

UDC 331

## DO LEADERSHIP CAPABILITY, MOTIVATION, LEARNING ORIENTATION, AND STRATEGIC CHANGES INFLUENCE PERFORMANCE?

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### ABSTRACT

This study analyzes the direct and indirect effects of leadership capability, motivation, and learning orientation through strategic changes as the mediating variable on performance. Data were collected using questionnaires distributed to 275 directors or chairs, lecturers, and educational staff at the private maritime higher education institutions (*Perguruan Tinggi Maritim Swasta – PTMS*) in Jakarta, Indonesia. Data were analyzed using Structural Equation Modelling (SEM) employing AMOS 23. Findings confirm that leadership capability has a direct negative effect on performance due to policy dualism on the recruitment of lecturers and education staff; however, leadership capability has an indirect positive effect on performance through strategic changes. This is different from motivation and learning orientation, which have a direct positive effect on organizational performance. Strategic changes have been able to mediate the effect of leadership capability, motivation, and learning orientation to affect performance positively. Findings also show that motivation must be academically increased, and lecturing must be well presented because motivation can affect and has the most significant role in organizational performance through strategic changes.

### KEYWORDS

Motivation, leadership capability, learning orientation, strategic change, performance.

The maritime industry is a global transnational industry that interacts with various borderlines, yet the industry does not necessarily need to be limited by a borderline (Ljung, 2010). Within the context of trade and economic development, the maritime industry has always had a crucial role as an enabler and wealth facilitator (Nguyen et al., 2022). Because of its crucial role, the maritime industry needs quality human resources to navigate its direction throughout the global journey. To produce these quality human resources, education is the answer. Education is the key to social mobility and improvement. Education also represents another important sector for development of a country because it prepares quality human resources needed to fight against poverty and ignorance, encourages social movement, and equalizes opportunities and income.

Successful task implementation must be supported by quality human resources; educational institutions play a vital role in preparing competent and professional human resources. Education is the key factor affecting social mobility and the social economy of the people. The government of Indonesia aims to reform education by transforming school principals' leadership, providing more training for teachers, having teachers teach based on their expertise, applying global assessment standards, and building relationships with the local government and communities (Kemenkeu, 2022). *Perguruan Tinggi Maritim (PTM)* is a vocational higher education institution in the maritime field aiming to produce competent graduates and professionals with national and international standards. Both public and private PTM hold the principle of Trisila (nationalism, democracy, and divinity), a principle vital to the graduates to implement while working in the closed environment of ships.

Private schools are known to be superior in developing students' critical thinking and skills (Chowdhury & Synthia, 2021). Teachers at private schools shows stronger self-efficacy than those at public schools (Kundu & Bej, 2021). PTM face tight competition among themselves and other higher education institutions because almost all regions of Indonesia have had both private and public PTM. Thus, PTMS have to perform well and apply suitable strategies to win the competition.

The Resource-Based View (Penrose, 1959) mentions that different performance improvements and competitive advantages in management strategies are influenced by internal factors, namely assets or people in the industry which can compete against their competitors. There are also external factors, including the position of the industry, its environment (such as technological advancements, information, and knowledge), and natural resources. A distinguished organizational performance will create sustainable competitive advantages (Jurksiene & Pundziene, 2016). There is no straightforward effect of strategies that affect performance initiatives on employees' mindset and behavior (Bolander et al., 2017). Policymakers must have sound knowledge and learning that affect their conception, information, problem-solving, and decision-making in an effort to create innovations and improve organizational performance to adapt to the rapidly changing environment (Gary, 2020). Policymakers must acknowledge the essential role of educational leadership in distributing educator leadership and creating collective efforts for educational improvement. The primary step in making changes is developing awareness among school leaders on the possibilities and importance of distributed leadership, widening teachers' views on leadership, and raising awareness among these teachers that they have the possibility and chance to lead (Sinha & Hanuscin, 2017).

Different findings from previous studies on the effect of intrinsic and extrinsic motivation on performance are the research gap we tried to fill with the present study. Previous studies revealed that only extrinsic motivation affected employee performance (Pang & Lu, 2018) (Locke & Schattke, 2019) and that intrinsic motivation did not significantly affect personal performance (Zhang, 2016). However, other studies mentioned that employees with intrinsic and extrinsic motivation would work more and get more opportunities (Akkermans, 2016). Another study mentioned that motivation was the key to successful performance (Adiguzel & Sonmez, 2022). Some organizational factors seem to have uncertain relationship with strategic changes. On one hand, companies rich in resources tend to develop structural inertia and stability, leading to a minimum strategic change (Shahzad et al., 2019a). On the other hand, companies tend to have abundant weak resources to invest in different activities and enforce strategic changes (Kraatz & Zajac, 1996).

