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# Dynamic capabilities and organizational ambidexterity: New strategies from emerging market multinational enterprises in Nigeria

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## Abstract

This study examines the strategies that firms deploy in developing and scaling up organizational ambidexterity under conditions of environmental uncertainty. Using five emerging market multinational enterprises (EMNEs) in the Nigerian financial sector as case studies the study provides a framework of four main ambidextrous strategies deployed by these firms. Based on the dynamic capabilities' lens, the study found that EMNEs pursue a combination of contextual and structural ambidextrous strategies, including new business models, investment in technology for strategic innovation, developing strategic alliances, and internationalization. These strategies serve as levers of dynamic capabilities for fostering exploration of new business opportunities, while strengthening, enriching, and exploiting their existing capabilities. These findings contribute to enriching the existing literature on ambidexterity by contributing to the ongoing debate about how ambidexterity manifest in EMNEs during periods of environmental uncertainty, particularly from an emerging country context.

## KEYWORDS

ambidexterity, business model innovation, dynamic capability, EMNEs internationalization, environmental uncertainty, Nigeria, strategy

## 1 | INTRODUCTION

There has been much empirical focus over the past decades on ambidexterity (see Amankwah-Amoah, Chen, Wang, Khan, & Chen, 2019; Bandeira-de-Mello et al., 2016; Wu, Wood, Chen, Meyer, & Liu, 2020). Ambidexterity refers to the ability and capacity of an organization to undertake two opposite things simultaneously well, ranging from exploration and exploitation, flexibility and efficiency, responsiveness and integration, alignment and adaptability, among others (March, 1991; Wu et al., 2020). In both the strategy and international business research streams, ambidexterity is conceptualized as an organizational capability to simultaneously pursue and reconcile exploitation and exploration strategies within the firm (Khan,

Amankwah-Amoah, Lew, Puthusserry, & Czinkota, 2020; Malik, Pereira, & Tarba, 2019). Generally, ambidexterity is suggested to improve the long-term survival and performance of firms (Birkinshaw, Zimmermann, & Raisch, 2016; Gibson & Birkinshaw, 2004; March, 1991; Tushman & O'Reilly, 1996; Vahlne & Jonsson, 2017). Recent studies have rejected this perspective particularly in the context of local and indigenous firms in an emerging country context, by positing that ambidexterity does not necessarily enhance firm performance (Wu et al., 2020). Despite the important insights and progress made thus far by existing studies, critical gaps exist in the ambidexterity scholarship, requiring further studies to enhance our understanding of the concept and its role in firm performance (Christofi, Vrontis, & Cadogan, 2021; Khan et al., 2020).

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For instance, more insights into how managerial capabilities facilitate ambidexterity is needed, and yet inadequate research efforts have so far been made in this regard and on the organizations' human side (Birkinshaw & Gupta, 2013; Jansen, Kostopoulos, Mihalache, & Papalexandris, 2016; Winterhalter, Zeschky, & Gassmann, 2016; Wu et al., 2020; Zimmermann, Raisch, & Cardinal, 2018). Khan et al. (2020) further note that more studies into the antecedents and consequences of strategic ambidexterity in firms' performance particularly in the context of EMNEs is required. Others succinctly call for further studies that examine ambidexterity from a micro-foundational context as opposed to macro-level treatment alone (Christofi et al., 2021; Ren, Fan, Huang, & Li, 2021). Until recently researchers have discussed ambidexterity and dynamic capability as two separate concepts. Few exceptions are O'Reilly and Tushman (2013, 2011, 2008) who argue that organizational ambidexterity is a dynamic capability, demonstrated through a firm's ability to both exploit their existing resources, competences, and market opportunities, and to explore new opportunities to innovate and develop new resource base. Dynamic capability (DC) refers to a firm's ability to purposefully create, modify, or reconfigure its resources base to match changes in the external business environment (Eisenhardt & Martin, 2000; Helfat et al., 2007; Pereira, Mellahi, Temouri, Patnaik, & Roohanifar, 2019). However, the analysis of ambidexterity as DC, is still at infancy (O'Reilly & Tushman, 2011), theoretically imprecise (Birkinshaw et al., 2016) and mostly, conceptual (O'Reilly & Tushman, 2008, 2013; Vahlne & Jonsson, 2017). We do not know how ambidexterity as a dynamic capability manifest in organizations during periods of turbulent and challenging environmental conditions.

Against this background, the main purpose of this study, is to examine the nature of organization capabilities that facilitate both exploitation and exploration activities especially under turbulent environmental conditions (O'Reilly & Tushman, 2008, 2013). By doing this, we specifically respond to O'Reilly and Tushman (2013, p. 19) call for further studies to investigate the strategic approaches deployed by organizations and their managers under uncertain environment to simultaneously facilitate exploitation and exploration activities. We do this by using dynamic capability-based view as useful lens to examine how ambidexterity manifest (Birkinshaw et al., 2016; O'Reilly & Tushman, 2011; Vahlne & Jonsson, 2017) and utilizing insights from qualitative data drawn from EMNEs in the Nigerian banking industry. In the main previous empirical contributions on ambidextrous organization are mostly based on data from stable business environments and developed economies (O'Reilly & Tushman, 2013). However, there have been a few recent contributions from contexts such as India (Chebbi, Yahiaoui, Vrontis, & Thrassou, 2017), and China (Rao-Nicholson, Khan, Akhtar, & Merchant, 2016; Winterhalter et al., 2016; Yu, Meng, Chen, Chen, & Nguyen, 2018). Developing economies are heterogenous and significantly differ institutionally, culturally, socially, and economically (Khan et al., 2020; Liu & Vrontis, 2017). They also experience challenging and at times periods of adverse environmental conditions that threaten EMNEs survival and performance.

Our qualitative study is set in Nigeria as Africa's largest economy (BBC, 2014; Bloomberg, 2020), serves as an interesting context to investigate the ambidextrous strategies deployed by firms in a turbulent business environment. We base the study on selected firms in

the banking industry as this sector has had to deal with an uncertain external. This article makes several contributions to the organizational ambidexterity, dynamic capabilities, and the EMNEs internationalization literature (Al-Atwi, Amankwah-Amoah, & Khan, 2021; Ibe, Wilson, & Chizema, 2012; O'Reilly & Tushman, 2008; Ossenbrink, Hoppmann, & Hoffmann, 2019). First, we provide a framework of strategies that EMNEs deploy under environmental uncertainty to explore new business opportunities for growth and innovation, while also strengthening and exploiting their existing organizational capabilities. Specifically, firms developed new business models, invest in augmenting innovative technologies, pursue strategic alliances with financial technology and telecommunication firms, and venture into international markets. These strategies serve as threshold dynamic capabilities for not only strengthening their existing corporate and business banking portfolio, but also taking new steps to develop and exploit a large and untapped retail banking sector in Nigeria, as well as making foray into international markets. In so doing, our study adequately responds to various calls for further studies to enrich understanding of the subject (Khan et al., 2020; Wu et al., 2020).

Second, by evidencing how internationalization is deployed as an ambidextrous strategy by EMNEs especially in times of the host country environmental discontinuities (Rao-Nicholson, Carr, & Smith, 2020; Wang & Wang, 2020), the study provides important insights to the international business literature. Our findings complement the emerging international ambidexterity of EMNEs research stream by highlighting that despite the many challenges that EMNEs encounter (He, Khan, Lew, & Fallon, 2019; Khan et al., 2020), dynamic capability and ambidexterity can facilitate their successful internationalization (Khan, 2020; Osei, Amankwah-Amoah, Khan, Omar, & Gutu, 2019).

Third, the study contributes significantly to the ambidexterity and dynamic capability literature by using the dynamic capability-based view to evidence managerial actions of assessing new innovations, technology, and market opportunities (Wu et al., 2020). It further highlights the significant role of managerial and organizational dynamic capabilities for firms to continually and purposefully create, extend, modify their business models, and resource base. Finally, this study provides empirical evidence of ambidextrous behavior by multinational firms (EMNEs) from an emerging African country's context (Khan, 2020).

The remainder of the article develops as follows. The succeeding section proceeds with a review of literature and the theoretical basis of the research. Next, both the research method and data analysis process are described. Following on, we present and discuss our findings, and conclude with the research contributions, practical implications, and suggestions for future research.

