The Implementation of Technology Capabilities, Agile Leadership and Innovation Ambidexterity to Improve SMEs' Sustainability in Bandung

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Abstract

COVID-19 pandemic has a significant impact on the disruption of the global economic sector, one of which is the Small and Medium-sized Enterprises (SMEs) in Bandung. This encourages IKM actors in Bandung to conduct the innovation process continuously in order to become more ambidextrous and continue to innovate for their business sustainability. The primary objective of this research is to find out the impact of IKM's business sustainability in Bandung by exploring technological capabilities, agile leadership and innovation ambidexterity. Method used in this study is quantitative, data was obtained through questionnaire of 400 respondents. The results showed that there is a positive and significant impact of technology capability on innovation ambidexterity, agile leadership on innovation ambidexterity, technology capability on business sustainability, agile leadership on business sustainability, technology capability on business sustainability through innovation ambidexterity and also agile leadership have a positive and significant impact on business sustainability through innovation ambidexterity.

Keywords
Technology Capability, Agile leadership, Innovation Ambidexterity, Business Sustainability, IKM

1. Introduction

Indonesia, one of the countries affected by COVID-19 virus, immediately took various anticipation measures by establishing regulations from Large-Scale Social Restrictions (PSBB) to work from home instruction, and closing public service sectors. As the result, our economy is experiencing a significant domino effect that there are layoffs everywhere. One of the economic sectors affected by COVID-19 virus is the Small and Medium-sized Enterprises (SMEs) sector. The Ministry of Industry recorded the number of SMEs in Indonesia affected by COVID-19 for 1 million units. In fact, since the beginning of the outbreak in Indonesia, in early March 2020, the average sales of SMEs decreased between 50%-70%.

Bandung is a city in West Java that is considered as one of the largest SMEs production areas, especially textile and leather industries. Now, SMEs in Bandung are currently facing many difficulties due to the global pandemic COVID-19. The Head of Department of Trade and Industry, Elly Wasliah said, the fate of SMEs in Bandung is now threatened. Some of the SMEs that is in danger are T-Shirt manufacturing located at Suci street and shoe manufacturing at Cibaduyut street. In addition, approximately 2,600 SMEs are small-sized enterprises and 458 are medium-sized enterprises. Although The Government of Bandung has distributed stimulus funds to the SMEs, the Special Force of COVID-19 said that it is unknown when the pandemic will end. Therefore, SMEs cannot continue to rely on government assistance alone. Though various literature on business sustainability can be accessed on the internet or books, there are still many SMEs that are unaware of the importance of business sustainability literature. Seeing these conditions, SMEs in Bandung are expected to be able to find ways to adapt to maintain their business sustainability during COVID-19 pandemic, which has weakened the purchasing power of consumers.

Kuntonbutr and Combs (2019) stated that a company's technological capabilities support the sustainability of their operations. Technology can be applied in real time so that decision making can be done quickly and effectively. Soto-Acosta P, Simona P and Isabel MC (2018) showed that Technological Capabilities positively related to innovation prowess. Mori, Batalha and Alfranca (2015) stated that technological capabilities have an important

role in achieving efficiency in the company's production process and innovation level. It is related to the skills and knowledge that the company needs to absorb, use, adapt, evolve and transfer technology. Parker, Holesgrove and Pathak (2015), suggest that efforts can create changes by using a humanistic approach based on the fundamental characteristic values of agile leadership. According to Stephens and Liu (2019), business sustainability is influenced by innovation. Innovation is considered an effective way to improve business sustainability. It is formed on the industrial sector or well-defined products.

This paper is presented as follows: the first section outlines the theoretical background for this study; part 2 explains the theories; part 3 describes the methods and techniques; part 4 discuss the results; and part 5 presents the conclusions and suggestions of this study. The existing literature focuses primarily on large companies. However, researchers acknowledge that empirical findings in large companies cannot be generalized in small companies. Therefore, factors that have a significant positive impact on the sustainability of SMEs business in Bandung during the pandemic remain unknown. Thus, it is expected that this research can explain the impact of technological capabilities, agile leadership and innovation ambidexterity on the sustainability of SMEs in Bandung.

