

## Developing Innovation Capability of SME through Contextual Ambidexterity

RETNO KUSUMASTUTI, NURUL SAFITRI, AND NIDAAN KHAFIAN

Department of Administrative Sciences, Faculty of Social Science and Political Science, Universitas Indonesia, Depok 16424  
rekusumastuti@yahoo.com

**Abstract.** The word “ambidexterity” can be interpreted as the capability of an organization that simultaneously implement innovation activities both in exploratory and exploitative manner. The organization that implement these two types of innovation activity is called ambidextrous organization. In general, the studies on ambidextrous organization in the past mainly focused on structural ambidexterity whereas studies on contextual ambidexterity still got less attention. The contextual ambidexterity can be achieved through the provision of context that allow employees to implement both activities on exploration and exploitation. The Depok City in West Java was one of the municipalities that see a growing number of small and medium enterprises (SMEs). According to a data from the Depok Agency for Markets, Cooperatives and SMEs, the total number of SMEs was 2,400 units, consisting of 2,352 smaller merchants and 48 medium enterprises. The aim of this research paper was to elaborate on how far the SMEs in Depok could adopt the study of contextual ambidexterity. The research itself utilized qualitative approach with mixed methods research as its methodology by the use of questionnaires and in-depth interviews. The questionnaires were distributed to the owners of SMEs with purposive sampling technique whereas in-depth interviews were conducted on SME actors. The measurement on contextual ambidexterity was conducted with the instrument that was developed by Ghosbal and Bartlett (in Birkinshaw and Gibson, 2004). The research results indicated the capability of an organization to innovate was created through the context of organization in the form of performance management and social support. The designs of both performance management and social support from the organization could provide the context that would support the employees to perform innovative acts both in exploitative and exploratory sense.

**Keywords:** ambidexterity, contextual ambidexterity, small and medium enterprises

**Abstrak.** Ambidexterity dapat diartikan sebagai kemampuan organisasi yang secara simultan melaksanakan aktivitas inovasi baik secara eksploratif maupun eksploitatif. Organisasi yang melakukan kedua jenis aktivitas inovasi ini disebut ambidextrous organization. Umumnya kajian ambidextrous organization lebih banyak berfokus pada structural ambidexterity sedangkan penelitian yang mengkaji contextual ambidexterity masih kurang mendapat perhatian. Contextual ambidexterity dapat dicapai melalui penyediaan konteks yang dapat memberikan ruang bagi karyawan untuk melaksanakan aktivitas eksplorasi dan eksploitasi. Kota Depok merupakan salah satu kota dengan jumlah UMKM yang semakin berkembang. Berdasarkan data Dinas Pasar, Koperasi dan UMKM Kota Depok, jumlah UMKM di Depok adalah 2.400 unit, yang terdiri dari 2.352 pedagang kecil dan 48 usaha menengah. Penelitian ini bertujuan untuk mengelaborasi tentang sejauh mana Usaha Kecil dan Menengah (UMKM) di kota Depok dapat mengadopsi pembelajaran contextual ambidexterity. Penelitian ini menggunakan pendekatan kuantitatif dengan metode penelitian berupa mix metode dengan menggunakan kuesioner dan wawancara mendalam. Kuesioner diberikan kepada pemilik UMKM dengan teknik pengambilan sampel secara purposive sementara wawancara mendalam dilakukan terhadap pemilik UMKM. Pengukuran atas contextual ambidexterity menggunakan instrumen yang dikemukakan oleh Ghosbal dan Bartlett (dalam Birkinshaw dan Gibson, 2004). Hasil penelitian menunjukkan bahwa kapabilitas organisasi di dalam berinovasi tercipta melalui konteks organisasi berupa manajemen kinerja dan dukungan sosial. Disain manajemen kinerja dan dukungan sosial dari organisasi menyediakan konteks yang dapat mendukung karyawan untuk berperilaku inovatif baik secara eksploitatif maupun eksploratif.

