: O estudo mostra que o papel da capacidade tecnológica com uma cultura organizacional estabelecida apoiará a aceleração na obtenção da ambidestria organizacional. Esta pesquisa contribui para a literatura existente ao examinar empiricamente a relação entre capacidade tecnológica, culturas organizacionais e ambidestria organizacional.

Originalidade/valor: Vários modelos de pesquisa e investigações empíricas investigaram a relação entre cultura organizacional, capacidade tecnológica e ambidestria. Tem havido uma escassez de pesquisas sobre a "capacidade tecnológica" do setor bancário, particularmente nos países em desenvolvimento.

Palavras-chave: Ambidestria Organizacional, Cultura Organizacional, Capacidade Tecnológica, Setor Bancário.

CAPACIDAD TECNOLÓGICA Y CULTURA ORGANIZACIONAL: LA IMPORTANCIA DE LA AMBIDESTREZA ORGANIZACIONAL EN EL SECTOR BANCARIO

RESUMEN

Propósito: La investigación tiene como objetivo identificar el papel de las culturas organizacionales que median la capacidad tecnológica en la relación con la ambidestreza organizacional.

Marco teórico: El efecto de la capacidad tecnológica sobre la ambidestreza organizacional es aún relativamente bajo. Sin embargo, cuando la capacidad tecnológica está mediada o respaldada por la cultura organizacional, el efecto de la capacidad tecnológica sobre la ambidestreza organizacional se vuelve mayor en comparación con su efecto directo.

Diseño/metodología/enfoque: Se utilizó una encuesta en línea para recopilar datos de los niveles más altos de gestión en la industria bancaria de Indonesia. Después de nueve meses, 75 encuestados completaron las encuestas. Empleamos el software Smart PLS para el análisis estadístico y la prueba de hipótesis.

Hallazgos: Los hallazgos revelaron que la capacidad tecnológica y las culturas organizacionales tienen un efecto beneficioso sobre la ambidestreza organizacional. Las culturas organizacionales median el impacto de la capacidad tecnológica y la ambidestreza organizacional.

Implicaciones de investigación, prácticas y sociales: el estudio muestra que el papel de la capacidad tecnológica con una cultura organizacional establecida apoyará la aceleración en el logro de la ambidestreza organizacional. Esta investigación contribuye a la literatura existente al examinar empíricamente la relación entre la capacidad tecnológica, las culturas organizacionales y la ambidestreza organizacional.

Originalidad/valor: Varios modelos de investigación e investigaciones empíricas han investigado la relación entre la cultura organizacional, la capacidad tecnológica y la ambidestreza. Ha habido una escasez de investigación sobre la "capacidad tecnológica" del sector bancario, particularmente en los países en desarrollo.

Palabras clave: Ambidestreza Organizacional, Cultura Organizacional, Capacidad Tecnológica, Sector Bancario.

INTRODUCTION

Companies compete in an environment of volatility and unpredictability (Aslam et al., 2018). Organizations must continuously seek new revenue streams to preserve a competitive advantage and enhance their current operational procedures (Aslam et al., 2018; March, 1991). An organization achieves success if the company is ambidextrous or, in other words, can pursue exploration and exploitation simultaneously through separate and differentiated sub-units or

individuals, each of which has a specialization in exploration or exploitation (Gibson & Birkinshaw, 2004; Gupta et al., 2006; Luger et al., 2018; Mazzelli et al., 2020; O'Reilly & Tushman, 2013; Raisch et al., 2009; Raisch & Birkinshaw, 2008; Zimmermann et al., 2015). Exploration is being open to and actively seeking new experiences, ideas, and opportunities (March, 1991). Exploitation refers to selecting, perfecting, and implementing standard procedures to achieve efficiency in the company's operations (March, 1991). The original meaning was defined as an individual's capacity to do two different things equally well. The more recent meaning refers to an organization's capacity to do two different things equally well, from exploitation and exploration, integration and responsiveness, adaptability and alignment, and efficiency and flexibility (Birkinshaw & Gupta, 2013; Wu et al., 2020). Thus, underpinning the phenomenon requires banks to have ambidextrous capabilities, using exploitation and exploration approaches to maintain their business sustainability.

Research related to organizational ambidexterity in the banking sector is essential because banking products meet a broad market that people in their daily lives widely use. The national banking sector is a driving sector for other industries and a catalyst for all aspects that affect many people's lives. The financial services sector is strategic, considering the many public funds managed. There has been a shift toward digital financial transactions requiring additional care and attention. However, very little research has been conducted on technology preparedness and implementation in the banking sector (Brock & von Wangenheim, 2019). Globalization and technological changes have created a competitive business environment encouraging companies to frequently develop and introduce new products or services (Ardito et al., 2018). Previous research has highlighted corporate competence's importance in generating innovations that exploit existing products, skills, and resources while exploring new opportunities (Farzaneh et al., 2022).

The digital strategy will continue to be the Bank's principal focus across all segments, and improving information technology is essential for company expansion. It motivates banks to invest in reliable technological capacity. Compared to firms with a lower technological capacity, those with a more significant technological capacity are more likely to be innovative and competitive in developing their products, systems, and processes (Andrade et al., 2020). Although technological capacity acts as a determinant of company performance (Plummer et al., 2016), entrepreneurial capacity (Dai et al., 2014), industrial capacity (W. Wang & Zhang, 2018), innovation capacity (Figueiredo & Piana, 2018) and capacity learning, increase the

technological level of the company (Mathews et al., 2019). There has been a dearth of research regarding the technological capacity of the banking industry, especially in emerging countries.

