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**Social Entrepreneurship and Sustainable Business Models: A  
Case Study on the Integration of Ambidexterity in Community  
Development**

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**Abstract:** This study explores how the integration of ambidexterity in community-based social entrepreneurship can serve as a strategic response to urban environmental and economic challenges. Focusing on three regions in Greater Tangerang, the research investigates the development of ornamental plant-based businesses on former illegal dumping sites as a hybrid solution combining local resource utilization with collaborative innovation. A mixed-methods approach was employed, including participatory observation, focus group discussions, and structured questionnaires. Structural Equation Modeling (SEM) using SPSS AMOS was applied to assess the relationships among ambidexterity, community engagement, and business sustainability. The findings indicate that ambidexterity significantly enhances both community engagement and the sustainability of social business models. Community engagement also acts as a mediator, reinforcing the participatory nature of social transformation. The ornamental plant model not only provides economic benefits but also improves urban aesthetics and environmental quality, contributing to the psychological well-being of residents. This study highlights the potential of ambidexterity as a framework for designing adaptive, inclusive, and replicable urban business models that align profit, people, and planet. The results contribute to the theoretical discourse on hybrid entrepreneurship models and offer practical insights for grassroots innovation in urban development.

**Keywords:** Hybrid Business Strategy; Sustainable Business Model; Ornamental Plant

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**A. Introduction**

Micro, Small, and Medium Enterprises (MSMEs) have long served as the backbone of Indonesia's economy. In addition to contributing significantly to the national Gross Domestic

Product (GDP), MSMEs also represent the largest source of employment across the country (Ministry of Cooperatives and SMEs 2023). Nevertheless, MSMEs still face various structural challenges, including limited access to capital, markets, and sustainable innovation. In this

context, the emergence of the **social entrepreneurship** concept offers an alternative approach that combines profit orientation with a social mission (Lazarte-Aguirre, 2024). Social entrepreneurship emphasizes community empowerment, sustainability, and practical solutions to local problems.

On the other hand, the rapid pace of urbanization in many metropolitan areas—including the Greater Tangerang region (comprising Tangerang City, Tangerang Regency, and South Tangerang City)—has created undeniable social and environmental impacts. One of the most pressing issues is the proliferation of illegal waste dumping sites, particularly along poorly monitored roadside areas. This phenomenon reflects not only weak environmental awareness but also a lack of community-based management strategies. Illegal dumping not only degrades the city's aesthetic quality but also diminishes residents' quality of life and contributes to urban ecosystem degradation (Travis et al., 2016)

Although several waste management initiatives have been implemented, many have yet to meaningfully involve community participation. Previous studies have highlighted the importance of participatory approaches in environmental management; however, there is still limited research integrating social entrepreneurship with cleanliness and urban aesthetics issues (Edith Ebele Agu et al., 2024). One promising and innovative idea is to develop ornamental plant businesses in former illegal dumping sites. In addition to their economic value, ornamental plants help beautify the city, create green public spaces, and enhance visual identity at the neighborhood level. However, to ensure the long-term sustainability of such initiatives, a more adaptive and resilient business model is required.

In this context, the concept of ambidexterity becomes highly relevant. Ambidexterity refers to the ability of an organization or community to

simultaneously conduct exploration (innovation and the generation of new ideas) and exploitation (optimization of existing resources) (Lillo et al., 2017), (Kim et al., 2022) (O'Reilly & Tushman, 2008) While this approach has been widely discussed in the context of large corporations, its application at the micro and community levels remains underexplored and calls for further investigation (Berry & Rickwood, 2000).

Although the concept of ambidexterity has been widely applied in corporate and innovation management (O'Reilly & Tushman, 2008; Kim et al., 2022), its application in grassroots-level social entrepreneurship—particularly within the context of urban environmental challenges—remains underexplored. Most existing studies focus on ambidexterity in organizational learning and strategic agility, while only a few have examined its practical relevance to community-led initiatives that combine economic and social objectives. In the Indonesian context, where rapid urbanization often intersects with informal economies and environmental neglect, the integration of ambidexterity into community entrepreneurship could offer a powerful yet underutilized approach. This theoretical gap suggests the need for a more contextualized framework that aligns ambidextrous strategies with local cultural, geographic, and participatory dimensions of urban development. Accordingly, this study seeks to synthesize the principles of ambidexterity with social entrepreneurship practices that are responsive to the social and environmental realities of urban communities in Greater Tangerang.