**Kata kunci:** ambidexterity, contextual ambidexterity, usaha kecil dan menengah

### INTRODUCTION

Innovation is the key to organizational success in the long term. The innovation activities within an organization could be exploratory but also could be in an exploitative way. The incremental innovation in the form of small improvements and refinements should be conducted well on both products/services and the operational activities of a company in order to achieve efficiency so that the customers could enjoy the added value of the company (Voss and Voss, 2012). The exploitative innovation

activities related to the exploration toward the current capability, while the exploratory innovation activities related to the quest of new opportunities (Tushman and O'Reilly, 1991). The organizational ambidexterity referred to a condition where a company could simultaneously implement both types of innovation activity. Organizational ambidexterity was a growing topic for research papers. The experts agreed that organizational ambidexterity would guarantee long-term success but at the same it was difficult to be implemented. (He and Wong, 2004; Lubatkin, 2008).

The organizational ambidexterity was usually divided into two types: structural ambidexterity and contextual ambidexterity (Birkinshaw and Gibson, 2004). In most cases, the structural ambidexterity was easier to achieved by organizations. The form of the first type of ambidexterity was associated with the structural separation of innovation activities within organizations. Meanwhile, the second type of organizational ambidexterity that was contextual is relatively difficult to be recognized because it should be identified in more detail to the context of organization. Therefore, the studies on organization ambidexterity were still rare.

The organizational ambidexterity referred to the organizational capability in the process of adaptability and alignment. This condition became mandatory when an organization was facing certain environmental changes. An organization was required not only to be able survive but also should capable to thrive. Therefore, education within an organization became important either for individual, group, or organizational level. The need for education about innovation activities of an organization was not only for large-scale companies but also for small and medium enterprises (SMEs). The SME sector in Indonesia is the biggest contributor in supporting the economic growth of the country and was proven to be resilient during the economic crisis back in 1997. Currently, the total number of SMEs in Indonesia is 57.89 million units, or 99.99 percent of the total number of national businesses. The SME sector contributed 96.99 percent to employment opportunities and 60.34 percent to the GDP (beritasatu.com, Kontribusi Besar Sektor UKM untuk Ekonomi Nasional, 2014). Based the strategic role of the SMES, the idea on how to develop innovate SMEs become crucial. For this scale of business, certainly the attempt to balance both activities would not be easy with the limited resources (Voos and Voos, 2012).

The Depok City, as one of the municipalities in West Java that adjacent to Jakarta, is one of the cities that saw an increasing number of SMEs. According to a data from the Depok Agency of Markets, Cooperatives, and SMEs, the number of SMEs in Depok was 2,400 units, consisting of 2,352 smaller merchants and 48 medium enterprises. Out of the 10 districts in Depok, the biggest number of SMEs was in the Sukmajaya District with flagship products such as starfruit, handicrafts, and textile. However, while the SMEs in Depok began to develop, they still faced many problems in terms of business development. On the average, the SMEs in Depok faced problems such as limited capital and product marketing.

In addition, the Depok City Government acknowledged that one of the obstacles in the development of SMEs was the licensing regulation that left many SMEs in Depok unregistered or did not own the right permits. Therefore, many SMEs in Depok faced problems in financing themselves, particularly in terms of loans. For product marketing, the limited marketing support that was provided by the

government could make it difficult for the SMEs in Depok to market their products in regional, national, and international levels. With the introduction of ASEAN Economic Community in 2015, surely in the future the SMEs in Depok will face challenges to improve their capability to compete with the business actors in regional, national, and international levels.

As a result, the SMEs in Depok should be able to create innovation in developing their business. Therefore, these SME actors will be facing the challenge of being able to develop two types of capability: exploratory and exploitative, so that they could improve the innovation ability of their organization. This research will analyze how an enterprise could both facilitate and manage contextual ambidexterity. Contextual ambidexterity for Small and Medium Enterprises became relevant because it would not require a particular structural design to facilitate the learning process. Furthermore, it would identify the antecedent of this type of ambidexterity. This became important because the identification toward this type of ambidexterity would make it easier for an enterprise in developing and balancing the spread of knowledge that was necessary for both innovation development and the implementation of the existing solutions for the problems.