Employee participation in the organization, proper management, values, and norms reflected in the ambidextrous organizational culture support employees' efforts toward exploration and exploitation (Úbeda-García et al., 2018). Organizational culture is a system of perceptions, symbolism, and meanings shared by organization members and directs the use of technology, beliefs, methods of assumptions, and systems together (Lee et al., 2019). Following the subprime financial crisis, the Dutch reform program centered on banking recommendations to change banking culture from the ground up by developing a code of ethics and a banker's oath (Ganderson, 2020). Internal marketing is developing a culture of customer service, employee empowerment, and service excellence; nevertheless, adopting internal marketing is challenging and can lead to division, conflict, and uncertainty in the new business culture (Kelemen & Pappasolomou, 2007). Therefore, it is important to understand employee beliefs and attitudes as part of organizational change (Alavi & Gill, 2017). However, few studies have explicitly investigated the potential impact of IT on culture (Leidner & Kayworth, 2006). Likewise, technology mechanisms and organizational culture have not been emphasized (Uzkurt et al., 2013). At the same time, absorbing technology is an essential organizational capability to welcome the fourth industrial revolution and is related to organizational ambidexterity (Mahmood & Mubarak, 2020). The banks must be more technologically innovative, creative, and competitive than before (Imran et al., 2021).

The above argument suggests that this study can fill the existing theoretical and empirical literature gap. This study examines the role of technological capacity in driving ambidexterity. In addition, this study aims to analyze the mediating effect of organizational culture in the relationship between technological capacity and ambidexterity, specifically in commercial banks. There are two reasons why this study is so fascinating. Firstly, research on technological capacity was carried out in the banking sector. Advances in information technology and fintech competition require banks to assess their competitive advantage (Jakšič & Marinč, 2019). Indonesian banking shows a lower efficiency than other ASEAN countries (Effendi et al., 2018) and even The Asia Pacific region (Yang et al., 2019). Second, this study examined the relationship between cultures, technological capacity, and ambidexterity. This research's findings have the potential to serve as a significant and beneficial resource for academic theory development and banking sector practitioners' strategic decision-making. This

study's conclusion can be utilized as a reference for future research and requires immediate examination to meet the degree of exploration and exploitation in the banking sector.

The following section reviews the pertinent literature and discusses the methods used to derive the results, following the presentation of the findings in the discussion. Finally, the study concludes and offers directions for future research while acknowledging the study's limitations.

LITERATURE REVIEW

Banking Ambidexterity

Learning, analysis, imitation, regeneration, and technological change are the main components in improving organizational performance and strengthening competitive advantage in adaptation, exploration, and exploitation activities (March, 1991). Exploration implies corporate behavior characterized by search, discovery, experimentation, risk-taking, and innovation, while exploitation implies corporate behavior characterized by refinement, implementation, efficiency, production, and selection (He & Wong, 2004). The simultaneous pursuit of both activities is called ambidexterity (He & Wong, 2004; Tushman & O'Reilly III, 1996). According to Tushman and O'Reilly III (1996), managers and organizations must be ambidextrous and capable of implementing gradual and revolutionary change for long-term success.

Research on the banking industry in Italy indicates the ambidexterity model in 3 (three) models: 1). exploitation, 2). exploration, 3). ambidextrous (Marabelli et al., 2012). Studies at European banks show that organizational units use formal and informal coordination mechanisms to encourage exploratory and exploitative innovation (Jansen et al., 2006). In a case study conducted on Babel Bank in Iraq, it was observed that the banking industry had embraced electronic management to a significant degree (Ali, 2023). Technological elements influence Vietnam's commercial banks' service quality, and several modifications are discussed in light of recent technological advances (Tam & Thuy, 2023).

Technological Capacity

Technological capacity is a company's ability to perform a technical function by creating new processes and products using the techniques, knowledge, and tools the company already has (Andrade et al., 2020). Technological advances threaten organizational sustainability, and organizations face many challenges regarding their performance (Imran et al., 2021). Organizations are under intense external pressure and must review their processes to innovate.

As a result, innovation has become critical to organizations' long-term survival and growth and is now increasingly important (Imran et al., 2021). Therefore, it is necessary to develop a better understanding of why and how companies adopt digital technologies and how they exploit them. In addition, organizations adopting technology to improve results is critical (Welch & Feeney, 2014).

Many investments establish a culture within an organization that supports learning (Al Dari et al., 2021). Learning has been a crucial organizational success component for decades now, mainly due to the influence that learning has on the progression of technology and industry (Villena-Manzanares et al., 2021). The ability to absorb new technologies requires obtaining, internalizing, and modifying them (García-Morales et al., 2007). The orientation toward technology necessitates the resolution of novel concepts, innovative techniques, and proactive actions highly influenced by organizational culture (Borodako et al., 2022). Hence, the following statement is reached:

H1: Technological capacity positively affects organizational culture

According to Tsai & Hsieh (2009), an increase in a firm's technological capacity enables it to combine and integrate exploration (external technological knowledge) with exploitation (current expertise) to increase sales of new goods. Both exploitation and exploration are forms of learning that can help develop ambidexterity, although they are very distinct from one another (March, 1991). A great aptitude for absorbing new technologies facilitates organizational agility, whereas lacking this competence hinders the development of cutting-edge expertise (Mahmood & Mubarik, 2020). In short, technological capacity can be an instrument in achieving organizational ambidexterity. From the above references, the hypothesis can be formulated as follows:

H2: Technological capacity has a direct impact on organizational ambidexterity

Organizational Culture

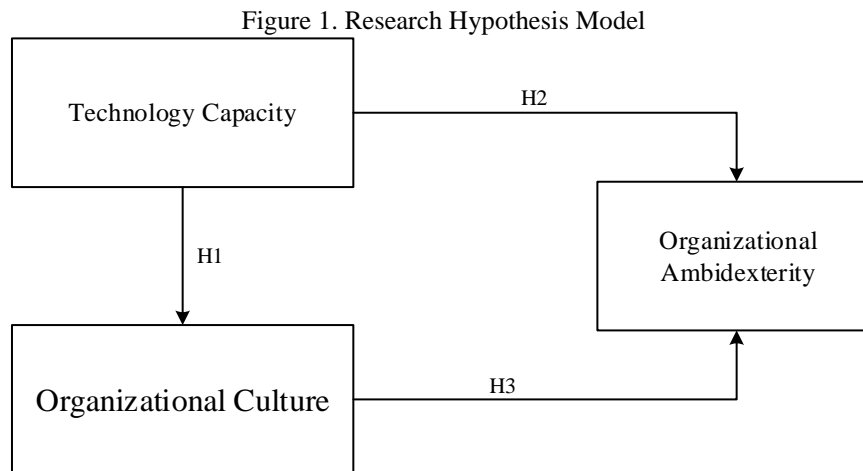
Organizational culture is the comprehension of organizational members' interactions inside a group, which influences their behavior and produces a shared value (Weber & Pliskin, 1996). The organization's culture influences how firms respond and make strategic decisions in response to external events (Liu et al., 2010). Increasing the number of new products a company brings to market depends on fostering an innovation culture that encourages the growth of knowledge through contextual ambidexterity (Ramdan et al., 2022).

Based on the previous study, ambidextrous organizational culture (AOC) should be built on two set organizational ideals: organizational diversity and shared vision (Rink & Ellemers, 2007; Úbeda-García et al., 2018; C. L. Wang & Rafiq, 2014). AOC indicates organizational diversity is a set of practices that value and reward employees' diverse ideas, skills, and experiences (C. L. Wang & Rafiq, 2014). While shared vision is a set of organizational values and customs that encourages all members to work collaboratively to set, share, and achieve the organization's goals (C. L. Wang & Rafiq, 2014). Thus, we can formulate the following hypothesis.:

H3: Organizational culture has a significant effect on organizational ambidexterity

Absorptive capacity is a company's ability to identify, assimilate, and exploit knowledge from the environment (Vinding, 2006). Organizational culture is essential to technology adoption and adaptation for better results. Some institutions may adopt technology because of government mandates, others may adopt it in response to market demand, and others may adopt it because of managerial preference. While numerous criteria can predict adoption, we believe organizational culture will also influence the success of technology adoption and how much it fosters a positive view of technology among managers. It is not just the organization's mission and its members that will determine its culture, but also the external elements, such as technology, that put pressure on the organization to attain ambidexterity (Welch & Feeney, 2014). When a culture of innovation is fostered within a company, organizations are compelled to continuously generate more creative and inventive products, encouraging businesses to continuously learn new information through exploration and exploitation (Ramdan et al., 2022). Research shows that all ownership of high-level digital combined with service and organizational culture capabilities can build company performance antecedents (Lember et al., 2018). From the sources given above, the following conclusion may be drawn:

H4: Organizational culture mediates the relationship between technological capacity and organizational ambidexterity



Source: Prepared by the authors (2023)

We can build a research hypothesis model from the hypotheses above, as shown in Figure 1. Technological capacity and organizational culture directly affect organizational ambidexterity. Simultaneously, organizational culture has a mediating effect on the relationship between technological capacity and ambidexterity.