This study aims to systematically evaluate the integration of ambidexterity into community-based social entrepreneurship practices as an innovative and sustainable solution to urban social and environmental challenges, specifically in the three areas of Greater Tangerang: Tangerang City, Tangerang Regency, and South Tangerang City. The study particularly explores how the balance between innovation exploration

(e.g., product design, marketing strategies, and urban aesthetics) and resource exploitation (e.g., human resources, social capital, and geographic conditions) can be realized through a social business model based on ornamental plant development, co-created with local communities.

By employing a participatory approach and case study methodology, this research not only offers a new theoretical framework for the development of ambidextrous social entrepreneurship but also seeks to deliver a practical, measurable, and adaptable social business model that can be replicated in other urban areas with similar characteristics. The findings of this study are expected to make a significant contribution to the formulation of community empowerment policies grounded in environmental sustainability, while also addressing the current gap in literature regarding ambidexterity within micro-enterprise and local community contexts in Indonesia.

In this context, the present study aims to formulate and evaluate a community-based social entrepreneurship model grounded in the concept of ambidexterity as an innovative and sustainable solution to urban social and environmental challenges. Specifically, this research explores how the balance between innovation exploration (e.g., product design, marketing strategies, and urban aesthetics) and resource exploitation (e.g., social capital, human resources, and geographic potential) can be realized through the development of ornamental plant businesses on former illegal dumping sites. The study focuses on three regions within the Greater Tangerang area—Tangerang City, Tangerang Regency, and South Tangerang City—using a participatory and case study approach. The findings are expected to contribute to the theoretical framework of ambidextrous social entrepreneurship while offering practical, measurable, and replicable social business models for other urban areas with similar characteristics in Indonesia.

## **B. Materials and Methods**

This study employs a qualitative case study approach with an orientation toward Participatory Action Research (PAR). This approach was chosen to enable the active involvement of community members in identifying problems and collaboratively designing solutions. The research is designed to explore the integration of the ambidexterity approach in community-based social entrepreneurship, particularly in response to urban environmental challenges, such as illegal roadside waste dumping.

PAR provides a framework for researchers to observe, interact, and facilitate the emergence of social business models through iterative cycles of reflection, planning, action, and evaluation (Pande & Pawar, 2018).

While this study provides rich qualitative and quantitative insights through a Participatory Action Research (PAR) framework and Structural Equation Modeling (SEM) analysis, it is important to acknowledge a key limitation: the sample size of 24 participants may constrain the generalizability of the findings. Given the exploratory and community-based nature of the study, the focus was placed on depth and contextual relevance rather than statistical representativeness. As such, the results should be interpreted with caution in terms of external validity. Future research with larger sample sizes and diverse urban settings is recommended to enhance the robustness and applicability of the proposed social entrepreneurship model.

The study was conducted in three main regions of Greater Tangerang: Tangerang City, Tangerang Regency, and South Tangerang City. These locations were selected based on preliminary findings indicating the widespread occurrence of illegal waste dumping sites, as well as the presence of local communities engaged in informal economic activities.

Participants in this study included: community leaders, local youth groups, micro-entrepreneurs, environmental volunteers, and representatives from local government at the sub-district and urban village levels. A total of 24 key participants were involved in in-depth interviews and focus group discussions (FGDs), with proportional representation across the three research sites.

Multiple data collection methods were used to ensure triangulation and depth of information: Participatory Observation Conducted over a two-week period at each location to map illegal dumping sites, observe community behavior, and assess the potential of public spaces for development. In-Depth Interviews Conducted with key community informants (6–10 per location) to explore their perceptions, motivations, and challenges regarding social entrepreneurship and environmental issues. Focus Group Discussions (FGDs) Facilitated to generate ideas and co-design a contextually relevant social business model based on the ambidexterity framework. Questionnaire Distribution Administered to examine perceptions of three main variables: ambidexterity, community engagement, and the sustainability of social business models. Responses were measured using a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree).

### **C. Result and Discussion**

The findings from the Confirmatory Factor Analysis (CFA) indicate that the three main

constructs in this study—ambidexterity, community engagement, and the sustainability of the social business model—demonstrate strong construct validity and internal consistency. All standardized factor loadings exceeded 0.70, while the Composite Reliability (CR) values were above 0.85, and the Average Variance Extracted (AVE) values surpassed 0.50. These statistical indicators confirm that the measurement instruments effectively capture the intended latent variables and meet established standards for reliability and convergent validity.