In the science of organization, an ambidextrous organization was defined as the organization with an excellent capability to simultaneously explore and exploit. The person who first introduced the term "ambidextrous organization" or "ambidexterity within an organization" was R.B Duncan in 1976. O'Reilly and Tushman (2004) defined ambidextrous organization as the following: "Ambidextrous organization as business units with: (a) high levels of differentiation reflected in distinct exploratory unit(s), each with dedicated innovation manager(s) and dedicated staff. These units are physically separate from the incumbent unit and the innovation manager(s) reports to either the general manager or a member of the senior team, (b) low levels of tactical integration between the incumbent unit and the exploratory unit(s) reflected in targeted cross unit formal linking mechanisms, and (c) strong senior team integration reflected in the general manager's strong substantive and symbolic support for both the incremental and non-incremental units and the senior team with common fate incentives"

In the context of ambidextrous organization, Kusumastuti (2013) observed that the focus of ambidexterity was on how an organization could utilize exploratory and exploitative activities internally, which would later be strengthened with the existence of studies on dynamic capability that exhibit the interrelation between internal and external knowledge process that played an important role in reforming the organization. The final goal of ambidextrous organization was an organization with competitive advantage and capable to improve its performance in the future.

March (1991) stated that a successful company was the company that could implement innovation activities both in exploratory and exploitative ways. Also, Gupta,

Smith and Shalley (2006) emphasized that companies that became ambidextrous were likely to have superior performance in comparison to companies that spend their funds on other kinds of activity. (Tushman and O'Reilly 1996). Therefore, innovation activity is a must for an organization.

In general, there were two types of ambidexterity. On structural ambidexterity, different sub-units would have different competence, system, incentive, process, and culture that would subsequently be aligned and arranged for exploration and exploitation. Meanwhile, contextual ambidexterity was defined as "the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit" (Birkinshaw and Gibson, 2004). Contextual ambidexterity was seen as the valued, rare, and costly resources to be imitated, with the potential to become the important resources for the superiority of the competitiveness of an organization. Birkinshaw and Gibson (2004) subsequently observed that contextual ambidexterity was achieved by developing a set of system or process (a combination of discipline, support, trust, and power) that would allow and support the individuals within an organization to create their own judgment on actions that were taken.

The standard approach for the business practice in the field of organizational ambidexterity was usually easiest to be conducted by the structural separation of several activities, for example the core business unit was tasked to create an alignment between existing products with the market. Duncan (1976) explained that there was a structure within an organization where organization should place the structure with certain sections separately to initiate and implement innovation. Usually, the research and development unit was responsible to discover the prospects of new market, technology development, or even industrial tendency.

In practice, the separation of the research and development unit was likely to culminate to an isolation that would create the absence of link and match with other divisions. The condition of structural ambidexterity was the easiest to be implemented because merely by creating a separate research division and focused on the implementation of innovation activities.

Studies on ambidextrous organization generally observed larger companies as objects of analysis. In reality, the need for innovation also played an important role in influencing the performance of Small and Medium Enterprises (SMEs) (Verhees dan Meulenber, 2004; Qian and Li 2003). Liao, Kickul, and Ma (2009) even suggested that entrepreneurial-based companies needed sustainable innovation in order to survive and create competitive edge.

The development of an ambidextrous organization was in fact could not be separated from the leadership role of the organization. Indeed, several studies always highlighted leadership within an enterprise was the leverage to create ambidextrous organization. In fact, managers and employees in small and medium enterprises were more required to be ambidextrous

in comparison to large-scale companies (Joachim, et al., 2011). Therefore, the achievement of shared vision, developing shared identity, creating the culture of mutual support and even giving personal meaning on each individual contribution toward organization could also encourage the formation of ambidextrous organization (Gibson and Birkinshaw, 2004).

As mentioned by Gibson and Birkinshaw (2004), contextual ambidexterity was "the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit" (Gibson dan Birkinshaw, 2004). This meant that this type of ambidexterity focused on the capability on individual level. The contextual ambidexterity was a valued, rare, and costly resource, with the potential to become the important resource for the superiority of the competitiveness of an organization. As with large companies, this condition could also be established in SMEs through the development of a set of system or process (a combination of discipline, support, trust, and power) that would allow and support the individuals within the organization to be able to make their own judgment on actions that were taken.