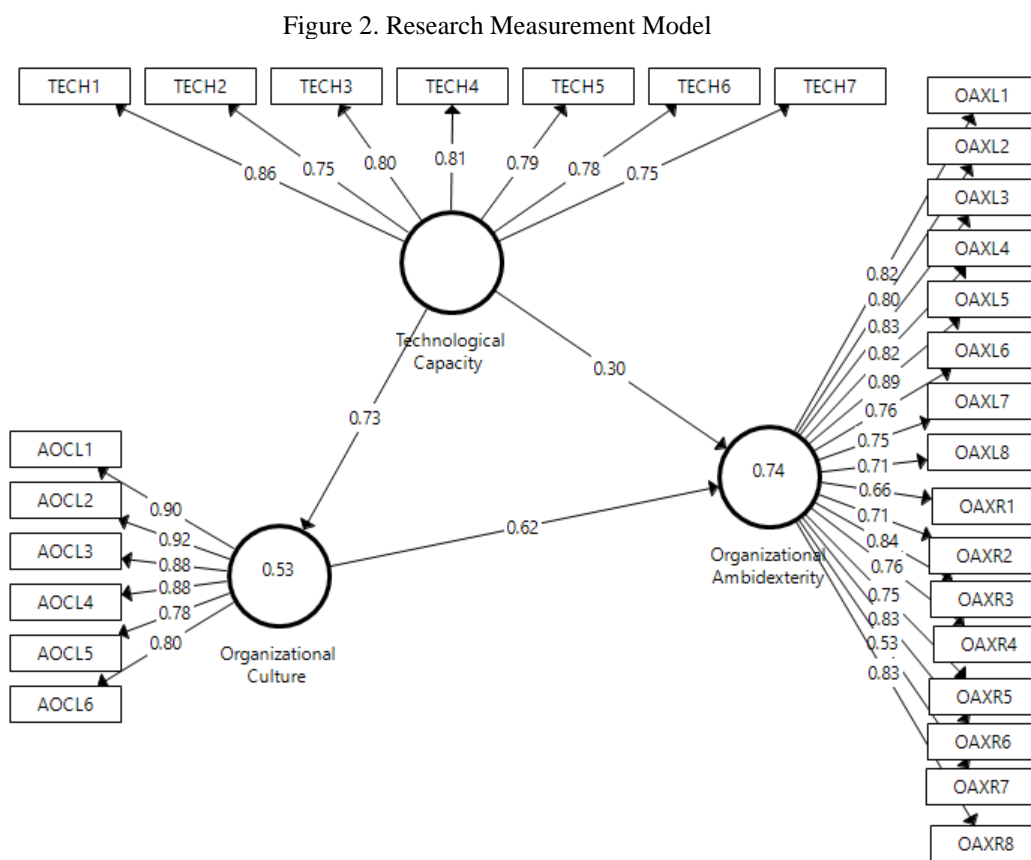
DATA AND METHODOLOGY

This study tests hypotheses by analyzing and validating the impact of technological capacity on organizational culture and ambidexterity. At the same time, this study aims to investigate the role of organizational cultures in mediating the relationship between technological capacity on organizational ambidexterity. This study has applied a quantitative approach to collecting data through questionnaire-based surveys in the banking sector. Referring to Financial Services Authority data, the number of commercial banks in Indonesia is 107. This study follows the direction of Hair (2017) and Cohen (1992), using *G*Power* as a reference for determining the sample. This study's maximum number of independent variables is two, so the minimum sample required is 33 (Hair Jr et al., 2017). The study applied a convenient approach via WhatsApp and email to top management banks in Indonesia. Data were acquired utilizing the survey approach by distributing online surveys via the Microsoft Form link enabled by Perbanas. After nine months, 75 respondents filled in the questionnaires. Validity and reliability tests were conducted to ensure the validity of the questionnaire, we use the Smart PLS program to analyze data and test hypotheses.

Measurement of organizational ambidexterity used 16 statement items adapted from (Jansen et al., 2006; Li, 2016; Soto-Acosta et al., 2018; Úbeda-García et al., 2018), To assess technological capacity utilizing seven items adapted from (Andrade et al., 2020). Six statement

items were devised to assess organizational culture by (Muhammad et al., 2021; Úbeda-García et al., 2018; C. L. Wang & Rafiq, 2014). All the items were measured using seven scales from the range; of strongly disagree to agree strongly.

Figure 2 shows that all loading factors on each variable are more significant than 0.5. Where (Hair, Jr. et al., 2017) still allow the loading factor to be greater than 0.4 if the loading factor's elimination does not significantly affect convergent validity. The loading factor of organizational ambidexterity ranges from 0.534 to 0891, technological capacity ranges from 0.746 to 0.858, and organizational culture ranges from 0.777 to 0.925.



Source: Prepared by the authors (2023)

Table 1 shows that all indicators are valid, indicated by the AVE value greater than 0.5, and the indicators also show reliability because Cronbach's alpha and CR are greater than 0.7. OA (Alpha = 0.954, CR = 0.959), TECH (Alpha = 0.902, CR = 0.922), and AOCL (Alpha = 0.931, CR = 0.946) have the internal consistency reliability (> 0.7). At the same time, the AVE value for the three constructs is more than 0.5 (OA = 0.597, TECH = 0.629, and AOCL = 0.744), which means that all constructs are valid.

Table 1. Convergent Validity

	Loadings	Alpha	CR	AVE
Organizational Ambidexterity (OA)		0.954	0.959	0.597
OAXL1	0.822			
OAXL2	0.804			
OAXL3	0.827			
OAXL4	0.820			
OAXL5	0.891			
OAXL6	0.758			
OAXL7	0.750			
OAXL8	0.705			
OAXR1	0.656			
OAXR2	0.715			
OAXR3	0.839			
OAXR4	0.759			
OAXR5	0.750			
OAXR6	0.833			
OAXR7	0.534			
OAXR8	0.825			
Technological Capacity (TECH)		0.902	0.922	0.629
TECH1	0.858			
TECH2	0.746			
TECH3	0.801			
TECH4	0.814			
TECH5	0.793			
TECH6	0.782			
TECH7	0.753			
Organizational Culture (AOCL)		0.931	0.946	0.744
AOCL1	0.904			
AOCL2	0.925			
AOCL3	0.876			
AOCL4	0.881			
AOCL5	0.777			
AOCL6	0.803			

Source: Prepared by the authors (2023)

In addition, discriminant validity can also be seen from the HTMT ratio, which shows values below 0.90, which means that the items and variables are valid and reliable.