There have been no studies on the simultaneous effects of leadership capability, motivation, and learning orientation on performance employing strategic changes as the mediating variable—this is the novelty of the present study. The other novelty is that the findings are expected to help experts of maritime strategies to determine the gaps and opportunities in maritime strategy management. A better understanding of how to maintain identity dynamics amid strategic changes is vital to study (Bolander et al., 2017). To sum up, this present study analyses the effect of organizational leadership capability, motivation, and learning orientation on the performance of maritime higher education institutions using strategic changes as the mediating variable.

## LITERATURE REVIEW

### Leadership Capability

Organizational leadership capability, directly and indirectly, relates to various leadership styles and innovations (Alblooshi & Haridy, 2020). The capability is vital for knowledge coordination in service organizations for innovative behavior (Kivipõld, 2015). Thus, organizational leadership capability can be defined as a skill one has in organizing, directing, guiding, influencing, and motivating others in a group he/she leads to achieve certain goals. The dimensions to measure leadership capability are (Vadi & Kivipõld, 2010) as follows. *First*, organizational orientation refers to the vision or strategies with alignment

representing the external focus and cohesion representing the organizational context. *Second*, organizational adaptation secures the stability of organizational adaptation by processing information—recording, transition, and interpellation in the leadership process.

### **Motivation**

Motivation is the choice employees make between tasks and goals, and they may choose to pursue organizational goals or other goals that may conflict with the organization's interests. Motivation is also the strength and persistence with which they work to achieve a goal. Motivation can reflect personal traits (Dipboye, 2018). Work motivation is a driving force that can create excitement in doing the job, making employees want to exercise their best contribution for the success of the organization to achieve its goals (Lijan & Sarton, 2019). Measuring work motivation covers two factors, intrinsic and extrinsic (Rita et al., 2018). Intrinsic motivation consists of progress, recognition, and responsibility. *Progress* refers to the possibility for employees to advance in their job, such as getting promoted. *Recognition* refers to the acknowledgement employees get for their job. *Responsibility* refers to the how employees manage to perform their work well and be accountable of what they do. Extrinsic motivation consists of supervision, salary, company policy, and work condition. *Supervision* refers to the reasonable level of supervision employees feel. *Salary* refers to the amount of money employees get for doing their job. *Company policy* ensures that all employees follow the rules and regulations in the company. *Work condition* refers to the health and safety at the workplace for employees to perform well.

### **Learning Orientation**

Learning orientation directs companies to think of how to survive amid external conflicts (Aragón-Correa, 2007). Organizations will see an increase in capability when learning is oriented towards performance completed with technological advancements. Better learning orientation will help companies respond better to information. If learning orientation is applied in all companies' activities and companies seek to improve their ability to explore and exploit information, innovation will be better. Learning takes place through interactions and observations. Individuals with strong learning orientations will always find ways to improve their knowledge and skills (Atitumpong, 2015). Learning orientation combines these three factors: commitment to learning, shared vision, and open mindedness (Sinkula, et. al, 1997). *Commitment to learning* refers to the readiness of organizations to change how they do things by combining existing or new knowledge. *Shared vision* is vital to ensure that learning focuses on all directions. *Open-mindedness* helps to gain market information and new ways of seeing market phenomena; in this case, organizations must be open to new ideas and knowledge.

Learning orientation has five dimensions (Chiva, et. al , 2007): experimentation, risk-taking, interaction, dialogue, and participative decision-making. *Experimentation* refers to what extent new ideas and recommendations are taken into account. *Risk-taking* refers to tolerance for ambiguity, uncertainty, and mistakes. *Interaction* with the external environment refers to the relationship with the outside world. *Dialogue* ensures sustainable learning orientation. *Participative decision-making* refers to how companies influence their employees in making decisions.

### **Strategic Changes**

Strategic changes happen when a company makes difficult business decisions related to its products and market, resource allocation, competitive advantages, and core technology, which fundamentally change the relationship between the company and its environment (Wang, 2017). The dimensions of strategic changes are as follows (Pettigrew & Whipp, 1992). Leading change means moving the organization forward and creating the right climate for change. *Linking strategic and operational change* means that merging operational activities is necessary and can lead to new strategic changes. *Human resources* are assets and liabilities mean that every employee must know they are seen as valuable and trusted by the organization. *Coherence* means that changes in strategy must be consistent (clear

goals). *Environmental assessment* means continuous supervision of the internal and external environment through open learning systems. Strategic changes have several dimensions (Mohammad, 2019). *Adaptation* refers to the way of adjusting to the environment. *Reaction* refers to an action performed or a feeling experienced in response to a situation or event. *Environmental dynamism* refers to rapid, directional, and unpredictable changes in the business environment.