A successful organization was the organization that could balance the hard element (through discipline and pressure) and soft element (through support and trust) (Gibson and Birkinshaw, 2004). Also, decentralized structure (Tushman and O'Reilly, 1996), intellectual culture, recruitment and training (Bartlett and Ghoshal, 1989) were also the important aspects in encouraging the establishment of the ambidexterity condition within organizations.

This research would analyze how SMEs could facilitate and manage contextual ambidexterity. The urgency to take on the research with contextual ambidexterity elaboration for companies in the SME category became relevant because it did not require a particular structural design to facilitate this learning process. Furthermore, the research would identify the antecedent of this type of ambidexterity. This became important because the identification toward the antecedent of this ambidexterity would facilitate enterprises in developing and balancing the spread of necessary knowledge for innovation development and the implementation of existing solutions for the problems.

In order to analyze the contextual ambidexterity within SMEs this research referred to the previous study conducted by Birkinshaw and Gibson (2004). The study explored and developed this concept and reduced it into an operational size. This type of ambidexterity was defined as a condition where each of the individuals within a company has the opportunity to decide between activities that focused on alignment or activities that focused on adaptation in the context of his or her daily work.

There are four behaviors of ambidextrous individuals. Firstly, these individuals take initiatives and always aware on the opportunities outside their own tasks. For example: the regional sales manager of computer company realized the need for particular

software based from discussions with his customers. This particular manager did not offer product sales anymore but instead tried to utilize the new opportunity. Secondly, these individuals work together and always find new opportunities to combine their work with other individuals. For example, the cooperation between one regional manager with other regional managers under the management of the holding company to make breakthrough marketing together. Cooperation and discussions took the form of marketing forums that routinely discuss the best practice and marketing planning cooperation. Thirdly, these individuals act like brokers who always seek to develop internal network. For example, a distribution manager who received an information about a project from the local government in a region. After he got back from his business travel, this manager immediately tried to find the right partner to cooperate in order to win the bid for the project. Fourth, last but not least, these individuals are very comfortable in performing all of the tasks that become their responsibility.

The table below illustrates the difference between the area of ambidexterity contextual and ambidexterity structural within organizations. The traditional views on organizational ambidexterity range from the structural separation from initiatives and activities. The movement of contextual ambidexterity that was apparent on the individual level was a complementary process.

**Tabel 1. The Comparison Between Structural Ambidexterity and Contextual Ambidexterity**

	Structural Am- bidexterity	Contextual Am- bidexterity
How ambidex- terity can be achieved?	Alignment- focused and adaptation- focused activi- ties are done in separate units or terms	Individual employees divide their time between align- ment-focused and adaptation- focused activi- ties
Where the deci- sions on the sep- aration between alignment and adaptation are made?	At the top of the organization	On the front line – by salespeo- ple, plant su- pervisors, office workers
The pole of top management	To define the structure, to make trade offs between alignment and adaptation	To develop the organizational context in which individual act
Nature of roles	Relatively clearly defined	Relatively flex- ible
Skills of em- ployees	More specialists	More generalists

Source : Gibson and Birkinshaw (2004)

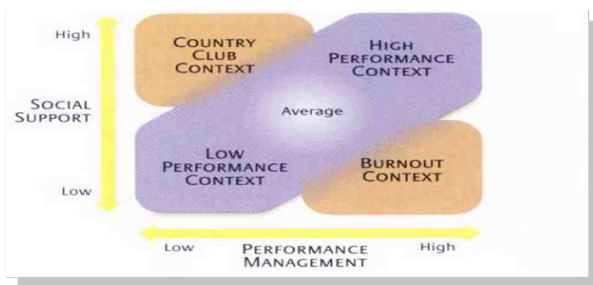
An individual who was described as ambidextrous exhibited the same specific general behaviors. Firstly, they were likely to behave outside the limited boundaries of their main tasks and took broader attitude than merely the interests of the organization. Secondly, they were the individuals with excellent motivation and could act spontaneously without relying on the permission or the support from their bosses. Thirdly, they encouraged adaptive behaviors on existing opportunities but clearly always conduct an alignment with the interests of the organization as a whole. Strictly speaking, these behaviors were the essentials of ambidexterity.