Table 2. Discriminant Validity (HTMT)

	1	2	3
1. Organizational Ambidexterity			
2. Organizational Culture	0.870		
3. Technological Capacity	0.785	0.786	

Source: Prepared by the authors (2023)

Table 3 shows the results of the hypothesis of this study, where the direct relationship between technology capacity and organizational culture variables on organizational ambidexterity is accepted. The mediating effect of the organizational culture in the relationship between technological capacity to organizational ambidexterity is accepted, with a coefficient of influence of 45.1%. All hypotheses are accepted at a significant level of 95% on two tails.

The most extensive direct relationship is the technology capacity variable to organization culture, 72.7%. In comparison, the most significant relationship to the dependent variable is the organizational culture variable to organizational ambidexterity, which is 62%.

Table 3. Hypothesis Results

	Betas	T-Statistics	P-Values	Results
H1: TECH → AOCL	0.727	6,070	0.000	Supported
H2: TECH → OA	0.299	3,160	0.002	Supported
H3: AOCL → OA	0.620	6,978	0.000	Supported
H 4: TECH → AOCL → OA	0.451	4.157	0.000	Supported

Source: Prepared by the authors (2023)

RESULTS AND DISCUSSION

H1 has 0.727 on path coefficients (t-Statistics = 3,223 and p-Value = 0.001), indicating that technological capacity significantly impacts organizational cultures. Investment in R&D as a form of technological capacity indicates a quality of life that leads to a happier digital citizen (Nevado-Peña et al., 2019). This study is in line with (Schulz, 2022), who has examined the connections between technology and Cultural learning. Reengineering an organization's culture may benefit from using IT (Leidner & Kayworth, 2006). At the same time, the other study reveals that 3D technologies are used in analyzing intangible and cultural heritage (Skublewska-Paszowska et al., 2022).

Based on the results of statistical testing (path coefficients of 0.727, t-Statistics = 6,066, and p-Value= 0,000). Technological capacity positively and significantly affects organizational ambidexterity, which means H2 is supported. The higher the technological capacity, the higher the organizational ambidexterity. Retail banking networks are dealing with the presence of fintech, which is slowly eroding the portion of the banking business, especially established banks with solid experience and networks (Brand Finance, 2020). Advances in information technology and fintech competition require banks to assess their competitive advantage (Jakšič & Marinč, 2019). Technology has increased a company's resilience to shocks by facilitating online sales and services (Doerr et al., 2021). These findings support the study's results by Mahmood & Mubarik (2020), which have proven that technology-absorptive capacity impacts organizational ambidexterity.

H3 (t-Statistics = 3,223, and p-Value = 0.001) has 0.299 in path coefficient, which is supported. Organizational cultures have a positive and significant effect on organizational ambidexterity. Organizational culture related to discipline, stretching, support, and trust is needed in contextual organization ambidexterity (Gibson & Birkinshaw, 2004). It is in line with

the results of our study, which are stated in H3; namely, organizational culture in commercial banks significantly affects organizational ambidexterity. It is also in line with research results (Muhammad et al., 2021; Úbeda-García et al., 2018) that organizational culture is related to corporate diversity, and shared vision has a link to organizational ambidexterity. Other studies show that organizational culture mediates the relationship between technology-organizational capacity and e-gov outcomes (Welch & Feeney, 2014).

Finally, hypothesis 4, the role of organizational cultures mediating the relationship between technological capacity and organizational ambidexterity, is accepted (t-Statistics = 4.168, and p-Value = 0.000). Culture plays a vital role in the dissemination of information to be able to benefit from IT, where information is the authority at the top management level in the organization (Zhang & Tansuhaj, 2007)

The effect of technological capacity on organizational ambidexterity is still relatively low. However, when this technological capacity is mediated or supported by organizational culture, the effect of technological capacity on organizational ambidexterity becomes greater when compared to its direct effect. It shows that the role of technological capacity with an established organizational culture will support acceleration in achieving organizational ambidexterity. It means that the role of technological capacity supported by an adequate organizational culture will better contribute to organizational ambidexterity, particularly in the banking sector. The organizational culture in the banking sector is a benchmark for the governance of the banking system.

CONCLUSION

This study examines the relationship between the independent variable technological capacity and organizational culture on organizational ambidexterity. This study also examines the mediating role of organizational culture on the relationship between technological capacity and organizational ambidexterity. The results of this study are as follows: First, the direct relationship between the variable technological capacity and organizational culture is accepted. The direct relationship between variable technological capacity and organizational ambidexterity in Indonesian commercial banks is also accepted. Third, the direct relationship between organizational culture and organizational ambidexterity in commercial banks in Indonesia is accepted. Forth, the mediating influence of the organizational culture variable on the relationship between technological capacity and organizational ambidexterity in commercial banks in Indonesia is also accepted. Technological capacity is necessary for

organizations to accelerate the process of achieving company ambidexterity. Supported by an adequate organizational culture, organizations will adopt technology more quickly and use it to achieve good performance.

Suggestions for further research are to deepen research using the mix-method, hoping the results will be more refined and confirmed.

ACKNOWLEDGMENTS

This work is supported by BINUS Business School Doctor of Research in Management, Bina Nusantara University as a part of the Mono-Year Grant Ministry of Research and Technology / BRIN 2022 entitled The Role of Technological Capacity on Organizational Ambidexterity Moderated Environmental Dynamism in Commercial Banks in Indonesia with contract number 126/VR.RTT/VI/2022 and contract date July 1st 2022: 410/LL3/AK.04/2022 with contract date June 17, 2022.