**Performance**

Performance represents a function of interaction between motivation and ability. A person must have a certain degree of willingness (motivation) and level of ability to finish a task or job. However, one’s willingness and ability will not be effective enough to finish a task if the person has no ideas of what to do and how to do it (Hersey & Blanchard, 1993). Performance appraisal is vital since it shows to what extent employees can do their job. Thus, certain criteria are needed as a reference for performance appraisal.

Performance has six dimensions (Nuhu, et. al, 2016) as follows. *Quality* refers to the standard of products or services. *Operational procedures* must be standardized to ensure quality. *New product introduction* is vital since it shows to what extent organizations or companies can innovate by launching new products. *Operational efficiency* means maximizing all resources in production processes for goods and services. *Operational effectiveness* refers to the utilization levels of resources (human, money, technology, materials, etc.).

Performance standards must be informed to relevant parties to assess organizational achievement related to the vision and mission of the organization and to know the positive and negative impact of operational policy taken (Gouda et al., 2013). Performance as a concept evolves in its measurement and definition; various definitions are found on academic literature and management research related to performance and it continuous to be an interesting topic to study (Barney & Felin, 2013). Performance is the process of recording and measuring the achievement of organizational activities, in products, processes, or services, in relation to mission accomplishment (Anwar & Hasnu, 2017).

**RESEARCH FRAMEWORK**

The research framework is presented in Figure 1.

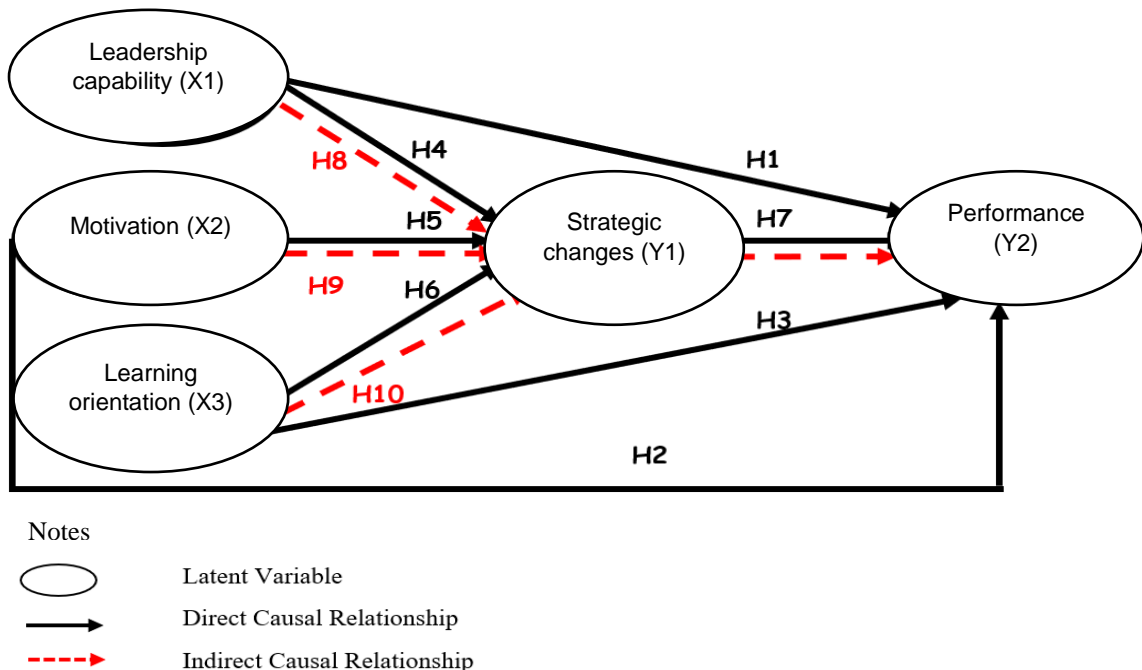


Figure 1 – Research Framework

The research framework explains the effect of one variable to other shown by the arrows. The study has the following variables: leadership capability (X1), motivation (X2), learning orientation (X3), strategic changes (Y1), and performance (Y2). Based on the research framework (Figure 1), 10 hypotheses are proposed showing the effect of the exogenous to the endogenous variables (dependent and mediating), direct and indirect relationships.