## 2 | LITERATURE REVIEW

### 2.1 | Organizational ambidexterity

The issue of ambidexterity has begun to attract increasing research interest in the context of EMNEs (Khan et al., 2020; Bandeira-de-Mello et al., 2016; Choi, Cui, Li, & Tian, 2020). Organizational

ambidexterity is defined as the ability of firms to effectively engage in the exploitation of their existing capabilities, while pursuing the exploration of new ones at the same time (Benner & Tushman, 2003; Christofi et al., 2021). The ambidexterity concept thus highlights the importance of firms' balancing the tension of exploiting their existing resources and opportunities, and also exerting equal and sufficient effort towards exploration of new capabilities to ensure long term competitiveness (Khan et al., 2020; March, 1991; Tushman & O'Reilly, 1996). Exploitation is about enhancing operational efficiency, increasing productivity, control, risk avoidance and ensuring certainty, whereas, exploration is about new search, risk taking, variation, new discoveries, and innovation (March, 1991; O'Reilly & Tushman, 2008). Exploration enables firms to adapt and apply new inventions, technologies, and knowledge (Christofi et al., 2021). Both activities are considered necessary because, by only focusing on exploitation of existing capabilities without exploration of new ones can lead to inertia, or success trap (Wang, Senaratne, & Rafiq, 2015), and subsequently, suboptimal performance (Dranev, Izosimova, & Meissner, 2020; Senaratne & Wang, 2018). Similarly, focusing on exploration without commitment to exploitation can lead an organization to "exhibit too many underdeveloped new ideas and too little distinctive competence" (March, 1991, p. 73). Therefore, the need for both facets to be implemented simultaneously (Tushman & O'Reilly, 1996), or rather, the danger of emphasizing either exploitation or exploration, only, makes ambidexterity crucial for organizations (Senaratne & Wang, 2018). Organizations that demonstrate the ability for both exploitation and exploration are considered as ambidextrous (see O'Reilly & Tushman, 2008; Senaratne & Wang, 2018).

However, some scholars argue that organizations find it extremely challenging to manage the tension and effectively pursue both exploitation and exploration strategies (Gibson & Birkinshaw, 2004; O'Reilly & Tushman, 2011). The most common argument is that the pursuit of both exploration and exploitation by an organization (March, 1991) while important, is often a difficult challenge because it presents mutually conflicting demands (Birkinshaw et al., 2016). In fact, it represents a paradox (Knight & Paroutis, 2016) that requires only strong managerial dexterity to resolve (Lavie, Stettner, & Tushman, 2010). For instance, O'Reilly and Tushman (2008, p. 24) make the point that the ability to pursue both exploitation and exploration simultaneously requires "hosting multiple contradictory structures, processes, and culture within the same firm." Moreover, it has been acknowledged that firms have the tendency to self-reinforce one of the two strategic patterns of ambidexterity, but not both at the same time (Wu et al., 2020). Burgelman (2002) also points out that exploration and exploitation differently, competes for the organization's scarce resource and accordingly, organization leaders may need to make trade-offs between them. Such trade-offs can be particularly compelling for leaders and organizations operating in the developing economies context in which resources constraints or gaps such as gaining access to finances, or weak resource base, institutional voids and uncertainties are more pervasive (Amankwah-Amoah et al., 2019; Khan, Rao-Nicholson, & Tarba, 2018; Malik, Boyle, & Mitchell, 2017). Therefore, although ambidexterity is critical for firms' long-term

success, contextual issues including a country's resource base and institutional conditions can significantly shape firms' ability to pursue such strategy and thus, should be considered.

There are therefore three mostly referred theorizations on how such conflicting demands can be attained. One idea is to create and structurally separate exploitation and exploration activities as two different or independent specialized organizational units (Gupta, Smith, & Shalley, 2006; O'Reilly & Tushman, 2008). In other words, having separate business units or divisions for exploitation and exploration, each with distinct strategic and operational processes, culture, and rewards mechanisms (Malik et al., 2019; Tushman & O'Reilly, 1996). However, the main challenge with this idea is how to implement the mechanisms to integrate these structurally differentiated business units or divisions to avoid intra-organizational tensions (Jansen, Vera, & Crossan, 2009; Wang, Luo, Maksimov, Sun, & Celly, 2019). One approach suggested is for senior managers to develop shared vision and balance the two approaches (Ossenbrink et al., 2019). The ability to execute such development could be challenging particularly for smaller-size organizations with limited human and financial capabilities (Malik et al., 2017). The second idea is referred to as sequential ambidexterity, which implies that organization can implement a sequential alternation between exploration and exploitation activities at different times (Birkinshaw et al., 2016; Siggelkow & Levinthal, 2003). In other words, focusing on each of the competing objectives one after another (Du & Chen, 2018). But again, scholars have also questioned this idea because of possible resources/time cost associated with such alternation and therefore, whether and the condition under which sequential implementation of these activities is most effective remains unclear (Chou, Yang, & Chiu, 2018; O'Reilly & Tushman, 2013) especially in developing countries contexts where institutions are unreliable and resource constraints are notably pervasive (Amankwah-Amoah et al., 2019). For instance, business operations in the research context are encountering pervasive institutional challenges, instabilities, and infrastructural deficits (Al-Atwi et al., 2021) which may affect their ability to pursue sequential ambidexterity.

The third possible approach is referred to as contextual ambidexterity and involves the capacity to facilitate behavioral integration of both the exploitation and exploration activities into a single unit (Gibson & Birkinshaw, 2004). Advocates of this approach believe that ambidexterity is achieved by "building a business unit context that encourages individuals to make their own judgement as to how to best divide their time between the conflicting demands of alignment and adaptability" (Gibson & Birkinshaw, 2004, p. 211). This perspective has been further affirmed by other research studies. For example, Heracleous and Wirtz (2010) empirical evidence of how firms like Singapore Airline demonstrated ambidexterity. Again, it has been argued that the challenge with this approach is how to implement complex repertoire of initiatives to nurture a behavioral context (Wang et al., 2019), since it offers little consideration and details of how a firm can conduct radical forms of exploration and exploitation, simultaneously (Kauppila, 2010).

Each of these three suggested approaches to ambidexterity has attracted significant research attention and criticisms alike but the

question of what ambidexterity is, how ambidexterity occurs, and factors that may enable or impede its implementation in practice in different environmental contexts, and in different types of firms remains (Birkinshaw et al., 2016; O'Reilly & Tushman, 2013; Raisch & Birkinshaw, 2008; Raisch, Birkinshaw, Probst, & Tushman, 2009; Senaratne & Wang, 2018; Simsek, Heavey, Veiga, & Souder, 2009; Wang et al., 2019). A more recent perspective is to consider ambidexterity as a dynamic capability (O'Reilly & Tushman, 2008, 2011). An emerging stream of international business research suggests that ambidexterity serves as a dynamic capability for EMNEs to manage the several challenges that they encounter, which range from organizational, market, institutional, and political challenges (Amankwah-Amoah et al., 2019; Khan et al., 2020). Recent studies have begun to highlight the critical role of ambidexterity and dynamic capabilities in firms' performance and internationalization (Khan, 2020; Osei et al., 2019; Ren et al., 2021; Vahlne & Jonsson, 2017).