REFERENCES

- Al Dari, T., Jabeen, F., Hussain, M., & Al Khawaja, D. (2021). How types of organizational culture and technological capabilities contribute to organizational learning. *Management Research Review*, 44(3), 437–459. <https://doi.org/10.1108/MRR-02-2020-0090>
- Alavi, S. B., & Gill, C. (2017). Leading change authentically: How authentic leaders influence follower responses to complex change. *Journal of Leadership & Organizational Studies*, 24(2), 157–171.
- Ali, H. B. (2023). Adoption of Electronic Management in the Banking Sector a Case Study on Babel Bank in Iraq. *International Journal of Professional Business Review*, 8(4), e01104.
- Andrade, J., Franco, M., & Mendes, L. (2020). Technological capacity and organisational ambidexterity: the moderating role of environmental dynamism on Portuguese technological SMEs. *Review of Managerial Science*, 0123456789. <https://doi.org/10.1007/s11846-020-00416-x>
- Ardito, L., Messeni, A., Dezi, L., & Castellano, S. (2018). The influence of inbound open innovation on ambidexterity performance : Does it pay to source knowledge from supply chain stakeholders ? *Journal of Business Research*, December, 0–1. <https://doi.org/10.1016/j.jbusres.2018.12.043>
- Aslam, H., Blome, C., Roscoe, S., & Azhar, T. M. (2018). Dynamic supply chain capabilities: How market sensing, supply chain agility and adaptability affect supply chain ambidexterity. *International Journal of Operations and Production Management*, 38(12), 2266–2285. <https://doi.org/10.1108/IJOPM-09-2017-0555>

Birkinshaw, J., & Gupta, K. (2013). Clarifying the distinctive contribution of ambidexterity to the field of organization studies. *Academy of Management Perspectives*, 27(4), 287–298. <https://doi.org/10.5465/amp.2012.0167>

Borodako, K., Berbeka, J., Rudnicki, M., Łapczyński, M., Kuziak, M., & Kapera, K. (2022). Market orientation and technological orientation in business services: The moderating role of organizational culture and human resources on performance. *PLoS ONE*, 17(6 June), 1–17. <https://doi.org/10.1371/journal.pone.0270737>

Brand Finance. (2020). *Banking 500 2020* (Issue February).

Brock, J. K. U., & von Wangenheim, F. (2019). Demystifying AI: What digital transformation leaders can teach you about realistic artificial intelligence. *California Management Review*, 61(4), 110–134. <https://doi.org/10.1177/1536504219865226>

Cohen, J. (1992). A Power Primer. *Psychological Bulletin [PsycARTICLES]*, 112(July), 155–159. <http://www2.psych.ubc.ca/~schaller/528Readings/Cohen1992.pdf>

Dai, L., Maksimov, V., Gilbert, B. A., & Fernhaber, S. A. (2014). Entrepreneurial orientation and international scope: The differential roles of innovativeness, proactiveness, and risk-taking. *Journal of Business Venturing*, 29(4), 511–524. <https://doi.org/10.1016/j.jbusvent.2013.07.004>

Doerr, S., Erdem, M., Franco, G., Gambacorta, L., & Illes, A. (2021). Technological capacity and firms' recovery from Covid-19. *Economics Letters*, 209, 110102. <https://doi.org/10.1016/j.econlet.2021.110102>

Effendi, N., Setiawan, M., & Indiasuti, R. (2018). Technical efficiencies of Indonesian regional and non-regional banks pre- and post-financial crisis. *Int. J. Economics and Business Research*, 16(3).

Farzaneh, M., Wilden, R., Afshari, L., & Mehralian, G. (2022). Dynamic capabilities and innovation ambidexterity: The roles of intellectual capital and innovation orientation. *Journal of Business Research*, 148(April 2021), 47–59. <https://doi.org/10.1016/j.jbusres.2022.04.030>

Figueiredo, P. N., & Piana, J. (2018). Innovative capability building and learning linkages in knowledge-intensive service SMEs in Brazil's mining industry. *Resources Policy*, 58(October), 21–33. <https://doi.org/10.1016/j.resourpol.2017.10.012>

Ganderson, J. (2020). To change banks or bankers? Systemic political (in)action and post-crisis banking reform in the UK and the Netherlands. *Business and Politics*, 22(1), 196–223. <https://doi.org/10.1017/bap.2019.34>

García-Morales, V. J., Ruiz-Moreno, A., & Llorens-Montes, F. J. (2007). Effects of technology absorptive capacity and technology proactivity on organizational learning, innovation and performance: An empirical examination. *Technology Analysis and Strategic Management*, 19(4), 527–558. <https://doi.org/10.1080/09537320701403540>

Gibson, C. B., & Birkinshaw, J. (2004). The antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*, 47(2), 209–226.

Gupta, A. K., Smith, K. E. N. G., & Shalley, C. E. (2006). The Interplay between Exploration

and Exploitation. *Academy of Management Journal*, 49(4), 693–706.

Hair, Jr., J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM), Second Edition. In *SAGE Publications, Inc.* (Second Edi). SAGE Publications, Inc.

Hair Jr, J. F., Hult, G. T. M. T. M., Ringle, C. M., & Sarstedt, M. (2017). A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM), Second Edition. In *SAGE Publications, Inc.* (Second Edi). SAGE Publications, Inc.