Leadership positively affects performance (Wan Muda et al., 2017). Leaders have the ability to drive innovative behavior of organizational performance (Kivipõld & Vadi, 2010). They also mention that leadership capability refers to the interaction of main behavior principles marked as adaptation and orientation of the organization and is clearly related to organizational performance. Organizational leadership relates to innovation in organizational development (Anning-Dorson, 2016). Based on those studies, we proposed the following hypothesis:

*H<sub>1</sub>: Leadership capability affects performance.*

Motivation and resources have a positive and significant effect on performance and innovation performance (Shahzad et al., 2019b). Strategic orientation and work motivation are crucial for performance (Adiguzel & Sonmez Cakir, 2022). Motivation is closely related to knowledge, and skills and knowledge have a positive and significant effect on performance improvement (Çetin & Aşkun, 2018). Based on those studies, we proposed the following hypothesis:

*H<sub>2</sub>: Motivation affects performance.*

Information dissemination and strategic response coordination provides positive intervention between learning orientation and performance (Hamzah et al., 2020). Supports to non-economic performance is the main feature to drive economic performance and learning orientation is the result of this characteristic (Baba, 2015). Learning orientation is the key to much knowledge. Analysis confirms that work satisfaction and organizational commitment have a positive and significant effect on knowledge through learning orientation (Ro et al., 2021). Based on those studies, we proposed the following hypothesis:

*H<sub>3</sub>: Learning orientation affects performance.*

Distributed leadership positively affects strategic dynamism (Haukur Ingi & Helgi Thor, 2018; Liao et al., 2019). There is a positive effect of leaders' education on strategic policies (Mohd Ali & Zulkipli, 2019). Based on those studies, we proposed the following hypothesis:

*H<sub>4</sub>: Leadership capability affects strategic changes.*

There is a negative and not significant effect of motivation on strategic changes; this happens because a driving force and resistance is needed to reduce resistance to changes as the main reason of failure of program changes (Allaoui & Benmoussa, 2020). A different finding, however, exists, showing a positive relationship of executives willing to deviate their own strategies for success (Roundy et al., 2016). The deviation results in work aspiration, company's maturity, and environmental stability that affects the relationship between company's focus and strategic changes. There is a positive relationship that a widened perspective on motivation will build a resilient strategic team and adaptive capacity in various organizational settings (Wolf & Felger, 2019). Based on those studies, we proposed the following hypothesis:

*H<sub>5</sub>: Motivation affects strategic changes.*

Tho (2019) finds that learning orientation in a proactive and responsive way to customers and responsiveness to competitors positively affects company innovation. Learning orientation positively affects operations strategy and supply chain although it does not directly affect innovation performance (Kumar et al., 2020). A different result exists, showing that strategic changes are negative feedback for companies; this provides a strong proof that the focus of company's regulation can affect how companies learn from feedback and formulate strategic changes (Ahn et al., 2021). Based on those studies, we proposed the following hypothesis:

*H<sub>6</sub>: Learning orientation affects strategic changes.*

Strategy suitability positively relates to organizational performance (Dang & Lin, 2017). There is a positive and significant effect of strategic changes on performance; thus, it is

important that managers understand the environment where the company works and can choose the right learning following the company's strategic changes to improve performance (Mohammad, 2019). A causal relationship of strategic changes can promote company performance (Wei & Zhang, 2020). Based on those studies, we proposed the following hypothesis:

*H<sub>7</sub>: Strategic changes affect performance.*

There is a positive relationship between leadership capability and performance through strategic changes (Xiu et al., 2017). The finding supports a mediating variable in which organizations with focusing on flexibility of their strategies have a higher possibility to adopt innovative human resource management. The study also confirms that leadership capability increases strategic performance through strategic flexibility. Dynamic capability as a mediating variable in the relationship between strategic leadership capability and performance of hospitals confirm that better strategic leadership will lead to better performance (Najmi et al., 2018). Leadership capability encourages financial performance and brings a positive effect by mediating employee's readiness to change amid economic crisis (Katsaros et al., 2020). Based on those studies, we proposed the following hypothesis:

*H<sub>8</sub>: Leadership capability affects organizational performance through strategic changes.*

Kalantari (2015) reveals that companies with positive relationships and internal and external motivation have better performance. Organizational motivation tends to have the result expected by audit institutions (Dagilienė & Klovienė, 2019). A positive relationship occurs if external audit tends to focus on procedures not to meet regulatory requirements but only to provide more value to the business due to. Thus, we proposed the following hypothesis:

*H<sub>9</sub>: Motivation affects organizational performance through strategic changes.*

There is a positive and significant effect of learning orientation, training, and development on performance (Khdour et al., 2020). There is a positive relationship mediated by strategic orientation of human resource management between organizational learning and four measures of company performance: development of employee' skills, product and service innovation, cost effectiveness, and income growth (Siddique, 2018). Human resource management plays a crucial role in developing company orientation and entrepreneurial skills and enriching knowledge, skills, competence through harmonious business strategies that will increase productivity and overall organizational performance (Moustaghfir et al., 2020).