2. Literature Review

2.1 Small and Medium-sized Enterprises

Small and Medium-sized Enterprises (SMEs) can be defined in various ways in Indonesia due to parties or government agencies that apply different concepts in defining SMEs. According to the Central Bureau of Statistics (BPS, 2007:5), SMEs are household businesses that have the same business activities, which is production activities. Small and medium-sized enterprises can be distinguished from the number of workers used to carry out production activities, ignoring the amount of capital required and turnover rate. The number of workers used explain how business activities are carried out. Small number of workers usually result in simple activities and limited output, while larger number of workers usually result in more complicated activities and more output. So, it can be said if the number of workers can describe the scale of the business.

2.2 Business Sustainability

According to Barometer (2013), corporate sustainability implies that economic, environmental and social aspects are simultaneously integrated into company's conventional management activities. It is also considered as a discipline, in which companies align decision-making on capital allocation, product development, brands, and resources with the principle of sustainable development with limited resources (Global Association for Corporate Sustainability Officials, 2011). In business organizations, sustainability covers both operational and strategic dimensions. Furthermore, sustainability has a unique advantage in providing management with important information that helps in identifying and developing innovative processes and products that can add more shareholder value. Corporate sustainability must also be created in a way where shareholder value is affected as a result of risks associated with social and environmental issues, as well as strategic and operational issues. To develop corporate sustainability, companies need to connect environmental and social components with strategic, operational and economic success. Companies must also integrate their involvement in sustainability into their core business. This integration will require active support and organizational engagement (ICSB, 2013).

2.3 Technology Capabilities

Technology capabilities refer to capabilities that allow companies to use and develop various technologies (Afuah, 2002) by involving technology development, product development, production processes, manufacturing procedures, and technology estimation (Di Benedetto, DeSarbo, and Song 2008). Meanwhile, according to Lu and Ramamurthy (2011), technology capabilities is the extent to which companies are good at managing information technology resources to support and improve business strategies and processes. A company's technological capabilities consist of technological infrastructures, human resources that include technical and managerial skills, and intangibles such as knowledge assets, customer orientation, and synergy (Bharadwaj, 2000). Hadjimanolis (2000) showed that the success of innovation ambidexterity in business depends on key resources and capabilities such as technology resources. Technology capabilities can help companies to mobilize and deploy IT resources combined with other resources and capabilities (Bharadwaj,200; Chen et al, 2012). Technology capabilities can improve data collection and processing to respond to market changes in a timely manner and to identify new business opportunities. Technology capabilities can increase the utilization of ability to take advantage of existing market opportunities and explore new opportunities to meet the challenges of emerging markets (Chaudhuri et al, 2011). Based on these arguments, the following hypothesis is proposed:

H_1: Technological capabilities have an impact on innovation ambidexterity.

Kuntonbutr S., & Howard C. (2019) stated that technological capabilities is a company that supports the sustainability of their business operations. Technology can be applied in real time so that decision making can be

done quickly and effectively. Business sustainability requires not only creative and innovative problem-solving learning, but also other aspects such as asset improvement, skills and technology (Ruiz-Martin et all, 2018). Carmen, Mihaela C & Laura (2018) suggested that the ability to utilize technology represents a strong positive predictor for business sustainability. Based on research above, the following hypothesis is proposed:

H_2: Technological capabilities have an impact on business sustainability.

Tarute and Gatautis (2014) confirmed that technological capabilities have an impact on improving external and internal communication. Technological capabilities are closely related to competition and adoption of innovations supported by companies in the production, distribution and sale of new products or services. Technology Capability is an important facilitator of organizational exploitation as one of the organizational capabilities in realizing business sustainability, it also encourages exploration innovation through increasing the use of organizational technology resources (Yalcinkaya, Calantone, and Griffith 2007). Thus, companies that utilize technology will be able to improve the innovation of process, because technological advances will make it easier for companies to carry out their production activities. By creating innovation on the business process, it will increase the efficiency of production process, improve the quality in the production process, increase the quantity in the production process, more accuracy in the delivery process, and it will lower the costs of production process. The success of innovation contributes significantly to improve the sustainability of the company's operational performance. (Romadhon.A, 2019). Based on the research, the following hypothesis is proposed:

H_3: Technological capabilities impacts business sustainability through innovation ambidexterity.

