

CONTEXTUAL AMBIDEXTERITY, GREEN MARKETING ORIENTATION AND PERFORMANCE OF MULTINATIONAL COMPANIES IN NIGERIA

Abdulazeez Alhaji Salau (PhD)

Lecturer, Marketing Unit, Department of Business and Entrepreneurship, Faculty of Management and Social Sciences, Kwara State University, Malete

ORCID: <https://orcid.org/0000-0002-2265-2304>

E-mail. sirsalau@gmail.com

Abstract

Given the increasing importance of environmental sustainability and corporate social responsibility, it is crucial to examine how GMO not only interacts with exploration and exploitation activities but also influences the relationship between these activities and organizational performance. This research aims to uncover insights into how organizations can leverage their green market orientation to enhance their ambidextrous capabilities and, subsequently, their performance. The study's target audience included 408 corporate leaders in senior and executive management roles in different countries. The primary data was collected via a survey conducted among staff of multinational corporations in Nigeria. The results show that market orientation moderates the impact of contextual ambiguity on organizational performance, but with an outsized influence on organizational effectiveness. The findings also suggest that monitoring and measuring the degree to which an organization is achieving contextual adversity is crucial because of the positive association between contextual dexterity and organizational success. This study also attempts to provide useful suggestions for managers and firms looking to improve performance.

Keywords: Capabilities, Contextual ambidexterity, Organizational performance, Green Market orientation, and Organizational effectiveness

Introduction

The challenge of balancing exploration and exploitation for sustainable success remains a critical issue for organizations today (Peng et al., 2019). This balance, known as ambidexterity, requires firms to simultaneously engage in exploring new opportunities and exploiting existing competencies (Tushman & O'Reilly, 1996; Gibson & Birkinshaw, 2004). However, navigating the complexities of these seemingly contradictory activities presents significant challenges, as the pursuit of exploration and exploitation demands different structures, cultures, and capabilities (Benner & Tushman, 2003).

Previous research has explored the relationship between organizational ambidexterity and performance, yet limited attention has been paid to the moderating

role of green marketing orientation (GMO) in this context. Green marketing orientation, which involves an organization's ability to integrate environmental sustainability into its marketing strategies and practices, could significantly influence both exploration and exploitation activities (Narayandas, 2013). As a fundamental concept in marketing theory, GMO shapes how firms understand customer needs, create sustainable value, and secure a competitive advantage (Narver & Slater, 1990). This research aims to investigate how green marketing orientation moderates the connection between contextual ambidexterity and the performance of multinational companies in Nigeria. By analyzing this moderating effect, we seek to offer insights into how firms can leverage their green marketing orientation to enhance their ambidextrous capabilities, thereby driving improved performance.

Contextual ambidexterity, which involves the simultaneous engagement in exploration and exploitation within a business unit, requires the alignment of organizational resources, culture, and processes (Gibson & Birkinshaw, 2004). While exploration involves innovation, experimentation, and decentralization, exploitation focuses on refining, improving, and increasing efficiency, often through control and formalization (March, 1991). As organizations strive to balance these dual needs, they must navigate the paradoxes inherent in such operations, as both activities compete for the organization's limited resources (Gupta et al., 2006).

Research has shown that the simultaneous execution of exploration and exploitation is not only possible but necessary for organizational success (Simsek et al., 2009). Despite these benefits, the role of green marketing orientation in moderating this balance remains underexplored. By integrating GMO into the study of contextual ambidexterity, this research aims to provide a more nuanced understanding of how multinational companies in Nigeria can navigate the complexities of balancing environmental sustainability with business performance. This approach will offer both theoretical contributions and practical recommendations for organizations seeking to optimize their ambidextrous capabilities while enhancing their environmental footprint and competitive edge.

This study aims to explore the relationship between contextual ambidexterity, green marketing orientation, and organizational performance in multinational companies operating in Nigeria. By investigating the moderating effect of green marketing orientation, we aim to provide valuable insights for managers seeking to align sustainability with their exploration and exploitation strategies, thereby improving organizational effectiveness and performance.

Review of Literature

Firm survival in dynamic marketplaces with rapidly changing market circumstances driving constantly expanding and changing consumer desires may become increasingly difficult. Peng et al., 2019. How can businesses ensure that their current

assets, status, and capacity to investigate new technologies and markets can be reconfigured in order to construct and reconstruct organizational resources to chase both current and future prospects (Nieves & Haller, 2014; Teece, 2006; and Wu, 2010)? He and Wong (2004) define ambidexterity as the ability to operate in mature markets (where cost effectiveness and incremental innovation are key) and develop products and services (where experimentation, rapidity, and flexibility are critical).