The Confirmatory Factor Analysis (CFA) results indicate that the three main constructs in this study—ambidexterity, community engagement, and the sustainability of the social business model—exhibit good validity and reliability. All standardized factor loadings exceed 0.70, suggesting that each indicator significantly represents the corresponding latent construct.

The Composite Reliability (CR) values for all three constructs are above 0.85, indicating excellent internal consistency. Additionally, the Average Variance Extracted (AVE) values for each construct are greater than 0.50, which implies that more than 50% of the variance in the indicators is accounted for by the respective latent construct. These results confirm that the measurement instruments employed in this study meet the statistical criteria for construct validity and reliability.

Table 1. Confirmatory Factor Analysis (CFA)

Variable	Indicator	Standardized Loading	CR (Composite Reliability)	AVE (Average Variance Extracted)
Ambidexterity (AMB)	AMB1	0.78	0.88	0.61
	AMB2	0.80		
	AMB3	0.76		
	AMB4	0.81		
Community Engagement (KOM)	KOM1	0.75	0.85	0.65
	KOM2	0.83		
	KOM3	0.81		
Social Business Sustainability (MOD)	MOD1	0.79	0.89	0.63
	MOD2	0.81		
	MOD3	0.77		
	MOD4	0.80		

Further analysis using Structural Equation Modeling (SEM) reveals several significant relationships. Ambidexterity has a positive and significant direct effect on the sustainability of social business models ( $\beta = 0.42$ ,  $p < 0.001$ ), suggesting that the community's ability to balance exploration (innovation) and exploitation (resource optimization) plays a pivotal role in ensuring long-term business viability. Community engagement also shows a significant impact on sustainability ( $\beta = 0.51$ ,  $p < 0.001$ ), reaffirming the critical role of active citizen participation in building resilient, inclusive enterprises. Interestingly, the analysis also shows that ambidexterity positively influences community engagement ( $\beta = 0.38$ ,  $p < 0.001$ ). This indicates that communities capable of managing innovation alongside local resource utilization tend to foster greater collaboration and involvement from stakeholders. These relationships suggest a mediating role of community engagement in the linkage between ambidexterity and business sustainability. In practical terms, this implies that promoting ambidextrous capabilities at the grassroots level—such as encouraging both creative problem-solving and local wisdom—can significantly enhance public participation and, in

turn, the effectiveness of community-based social enterprises.

These findings align with previous research (e.g., O'Reilly & Tushman, 2008), yet extend their relevance into the context of micro and community-level social entrepreneurship in urban Indonesia. The model developed in this study, which centers on the creation of ornamental plant-based businesses in former illegal waste disposal sites, presents a unique hybrid solution to urban environmental degradation. The choice of ornamental plants is both strategic and symbolic: economically, they offer market potential and low production cost; socially, they foster local pride and engagement; environmentally, they improve air quality, aesthetics, and psychological well-being in high-density urban areas.

Furthermore, community engagement significantly contributes to business sustainability ( $\beta = 0.51$ ,  $p < 0.001$ ). This finding supports prior research emphasizing the role of citizen participation in sustaining social entrepreneurship initiatives (Driver et al. 2000; Mair and Marti 2006). High engagement enhances collective ownership and strengthens resilience against external challenges.

Interestingly, ambidexterity also positively affects community engagement ( $\beta = 0.38$ ,  $p < 0.01$ ), suggesting that communities fostering innovation while leveraging local assets tend to

encourage higher participation and collaboration. This implies a potential mediated effect of ambidexterity on sustainability through engagement.

Table 2. SEM Path Coefficients

Path	Estimate ( $\beta$ )	p-value	Interpretation
Ambidexterity $\rightarrow$ Sustainability	0,42	< 0.001	Significant
Community Engagement $\rightarrow$ Sustainability	0,51	< 0.001	Significant
Ambidexterity $\rightarrow$ Engagement	0,38	< 0.001	Significant

These findings are consistent with the work of (O'Reilly & Tushman, 2008), highlighting the relevance of ambidexterity in enhancing organizational effectiveness. The present study extends the concept by demonstrating how ambidexterity can also be applied effectively in community-based social entrepreneurship settings.

Moreover, the proposed model—which integrates ornamental plant-based social businesses at former illegal waste disposal sites—represents an innovative solution for urban environmental challenges. This aligns with the broader perspective of social entrepreneurship that addresses not only economic issues but also aesthetic and environmental well-being in urban spaces.

The presence of cross-sector collaboration (involving local governments, citizen groups, and private stakeholders) further amplifies the impact and sustainability of the model, confirming the potential for hybrid solutions to complex social-ecological problems.