2.4 Agile leadership

Agile is the mindset and passion to collaborate on building products, both within and outside the team. Agile is also defined as a desire to face and accept the changes that occur during product development. Agile leaders are able to think outside the box to perfectly align the organization with the internal and external environments (Attar and Abdul-Kareem, 2020). However, agile is in an abstract area and it is difficult for most people to understand. Therefore, it is necessary to understand the leader himself in leading the organization. Agile leadership illustrates a leader's quick, adaptable and flexible ability in responding to unexpected events in unusual circumstances (Attar and Abdul-Kareem, 2020). According to Grant G., Suresh C., &Eric K. (2019), agile leadership positively affects ambidextrous organizations. This can assist individuals or organizations in managing uncertainties and changes for innovative development.

H_4: Agile leadership has an impact on innovation ambidexterity.

As stated in Parker, Holesgrove and Pathak (2015), changes that occur can be faced by using humanistic approach based on the fundamental characteristic values of agile leadership. To achieve successful sustainability, companies need to develop their organizational agility that meets the level of changes and complexity in their business environment (Joiner and Josephs, 2007). Based on the research, the following hypothesis is proposed:

H_5: Agile leadership has an impact on business sustainability.

Selva S., Senem N & Husnu D. (2019) stated that a leader who strives to create innovation has an important role in creating an atmosphere where the employees are encouraged to experiment. Positive influences on business sustainability can be gained by adding value to products and services. According to Rzepka & Ewa (2020), the concept of agility contributes to overcoming market uncertainty such as increasing the pace of innovation, technological development and customer expectations. Based on the research, the following hypothesis is proposed:

H_6: Agile leadership has an impact on business sustainability through innovation.

2.5 Innovation Ambidexterity

Innovation ambidexterity is defined as the need to refine internal competencies to grow the current revenue streams and manage cost structures while providing adequate exploration to prepare for new technological changes and shape new innovations for future's survival (O'Reilly and Tushman, 2013). Thakur and Rao (2019) emphasized that ambidextrous organizations are more likely to achieve organizational sustainability and thrive in volatile, uncertain, complex and ambiguous environments. Looy Bart, V., Thierry, M., & Koensroad. D (2005) found that ambidextrous companies can shape business sustainability, where sustainability is defined as generating an overall value equal to or higher than a mature and focused company. According to March (1991), innovation ambidexterity is needed to maintain a balance between exploitative innovation and to ensure its current sustainability, while at the same time perform some explorations to ensure its sustainability in the future. Based on the research, the following hypothesis is proposed:

H_7: Innovation ambidexterity has an impact on business sustainability.

2. Methodology

3.1 Sample and Data Collection

The total population of this study is 12,269 units of SMEs. Simple Random Sampling technique is used in determining the sample of this research. The number of respondents in this study was calculated based on Slovin formula with a sample number of 400 respondents. This research was conducted from March to April 2021 using cross-sectional questionnaire survey design. Respondents obtained were 69% male and 31% female. The age ranged from 21-30 year old (41%), 31-40 year old (29%), 41-50 year old (15%), >50 year old (14%) and <20 year old (1%) or a total of 3 respondents. The education background of the respondents was 53% bachelor's degree, 36%, high school, 5% junior high school, 4% diploma 1, 2% master's or doctor's degree, 2% elementary school and 0% diploma 4. Meanwhile, based on the business establishment, 44% SMEs have been running for 1-5 years, 32% for >10 years, 18% for 6-10 years and 6% for <1 year.

3.2 Measurement

Likert scale is used as the measurement scale of the questionnaire with ordinal scale as measurement type. According to Sekaran (2010:263), ordinal scale is defined as a scale that sorts data from the lowest to the highest level or vice versa regardless of the data interval. Five-scaled Likert is used in this study because according to Hertanto (2017), questionnaire instruments with 5-scaled Likert will be able to accommodate the respondent's answer whether it is neutral or hesitant.

3.3 Data Analysis

Data was processed using Partial Least Square Estimation (PLS-SEM) to test the proposed conceptual model. Ghozali (2008) said that Structural Equation Modeling (SEM) is a multivariate analysis technique that can be used to test the relationship between complex variables, both recursive and non-recursive, to obtain a comprehensive picture of the overall model. By using SEM, more test such as structural model and measurement model test, error measurement test, factor analysis test and hypothesis test can be performed (Bahri & Zamzam, 2015). Bootstrap algorithm with 400 samples of SMEs owners was also performed to evaluate the significance level of path coefficient.