The ambidextrous behavior from these individuals was very much influenced by the context of the organization, which means that the context of the place where these individuals work would very determine whether they could behave as ambidextrous individuals or the contrary. In the organizational level, the contextual ambidexterity can be defined as the collective orientation from the employees who simultaneously perform both alignment and adaptation activities. This concept can be analogized with the concept of market orientation, which means the collective orientation from a group of individuals to collect the information, interpretation, and dissemination from their market knowledge. As in the case of market orientation, ambidexterity was the very important potential for an organization in the long-term (Gibson and Birkinshaw, 2004).

Ghosbal and Bartlett defined the organizational context as a set of stimulus or pressure that was invisible and could motivate the people within an organization to behave in a particular way (Gibson and Birkinshaw, 2004). In relation to that, the leaders of an organization usually emphasized the existing organizational context with stimulus in the form of system, incentives, and control that would later be internalized toward every individual behaviors within the organization.

Ghosbal emphasized the four important elements namely stretch, discipline, support and trust. The results of the interaction of the four elements subsequently resulted in two dimensions of organizational context). First, the performance management (the combination of stretch and discipline) that related to how to stimulate the individuals so that they could produce high-quality performance and be accountable towards their tasks and responsibility. Secondly, social support (the combination of support and trust) that related to the guarantee of security and opportunities that were necessary to produce quality performance.

The illustration 1 below indicated the relation between the social support dimension and performance management within an organization. The organizational context with the condition of high presence of social support as well as decent performance management created an organizational context that was described as country-club context. The opposite was when the social support of an organization was low with high level of the design on performance management, which indicated an organizational context that was referred



**Figure 1. Organizational Context**  
 Source: Gibson and Birkinshaw, 2004

as burnout context. When both social support within an organization and the performance management design was poor or very low, the organizational context was described as low-performance context. The most optimum condition, or also referred to as high-performance context, was indicated by high level of social support as well as very decent performance management design.

**RESEARCH METHODS**

This research paper used the positivist approach that was based on the theory of ambidexterity. The research method that was used in this study was the mixed-method, which combined both quantitative and qualitative approaches with the strategy of concurrent mixed-method where in the procedures the researcher matched or integrated quantitative and qualitative data to obtain a comprehensive analysis toward research problems. The quantitative method in this research was implemented through survey and existing data statistic analysis, while the qualitative method was implemented through in-depth interviews with 6 informants as well as field observation.

The survey was conducted on the SME actors in Depok with the total population of 170 SMEs and, with the Slovin’s formula, the researcher obtained a total sample of 75 people. The sampling technique that was used in this research paper was the non-probability sampling technique with purposive sampling where the sample was obtained based on both the assessment and the knowledge of the researcher toward population, elements within the population, and the research goal itself. The purposive sampling technique was selected because the researcher was struggling to get the sampling framework on each research areas and therefore, in this research, the purposive sampling was conducted by selecting several SMEs in Depok that matched several criteria that was set before, namely: 1) SMEs with the minimum number of employees of 5 people or minimum earnings of >Rp. 60,000,000 (sixty million rupiahs) per year, and 2) the business has been ran for at least 5 years with the assumption that businesses that have been ran for at least 5 years would have a high level of sustainability.

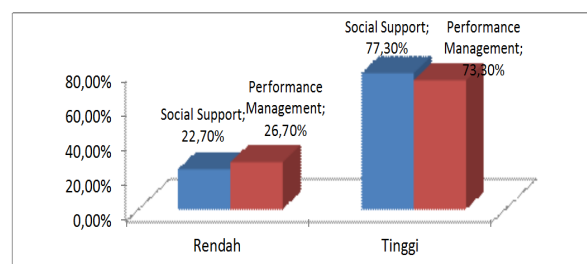
The researcher used the descriptive analysis method in order to illustrate the characteristics of the respondents

within this research, namely with the use of frequency distribution table with the center measurement namely a method of procedure to illustrate the map of behavior and leadership role of the SME businesses who became the respondents for this research. The primary data that was obtained through in-depth interviews was compiled with the open, axial, and selective coding to be elaborated further to complete and enrich the discussions of the research results.