Furthermore, the collaborative approach adopted in the development of ornamental plant-based business models at former illegal dumping sites reflects a form of environmentally driven social entrepreneurship. This approach does not solely rely on entrepreneurs but actively involves local residents, community organizations, and other stakeholders in co-designing a sustainable business model. Such collaboration fosters a

participatory space for communities to engage in transforming previously neglected and polluted urban spaces into productive areas that deliver economic, social, and aesthetic value.

Through this process, the resulting business model is not limited to generating financial profits. It is also oriented toward social value creation, including community empowerment, increased environmental awareness, and the development of green public spaces in densely populated urban neighborhoods. Ornamental plants were strategically chosen not only for their economic potential, but also for their capacity to improve air quality, enhance visual appeal, and contribute positively to the psychological well-being of urban residents facing daily stressors of city life.

These findings underscore the importance of developing business models that integrate the three core dimensions of sustainability: profit (economic gains), people (social benefits), and planet (environmental preservation). In an urban context, such a model offers a tangible and replicable solution to environmental problems that are often overlooked. Moreover, the adaptability of this model across other urban areas with similar conditions demonstrates its scalability and inspirational value for future social entrepreneurship initiatives. Thus, aligning economic goals with environmental sustainability enables a more inclusive and transformative impact on urban communities,

advancing both development and ecological resilience.

Moreover, the participatory design of the business model—involving local residents, youth groups, environmental volunteers, and government stakeholders—illustrates the strength of co-creation in delivering sustainable outcomes. The model does not merely generate income but creates shared value by integrating the "triple bottom line" of profit, people, and planet. As a result, the initiative helps transform neglected public spaces into productive, beautiful, and inclusive areas, further solidifying the potential of environmentally driven social entrepreneurship in urban settings.

Despite these promising outcomes, the study acknowledges a key limitation: the relatively small number of participants (24 individuals), which may constrain the generalizability of the findings. The focus of the research was on depth and contextual understanding, which is characteristic of Participatory Action Research (PAR) and appropriate for exploratory studies. However, the limited sample size means that the quantitative findings, especially those derived from SEM, should be interpreted with caution in terms of external validity. Future studies are encouraged to involve a larger and more diverse sample to test the model's robustness across various urban contexts.

Overall, the results of this study demonstrate that ambidexterity, when embedded in participatory frameworks, can serve as both a theoretical and practical foundation for social entrepreneurship models that address economic and environmental challenges simultaneously. By aligning local innovation with community engagement and sustainability, this research contributes to both the academic discourse on ambidextrous capability and the practical field of urban community development in Indonesia.

## **D. Conclusion**

This study concludes that the integration of ambidexterity into community-based social entrepreneurship offers a viable and sustainable strategy for addressing both economic and environmental challenges in urban areas. The dual capability to explore innovation and exploit local resources enables communities to co-create business models that are not only economically productive but also socially inclusive and environmentally responsible. Empirical findings confirm that ambidexterity significantly influences both community engagement and the sustainability of social business models, reinforcing the importance of adaptive strategies at the grassroots level.

Theoretically, this research contributes to the development of ambidexterity theory by extending its application from corporate and organizational contexts to community-based micro-social entrepreneurship. While previous literature has primarily emphasized ambidexterity in relation to firm-level innovation or strategic agility, this study demonstrates that ambidextrous capacities—such as innovation exploration and resource exploitation—can also be cultivated and operationalized within local, informal economies and urban social movements. This novel perspective highlights that ambidexterity is not exclusive to formal institutions or elite managerial practices, but can emerge through participatory processes and shared community knowledge.

The conceptual model proposed in this research adds a new dimension to hybrid entrepreneurship theory, particularly by integrating urban environmental restoration (via ornamental plant businesses) into social enterprise design. This model illustrates how ambidextrous thinking—when embedded in local culture and supported through cross-sector collaboration—can generate inclusive innovation and social transformation in under-resourced urban settings. As such, the study not only enhances the theoretical framework of ambidexterity, but also offers a scalable micro-level model that contributes to the broader

discourse on sustainable development and participatory entrepreneurship.

Practically, the model presented here offers replicable guidance for community leaders, local governments, and development practitioners seeking to build resilient, socially-driven enterprises in neglected urban areas. Future research is encouraged to further test the model's adaptability through longitudinal analysis and integration of digital tools, allowing for enhanced scalability and cross-regional application in various socio-ecological environments.

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