3. Result

Partial Least Square (PLS) is a variance-based SEM that solves the path model with reflective constructs, so in this study, variance-based analysis (VB-SEM) was conducted using PLS (Bahri, 2018). PLS - SEM analysis was conducted in two stages consisting of: evaluation of the measurement model (outer model) by measuring the value of convergent validity, discriminant validity, cronbach's alpha; and composite reliability and structural models (inner models) by calculating R-square and path coefficient or T-values.

4.1 Measurement Model Results (Outer Model)

The validity of convergence is performed by calculating the value of the reliability items indicated by the loading factor value. Loading factor is a number that indicates the correlation between the questionnaire question's item score and the score of contract indicator that measures the contract. According to Ghozali and Latan (2014), the value of loading factor is considered as valid if it is greater than 0.7.

Based on the results of loading factor test, there are 3 invalid items, where all three items have loading factor value of less than 0.7. These items are TC3, TC12 and IA10. After the invalid items were obtained, a second test was conducted by eliminating those invalid items.

Table 1. Measurement Model: Second Loading Factor, Cronbach's Alpha, Composite Reliability and Convergent Validity Results

Variable	Indicators	Loading Factor	Cronbach's Alpha	Composite Reliability	AVE
Technology Capabilities	TC1	0.707	0.903	0.923	0.634
	TC2	0.714			
	TC4	0.721			
	TC5	0.723			
	TC6	0.720			
	TC7	0.741			
	TC8	0.701			
	TC9	0.761			
	TC10	0.710			
	TC11	0.792			

	TC13	0.730			
	TC14	0.773			
Agile Leadership	AL1	0.777	0.948	0.956	0.709
	AL2	0.754			
	AL3	0.720			
	AL4	0.889			
	AL5	0.860			
	AL6	0.796			
	AL7	0.771			
Innovation Ambidexterity	IA1	0.852	0.923	0.934	0.542
	IA2	0.897			
	IA3	0.731			
	IA4	0.887			
	IA5	0.867			
	IA6	0.845			
	IA7	0.853			
	IA8	0.733			
	IA9	0.878			
Business Sustainability	BS1	0.716	0.844	0.882	0.517
	BS2	0.723			
	BS3	0.735			
	BS4	0.713			
	BS5	0.702			
	BS6	0.706			
	BS7	0.735			

The measurement model is considered to have good validity if the value of cronbach's alpha and Composite Reliability are greater than 0.7 (Latan & Ghozali, 2012). The validity of the measurement model is based on the average variance of the value extracted (AVE) in the AVE convergent validity test must have a value of >0.5 (Latan & Ghozali, 2012). Based on Table 4, it appears that the cronbach's alpha value is greater than 0.7 for all constructs. The lowest cronbach's alpha value is business sustainability (0.844) and the highest value is Agile Leadership (0.948). It can also be seen from composite reliability that the overall variable has a value greater than 0.7 with the lowest value is business sustainability (0.844) and the highest value is agile leadership (0.956). Based on the two parameters above, it can be indicated that the measurement of the model has good reliability. The results of the Fornell-Larcker Criterion werre also used as part of a discriminant validity test as can be seen on Table 3 below.

Table 2. Fornell-Larcker Criterion Results

	AL	**IA**	**KT**	**KU**
AL	**0,840**			
IA	0,550	**0,978**		
KT	0,632	0,727	**0,820**	
KU	0,753	0,679	0,750	**0,775**

Table 3 above shows the square root number of AVE and the correlation number between latent constructs. The validity of discriminants was assessed based on the square root of AVE, which is calculated by comparing the square root of AVE with the correlation value between other constructs. The criteria is met tif the square root number is higher than the correlation value between other latent constructs. As shown on Table 3, all AVE square root values have higher numbers compared to construct correlation numbers, thus it can be concluded that the research model used is valid. The validity of discriminants can be measured by using Heteroit- Monoroit Ratio (HTMT). Table 4 below shows the Heteroit-Monoroit Ratio (HTMT) values.