**RESULT AND DISCUSSION**

The first focus of this research was to find out how the organizational context could encourage the ambidextrous behavior of the individuals within SMEs in Depok. The ambidextrous behavior of these individuals was very much influenced with organizational context, which means that the context of the place where these individuals work would enormously determine whether their behavior would tend to be ambidextrous or the other way around. The leaders of the organization would usually provide the emphasis on the existing organizational context with stimulus in the form of system, incentives, and control that would later be internalized to each individual behaviors within the organization. Ghosbal emphasized the 4 (four) important elements, namely: stretch, discipline, support and trust. The results of the interaction between these four elements would later generate 2 (two) dimensions of organizational context, namely: performance management (the combination of stretch and discipline) that related to how to stimulate individuals so they would be able to generate high-quality performance and be accountable toward their own tasks and responsibility and social support (the combination of support and trust) that related to the guarantee of security and opportunities that were necessary to produce quality performance.

Based on survey of 75 SME’s actors in Depok and using 19 indicators in questionnaire, known the description of social support and performance management in SMEs Depok. From the graph below shows the majority of respondents perceived that their SMEs have high social support and performance management. There are only around 25% respondents stated that low. The complete data can be seen in the following graphic 1:



**Graphic 1. The Condition of Performance Management and Social Support**  
 Source: compiled by researcher, 2014

The graphic 1 shows that respondents who stated social support and performance management in SMEs is high are 77.30% and 73.30%. This means that the majority of respondents agreed having social support and performance management are high. This shows that the conditions SMEs in organizations Depok in terms of social support and management of performance-oriented design, has been rated high by the SMEs actors.

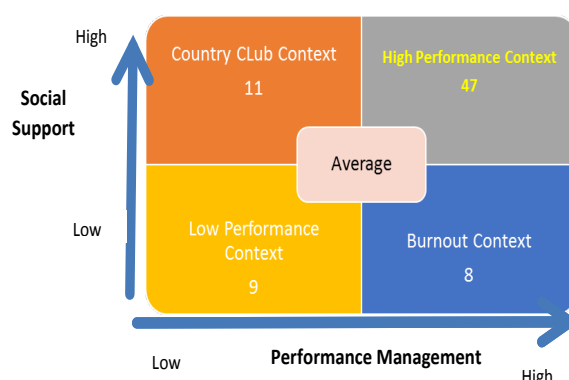
The next step was to analyze the relations between the dimensions of performance management and social support. The results of the calculation in cross table generated the quadrant score like the illustration below. Based on the results of cross table, it was known that the condition of SMEs with high levels of performance management design and social support was found at 62.7 percent of the SMEs in Depok, while the rest showed unbalanced condition between performance management design and social support, either with the combination of high level of social support and low level of performance management design and vice avers, or the combination where both are low. Each of these combinations was at the percentage range below 15 percent. The complete data can be seen on table 2.

If the condition was further concluded in the form of organizational context, then it could be stated that the majority of SMEs that became the sample of this research paper, which was 47 respondents of Depok SMEs, indicated the condition of organizational context that that was defined as high-performance context. In other words, the existing organizational support and performance management design was very influential toward the innovation activity of the employees, both for innovation activities that was exploitative and exploratory. Organizations provided trust toward their employees to innovate that in turn was followed by the granting of reward system design that compatible with the performance that was presented to the organizations. These SMEs possessed decent social support and trust from their leaders, and in addition, there was a good

**Table 2. The Cross Table of Performance Management and Social Support**

		Performance Management		Total	
		LOW	HIGH		
Social Support	LOW	Count	9	8	17
		% of Total	12.0%	10.7%	22.7%
	HIGH	Count	11	47	58
		% of Total	14.7%	62.7%	77.3%
Total		Count	20	55	75
		% of Total	26.7%	73.3%	100.0%

Source : Gibson and Birkinshaw (2004)



**Figure 2. The Quadrant of Contextual Ambidexterity**  
 Source: Gibson and Birkinshaw (2004)

stimulus to encourage them to be productive. This condition was very supportive toward the learning process to innovate that would make organizations possess the performance that continuously improved.