According to Peng et al. (2019), exploration places a high value on promoting innovation and recognizing development potential in a competitive environment with limited resources. Exploration requires the company to develop a functional organizational structure, adjust to changes in the market environment, develop new goods and services, and enter new markets. Exploitation, on the other hand, is a dynamic skill that involves knowledge acquisition and learning along a specific path. Businesses usually prioritize developing their existing markets before expanding into new ones. Peng et al., 2019.

Scholars have classified organizational ambidexterity (OA) into several categories. According to one school of thought, OA can be classified as sequential, structural/simultaneous, or contextual (Tushman and O'Reilly, 2013). Wu (2018) defines organizational ambidexterity (OA) as structural, behavioral (contextual), and realized organizational ambidexterity. Kortmann (2012) introduced a new idea to ambidexterity at the same time: innovative ambidexterity.

Contextual Ambidexterity

The ability to balance exploration and exploitation is based on a "organizational context characterized by an interaction of stretch, discipline, and trust," which necessitates a "supportive organizational context" that "encourages individuals to make their own judgments about how to best divide their time between exploration and exploitation." Contextual ambidexterity is described by Gibson and Birkinshaw (2004) as "the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit."

The Toyota Production System (TPS), as elaborated by Adler et al. (1999), might be a useful method to visualize the phrase contextual ambidexterity. They described how workers mix regular activities of vehicle assembly (exploitation) with job rotations that boost efficiency (exploration) at the same time through a mechanism they referred to as "meta-routines" in their study. In this case, larger management teams and an inherent culture are built to provide workers with the resources they need to pursue both exploration and exploitation at the same time.

According to Amit and Schoemaker (1993), contextual ambidexterity is a unique organizational capability that takes a long time to develop, is sophisticated, and widely dispersed. A bottom-up strategy emphasizing how each individual member

interacts with the business culture and context would be required to attain contextual ambidexterity (Ghoshal and Bartlett, 1994; Gibson and Birkinshaw, 2004; Simsek et al., 2009). According to Zhang and Duan (2014), the concept of market orientation is a pillar of current marketing theory. Any company that can improve its market orientation will be able to better understand consumers' latent and explicit wants, create distinctive customer value in comparison to competitors, and eventually establish a long-term competitive edge.

Green Marketing Orientation (GMO)

Green Marketing Orientation (GMO) refers to an organization's strategic focus on integrating environmental concerns into its marketing practices, processes, and products. As organizations face increasing environmental concerns and pressures to adopt sustainable business practices, GMO has emerged as a critical approach to addressing environmental challenges while simultaneously creating value for customers. The concept extends beyond traditional market orientation by considering environmental factors, such as ecological sustainability, waste reduction, and energy efficiency, in the firm's market-oriented strategies (Peattie, 1995).

In line with the traditional market orientation defined by Kohli and Jaworski (1990) and Narver and Slater (1990), which emphasizes the need to understand customer needs, competitors, and inter-functional coordination, GMO incorporates these elements while adding a strong focus on environmental sustainability. This involves not only addressing the needs and preferences of environmentally conscious customers but also adjusting product development, distribution processes, and marketing communication to highlight eco-friendly practices and products. Essentially, GMO focuses on delivering products and services that meet customers' environmental expectations and contribute to the broader goal of sustainability.

A key aspect of GMO is the alignment of business operations with environmental values, which requires a balance between economic goals and environmental sustainability. Firms with a strong green marketing orientation not only respond to customer demands for sustainable products but also proactively seek innovative solutions to environmental issues, which may involve the development of new green technologies or the reduction of environmental footprints in their production and distribution processes (Narver & Slater, 1990; Peattie, 1995).

Green Marketing Orientation and Its Dimensions

Similar to the traditional market orientation, GMO is composed of several dimensions that guide organizations in their environmental strategies. The primary dimensions often highlighted in the literature include:

1. Environmental Competitor Orientation: This dimension focuses on an organization's ability to monitor and respond to the environmental actions and innovations of competitors. For example, if a competitor adopts eco-friendly

packaging or reduces its carbon footprint, firms with a green marketing orientation may also follow suit to maintain their competitive advantage in an increasingly environmentally-conscious market (Hult et al., 2004).

2. Environmental Consumer Orientation: This dimension emphasizes understanding and addressing consumers' environmental needs, such as demand for organic products, reduced packaging waste, or sustainably sourced raw materials. Firms with a strong environmental consumer orientation respond to these preferences by offering green products that align with consumer expectations for sustainability. For instance, brands like Patagonia and IKEA have developed eco-friendly product lines, promoted energy-efficient home products, and implemented sustainable business practices in response to growing consumer demand for green alternatives (Peattie & Crane, 2005).
3. Inter-functional Coordination in Green Marketing: Just as with traditional market orientation, effective GMO requires collaboration across various functional areas, including marketing, product development, supply chain management, and research and development. This inter-functional cooperation is crucial for creating environmentally sustainable products that align with consumer needs while also meeting performance and cost targets. For example, companies like Tesla coordinate product innovation, environmental performance, and customer service to create cutting-edge electric vehicles (EVs) that meet sustainability goals and consumer expectations (Kassinis & Soteriou, 2003).