Table 3. Heteroit-Monotrait Correlation Ratio (HTMT) Confidence Interval

	Original Sample	Sample Mean	2,5%	97,5%
IA→AL	0,555	0,552	0,467	0,633
KT→AL	0,688	0,684	0,600	0,754
KT→IA	0,809	0,810	0,734	0,874
KU→AL	0,873	0,872	0,821	0,917

KU→IA	0,786	0,784	0,702	0,856
KU→KT	0,926	0,925	0,875	0,971

According to Henseler et al., (2015), if the HTMT value is <0.90, then a construct is considered to have a good discriminant validity. Table 4 shows that every HTMT value is <0.90, which states that the construct has good discriminant validity.

4.2 Structural Model Results (Inner model)

Figure 1 shows the structural model in this study. R-square were calculated and evaluated to find out whether the model is strong, moderate or weak. If the R-square value is 0.67, it identifies that the model is said to be strong, 0.33 is moderate and 0.19 is weak (Ghozali & Latan, 2014). Based on the test results, innovation ambidexterity and business sustainability have a strong model because the R-square value is above 0.67.

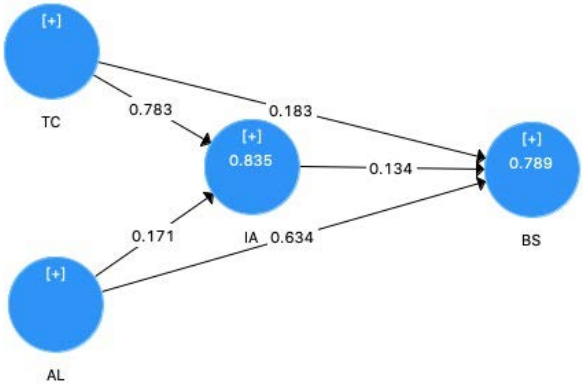

Figure 1. Structural Model

The next test conducted was blindfolding analysis. Blindfolding is an analysis used to assess the degree of relevance of a construct model. This blindfolding process is depicted in the form of Q-Square. If the value of Q-Square is > 0 then the variable is considered to have a good relevance and exogenous variables are able to predict its endogenous variables. Q-Square values are divided into three criteria: Q-Square <0.02 (small), Q-Square < 0.15 (moderate) and Q-Square < 0.35 (great) (Akter et al., 2011).

Table 4. *Q*-Square Results

	SSO	SSE	Q2 (=1-SSE/SSO)
Agile Leadership	2800,000	2800,000	
Innovation Ambidexterity	3600,000	1490,489	0,586
Technology Ability	4800,000	4800,000	
Business Sustanability	2800,000	1676,886	0,401

Based on the Table 5 above, the Q-Square value of innovation ambidexterity and company performance, which are endogenous variables, are obtained. The results showed that the innovation ambidexterity model has great predictive capabilities and the company's performance model also has great predictive capabilities.

Table 5. Path Coefficients Results

Variable	Path Coefficients
Technology Capabilities → Innovation Ambidexterity	0,783
Technology Capabilities → Business Sustainability	0,183
Agile Leadership → Innovation Ambidexterity	0,171
Agile Leadership → Business Sustainability	0,634
Innovation Ambidexterity → Business Sustainability	0,134
Technology Capabilities → Innovation Ambidexterity → Business Sustainability	0,105
Agile Leadership → Innovation Ambidexterity→ Business Sustainability	0,023

Based on Table 6 above, every variable has a positive relationship, which indicates that each variable has a proportional and unidirectional relationship.

4.3 Hypothesis Test Results

Bootstrapping was conducted to 500 subsamples to find the t-statistic and P values. The values of t-statistic and P values are presented on Table 7 below.

