

ABSTRACT

The world is currently facing the turmoil of environmental uncertainty. Along with this turbulent phenomenon, the world's attention is currently increasing on organizational ambidexterity. In the midst of increasing investment value in Indonesia, wood processing companies in Central Java are currently facing market uncertainty and raw material fulfillment problems. Wood processing companies in Indonesia need to adopt entrepreneurial orientation and market orientation as well as the application of organizational ambidexterity to achieve sustainable competitive advantage. The aim of this research is to examine the role and relationship between these variables so that they can provide solutions to the problems faced by organizations.

This study adopts a quantitative method, using a questionnaire to obtain data. The study was conducted with a sample of 112 respondents who are the managerial part of wood processing companies in Central Java. Data analysis was carried out using the Partial Least Squares-Structural Equation Modeling method using smartPLS 3.0.

The results showed that entrepreneurial orientation and organizational ambidexterity were able to increase sustainable competitive advantage directly and significantly, but the positive effect of market orientation was not significant directly on sustainable competitive advantage. Furthermore, entrepreneurial orientation and market orientation are significantly able to increase organizational ambidexterity directly. The findings of this study also reveal that organizational ambidexterity plays an important role as a mediator in influencing the relationship between entrepreneurial orientation and market orientation.

Keywords: *Entrepreneurial Orientation, Market Orientation, Organizational Ambidexterity, Sustainable Competitive Advantage.*