Green Marketing Orientation and Firm Performance

The adoption of GMO can significantly enhance a firm's market position, especially in a business environment increasingly shaped by consumer preferences for sustainability and environmental responsibility. Companies with a robust GMO can differentiate themselves in crowded markets, capture eco-conscious consumers, and build brand loyalty through environmental transparency and responsibility. Additionally, these firms can gain competitive advantage through cost savings by improving operational efficiencies, such as reducing waste, optimizing energy usage, and minimizing resource consumption.

However, the challenge remains for firms to effectively balance their green marketing initiatives with the need to maintain profitability and operational efficiency. Organizations must navigate the complexities of incorporating green strategies into their business models without incurring significant additional costs that may undermine the potential gains. Therefore, GMO must be seen as part of a comprehensive strategy that aligns environmental sustainability with long-term business goals, offering both competitive advantage and societal benefits.

In conclusion, green marketing orientation represents an essential strategic approach for firms seeking to align with environmental sustainability trends while meeting consumer demands. Like market orientation, GMO requires an integration of competitor awareness, consumer understanding, and inter-functional coordination. Whether through proactive or reactive strategies, firms that embrace green marketing orientation can enhance their market position, appeal to a growing environmentally-conscious consumer base, and contribute to broader sustainability efforts, all of which play a crucial role in driving long-term business success.

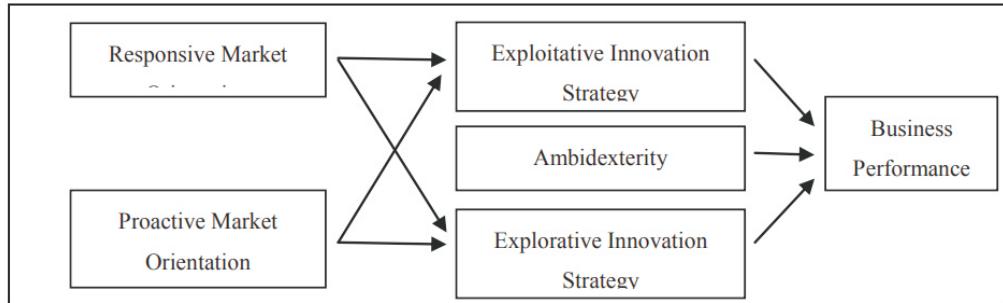


Figure 1: Model of Relations

Source: Alkan et al (2012)

The balance between exploration and exploitation within the context of market orientation plays a pivotal role in shaping organizational success, particularly in the dynamic business environment of multinational companies in Nigeria. According to Peng et al. (2019), market orientation encourages firms to balance exploration and exploitation effectively, facilitating the creation of superior customer value. By incorporating both responsive and proactive market strategies, organizations can generate innovation that not only satisfies existing customer demands but also anticipates future needs, leading to competitive advantages and long-term sustainability.

The concept of innovation is central to achieving organizational success, and it exists in two distinct forms: exploitative and explorative innovation. Exploitative innovations typically involve incremental improvements to existing products or services, such as enhancing quality or improving turnaround time. These innovations focus on refining and optimizing the firm's current offerings, thus satisfying the existing customer base. On the other hand, explorative innovations require more radical changes, such as the development of entirely new products or services that can shift consumer preferences and create new markets (March, 1991). Balancing these two forms of innovation presents a complex challenge, especially when managing limited resources. Exploitation and exploration are competitive competencies, and both need to be pursued simultaneously for firms to thrive in an ever-changing market (Peng et al., 2019).

Contextual ambidexterity refers to the firm's ability to simultaneously explore new opportunities and exploit existing capabilities within the same business unit, a process that requires an environment conducive to flexibility, coordination, and innovation (Gibson & Birkinshaw, 2004). Peng et al. (2019) highlight the importance of market orientation in moderating the relationship between exploration, exploitation, and organizational success. Market orientation is generally broken down into three key components: inter-functional coordination, customer orientation, and competitor orientation. These elements influence how effectively an organization can pursue both exploration and exploitation while maintaining operational efficiency and fostering innovation.

As firms engage in both exploitative and explorative activities, they need to integrate market insights to guide these endeavours. Inter-functional coordination ensures that different departments within an organization work together to execute both exploration and exploitation strategies effectively. Customer orientation focuses on understanding and responding to the needs of current and potential customers, while competitor orientation involves continuously monitoring and reacting to market trends and competitor actions. These dimensions of market orientation help firms align their innovation activities with market demands, thus enhancing both their exploration and exploitation capabilities.