Table 6. T-Statistic Results

Hypothesis	Variable	T-Statistic	P Values	Result
H1a	Technology Capabilities → Innovation Ambidexterity	23,162	0,000	Diterima
H2a	Technology Capabilities → Business Sustainability	3,174	0,002	Diterima
H3	Agile Leadership → Innovation Ambidexterity	4,568	0,000	Diterima
H4	Agile Leadership → Business Sustainability	18,041	0,000	Diterima
H5	Innovation Ambidexterity → Business Sustainability	2,244	0,025	Diterima
H1b	Technology Capabilities → Innovation Ambidexterity → Business Sustainability	1,999	0,046	Diterima
H2b	Agile Leadership → Innovation Ambidexterity→ Business Sustainability	2,230	0,026	Diterima

Based on the results of hypothesis testing on Table 1, all hypotheses are accepted. According to Ghozali and Latan (2014), hypothesis testing with a significance rate of 5% has a value greater than 1.64. The t-statistic rule of thumb value at 5% significance is 1.65 (Hair et al, 2014). As for P values, at 5% significance level, the value must be less than 0.05 (Hair et al, 2014).

4. Discussion

***H_1*: Technological capabilities have a significant impact on Innovation Ambidexterity.**

Based on the result shown on Table 7, technological capability has a significant impact on innovation ambidexterity with t-statistic (23,162) > t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.783, indicating that there is a positive relationship between technological capability and innovation ambidexterity. This shows that the greater SMEs' technological capability, the bigger their chance to do exploration and exploitation innovation simultaneously. Therefore, the H_1a hypothesis in this study, which is technological capabilities have a significant impact on innovation ambidexterity, is accepted. This hypothesis is similar to Hadjimanolis (2000), who found that the achievement of innovation ambidexterity in business depends on key resources and capabilities such as technology resources. Additionally, Chaudhuri et al (2011) argued that technological capabilities can improve the ability utilization in taking advantage of existing market opportunities and explore new opportunities to face the challenges of emerging markets.

***H_2*: Technological capability has a significant impact on business sustainability through innovation ambidexterity.**

Based on the result shown on Table 7, Technological Capability has a significant impact on Business sustainability through Innovation *Ambidexterity* t-statistic (1,999) < t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.105, indicating that technology capabilities of SMEs in Bandung have a positive and significant impact on Business sustainability through Innovation Ambidexterity. Therefore, the H_2 hypothesis in this study, which is technological capabilities have a significant impact on business sustainability through innovation ambidexterity, is accepted and this hypothesis in-line from previous research conducted by Tarute and Gatautis (2014) who confirmed that technological capabilities have an impact on external and internal communications improvement. Technological capabilities are closely related to competition, as well as the company's innovations in their production, distribution and marketing of new products or services. Thus, companies that utilize the use of technology will be able to improve their process' innovation, since technological advances will make it easier for companies to carry out their production activities. By creating innovation in their business processes, it will increase the efficiency of production process, improve the quality of production process, increase the quantity of production process, increase the accuracy in the delivery process, and lower the costs in production process. Success in innovation will significantly improve the sustainability of the company's operational performance (Romadhon.A, 2019).

H_3: Agile leadership has a significant impact on innovation ambidexterity.
Based on the result shown on Table 7, agile leadership has a significant impact on innovation ambidexterity with t-statistic (4,568) > t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.171, indicating that there is a positive relationship between agile leadership and innovation ambidexterity. This shows that the greater SMEs' agile leadership, the bigger their chance to innovate exploration and exploitation simultaneously. Therefore, the H_3 hypothesis in this study, which is agile leadership has a significant impact on innovation ambidexterity, is accepted. This hypothesis is in-line with previous research conducted by Gaia, Suresh & Erick K (2019) who suggested that agile leadership has a positive impact on ambidextrous organizations. This can help individuals or organizations in managing uncertainties and changes for innovative development. According to Attar and Abdul-Kareem (2020), agile leadership illustrates a leader's swift, adaptable and flexible ability in responding to unexpected events in unusual circumstances.

H_4: Agile leadership has a significant impact on business sustainability through innovation ambidexterity.
Based on the result shown on Table 7, agile leadership has a significant impact on business sustainability through innovation ambidexterity with t-statistic (2,230) < t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.023, indicating that agile leadership has a positive relationship on business sustainability through innovation ambidexterity. This shows that the SMEs owners' agile leadership has significant impact and has an in-line relationship on business sustainability through innovation ambidexterity. Therefore, H_4 hypothesis in this study is accepted and this hypothesis in-line previous research conducted by Selva S., Senem N & Husnu D. (2019), who studied 131 employees of printing companies in Istanbul, argued that a leader who strives to create an innovation, in which leaders are considered to have important role in creating an atmosphere where employees are encouraged to experiment, has a positive impact on business sustainability.