## 2.2 | Ambidexterity as dynamic capability

After outlining the gaps in the earlier theorizations, O'Reilly and Tushman (2013) argued that, despite the relevance of the several theoretical frames employed in explaining ambidexterity, dynamic capability remains the most appropriate lens to examine ambidexterity. This argument follows the earlier theorization that organizational ambidexterity is a dynamic capability (O'Reilly & Tushman, 2008) and supported by other recent studies (Birkinshaw et al., 2016; Vahlne & Jonsson, 2017). According to Helfat et al. (2007, p. 4), dynamic capabilities refer to the "capacity of an organisation to purposefully create, extend or modify its resource base." In practice, DC are manifested through managerial actions including searching for, sensing and assessment, and identification of new market and technological opportunities (Helfat et al., 2007; Tai, Wang, & Yeh, 2019; Teece, 2007). They also involve selecting and seizing opportunities by reconfiguring the organizations resource base to create, match or address the extant or envisaged changes in the external business environment (Eisenhardt & Martin, 2000; Pereira et al., 2019; Teece, Pisano, & Shuen, 1997). For clarity, seizing capabilities include mobilization of resources to address the identified opportunities, while reconfiguring is about strategic renewal and transformation of the organization's resource base (Tai et al., 2019; Teece, 2007). From this theorization, Birkinshaw et al. (2016) equate searching and sensing capabilities to exploration, selecting and seizing capabilities to exploitation of resources, and opportunities. However, reconfiguration is considered a higher order capability involving choosing a mode of adaptation from either structural separation, behavioral integration, or sequential alternation, to allow the lower-order capabilities, sensing and seizing (exploration and exploitation) to occur (Birkinshaw et al., 2016). This is consistent with another recent consideration that transformation of resource base is the goal process of dynamic capabilities whereas sensing and seizing are the enabling processes for the transformation (Tai et al., 2019).

Despite this slightly different explanations, a common position held by researchers now using the DC to explain ambidexterity is that,

dynamic capability derives from superior management, leadership, and their asset orchestration skills that may facilitate an appropriate balance between the mutually conflicting demands of exploitation and exploration in their organization (see Birkinshaw et al., 2016; Birkinshaw & Gupta, 2013; Jansen, George, Van den Bosch, & Volberder, 2008; O'Reilly & Tushman, 2008; Raisch & Birkinshaw, 2008; Vahlne & Jonsson, 2017). Yet in practical business reality, managers can encounter various challenges in attempting to implement ambidexterity (Wang et al., 2019). For example, Raisch and Birkinshaw (2008), p. 395) suggest that "organisational ambidexterity may be contingent on the availability of sufficient resources," thus, implying that the lack of relevant resources can hinder ambidexterity. Gilbert (2005) conversely suggests that sometimes, it is not about sufficient resources, rather the failure of the managers to change the processes necessary to deploy or develop their firm resources effectively. Following others, this research adopts the view that ambidexterity depends on the skills, experience, and cognition of leaders in an organization (Gilbert, 2005; O'Reilly & Tushman, 2011; Ossenbrink et al., 2019; Teece, 2007). According to O'Reilly and Tushman (2013), p. 18) "to be successful at ambidexterity, leaders must be able to orchestrate the allocation of resources between the routine and new business domains. How they actually do this is seldom addressed in the research on ambidexterity but is at the core of leadership challenge."

Furthermore, researchers have also highlighted other practical and theoretical challenges which need to be addressed to further enrich the understanding of the ambidexterity concept. For instance, as Raisch and Birkinshaw (2008), p. 397) state, "research into ambidexterity at the individual level of analysis" is limited, and questions remain regarding the key capabilities of firm executives that facilitate both exploitation and exploration (Christofi et al., 2021; O'Reilly & Tushman, 2008, 2011, 2013). Moreover, existing research linking ambidexterity and dynamic capabilities are mostly conceptual (see O'Reilly & Tushman, 2008; Raisch & Birkinshaw, 2008; Vettorello, Eisenbart, & Ranscombe, 2020), despite the recent but limited illustrative case analyses (e.g., Vahlne & Jonsson, 2017). Apart from that, empirical studies investigating ambidextrous organization are mostly based on data from developed economies (Yu et al., 2018) while interest in the emerging economies remains scant. Few exceptions are mostly based on the context of China or India despite other important underexplored contexts (Khan et al., 2020; Malik et al., 2017; Wu et al., 2020; Zhang, Liu, Tarba, & Del Giudice, 2020).

Besides, few researchers have noted the impact of institutional voids and resource constraints for EMNEs attempting to become ambidextrous through exercising their dynamic capabilities. For example, Malik et al. (2017, p. 1361) based on empirical investigation of the India healthcare sector indicates that being ambidextrous in such resource constrained context is challenging because it requires firms "to simultaneously address the cost pressure of the bottom of pyramid segment while meeting the lower end of the premium segment and accompanying demand for quality differentiation." Amankwah-Amoah et al. (2019) using a single case study of the telecom sector in China, suggest that the harsh institutional setting and the pervasiveness of resource scarcity in developing countries act as triggers for

EMNEs to become ambidextrous by minimizing misallocation of resources as well as amplifying the effects of the existing limited resources. The authors however regret that there remains a lack of adequate empirical research accounting for how firm overcome institutional voids to become ambidextrous. In other words, more investigation of ambidexterity from new underexplored emerging economies context is worthwhile (Al-Atwi et al., 2021; Khan et al., 2018; Malik et al., 2017). We argue that despite the findings by studies from the few developing countries, these contexts are not particularly homogeneous and should be further explored. This is consistent with Liu and Vrontis (2017) analysis of different dimensions of context including space, practice, time, and change. They further note that “one approach that may help to capture the complexities of context is considering the combination of different dimensions of context.” In this study, we aim to examine ambidexterity within EMNEs in the context of Nigeria, Africa's largest economy (BBC, 2014; Bloomberg, 2020). We adopt a combination of space and practice contextual dimensions (Liu & Vrontis, 2017) to provide novel context-rich insight to the extant understanding of ambidexterity as a dynamic capability. More specifically, we respond to the call by O'Reilly and Tushman (2013, p. 19), for studies investigating “how firms and their leaders can promote new cultures and identities that accommodate exploration and exploitation.”

### 3 | METHODOLOGY

#### 3.1 | The research context

Nigeria is the largest economy (\$442.98 billion) and has the largest population of 208 million people in the African continent. The population is largely young, ambitious, and increasingly well-educated. The country has a promising growth potential and is estimated that it will be the 14th largest global economy by 2050 (PWC, 2017). Nigeria currently attracts substantial foreign direct investment every year and is a source of many emerging country multinational companies (EMNEs) from Africa (Nakpodia, Adegbite, Amaeshi, & Owolabi, 2018). Most of these EMNEs operate across other African countries as well as Europe, Asia and America. Besides, the banking sector contributes significantly to the economic growth of the country. Notwithstanding, a number of institutional challenges are pervasive in the country and posing bottlenecks for business operations. There are infrastructural problems, particularly, poor roads and infrequent electricity supply. Also, there are formal institutional and regulatory weakness, coupled with an increasing level of instability. Nigeria, as an emerging economy is therefore characterized by high levels of political instability, fragmented institutions, and strong influence of the national government (Al-Atwi et al., 2021). Despite these challenges, firms in the country are expected to successfully operate and achieve optimal performance. Although there has been increased scholarly interest on organizational ambidexterity, much of the research has neglected the issue in developing countries in general (Liu & Vrontis, 2017; Malik et al., 2017), and Africa in particular (Al-Atwi et al., 2021; Amankwah-Amoah, 2018). We therefore explore in this study how

banks (EMNEs) in Nigeria exploit their existing capabilities while also exploring new opportunities.

#### 3.2 | Sampling and data collection analysis

The lack of empirical work on ambidexterity in developing countries and particularly on the African context influenced the adoption of an exploratory research approach in this study. We followed an inductive-qualitative case study approach of five Nigerian banks with international banking operation across Africa, Asia, and Europe, which can be collectively referred to as Emerging country multinational enterprises (EMNEs). Qualitative method as adopted is in line with recommendations by other earlier studies (Jansen, Van den Bosch, & Volberda, 2006; Liu & Vrontis, 2017; O'Reilly & Tushman, 2013). We also focused on the Nigerian context, given the dearth of empirical research from such under-researched contexts (Al-Atwi et al., 2021; Liu & Vrontis, 2017; Rao-Nicholson et al., 2016). In line with Rouse and Daellenbach's (1999) suggestion, we focused on one industry, the Nigeria banking industry where we expected many organizations to be ambidextrous. And consistent with the suggestions for case selection for building theory from case studies (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Yin, 2009), we purposefully (Patton, 2007) selected banks that exhibited ambidextrous behavior. That involves the organization and its managers exploiting existing resources and opportunities, while also exploring new opportunities to further develop new resources and capabilities (O'Reilly & Tushman, 2008, 2011; Vahlne & Jonsson, 2017). For example, the selected cases all have international subsidiaries with operations both in Nigeria and other foreign countries. They also appear to be committed to exploiting and exploring opportunities in both the international and domestic markets.