*H<sub>10</sub>: Learning orientation affects organizational performance through strategic changes.*

## METHODS OF RESEARCH

This study employed a quantitative design. We used associative research problems in which variables had a causal relationship. We had the following variables in our study: (1) the dependent variable was organizational performance, symbolized by  $Y_2$ , (2) the mediating variable was strategic changes, symbolized by  $Y_1$ , and (3) the independent variables were leadership capability ( $X_1$ ), motivation ( $X_2$ ), and learning orientation ( $X_3$ ).

Data used were primary data collected directly from the research objects through questionnaires. Data were collected for one month. We directly distributed the questionnaire to four PTMS as the research population. They included the directors/heads, lecturers, and educational staff, with a total of 304 people. The directors/heads of the PTMS had been in their position for more than a year, and the PTMS had to have been founded for more than five years. We had 275 samples from 304 people in the population based on the method proposed by Becket et al. (Beckett et al., 2018).

Our questionnaire had alternatives arranged with a five-point Likert scale, 1 for strongly disagree to 5 for strongly agree. The questionnaire was checked for its validity and reliability before being used to collect data. Data collected from the questionnaire were analyzed using a multivariate analysis. Hypothesis testing was done using Structural Equation Modelling (SEM) (F. Hair Jr et al., 2014). SEM is a multivariate technique that combines factor analysis

and multiple regression which allows researchers to simultaneously examine a series of interrelated dependency relationships between measured variables and latent constructs (varies) as well as between multiple latent constructs. Hypothesis testing started with the Goodness of Fit analysis to determine whether the proposed model fits the sample (F. Hair Jr et al., 2014).

## RESULTS AND DISCUSSION

### Respondent Profile

Table 1 – Profile of Research Respondents

Description	Frequency	Percentage (%)
<b>Gender</b>		
Male	208	75.4
Female	67	24.6
Total	275	100
<b>Ages</b>		
20 – 30 years old	16	5.8
31 – 40 years old	30	10.9
41 – 50 years old	94	34.1
51 and above	135	49.3
Total	275	100
<b>Education</b>		
Senior high – equivalent	13	4.7
S1 – equivalent	26	9.4
S2 – master’s degree	98	35.6
S3 – doctoral degree	8	2.9
Professionals in the field of engineering or Nautica	130	47.3
Total	275	100
<b>Tenure</b>		
Less than 1 year	4	1.4
1 – 5 years	60	21.7
6 – 10 years	23	16.7
11 years and more	83	60.1
Total	275	100

Source: Data Analysis, 2022.

#### Gender

Table 1 shows that the majority of the respondents are male since sailors and maritime staff are closely related to strong body, tight work schedule, hard work, and nautical science. A ship has limited space that tends to be masculine; it erases femininity from building a career and social relationship there due to some risks that cannot be neglected (Acejo & Abila, 2016). Previous studies also confirm that male leaders are more preferred than female ones (Rhee & Sigler, 2015).

#### Age

Table 1 confirms that most respondents are 50 years old or more. Since PTMS are vocational institutions, many lecturers and educational staff are professionals in the field with sufficient expertise. Age is identical to experience in doing the job. There are signs that ages can affect decision-making and innovation and are positively related to leadership (Klonoski, 2012).

#### Education

Table 1 shows that our respondents are mostly professionals in the field of engineering or nautical science. It is understandable given the fact that PTMS are vocational higher education institutions in the field of nautical science and maritime, so they focus more on human resources with expertise in the field. In other words, having professionals and great

sailors at PTMS will help produce the next great sailors. Education is crucial for organizational leadership and is key for organizational success (Kwan, 2012).

### Tenure

Most respondents had worked for 11 years or more. This long tenure significantly affects leadership experience and leadership capability that finally affect psychological empowerment. This shows that leadership experience is positively related to an optimistic view of leadership, indicating that leaders' attitudes about leadership can change because of more experience (Solansky, 2014).

### Hypothesis Testing

Hypothesis testing was done using an estimate and significance  $\alpha = 0.05$  and  $P < 0.05$ . The results are presented in Table 2.

Table 2 – Hypothesis Testing Results

Hypothesis	Indicators	Estimate	C.R.	P-value	Conclusion
H <sub>1</sub>	Leadership capability → Performance	-0.007	-0.071	0.943	Rejected
H <sub>2</sub>	Motivation → Performance	0.244	1.987	0.047	Accepted
H <sub>3</sub>	Learning orientation → Performance	0.216	2.261	0.024	Accepted
H <sub>4</sub>	Leadership capability → Strategic changes	0.446	4.302	0.000	Accepted
H <sub>5</sub>	Motivation → Strategic changes	0.588	4.449	0.000	Accepted
H <sub>6</sub>	Learning orientation → Strategic changes	0.257	2.375	0.018	Accepted
H <sub>7</sub>	Strategic changes → Performance	0.582	7.315	0.000	Accepted
H <sub>8</sub>	Leadership capability → Strategic changes → Performance	0.260	3.708	0.000	Accepted
H <sub>9</sub>	Motivation → Strategic changes → Performance	0.342	3.801	0.000	Accepted
H <sub>10</sub>	Learning orientation → Strategic changes → Performance	0.150	2.259	0.024	Accepted

Sources: Data Analysis, 2022.