H_5: Technological capability has a significant impact on business sustainability.
Based on the result shown on Table 7, technological capabilities have a significant impact on business sustainability with t-statistic (3,174) > t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.183, indicating that there is a positive relationship between technological capabilities and business sustainability. This shows that the greater the SMEs' technological capabilities, the better their business sustainability. Therefore, H_5 hypothesis in this study, which is technological capabilities have a significant impact on business sustainability, is accepted. This hypothesis is similar with previous research conducted by Kuntonbutr S., & Howard C. (2019) who found that technological capability is companies that support the sustainability of their business operations. Technology can be applied in real time, so that decision making can be done quickly and effectively. Meanwhile, Carmen, Mihaela C & Laura (2018) suggested that the ability to utilize technology represents a strong positive predictor for business sustainability.

H_6: Agile leadership has a significant impact on business sustainability.
Based on the results shown on Table 7, agile leadership has a significant impact on business sustainability with t-statistic (18,041) > t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.634, indicating that there is a positive relationship between agile leadership business sustainability. This shows that the greater SMEs' agile leadership, the better their business sustainability. Therefore, H_6 hypothesis, which is agile leadership have a significant impact on business sustainability, is accepted. This hypothesis is in accordance with previous research conducted by Benn S., Dexter D., and Andrew G (2006), business sustainability is positively influenced by effective leadership in terms of changes, leadership with values and integrity that have the appropriate direction and control level. According to Parker, Holesgrove and Pathak (2015), efforts can help in facing changes by using a humanistic approach based on the fundamental characteristic values of agile leadership.

H_7: Innovation ambidexterity has a significant impact on business sustainability.
Based on the result shown on Table 6, innovation ambidexterity has a significant impact on business sustainability with t-statistic (2,244) > t-table (1.96) (two-tailed). Path coefficient has a positive value of 0.134, indicating that there is a positive relationship between innovation ambidexterity and business sustainability. This shows that the greater SMEs' innovation ambidexterity, the better their business sustainability. Therefore, H_7 hypothesis in this study, which is innovation ambidexterity has a significant impact on business sustainability, is accepted. This hypothesis is similar to previous research conducted by Thakur and Rao (2019), emphasizing that ambidextrous organizations are more likely to achieve organizational sustainability and thrive in volatile, uncertain, complex and ambiguous environments. According to March (1991), innovation ambidexterity is needed to maintain a balance between exploitative innovation to ensure its current sustainability and simultaneously explore to ensure its sustainability in the future.

5. Conclusion

Based on the results of the study, it can be concluded that technological capabilities, innovation ambidexterity, agile leadership and sustainability of SMEs in Bandung have a positive and significant correlation. This shows that SMEs owners in Bandung is great but can be improved by their knowledge about utilization and development of technology, swift leadership and increase innovation both exploratively and exploitatively in order to improve their business sustainability. The results showed that the SMEs' ability to maintain their business sustainability still needs to be developed. This research offers a new framework to improve the SMEs' business sustainability and also contribute theoretically and practically. This research contributes to providing the academics literature related to technological capabilities, agile leadership, innovation ambidexterity and business sustainability of SMEs. This study also provides factors that affect SMEs' business sustainability to help the owners in improving their business in unstable situations. This research can also be used as supporting evidence for the government regarding to importance of SMEs' technological capabilities, agile leadership and innovation ambidexterity in Bandung.

SMEs that are located in Bandung need to understand things related to technological capabilities, such as the importance of having the basic ability to use technology, the importance of the application of technology in business, the benefits and positive impacts of technology use and increase knowledge of effective leadership who are capable to face changes. In addition, SMEs in Bandung can increase innovation both exploratively and exploitatively by applying new ideas to their products and processes, collaborate with other brands, conduct interesting marketing, etc. SMEs owners need to have innovative and creative thinking to create innovations supported by their technological capabilities in order to seize opportunities and adapt to the current market. SMEs in Bandung also need to understand the impact of business environment uncertainty that can occur at any time. SMEs owners must always prepare themselves to face business uncertainty in order to reduce the impact of shocks such as pandemics.

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