The rationale for multiple cases study was to allow for some cross case study comparisons and to support the generalizability of the findings (Eisenhardt & Graebner, 2007; Vahlne & Jonsson, 2017). We selected firms with significant interests on more opportunities beyond the Nigeria market, who ranked among the best in their industry in terms of financial performance (CBN, 2020) and had global recognition (The Banker, 2020). According to Eisenhardt (1989), between 4 and 10 cases is appropriate so that a convincing empirical basis could be derived, but a number above 10 cases can, arguably, be problematic. Guided by these considerations, our study is based on five selected cases (see Table 1). To protect the anonymity of the firms, we created names for each of them, namely Alpha, Beta, Cross, Dacha, and Ebony. The entire industry including the selected firms recently faced significant environmental challenges which required them to more purposefully explore opportunities to develop and hone their resource base while also exploiting the existing opportunities and capabilities, in order to survive and maintain sustainable growth (Ochie, 2019). Therefore, the rationale for our sample selection was to ensure that the concept being investigated can be easily observed and comparatively examined from the data collected.

We generated data through multiple sources including semi-structured interviews, company's annual report, press releases, and media report (Gioia, Corley, & Hamilton, 2013). Semi-structured

**TABLE 1** Case study firms and respondents basic characteristics

Case/ firm	Year established	No. of staff	Countries in operation	Asset base as of FY 2019	Respondents	Respondent position	Years in the industry	Respondent highest educational qualification
Alpha	1980–1989	10,000+	10+	N5–N10 trillion	Alpha, SM1	Senior Manager	10–15	BSc
					Alpha, SM2	Senior Manager	10–15	MSc international business
					Alpha, MM3	Branch Manager	5–10	BSc
					Alpha, SM4	Chief Financial Officer	25+	MSc, FCA
Beta	1990–1999	3,500–4,000	5–10	Under N3 trillion	BETA, SM1	Regional Head	15–20	MBA
					BETA, SM2	Executive Director (retired)	35+	MBA, FCA
					BETA, SM3	Financial Comptroller	20–25	MBA, FCA
					BETA, SM4	Branch Manager	10–15	BSc
					BETA, SM5	Regional Head	15–20	MBA
					BETA, SM6	Divisional Head	20–25	MBA
					BETA, SM7	Head of Retail Banking	20–25	MSc
Cross	1970–1979	3,000–3,500	1–5	Under N5 trillion	CROSS, SM1	Head of Inspection Group	15–20	MBA
					CROSS, SM2	General Manager	20–25	MBA
					CROSS, SM3	Divisional Head	25+	MBA
					CROSS, MM4	Branch Manager	5–10	BSc
Dacha	1990–1999	10,000+	5–10	Under N5 trillion	DACHA, SM1	Divisional Head	25+	MBA
					DACHA, MM2	Asst Manager	5–10	MSc
					DACHA, SM3	Group Head	15–20	MBA
					DACHA, SM4	Asst General Manager	25+	MBA
					DACHA, SM5	Branch Manager	10–15	MBA
Ebony	1990–1999	7,000–10,000	5–10	N5–N10 trillion	Ebony, SM1	Group Head	15–20	MSC economics
					Ebony, MM2	Branch Manager	10–15	BSc
					Ebony, SM3	Senior Manager	20–25	MBA
					Ebony, MM2	Branch Manager	10–15	BSc

Note: Data captured in the table are presented in ranges and with pseudonym to preserve anonymity.

interviews involved top and middle level managers to help provide less biased narrative, obtain diverse perspectives (Taylor & Helfat, 2009) and thereby increase data reliability. A total of 24 interviews were conducted with managers from the five case study firms. To further enhance data reliability, prior to each interview, participants were reassured of protecting their anonymity, and thus should be confident enough to discuss their views. Guided by our protocol, we asked general questions about the external business environment and the related challenges faced by the managers and their organization. Next, we asked them to describe their specific responses to those individual challenges, if applicable, with details of the initiatives and actions they have taken, which are consistent with ambidexterity. Next, we focused on getting answers about the specific role of the managers, which supported those initiatives and ambidexterity. The interviews on average lasted about 50 min each, audio recorded and transcribed *verbatim*. This resulted in

288 pages of transcripts. As earlier stated, we also examined the banks' annual reports for the financial years ending 2014 up to 2018, precisely, CEOs' letters to shareholders section, and relevant press release statements, and media report. Raisch and Birkinshaw (2008) called for research on the actualization of ambidexterity to include archival data, and comparative case study (Vahlne & Jonsson, 2017). Triangulation of data from different sources, as we have, enriches, and increases the validity of our findings (Yin, 2009). See Table 1 for an overview of our samples and general data about the firms.

### 3.3 | Data analysis

The process followed in unpacking the data in this study is the thematic analytical approach (Braun & Clarke, 2006) involving structured

coding processes reflecting established theoretical constructs (Strauss & Corbin, 1998), and which is similar to the approach suggested by Gioia et al. (2013), and procedures used by Zimmermann et al. (2018) to analyze the data collected. This approach has been increasingly and successfully used by recent studies (Nag & Gioia, 2012; Sonenshein, 2014). Subsequently, Nvivo 12 was used to facilitate the coding process. Raisch and Birkinshaw (2008) suggest that it is important for researchers on ambidexterity to be explicit about the level of analysis in which they are working at. The unit of analysis in our study was managers influence on any exploration and exploitation projects or initiatives recognized in the data. For each exploitation or exploration initiative/project, we then explored the motivation, implementation activities and the outcome or expected outcome, across our samples. Our data analysis was iterative as is common in inductive research. Through iterations between data and extant theory, inferences, and refinements, we developed the theoretical framework and contribution of this study. Table 2 and Figure 1 below depict the coding frame/processes used in our data analysis. Our analysis also progressed through three main phases—first-order codes, second-order codes, and the main themes, as described below.

The first phase of the thematic analysis involves openly coding keywords reflecting respondents' views of the business environment, the main issues affecting the industry, and the state of their organizations systems to cope with any changes. We focused on letting the data speak to us and our initial codes emerged through this process. The initial codes that emerged in this phase covered a range of topics, including government policy, sudden change in economic performance, liquidity challenges, over reliance on government and corporate banking, neglect of retail banking, drop of global oil prices and national oil production volume, lack of cutting-edge technology and digital capabilities, and so forth. These helped us develop our initial classification as the first-order codes. These codes depict the prevailing uncertainty in the business environment and the shrinking opportunities in the industry. Following the first-order codes, we further explored the dataset and observed various strategic responses to the issues captured in the first phase. These strategic responses were coded into higher-order themes and formed our second-order themes. Finally, these second-order themes were further abstracted into higher-order conceptual and theoretical dimensions in the third phase. Overall, four overarching conceptual and theoretical dimensions emerged in this final third phase and formed the foundation of our model.

### 3.4 | Findings

Data analysis yielded key themes which highlighted the main challenges, associated tensions, and responses to recent environmental turbulence and critical events in the domestic and global business environment. All the respondents signaled their regret in not taking retail banking seriously and the disorientation their firms were going through with the sudden introduction of TSA policy, coupled with the collapse of the global oil prices, all of which culminated to the prevailing liquidity challenges in the industry. However, our focus in this

study is on how firms responded to the challenges in ways that promoted a new culture and identities reflecting ambidexterity. As depicted by Table 3 below, our analysis of the dataset clustered around four main themes, namely, the need to evolve organizations' business models, investment in strategic innovation through investment in selected technologies, developing new strategic partnerships (selective approach based on complementary resource bases and potential for resource-combinatorial synergy (April, 2002), and pursuit of internationalization following a transnational approach in relation to capability configuration across the value system (Stonehouse, Pemberton, & Barber, 2001). The figure also shows that economic downturn in Nigeria, the collapse of global crude oil prices, and regulatory change, specifically, the introduction of TSA policy in the banking industry constituted critical events in the external business environment that undoubtedly triggered the need to act ambidextrously. These sudden external environmental changes resulted in EMNEs managerial cognition in sensing and exploring new opportunities while still exploiting their existing market opportunities. It became useful to develop the four specific structural and contextual ambidextrous strategies to survive the environmental turbulence and enhance their performance. We now discuss each of the main themes as the ambidextrous and strategic responses to the economic downturn and uncertain business environment in Nigeria (Table 3).

