## **ABSTRACT**

This study aims to develop a basic theoretical model and an empirical research model to fill the research gap on the relationship between inclusive leadership and organizational performance in the KSPN Borobudur tourist attraction unit and its surrounding tourist attractions. This gap can be filled by building a new concept, namely exploitative innovation capability.

This study was conducted by distributing questionnaires to tourism object management units. The sampling method was carried out by census involving the entire population that was the subject of the study. This model was tested on the tourist attraction management unit of KSPN Borobudur and its surroundings, with data collected from 110 tourist attractions.

The research results found that Inclusive Leadership had a positive effect on Exploitative Innovation Capability, Exploitative Innovation Capability had a positive effect on Organizational Performance, Exploitative Innovation Capability was able to mediate the influence of Inclusive Leadership and Organizational Performance, Absorptive Capacity had a positive effect on Exploitative Innovation Capability, Absorptive Capacity had a positive effect on Innovation Performance, Exploitative Innovation Capability has a positive effect on Innovation Performance, Innovation Performance has a positive effect on Organizational Performance.

Keywords: Inclusive Leadership, Exploitative Innovation Capability, Performance Organization, Absorptive Capacity, Innovation Performance.