### The Effect of Leadership Capability on Performance

The significance test on Hypothesis 1 shows a negative and insignificant effect of leadership capability on motivation (P-value = 0.943, estimate = -0.007, and critical ratio = -0.071 < 1.96), but the data supported the hypothesis. This finding contradicts a previous study (Vadi & Kivipõld, 2010), stating that leadership capability, as an interaction between the primary principles of an organization marked as organizational orientation and adaptation, significantly affects organizational performance. Leadership capability is intellectual capital (IC) that focuses on value creation as the concept of organizational learning (Schweitzer, 2014).

The other reason for the hypothesis to be rejected is because PTMS have two main parent organizations, the Ministry of Education and Culture and the Ministry of Transportation. Then, there are times when the rules and regulations of the two parent organizations contradict or overlap, making PTMS' goals unclear. The approval status PTMS have gotten from the Ministry of Transportation does not mean that PTMS can independently manage their learning process. Unwritten rules and regulations also confuse PTMS.

The two parent organizations also ask for different requirements for lecturer recruitment; the different requirements have made recruitment challenging. The other problem is related to the age of the lecturers. Older age means more experience and better expertise, but at the same time poses the risk of slow mobility and low physical strength that may affect the teaching and learning process. No intervention from PTMS leaders have caused decreased organizational performance.

### The Effect of Motivation on Performance

The significance test on Hypothesis 2 shows a positive and significant effect of motivation on performance (P-value = 0.047, estimate = 0.244, and critical ratio = 1.987 > 1.96), and the data supported the hypothesis. This finding supports a previous study (Shahzad, et. al, 2019), stating that human resource, motivation, and employee voices affect innovation performance. Motivation of PTMS lecturers refer to their tasks and is closely related to the management of PTMS as an education institution. Teacher's motivation has



always been vital for the success and performance of an education system. Teacher's motivation is one of the biggest contributors to maximize performance (Filak & Sheldon, 2003).

Employees in the maritime industry are dedicated and motivated to give the best service and maintain competitive advantage (Pang & Lu, 2018). PTMS lecturers who are ANT I or ATT I are experts in their field. They have the experiences not many people can have. Their high motivation and spirit while working on ships are carried out to the classroom, even when they are no longer sailors. They share the spirit and motivation to the students. Lecturers these days need managerial skills, including teaching skills. They must be motivated to learn new things for better teaching processes.

#### *The Effect of Learning Orientation on Performance*

The significance test on Hypothesis 3 shows a positive and significant effect of learning orientation on performance (P-value = 0.024, estimate = 0.216, and critical ratio = 2.261 > 1.96), and the data supported the hypothesis. This finding supports a previous study (Hamzah, et. al, 2020), confirming a positive relationship between learning orientation and performance. Learning orientation in this study refers to a series of organisational values reflecting innovation abilities. Lecturers, as learning agents, must become a facilitator, motivator, creator, and inspirator for students.

Learning orientation is the condition of positive motivation to learn that may direct to quick response to organizational changes and the effect can affect knowledge sharing (Ro et al., 2021). PTMS in Jakarta need to improve learning orientation and skills in gathering information, coordinating with the external environment, and solving problems to improve performance. This aligns with a previous study, stating that learning is a particular criticism for organizations to respond appropriately to rapid changes and different environments, so organizations must have broad knowledge and be open-minded in seeing, responding to, and solving problems (Awasthy & Gupta, 2011). More information and skills will help organizations see opportunities to increase performance.

#### *The Effect of Leadership Capability on Strategic Changes*

The significance test on Hypothesis 4 shows a positive and significant effect of leadership capability on strategic changes (P-value = 0.000, estimate = 0.446, and critical ratio = 4.302 > 1.96), and the data supported the hypothesis. This finding supports a previous study (Liao et al., 2019), showing that distributed leadership positively affects strategy dynamics. Strategic changes can be seen as part of organizational changes. Decision-making by considering skills and competence, not one's rank or position, is the strategy of the private PTMS in Jakarta. Skills and competence are fundamental to face changes. Skills can bring the private PTMS to be sustainable in the tight competition. Competence is needed by individuals for standardization.