#### 3.4.1 | Organization's business model innovation

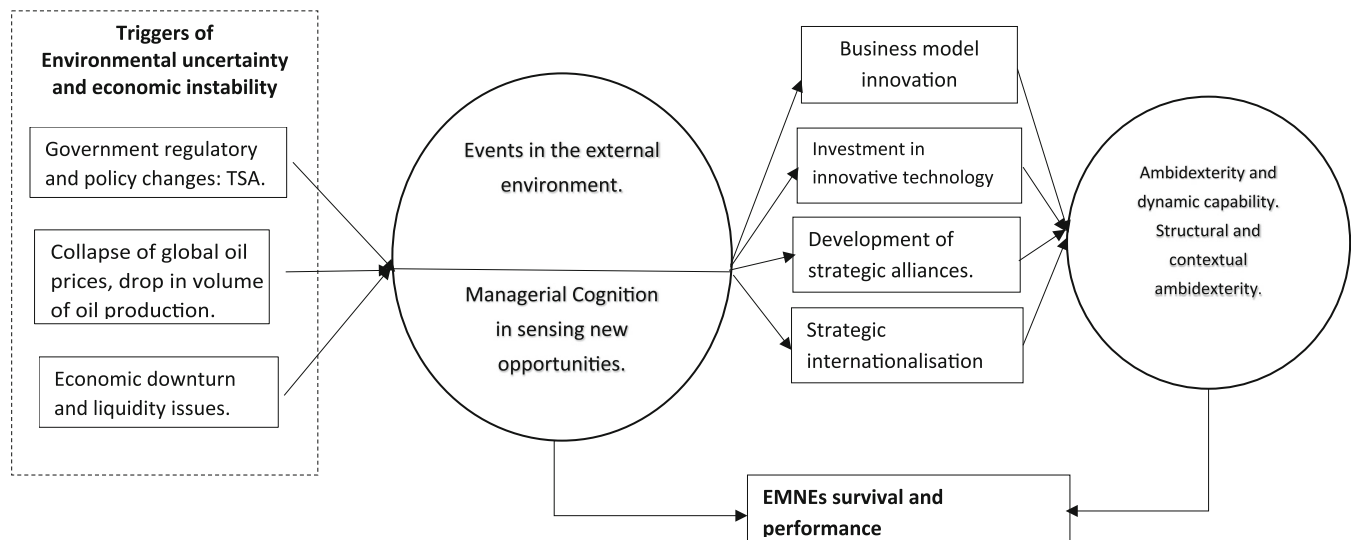
One of the most predominant themes in the data was the evidence that uncertainty and turbulence in the environment triggered the development and implementation of new business models (culture) through managerial cognition. The original business model was a focus on exploiting the highly profitable corporate and government banking. However, the events that adversely affected the profitability of the corporate and government coupled with the emerging opportunities in the external environment contributed to managers sensing the urgency to adapt their business models to include purposefully exploring the untapped retail banking sector. This involves remodeling the existing operating structure or creating separate banking division with the primary focus of identifying and exploring opportunities within the bank's corporate value chain and being more responsive to the diversified customer base. The intention was to allow the organizations to simultaneously continue to exploit the existing but declining opportunities supported by their earlier focus on corporate banking strategy, to adopting a more balanced strategy, structural realignment and cultural reorientation that allow more exploration into retail banking. Across our study samples, the following comments capture some of the perspectives expressed to illustrate this point as stated by Alpha CLS, 2017.

“The large under-banked population and the fast emergence of SMEs in Nigeria presents numerous opportunities for the bank to grow its retail customer base and intensify low-cost deposit generation so as to lower



**TABLE 2** Coding frame used in our data analysis

First order themes (uncertain and volatile period and triggers of uncertainty)	Second order themes (firms' strategic responses)	Overarching dimensions (main themes)
<ul style="list-style-type: none"> <li>• Introduction of the federal government Treasury single account.</li> <li>• Sudden drop in economic performance coupled with forex exchange challenges.</li> <li>• Collapse of global oil prices, and a drastic drop in the volume of oil sale.</li> <li>• Liquidity issue in the banking sector as about N3 trillion moved to the CBN in line with the TSA policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Began to recognize the large unbanked and under-banked population and emerging SMEs in Nigeria</li> <li>• Nigeria presents the biggest opportunities in Africa, and Lagos alone is bigger than most countries.</li> <li>• We are exploring opportunities within the corporate value chain</li> <li>• Young population that does everything on mobile, began to explore digital opportunities</li> </ul>	<p>Sensing new opportunities (for, exploration and exploitation)</p> <p>Managerial cognition, and dynamic capability</p>
<ul style="list-style-type: none"> <li>• Fear and panic about the sudden change and the implication for liquidity challenges in the banking sector.</li> <li>• Beginning to realize the weakness in the over reliance on huge funds from government and corporate banking (from big companies).</li> <li>• Regret for previously paying less attention on retail banking despite the large unbanked population.</li> </ul>	<ul style="list-style-type: none"> <li>• Adapting our business model to changing market variables</li> <li>• Evolving some the traditional ways of doing business to being more agile.</li> <li>• Combined focus on leveraging our ... corporate and our retail customer base</li> <li>• Deliberate focus on building solid retail business, ... carving a niche in retail banking and market share through innovative business to complement the corporate banking niche. We are now diversifying with a more focus on SMEs/ retail ... created new division/subsidiary to drive retail banking.</li> </ul>	<p><b>Adapting business model innovation</b> (seizing and reconfiguring capability)</p> <p>Structural ambidexterity (<i>exploration/exploitation</i>)</p>
<ul style="list-style-type: none"> <li>• ATMs and POS not up to date to effectively support retail banking due to prior focus on corporate and government banking.</li> <li>• Weak digital capabilities that can support and enhance access for retail customers.</li> <li>• Realizing the existing technology is not cutting-edge to drive more business solutions in the uncertain and challenging business environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Focusing on enhancing our technological advantage</li> <li>• Harnessing technological advances to improve access and reach</li> <li>• Upgrading/changed core banking software</li> <li>• Investing on up-to-date ATMs and POS</li> <li>• Digitalized approval and other processes.</li> </ul>	<p>Technological innovation (<i>exploration/exploitation</i>)</p> <p>Organizational ambidexterity and dynamic capability</p>
<ul style="list-style-type: none"> <li>• Limited banking products and services particularly for retail banking.</li> <li>• Limited partnerships with specialist firms that can develop technical infrastructural platforms to scale up business.</li> <li>• Less co-creation of products and services with Fintechs.</li> </ul>	<ul style="list-style-type: none"> <li>• Established partnerships with FinTech companies to develop innovative products.</li> <li>• Partnering with the Telcos (i.e., telecommunication companies).</li> <li>• Collaborating with tech giants for example, IBM on infrastructure provision.</li> <li>• Co-creating new products and services with Fintechs ... and leveraging on agency banking for wider access.</li> </ul>	<p>Developing strategic alliances (<i>exploration/exploitation</i>)</p> <p>Organizational ambidexterity and dynamic capability</p>
<ul style="list-style-type: none"> <li>• Nigeria alone no longer presents the sufficient opportunities for banking business.</li> <li>• Concern about how to consolidate as we do not want a universal presence.</li> </ul>	<ul style="list-style-type: none"> <li>• We started new operation in the United Kingdom in 2015 and have hit map of international markets we could possibly expand to and will add one or two new locations.</li> <li>• <b>We hope to be everywhere in Africa ... We've conquered Nigeria ....</b></li> <li>• <b>Exploring opportunities for us to grow our franchise across Africa. The Far East is also a possibility ... We established a new branch in Dubai in ... 2016.</b></li> <li>• <b>We want to be in the major economies ... due to good returns from international operations</b></li> </ul>	<p><b>Internationalization</b> (<i>exploration/exploitation</i>)</p> <p>Organizational ambidexterity and dynamic capability</p>



**FIGURE 1** Framework of ambidextrous strategies development

funding costs and improve margins. ... We created the Business Banking division with the primary focus of identifying and exploring opportunities within the bank's corporate value chain in order to serve SMEs" (Alpha, SM4). "The strategies laid out for 2018 and beyond, will also see a combined focus on leveraging our enlarged corporate and retail customer base" (Alpha CLS, 2017).