He, Z. L., & Wong, P. K. (2004). Exploration vs. exploitation: An empirical test of the ambidexterity hypothesis. *Organization Science*, 15(4), 481–495. <https://doi.org/10.1287/orsc.1040.0078>

Imran, M., Ismail, F., Arshad, I., Zeb, F., & Zahid, H. (2021). The mediating role of innovation in the relationship between organizational culture and organizational performance in Pakistan's banking sector. *Journal of Public Affairs, February*. <https://doi.org/10.1002/pa.2717>

Jakšič, M., & Marinč, M. (2019). Relationship banking and information technology: the role of artificial intelligence and FinTech. *Risk Management*, 21(1). <https://doi.org/10.1057/s41283-018-0039-y>

Jansen, J. J. P., Van Den Bosch, F. A. ., & Volberda, H. W. (2006). Exploratory innovation, exploitative innovation, and performance: effects of organizational antecedents and environmental moderators. *Management Science*, July 2006. <https://doi.org/10.5962/bhl.title.67734>

Kelemen, M., & Pappasolomou, I. (2007). Internal marketing: a qualitative study of culture change in the UK banking sector. *Journal of Marketing Management*, 23(7–8), 746–768. <https://doi.org/10.1362/026725707x230027>

Lee, J. Y., Seo, Y., Jeung, W., & Kim, J. H. (2019). How ambidextrous organizational culture affects job performance: A multilevel study of the mediating effect of psychological capital. *Journal of Management and Organization*, 25(6), 860–875. <https://doi.org/10.1017/jmo.2017.38>

Leidner, D. E., & Kayworth, T. (2006). A Review of Culture Toward a Theory of Information Culture Technology. *MIS Quarterly*, 30(2), 357–399.

Lember, V., Kattel, R., & Tõnurist, P. (2018). Technological capacity in the public sector: the case of Estonia. *International Review of Administrative Sciences*, 84(2), 214–230. <https://doi.org/10.1177/0020852317735164>

Li, C. R. (2016). The role of top-team diversity and perspective taking in mastering organizational ambidexterity. *Management and Organization Review*, 12(4), 769–794. <https://doi.org/10.1017/mor.2015.54>

Liu, H., Ke, W., Wei, K. K., Gu, J., & Chen, H. (2010). The role of institutional pressures and organizational culture in the firm's intention to adopt internet-enabled supply chain management systems. *Journal of Operations Management*, 28(5), 372–384. <https://doi.org/10.1016/j.jom.2009.11.010>

Luger, J., Raisch, S., & Schimmer, M. (2018). Dynamic balancing of exploration and exploitation: The contingent benefits of ambidexterity. *Organization Science*, 29(3), 449–470. <https://doi.org/10.1287/orsc.2017.1189>

Mahmood, T., & Mubarik, M. S. (2020). Balancing innovation and exploitation in the fourth industrial revolution: Role of intellectual capital and technology absorptive capacity. *Technological Forecasting and Social Change*, 160(August), 120248. <https://doi.org/10.1016/j.techfore.2020.120248>

Marabelli, M., Frigerio, C., & Rajola, F. (2012). Ambidexterity in Service Organizations: Reference Models from the Banking Industry. *Industry and Innovation*, 19(2), 109–126. <https://doi.org/10.1080/13662716.2012.650881>

March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, 2(1), 71–87. <https://doi.org/10.1287/orsc.2.1.71>

Mathews, S. W., Maruyama, M., Sakurai, Y., Perks, K. J., & Sok, P. (2019). Risk perceptions in Japanese SMEs: the role of Internet marketing capabilities in firm performance. *Journal of Strategic Marketing*, 27(7), 599–611. <https://doi.org/10.1080/0965254X.2018.1464048>

Mazzelli, A., De Massis, A., Petruzzelli, A. M., Del Giudice, M., & Khan, Z. (2020). Behind ambidextrous search: The microfoundations of search in family and non-family firms. *Long Range Planning*, May. <https://doi.org/10.1016/j.lrp.2019.05.002>

Muhammad, F., Ikram, A., Jafri, S. K., & Naveed, K. (2021). Product innovations through ambidextrous organizational culture with mediating effect of contextual ambidexterity: An empirical study of IT and telecom firms. *Journal of Open Innovation: Technology, Market, and Complexity*.

Nevado-Peña, D., López-Ruiz, V. R., & Alfaro-Navarro, J. L. (2019). Improving quality of life perception with ICT use and technological capacity in Europe. *Technological Forecasting and Social Change*, 148(August), 119734. <https://doi.org/10.1016/j.techfore.2019.119734>

O'Reilly, C. A., & Tushman, M. L. (2013). Organizational ambidexterity: Past, present, and future. *Academy of Management Perspectives*, 27(4), 324–338. <https://doi.org/10.5465/amp.2013.0025>

Plummer, L. A., Allison, T. H., & Connelly, B. L. (2016). Better together? signaling interactions in new venture pursuit of initial external capital. *Academy of Management Journal*, 59(5), 1585–1604. <https://doi.org/10.5465/amj.2013.0100>

Raisch, S., & Birkinshaw, J. (2008). Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management*, 34(3), 375–409. <https://doi.org/10.1177/0149206308316058>