The performance management of the Depok SMEs can be demonstrated with the existing behavior from the SME actors that make business goals as the direction in running their enterprises and this was agreed as the main indicator that was the most important and demonstrated with the highest average score in comparison with other indicators. The clarity of the business goals became the precondition before internalization was conducted toward employees.

“... we regularly meet our employees, not only to develop a good emotional bounding but also to synchronize both vision and mission, as well as conducting sharing sessions to obtain the feedback from the employees...” (Sari Soekresno, December 2014).

“... we regularly organized pengajian [Koran recitals]. Indeed, these sessions spark new ideas in developing the business. Furthermore, we use the forum to synchronize the perception among us on business goals, etc...” (Citra Yasmin, November 2014).

In addition to the synchronization of both vision and mission as well as developing a strong emotional bounding with the employees so that it could foster the sense of belonging, the owners also applied a unique management style. According to a hair and beauty salon owner, the most important aspect in the management pattern that was implemented was that employees must know and clearly understand the limits of their authority and responsibility. For example, Sari Soekresno Salon, planted the management style that they referred to as management by heart, which means that the management pattern and the existing form of relationships should not only limited to work-related but also personal. This was deemed to be necessary and important because the service that was provided took the form of hair and beauty treatment for female customers with high quality assurance standards.

“... In providing our service to the customers, with this type of service that I offer, we experience a high level of change. Small complaints or disappointments could lead to the customers easily go to other hair and beauty salons. When we first started our business, the number hair and beauty salons strictly for female Muslims in Depok was around five, but now many of them have closed their business. Indeed, you can see many other hair and beauty salons popped up, which means more competition for us...” (Sari Soekresno, December 2014).

Meanwhile, one of the SMEs that work in the fashion industry applied what they referred as “management by sharia” where their business office also regularly served as the place for several praying groups. This could be understood when the business owner explained that the background of the development of this business was the embodiment of her responsibility in distributing female Muslim clothing that abide to Islamic sharia or law.

“... we regularly organize Koran recitals here because, in the beginning, it was us from the praying group who saw the need for female Muslims to wear clothing that follow the sharia. It is difficult, after all, to find female Muslim clothing that both appropriate and comfortable to wear...” (Winda Yasmine, December 2014).

The understanding toward the goal of the organization and the responsibility that must be carried out certainly should also be armed by several supporting conditions among SME actors in Depok that also provided the creative freedom in performing their own tasks. Each employees would even be allowed to take decisions based on their own judgments as long as it still under their responsibility and authority. However, the interesting part was that the importance of the employees to possess specific skills, in reality, was not too required. Theoretically and practically, this condition would indeed open the possibility for employees to be capable in doing many things, especially when the number of employees was not yet large.

In terms of social support, the SME actors saw the importance of calculating risks in decision-making process, but employees should understand that failures was common and should be observed as part of learning process. Employees should always be encouraged to be bold in making decisions as long as it was after careful and logic calculation. This support was perceived as necessary to develop the confidence of the employees. This condition would certainly support all of the activities of the employees especially for exploratory activities. In order to support these activities, SME actors also allowed employees to learn from the experience of other SMEs to be applied within organization.

Meanwhile, a slightly different support was given to different market target. This occurred to clothing boutique business with middle-upper class as the target market. Usually, for loyal and potential customers,

owners would gift special “orders” to their employees. Therefore, during the process of making important decisions, employees should remain coordinated with owners. Generally, the coordination was conducted in terms of product orders for special events, service, or simply discussions on the latest fashion trends. The communications may be done through electronic media such as e-mail or cellphones. The learning process in the individual level would certainly be collectively simultaneous and it was expected to become the learning process for organizations.

The results of the research indicated that, in general, SME actors in Depok possessed high-performance context viewed from performance management and social support. This means that organizations or SMEs in Depok, generally, provided high level of social support so that the behavior of the individuals can be ambidextrous. Therefore, contextually, there was a supporting environment for employees to have innovative behaviors both exploitative and exploratory or, in other words, referred to as ambidextrous. However, this completely depended on the characteristic of the individuals, whether they were willing to learn or not.