The above reveal the development of new structures to enable the firms explore the large untapped retail banking market in Nigeria. On this issue, other respondents explained the importance of adapting their business models to continue leveraging their existing core business of commercial and corporate banking, while also making foray into exploiting the opportunities presented in the retail banking sector. For instance, a respondent from CROSS explained that "we decided to carve a niche in retail banking outside to complement our traditional investment and corporate banking niche. We also decided to start cultivating expertise in retail banking ... that led us to developing a separate subsidiary for consumer asset creation focusing on consumer lending, and SMEs" (CROSS, SM1). Another informant even went further to explain how they are evolving their traditional ways of doing business by "deliberately building a solid retail business while not losing sight of our core high earning commercial, and corporate banking business because it is a lot more profitable" (DACHA, SM3). Finally, a press release from one of the case firms highlighted that:

"The group remains strategically positioned to capture the opportunities in the corporate and retail segments while efficiently managing costs and expanding its retail franchise further, employing digital innovation and digital assets" (Ebony Press Release, 2019).

Notably, the responses illustrate some forms of organizational learning (Eisenhardt & Martin, 2000; March, 1991), opportunities being sensed from a less explored segment through managerial cognition,

and efforts to exploit the opportunity through innovation in the business model (Ossenbrink et al., 2019; Teece, 2007, 2018). The firms' top management realization and perceived need to evolve new culture involving realignments and implementation of new business models to complement their existing core business, was considered essential to ensure competitive survival and long-term success (O'Reilly & Tushman, 2013; Teece, 2018; Winter, 2003). Our data also reveal that through the new business models, banks attracted huge amounts of deposits/income from a wider range of customers that helped to cushion the impact of the above-mentioned critical events. This supports the arguments that the capacity and capability of firms to create, adjust, and where necessary replace business models are essential to transforming organizations during periods of environmental turbulence and market uncertainty (Arikan, Koparan, Arikan, & Shenkar, 2019; Teece, 2007). Based on the above, we offer the following proposition:

**Proposition 1.** *Environmental uncertainty serves as a trigger for EMNEs to develop new business models and be ambidextrous.*

### 3.4.2 | Investments in innovative technology

Another key theme that emerged from our analysis was firms' investments in innovative technology to support the new business models, and culture. The new investment in technology was to support business processes efficiency (speed, cost, and risk management), excellent customer service culture, new products offerings, new customer acquisition or growing customer base, wider reach, as well as other business income such as commissions. Notably, Tai et al. (2019) revealed the importance of IT competence and IS alignment to existing structure and operational support enhancements in manufacturing firms. Within our study different rationales for investment were put forward. Alpha's focus was on driving and scaling up their services through innovative

**TABLE 3** Summary of ambidextrous strategies deployed by the firms

Related concepts	Exemplary quotation
Business model innovation	<ul style="list-style-type: none"> <li>“... We created the Business Banking division with the primary focus of identifying and exploring opportunities within the bank's corporate value chain in order to serve SMEs” (Alpha, SM4). “The strategies laid out for 2018 and beyond, will also see a combined focus on leveraging our enlarged corporate and our retail customer base” (Alpha CLS, 2017)</li> <li>“we remodelled our operating structure to be more responsive ...” (BETA CLS 2016, pg. 24)</li> <li>“we will support the corporates, but we will look at their value chain and those are the areas we deploy resources in terms of technology, in terms of lending and all that – because is less risky” (BETA, SM6)</li> <li>“We have been focusing on developing a retail franchise” (BETA, SM3)].</li> <li>“We decided to carve a niche in retail banking outside or rather in complementing our traditional investment and corporate banking niche. We also decided to start cultivating expertise in retail banking. So that led us into focusing on consumer lending, and SMEs. We have a separate subsidiary for consumer asset creation” (CROSS, SM1).</li> <li>“we are having to evolve some of our traditional ways of doing business to being more agile. There is a deliberate focus to look at retail and build a solid retail business ... but we are not losing sight of our core high earning commercial, and corporate banking because obviously in terms of profitability it is a lot more profitable” (DACHA, SM3).</li> <li>“The group remains strategically positioned to capture the opportunities in the corporate and retail segments while efficiently managing costs and expanding further its retail franchise employing digital innovation and digital assets” (Ebony Press Release, 2019)</li> </ul>
Innovative technology	<ul style="list-style-type: none"> <li>“We are building capacity to innovate, taking advantage of latest advances in FinTech. We upgraded our core banking application to enhance our service delivery” (CLS, 2016)</li> <li>“We took an intentional decision to digitalise our process. ... it is an intentional decision to use digitalisation to enhance profitability, to derive customers, and reduce cost” (BETA, SM6)</li> <li>“we upgraded our flagship mobile banking application ... with exciting features such as ... online shopping” (CLS, 2016)</li> <li>“what we are trying to do is to migrate from Brick and Mortar, so that bank can be in your hands through mobile phone, iPad, and so on” (BETA, SM7)</li> <li>“We played to our strength by leveraging technology to deliver superior payment solutions, grow our customer base and enhance our service delivery channels to make banking with us simpler, faster, and better” (DACHA, CLS, 2016).</li> <li>“Our array of products, services and alternative channels that ensures convenience, speed and security of transactions, and our readiness to deploy state-of-the-art technology has assured that we maintain our leadership in the digital space” (EBONY, CLS, 2018, pg. 30)</li> <li>“presently, we are implementing a core banking software. It is because we felt that we need to move from the we were to a higher level” (Ebony, SM1)</li> </ul>
Developing strategic Alliance	<ul style="list-style-type: none"> <li>“We are establishing partnerships with FinTech companies to develop innovative products that will create value for our customers whilst unlocking new revenue streams” (Alpha, SM4).</li> <li>“we were the first to introduce ... account in partnership with MTN, one of the largest telecom giants in Nigeria” (BETA, SM7).</li> <li>“... we get innovation partners to collaborate with us. They sit with us and as we take technology innovations from them, we build internal capacities as well by understudying them so that when you buy those innovations from them, you are able to treat it as events will require to suit us as we move on” (CROSS, SM3).</li> <li>“... it was just this phone thing that really brought the idea that you know what, let's see how we can partner with the Telcos (i.e. telecommunication companies) and come up something that would also enable us serve our customers better and more conveniently” (DACHA, SM3).</li> <li>“we are building digital capability and also actively seeking to collaborate with FinTech companies” (CLS, 2016).</li> <li>“... we need innovation to gain adequate coverage. ... one of the ways we are promoting financial inclusion is by leveraging agency banking which offers services to villages” (CEO interview with TBY, 2015)</li> </ul>
Internationalization	<ul style="list-style-type: none"> <li>“We are not just in Nigeria, we have branches in some African countries, and in the UK” (Alpha, MM3)</li> <li>“We have hit of places we could possibly expand to, we will add one or two new locations, though the contributions from all those countries are marginal compared to Nigeria” (CEO's, interview with TBY, 2016)</li> <li>“Our West African subsidiaries play a key role in providing a gateway for serving diverse interconnected markets across Africa. Despite the economic slowdown ... in sub-Saharan Africa, and the United Kingdom in 2016, all our subsidiaries were profitable at the end of the financial year” (DACHA CLS, 2016).</li> <li>“Our UK subsidiary broke-even in its second year of operation as a licensed deposit bank in the UK, with a PBT of ... Following this milestone, ... we will be pursuing a variation of permission from wholesale deposit-taking bank to a retail deposit taker” (CROSS, CLS, 2015).</li> <li>“In the next five years, we are going to be known Africa wide. We've conquered Nigeria ... so really, we've moved, ... we want to be the most profitable or second most profitable bank in Africa in absolute digits” (DACHA, SM4).</li> <li>“In West Africa and UK, we have done well extremely well ... Our objective is to consolidate as we do not want a universal presence but rather to be in the major economies ...” (EBONY CEO, source: TBY).</li> </ul>

technology (Alpha, SM2), whereas Ebony highlighted the deployment of technology in facilitating real time banking as illustrated by their CEO (Ebony CEO). A statement from ALPHA further highlighted how the firm

is focused on enhancing their technological advantage based on the conviction that innovation will remain one of the key drivers of competitiveness, “... therefore, harnessing technological advancements to

broaden our access, improve customer service, whilst reducing the cost-of-service delivery are essential priorities that will ensure that we remain nimble to take advantage of attractive opportunities” (Alpha CLS, 2016, p.16). This was corroborated and further expanded by another respondent that:

“When we decided to go retail, we needed a robust electronic banking platform, in terms of electronic products. We knew we were dealing with a mass market, ... We needed to migrate a number of services to electronic channels to make the service a pleasant experience for our now many customers. So, those investments are driven by our committed focus and strategy of customer acquisition” (CROSS, SM1).