Raisch, S., Birkinshaw, J., Probst, G., & Tushman, M. L. (2009). Organizational ambidexterity: Balancing exploitation and exploration for sustained performance. *Organization Science*, 20(4), 685–695. <https://doi.org/10.1287/orsc.1090.0428>

Ramdan, M. R., Aziz, N. A. A., Abdullah, N. L., Samsudin, N., Singh, G. S. V., Zakaria, T., Fuzi, N. M., & Ong, S. Y. Y. (2022). SMEs Performance in Malaysia: The Role of Contextual

Ambidexterity in Innovation Culture and Performance. *Sustainability (Switzerland)*, 14(3), 1–18. <https://doi.org/10.3390/su14031679>

Rink, F., & Ellemers, N. (2007). Diversity as a basis for shared organizational identity: The norm congruity principle. *British Journal of Management*, 18(SUPPL. 1). <https://doi.org/10.1111/j.1467-8551.2007.00523.x>

Schulz, A. W. (2022). Enhancing thoughts: Culture, technology, and the evolution of human cognitive uniqueness. *Mind and Language*, 37(3), 465–484. <https://doi.org/10.1111/mila.12320>

Skublewska-Paszowska, M., Milosz, M., Powroznik, P., & Lukasik, E. (2022). 3D technologies for intangible cultural heritage preservation—literature review for selected databases. *Heritage Science*, 10(1), 1–24. <https://doi.org/10.1186/s40494-021-00633-x>

Soto-Acosta, P., Popa, S., & Martinez-Conesa, I. (2018). Information technology, knowledge management and environmental dynamism as drivers of innovation ambidexterity: a study in SMEs. *Journal of Knowledge Management*, 22(4), 824–849. <https://doi.org/10.1108/JKM-10-2017-0448>

Tam, P. T., & Thuy, L. T. (2023). Technology Affecting the Service Quality of Commercial Banks in Vietnam. *International Journal of Professional Business Review*, 8(1), e01757.

Tsai, K. H., & Hsieh, M. H. (2009). How different types of partners influence innovative product sales: Does technological capacity matter? *Journal of Business Research*, 62(12), 1321–1328. <https://doi.org/10.1016/j.jbusres.2009.01.003>

Tushman, M. L., & O'Reilly III, C. A. (1996). Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review*, 38(4), 8–29.

Úbeda-García, M., Claver-Cortés, E., Marco-Lajara, B., García-Lillo, F., & Zaragoza-Sáez, P. C. (2018). Continuous innovation in the hotel industry: The development of organizational ambidexterity through human capital and organizational culture in Spanish hotels. *International Journal of Contemporary Hospitality Management*, 30(12), 3609–3631. <https://doi.org/10.1108/IJCHM-06-2017-0326>

Uzkurt, C., Kumar, R., Kimzan, H. S., & Eminoğlu, G. (2013). Role of innovation in the relationship between organizational culture and firm performance: A study of the banking sector in Turkey. *European Journal of Innovation Management*, 16(1), 92–117. <https://doi.org/10.1108/14601061311292878>

Villena-Manzanares, F., García-Segura, T., & Pellicer, E. (2021). Organizational factors that drive to bim effectiveness: Technological learning, collaborative culture, and senior management support. *Applied Sciences (Switzerland)*, 11(1), 1–16. <https://doi.org/10.3390/app11010199>

Vinding, A. L. (2006). Absorptive capacity and innovative performance: A human capital approach. *Econ. Innov. New Techn*, 15(45), 507–517.

Wang, C. L., & Rafiq, M. (2014). Ambidextrous organizational culture, contextual ambidexterity and new product innovation: A comparative study of UK and Chinese high-tech firms. *British Journal of Management*, 25(1), 58–76. <https://doi.org/10.1111/j.1467->

8551.2012.00832.x

Wang, W., & Zhang, C. (2018). Evaluation of relative technological innovation capability: Model and case study for China's coal mine. *Resources Policy*, 58(October 2015), 144–149. <https://doi.org/10.1016/j.resourpol.2018.04.008>

Weber, Y., & Pliskin, N. (1996). The effects of information systems integration and organizational culture on a firm's effectiveness. *Information and Management*, 30(2), 81–90. [https://doi.org/10.1016/0378-7206\(95\)00046-1](https://doi.org/10.1016/0378-7206(95)00046-1)

Welch, E. W., & Feeney, M. K. (2014). Technology in government: How organizational culture mediates information and communication technology outcomes. *Government Information Quarterly*, 31(4), 506–512. <https://doi.org/10.1016/j.giq.2014.07.006>

Wu, J., Wood, G., Chen, X., Meyer, M., & Liu, Z. (2020). Strategic ambidexterity and innovation in Chinese multinational vs. indigenous firms: The role of managerial capability. *International Business Review*, 29(6), 101652. <https://doi.org/10.1016/j.ibusrev.2019.101652>

Yang, Z., Gan, C., & Li, Z. (2019). Role of bank regulation on bank performance: Evidence from Asia-Pacific commercial banks. *Journal of Risk and Financial Management Article*.

Zhang, M., & Tansuhaj, P. S. (2007). Organizational culture, information technology capability, and performance: the case of born global firms. *Multinational Business Review*, 15(3), 43–78. <https://doi.org/10.1108/1525383X200700012>

Zimmermann, A., Raisch, S., & Birkinshaw, J. (2015). How is ambidexterity initiated? The emergent charter definition process. *Organization Science*, 26(4), 1119–1139.