Leaders at the PTMS have tried to improve the work ethic of lecturers, staff, and students to face changes for better performance—this has been done through improvement in organizational systems, implementation of Computer-based Assessment (CBA) for technological mastery, and improvement in the overall incentives for lecturers and staff. This can be seen from the respondents' answer to the questionnaire item—they stated that the organization had improved itself and focused on problems arising due to changes. Involving lecturers and educational staff in strategic decision-making is also vital to improve performance. The ability to adapt to changes and knowledge about organizational structures often becomes the primary characteristics of private organizations (Wang & Noe, 2010).

#### *The Effect of Motivation on Strategic Changes*

The significance test on Hypothesis 5 shows a positive and significant effect of motivation on strategic changes (P-value = 0.000, estimate = 0.588, and critical ratio = 4.449 > 1.96), and the data supported the hypothesis. This finding supports a previous study (Roundy et al., 2016), showing a positive relationship on the motivation of executives who are willing to deviate from their strategy to determine ultimate success. The results of

deviations are performance aspirations, corporate maturity and environmental stability which influence the relationship between regulatory focus and strategic change. Motivation is vital for the vision of organizations (Higgins, 1998). Motivation is closely related to how lecturers and educational staff view their own progress to influence the goals and objectives of their organization. Motivation also builds the willingness to work.

Lecturers or educational staff has to consider the environment where they live in which individuals always pursue their goals. In particular, understanding motivation requires consideration of how the environment interacts with internal factors in reinforcing or directing goal-directed behavior. Regulations, environment and policies are always changing in relation to government. Overlapping regulations between the Ministry of Education and Culture and the Ministry of Transportation are a challenge for lecturers or educational staff to continue to develop them. Motivation is needed for lecturers or educational staff to develop and progress amid the different regulations implemented by the two ministries.

#### *The Effect of Learning Orientation on Strategic Changes*

The significance test on Hypothesis 6 shows a positive and significant effect of learning orientation on strategic changes (P-value = 0.018, estimate = 0.257, and critical ratio = 2.375 > 1.96), and the data supported the hypothesis. This finding supports the study by Tho, showing how proactive learning orientation and marketing orientation towards macro environment and the quality of business relationship on innovation. The results indicate that a proactive learning orientation is responsive to customers and responsiveness to competitors has a positive effect on company innovation (Tho, 2019). Organizations that are capable and sensitive to change will make breakthroughs and innovations both in the maritime state exam and future strategies. Learning orientation must be able to encourage innovation, especially that learning orientation and innovation make the organization reach a higher level (Tajeddini, 2016).

Competition among PTMS has not considered organizational orientation, whether the institution is profitable or not. Thus, it is vital for PTMS to have dynamic skills, so they can survive not only from tuition paid by students. Thus, this finding supports the statement that innovation is vital for profit and non-profit organizations (Mahmoud et al., 2016). PTMS have to change their admission system—they usually only wait for prospective students to apply because they believe the institutions have good brand image; now, they have to innovate by approaching prospective students. If organizations do not pay attention to improve performance, it will be fatal for them (Aragón-Correa, et. al, 2007). Implementing strategies and innovation require competent lecturers and staff to achieve the expected results.

#### *The Effect of Strategic Changes on Performance*

The significance test on Hypothesis 7 shows a positive and significant effect of strategic changes on performance (P-value = 0.00, estimate = 0.582, and critical ratio = 7.315 > 1.96), and the data supported the hypothesis. There is a positive and significant relationship between strategic changes and performance (Mohammad, 2019). The most important thing in this study is the need for managers to understand the environment and learning suitable for strategic changes to improve performance. The ability to be competitive no longer only depends on one-way capabilities, from the internal capabilities. Current external factors also greatly determine how an organization can survive, such as from competitors, regulators, technological changes, and knowledge that can both encourage and reduce the ability of an organization's competitiveness.

The finding also aligns with a previous study (Wei & Zhang, 2020), showing a causal relationship due to strategic changes can promote company performance. For proper alignment, the organization must commit to establishing a tentative course of action and making adjustments promptly to achieve appropriate effectiveness. Organizations must also choose appropriately to deal with strategic changes. The uncertainty of the external environment reinforces the positive effect of strategic changes on company performance. Therefore, if organizations aim to change their strategy, they must adapt to environmental uncertainties. In fact, technological uncertainty increases the positive effect of an effective

strategic change on organizational performance. Therefore, the organization must work to reduce the unknown risk or failure.