These statements were reinforced by another informant who emphasized the important of leveraging the digital space for transactions and other activities since everything these days can be done on mobile phones, and people use their mobile phones extensively like a computer in their hands. Accordingly, “a lot of things are being done through the mobile space. All transactions are now in an app, a lot of things are monitored electronically and digitally; approval processes are digitalised ... meetings are held on Skype business, and other kinds of technology ... and leveraging all these digital spaces essentially reduce costs and improve our performance” (BETA, SM6). Similarly, one informant explained the following:

“... you find that customers are increasingly looking for mobile services ... as more straight-through processing can be achieved online, banks become faster and more efficient ... E-banking and E-payment platforms haven't just rapidly expanded in size and scope over the last couple of years, they are now critical ... The cost-efficiency, breadth of product offering, and ease of personalizing service make leveraging online platforms compelling and unavoidable for forward looking organizations” (DACHA, CEO, source: Finance Monthly).

Based on our analysis, it is clear that the activities reflect organizational actions involving both exploration and exploitation (March, 1991). The approach is similar to the way Birkinshaw et al. (2016) equate sensing the opportunity to develop such important resources and competences for exploration and seizing digital capabilities. It also highlights how the acquired technologies are effectively aligned to the existing infrastructures, for exploitation of the resources and opportunities. This is also consistent with Amankwah-Amoah et al. (2021a) recent idea of technological catching-up and leapfrogging allowing firms in the banking sector in emerging economies to facilitate productivity and economic development. Investments in innovative technologies allow EMNEs to develop synergy of maximizing the exploitation of existing capabilities while exploring new opportunities (Ren et al., 2021). Based on the above findings, we put forward the following proposition:

**Proposition 2.** *Investment and scaling up of technological capabilities during periods of environmental uncertainty is likely to make EMNEs more ambidextrous.*

### 3.4.3 | Developing strategic alliances

Another significant theme that emerged from our data analysis refers to the importance of developing new strategic partnerships and collaboration with Financial Technology (Fintechs) and Telecommunication (Telcos) firms, given the dynamics in both the domestic and global business environment. Rothaermel and Deeds (2004) analysis of Biotechnology firms show the importance of exploration and exploitation alliances to organizational ambidexterity. Comments from informants highlight how their organizations' initiatives and actions in relation to developing strategic collaborations and partnerships are used to both exploit existing opportunities while also exploring new ones. For example, one informant (Alpha, SM4) explained that they are “exploring digital opportunities and establishing partnerships with FinTech companies to develop innovative products that will create value for our customers whilst unlocking new revenue streams.” Similarly, others further noted that implementing new strategies required that their firms collaborate for technology innovations. For instance, one informant explained that “the bank cannot build the entire technology infrastructure alone and needs a collaborating partner. So, ... we get innovation partners to collaborate with us ... and as we take technology innovations, we also build internal capacities” (CROSS, SM3). Other informant further explained the following:

“... it was just this phone thing that really brought the idea that you know what, let's see how we can partner with the Telcos (i.e. telecommunication companies) and come up something that would also enable us serve our customers better and more conveniently” (DACHA, SM3).

“Since inception, the EBONY brand has been synonymous with innovation and the deployment of cutting-edge technology to cater for the expectation of our customers. Our array of products, services and alternative channels that ensures convenience, speed and security of transactions, and our readiness to deploy state-of-the-art technology has assured that we maintain our leadership in the digital space” (Ebony, CLS, 2018, p. 30).

Therefore, this is consistent with previous research on organizational ambidexterity, dynamic capabilities and adaptive strategies in the banking and financial sector (Costanzo, 2019; Sirmon & Hitt, 2009). In this study, findings show that selective strategic alliances and partnerships are considered crucial and being engaged in order to explore and derive knowledge of international best practices, to identify opportunities availed by new technologies, and be more committed to

leveraging on them to evolve their traditional banking practices. This ensures that they are better at harnessing perceived opportunities presented by the growing youth population, emerging businesses, through optimum customer service. Others also focused on discovering new income sources, locally and internationally. Precondition for the above is a transparent, logical and explicit focus on resource-combinatorial potential as the foundation for capability building. Our evidence further highlight that such collaboration is a strategic necessity and enabler of ambidexterity both in times of crises (Al-Atwi et al., 2021; Amankwah-Amoah, Khan, & Osabutey, 2021b), and for developing organizational culture that is characterized by openness to novel and diverse ideas (Caniëls, Neghina, & Schaetsaert, 2017). Firms can therefore develop alliances to access new knowledge and opportunities in its value chain, while commercializing existing products, service and knowledge base either alone or jointly with partners (Stettner & Lavie, 2014). To further illuminate our understanding of the issues within the context of EMNEs, the following proposition is put forward:

**Proposition 3.** *Developing new strategic alliances and partnerships during turbulent periods is likely to serve as a strategic dynamic capability that allow EMNEs to be ambidextrous.*

### 3.4.4 | Ambidexterity by internationalization

From our analysis we found the commitment of firms to internationalization, in terms of international market exploration through their foreign subsidiaries in the United Kingdom, Europe, Asia, and Africa, while still exploiting the Nigerian market (see Table 1). The international commitment allows these firms to be identified as “international banks” and recognized in the global banks benchmarking (The Banker, 2020). Moreover, the internationalization strategy is used not only for exploration of new opportunities, but also for exploiting their existing capabilities through reputation building, benchmarking operation, knowledge search, and capacity building for providing enhanced customer service both domestically, and internationally. Accordingly, these firms need a solid global outlook, and a strong presence on the African continent. Alpha CEO explained that “we have a hit map of places we could possibly expand to and will add one or two locations. Although the contributions from all those countries are marginal in comparison to Nigeria, we will however do them over time” (Alpha CEO, source: TBY). Another informant further explained that “in the next five years, we are going to be known Africa wide. We are no more a Nigerian bank but have African inspiration, and hope to be everywhere in Africa, to be number one or two in Africa. We have conquered Nigeria and want to be the most profitable or second most profitable bank in Africa in absolute digits” (DACHA, SM4). Other informants further describe internationalization as an ambidextrous strategy in the following:

“(CROSS, UK) broke-even in its second year of operation as a licensed deposit bank in the UK, with a PBT

of ... Following this milestone, ... we will be pursuing a variation of permission from wholesale deposit-taking bank to a retail deposit taker” (CROSS, CLS, 2015).

“At EBONY UK we are doing well in terms of numbers, we broke even in our first year and continue to achieve notable growth there. There are still growth opportunities for EBONY UK. In Ghana, we have about ... branches and ranks among the top 5 banks there ... Our objective is to consolidate as we do not want a universal presence but rather to be in the major economies ...” (EBONY CEO, source: TBY).

Notably, the above findings reflect a manifestation of organizational ambidexterity through internationalization. Top management teams in those companies learned to build from experience, and through replication logic by special teams to facilitate and implement entrance into new foreign market. This is as a dynamic capability of ambidexterity in support of Uppsala model of internationalization (Vahlne & Jonsson, 2017).