The social support that was provided by SME owners to their employees was conducted through motivations and learning opportunities, not only for organizational development but also for the personal development of the employees. This reality was in line with the study conducted by Ghosbal and Bartlett (in Gibson and Birkinshaw, 2004) that stated that the support from the leaders toward their employees would motivate the employees to behave in a certain way. The research results indicated that there was a variety of behavior of the employees that would lead to learning process behavior both exploratory and exploitative. In relation to this, the leaders of organizations usually provided the emphasis toward existing organizational contexts with the provision of stimulus in the form of reward system, remuneration, and control that would later be internalized on each individual behaviors within organizations.

The following part discussed several elaborations on the activities of individuals with ambidextrous behavior that were identified from in-depth interviews with SME actors in Depok. First of all, these individuals were sensitive in identifying the complaints of the customers. This type of employees would usually immediately respond every inputs. They were the employees/workers in the operational section of the front line where they immediately faced the customers and during the time the complaints were received and processed. In accordance with the mechanism and the practice of the SMEs, the forms of the channeling of complaints would usually be presented both formally and informally. The formal meeting usually occurred weekly, while the informal meeting usually took the form of direct/indirect meetings with the management/leaders of SMEs.

Secondly, these individuals actively followed every directions from their bosses to carry out exploratory tasks such as seminars, workshops, exhibitions, or even becoming the customers of their competitions. This

type of employees consisted of those who always want to learn to gain more knowledge and skills. Thirdly, these individuals were always active and alert on the opportunities outside their own tasks. In several cases, these employees would be the persons who possessed many information particularly with the tendency of preference for customers outside. These employees could bluntly state their strategic suggestions/ides toward the leaders/management of SMEs. This type of employees/workers was rare except on those who were tasked at the stores or store managers.

Fourth, these individuals were always in cooperation with other employees and conducted the combination of their own work with those of other individuals. This occurred on the hair and beauty salon business in Depok that began with 5 (five) Muslim hair and beauty salons that became pioneers of female Muslim salon business that would later grow rapidly to this date. Another example was the Association of Depok SMEs that was developed by the Depok Industry Agency that often facilitated in the form of the establishment of cooperation and discussion medium that was conducted in the form of marketing forum that regularly discussed the best practice and the cooperation on marketing planning of the products of the SMEs.

Fifth, these individuals acted as brokers who always seek to develop internal network. Several employees sometimes exhibited the behavior of a broker that could play the role as the middleman between the customers and the SMEs. For instance, these employees often provided information on events or exhibitions related to the SMEs where these employees work.

Sixth, these individuals were very comfortable in performing the duties that became their responsibility. Usually, this type of individual character occurred when they were in the lowest operational level and did not directly in contact with customers. In general, these employees worked in the back office. For the SME actors who were in the business for quite a long time, usually the financial department was separated from the general administrative management where the financial department usually employed the employees with special skills: accounting. For employees who worked in this department, their task would already be specialized in managing the financial department and accounting.

### CONCLUSION

The results of this research paper showed that both intThe results of this research paper indicated that, in general, the SME actors in Depok possessed the high-performance context based on their performance management and social support. This means that, organizations or SMEs in Depok in general provided a high level of social support so that their individuals could have ambidextrous behaviors. Besides social support, the ambidextrous condition of the individuals within organizations was supported by a conducive management system in the form of performance management.

This conclusion was based on several phenomenons namely on individual level where individuals were

allowed to divide their time in order to both adjusting and exploring to the external environment of the SMEs while, at the same time, the individuals were asked to align with the goals of the organizations. In addition, many of the decision-making processes was conducted on the front guard with relatively general skills. The most important part was that the management or the owner of the enterprises provide enough space to build the necessary context to encourage innovation from their employees through organizational support both financial and non-financial as well as trust support without ignoring the discipline that must be enforced. Furthermore, SMEs in general were flexible so they could easily perform the function of each sections.

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