*The Role of Strategic Changes in Mediating the Effect of Leadership Capability, Motivation, and Learning Orientation on Performance*

The role of strategic changes in mediating the effect of leadership capability, motivation, and learning orientation on performance of the private PTMS in Jakarta can be elaborated as follows:

- The direct effect of leadership capability on performance has a  $\beta$  value of 0.00. The effect of leadership capability on strategic changes is 0.30, while strategic changes on performance are 0.59. The indirect effect of leadership capability through strategic changes is 0.177 (0.30 x 0.59). Because 0.177 > 0.00, it can be said that the indirect effect is stronger than the direct effect; this means, strategic changes can increase the effect and plays a role in mediating the relationship between leadership capability and performance;
- The direct effect of motivation on performance has a  $\beta$  value of 0.18. The effect of motivation on strategic changes is 0.42, while strategic changes on performance are 0.59. The indirect effect of motivation through strategic changes is 0.25 (0.42 x 0.59). Because 0.25 > 0.18, it can be said that the indirect effect is stronger than the direct effect; this means, strategic changes can increase the effect and plays a role in mediating the relationship between motivation and performance;
- The direct effect of learning orientation on performance has a  $\beta$  value of 0.21. The effect of learning orientation on strategic changes is 0.25, while strategic changes on performance are 0.59. The indirect effect of learning orientation through strategic changes is 0.15 (0.25 x 0.59). Because 0.15 < 0.21, it can be said that the direct effect is stronger than the indirect effect; this means, strategic changes cannot increase the effect and does not play a good role in mediating the relationship between learning orientation and performance.

Based on the analysis, it can be concluded that motivation has the highest effect than leadership capability and learning orientation. The indirect effect through strategic changes shows that motivation has a value of 0.25. These findings support previous studies (Rahimnia & Molavi, 2021; Zacca & Dayan, 2018), revealing that strategic changes can be a good moderating variable to improve performance.

## CONCLUSION

Based on the findings and discussions, the following conclusions are drawn. First, motivations, learning orientation and strategic changes have a positive and significant effect on organizational performance, while leadership capability does not have a positive and significant effect on organizational performance. *Second*, strategic changes are an effective mediating variable to increase the effect of leadership capability, motivation, and learning orientation on organizational performance. For motivation, the ability to master difficult skills is the most dominant indicator, while for learning orientation, organizations must always be aware of changes of the external environment. To sum up, organizational performance can be improved by strengthening motivation, learning orientation, and strategic changes, and supporting leadership capability in implementing those changes. We also found that motivation had the most dominant effect on organizational performance mediated by strategic changes. Partially, leadership capability has a negative and insignificant on performance of PTMS in Jakarta. This study also investigated the relationship between strategic changes and performance of PTMS in Jakarta—different approaches to changes are needed in different environments.

Our findings confirm that leadership capability has no significant direct effect on PTMS performance. Thus, special attention must be given in managing the psychological factor of employees and students to grow responsibility and awareness so they can use all their ability well. This study also extends the understanding of the relationship between strategic

changes and PTMS. Organizational competitiveness is determined not only by internal factors, but also external factors, such as competitors, regulators, technological advancement, and knowledge. Thus, organizations must think hard to adapt and compete amid the rapid changes.

### Implications

This study confirmed that the relationship between leadership capability and PTMS performance has not been fully achieved and depends on organizational context. This finding contradicts the previous study (Kivipõld & Vadi, 2010). However, other studies (Katsaros et al., 2020; Rahimnia & Molavi, 2021; Zacca & Dayan, 2018) show that strategic changes can increase the effect of leadership, motivation, and learning orientation on performance of profit organizations. Thus, profit organizations must pay attention to the context and consider strategic changes as a vital factor to improve performance.

Our findings can help PTMS to increase the effect of leadership, motivation, and learning orientation on performance through strategic changes. PTMS can do some managerial efforts to do so, including benchmarking and support from the organizations, *Badan Kerjasama Pendidikan Maritim Indonesia* (BKS-PMI), the government, and the stakeholders. The support will help PTMS achieve their goals of high performance and quality education and graduates.

PTMS must be permitted to hold their own skill tests for the students. Personnel at PTMS must continuously learn and improve their professionalism to anticipate threats and opportunities from within the country and abroad. PTMS must understand the right threats and opportunities to face the rapidly changing information and communication technology. Strategic changes are needed to optimize organizational performance and the quality of directors, chairs, lecturers, education staff, and students.

### Suggestions

Because this study only covered one type of service industry, education, the findings cannot be generalized similar phenomena in other service industries. Thus, further studies are encouraged to take other service industries, such as banking and life insurance, to know if these findings also apply to different sectors; they may also involve more representative samples from higher education institutions and the government for a more comprehensive picture of the issue. Future researchers may also investigate work experience and educational background of respondents and innovation because leadership capability is also associated with educational background and experience. A longitudinal study may be able to identify the evolution and causality of factors affecting decision-making.

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