Factors including corporate vision, identity/recognition, selective expansion, profitability, opportunity, and consolidation were all used to highlight the importance of internationalization for the firms and the need for ensuring a balance between exploration and exploitation, in this regard. Our analysis further demonstrates that with the international operations of the firms, the knowledge, experience, and reputation as international players also contribute to the exploitation of available opportunities in the domestic market, while allowing the exploration for more opportunities in other foreign markets. Evidence from the annual reports of the companies consistently acknowledge the contribution of the international subsidiaries to the parent companies in terms of profits and increasing market penetration to further lay credence to the importance of the strategy. Our analysis further highlights the role of a rather transnational perspective within the internationalization strategy and reflecting the role of resource configuration across the entire value system. All these aligns with the perspective that EMNEs international opportunity identification and internationalization behavior facilitate their ambidexterity and performance (Zhou, Xu, Xu, & Barnes, 2020). MNEs internationalization has therefore been characterized as ambidextrous especially with respect to capacity building and learning (Zhou et al., 2020). Accordingly, by exploiting home country opportunities and advantages while exploring new knowledge and resources abroad, EMNEs enhance their competitive position (Zhou et al., 2020). Based on the above analysis, the following proposition is offered to further illuminate our understanding of the issues:

**Proposition 4.** *Internationalization serves as a dynamic capability that is likely to enable EMNEs be ambidextrous.*

## 4 | DISCUSSION

Our study examines the strategies that firms deploy during periods of adversity and environment uncertainty to promote ambidexterity

through the exploration of new opportunities while strengthening and exploiting their existing business assets and capabilities.

#### 4.1 | Contributions to theory

This article makes several contributions to the literature on dynamic capability, ambidexterity and international business. First, from a theoretical perspective, our study contributes to the ongoing debate about how ambidexterity manifest in organizations during periods of environmental uncertainty (O'Reilly & Tushman, 2008; Ossenbrink et al., 2019). We advance the ambidexterity and dynamic capability scholarship by providing a coherent framework of potential triggers of environmental uncertainty and theorizing concrete approaches through which ambidexterity manifests among EMNEs. Despite the deployment of ambidextrous strategies by firms in developing and emerging country contexts (Wu et al., 2020), extant studies have not critically and empirically examined the various strategies firms deploy under environmental discontinuities in exploring new opportunities while exploiting their existing capabilities (Khan et al., 2020). By using the dynamic capability theoretical lens to conceptualize the literature and unpack the four main dominant approaches through which financial firms pursue ambidexterity, this study enriches our understanding of the structural and contextual ambidextrous strategies (Ossenbrink et al., 2019), and ambidexterity as a dynamic capability (O'Reilly & Tushman, 2008). Specifically, it evidenced managerial actions of sensing and assessing new technological, innovation and market opportunities, and the deployment of dynamic capabilities to continually create, extend and modify their business models and resource bases. In so doing, our study adequately responds to various calls for further studies to enhance understanding of the subject (Khan et al., 2020; Wu et al., 2020).

Second, the study found how organizational leaders can promote organizational ambidexterity that accommodate new cultures and identity. This complement and enriches the perspective in the literature that organization level dynamic capabilities through simultaneous exploration and exploitation commitments (O'Reilly & Tushman, 2008, 2013), is enabled especially by the development of managerial level dynamic capability, both individually and in teams (Adner & Helfat, 2003; Martin, 2011). More specifically, this study demonstrate that organization managers and leaders' cognitive reorientation plays a key role in developing the capability to influence ambidextrous behavior, reflecting a new culture or business model. Therefore, this study also extends past contributions in research highlighting the importance of senior managers cognition (Eggers & Kaplan, 2009; Helfat & Peteraf, 2015; Ossenbrink et al., 2019), cognitive orientation (Narayanan, Colwell, & Douglas, 2009), differentiation and integration (Wilms, Winnen, & Lawehr, 2019), and their enabling processes to successful or less successful organizational level dynamic capability, or otherwise. We therefore argue that leaders can better promote organizational ambidexterity to accommodate new culture and identity through cognitive reorientation and dynamic managerial capability.

Third, the findings of this study contribute to the international business literature on EMNEs ambidextrous international opportunity identification, by showing how internationalization is used as an ambidextrous strategy by EMNEs, especially in times of environmental discontinuities in the host country (Rao-Nicholson et al., 2020; Wang & Wang, 2020). Researchers have bemoaned the particularly pronounced lack of research attention on the role of strategic ambidexterity within EMNEs (Bustinza, Vendrell-Herrero, & Gomez, 2019; Khan et al., 2020), and on how ambidexterity is implemented by EMNEs (Choi et al., 2020; Ciasullo, Montera, Cucari, & Polese, 2020). Our study thus complements and enriches the emerging stream of international ambidexterity of EMNEs literature which suggests that despite the many challenges of EMNEs such as the "liability of emerginess" (He et al., 2019; Khan et al., 2020), dynamic capability and ambidexterity can facilitate their successful internationalization behavior (Khan, 2020; Osei et al., 2019). The study therefore demonstrates the importance of ambidexterity as a valuable path for EMNEs internationalization. In addition, the study reveals that EMNEs pursue structural ambidextrous activities when pursuing internationalization strategy. This involves developing separate divisions responsible for designing products for the international markets and coordinating the international activities of the firm. Finally, this study add value to the literature on the internationalization of emerging markets multinationals and their outward motives which is more focused on market seeking than asset or resource seeking.

#### 4.2 | Practical implication

A number of practical implications are derived from the findings of this study. First, we recommend managers of EMNEs to develop and enhance their ambidexterity and dynamic capabilities in order to enhance their competitiveness and performance. Ambidexterity is crucial and should be a key consideration for leaders and organizations in the emerging economies, especially in the African context. With the rising uncertainties in domestic and global business environments today, cognitive reorientation on an ongoing basis by managers at the echelon and across the firm should be encouraged and leveraged to continuously focus on simultaneously exploring and exploiting market opportunities to enhance the organizations' competencies. The findings of this study would enlighten and guide managers of emerging markets' firms to re-examine the extent of alignment between the fast evolving domestic and global marketplace and the leaders' cognitive orientation, and context in relation to their innovativeness, strategic alliances, and internationalization potentials. As we have shown in this study, sensing opportunities and threats, developing the strategic capabilities required to fully seize or respond effectively to the opportunities or threats through ambidexterity is crucial for an organization's competitive survival or success over time. In the case of Nigerian firms and other EMNEs, at the firm level, strategies like business model innovation, investments in technological innovation, strategic alliance and internationalization are evidently an important path to competitive survival and success over time.

## 5 | CONCLUSION AND LIMITATIONS

Although there is increasing consensus with some evidence in the literature that organizations aiming to survive and thrive under conditions of environmental turbulence should be ambidextrous, the strategies organizations may effectively pursue to become ambidextrous remains elusive, and hence the call for more research examining the “human side” (Birkinshaw et al., 2016), precisely the role of organization leadership in the process (O'Reilly & Tushman, 2013). In response to this call, this study demonstrates that leaders promoting organizational ambidexterity to accommodate new culture and identity is essential. They could also use cognitive reorientation, with vision and passion, appropriate communication and engagement, and employee empowerment to ensure effective ambidexterity both at the individual and organizational levels. Since these actions and attributes share common elements with managerial cognitive capability (Helfat & Peteraf, 2015) and dynamic managerial capabilities (Adner & Helfat, 2003), our study demonstrates empirically, and theoretically, that organizational ambidexterity equates to dynamic managerial capability.

Notwithstanding the insights and contribution of this study, as with many other qualitative studies, the potential limitation of the generalizability of this research findings to the Nigeria and the context investigated is considered. We are unable to confirm that the findings by this study are generalizable to other EMNEs, as firms in other countries may face unique contingencies (Liu & Vrontis, 2017). Consequently, the need for more empirical studies connecting dynamic capabilities to organizational ambidexterity literature in the context of EMNEs is highlighted. There is the need to explore other industries and developing countries contexts, perhaps, through comparative data from two or more countries, or a developed vs. developing country contexts. This will help determine what more can be learnt, and the knowledge that industry practitioners can gain. Given that emerging economies are mostly characterized by institutional gaps (Amankwah-Amoah, Debrah, et al., 2021a; Zeufack, 2002), there is need for future studies to investigate the contextual role of institutional gaps and its impacts on organizational ambidexterity and international business. Moreover, we suggest that future research involving longitudinal dataset would provide further insights of managerial and theoretical value.

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