The influence of market orientation on organizational performance is multifaceted, and its moderating role in contextual ambidexterity is crucial for sustaining growth and profitability. Peng et al. (2019) classify organizational performance into three key categories: growth/share (e.g., sales level, market share, and growth rate), organizational effectiveness (e.g., customer retention, new product success, and product quality), and profitability (e.g., ROI, gross margin, and return on equity). As firms pursue exploration and exploitation activities, market orientation ensures that their efforts are aligned with market conditions, customer preferences, and competitor actions.

Exploration, in particular, involves learning and experimentation beyond the current knowledge base, which requires substantial investment in new technologies, products, and markets. These activities are inherently risky and may not generate immediate profits, but they are essential for long-term growth and market adaptability (Cao et al., 2009). Exploration enables organizations to overcome path dependencies and market inertia, driving innovation and opening new avenues for market expansion. However, firms must manage the uncertainty and cost associated with exploration, as failure in these endeavours can lead to significant resource drain without immediate returns (Levinthal & March, 1993).

In contrast, exploitation focuses on refining and optimizing existing products and services, which leads to more predictable outcomes and steady returns. Firms that

focus solely on exploitation may experience short-term profitability but risk missing out on long-term growth opportunities. Therefore, balancing exploration and exploitation through an effective market orientation is key to sustaining growth and performance.

According to Peng et al. (2019), the challenge for firms lies in determining when to prioritize exploration over exploitation and vice versa. The success of market expansion initiatives, for instance, depends on the organization's ability to identify when it is time to explore new markets and when it is more beneficial to exploit existing market positions. Firms must also recognize that the development of new products and services often requires a long-term outlook, as they must go through early stages of the product life cycle before they can generate significant returns. Thus, exploration is essential for overcoming limitations and creating sustained market growth (March, 1991).

Ultimately, organizations must be adept at balancing the immediate demands of exploitation with the long-term potential of exploration. This balance is achieved through effective market orientation, which ensures that firms remain responsive to customer needs, proactive in identifying market opportunities, and competitive in anticipating future trends. By leveraging market orientation to regulate the relationship between contextual ambidexterity and organizational success, multinational companies in Nigeria can enhance their ability to innovate, expand into new markets, and maintain competitive advantages over time.

Hypotheses:

The study was guided by the following hypotheses to reveal the moderating effect of Green Market Orientation between Contextual Ambidexterity and Organizational Performance

H01: *There is a no significant positive relationship between Contextual Ambidexterity and Organizational Performance in organizations.*

This hypothesis suggests that Contextual Ambidexterity is expected to have a positive impact on Organizational Performance within organizations.

H02: *The strength of the relationship between Contextual Ambidexterity and Organizational Performance is not moderated by Green marketing orientation.*

This hypothesis implies that the relationship between Contextual Ambidexterity and Organizational Performance may vary depending on the level of green market orientation within the organization. In other words, market orientation can influence how Contextual Ambidexterity affects Organizational Performance.

H03: *Green Market Orientation has no direct and positive impact on an organization's Organizational Performance outcome.*

This hypothesis states that Market Orientation directly contributes to and positively influences Organizational Performance within organizations.

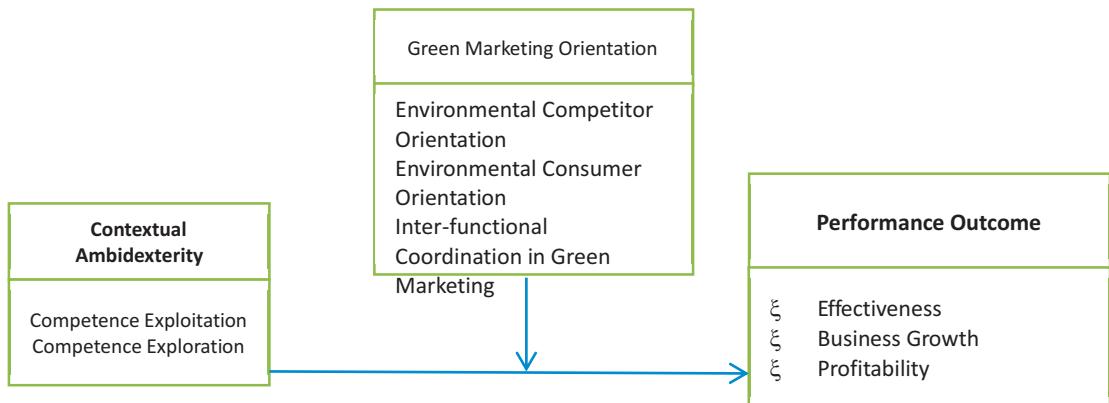


Figure 2: Conceptual Model

Source: Author's Conceptualization

Methodology

This study employs a cross-sectional survey approach, allowing for the evaluation of respondents' characteristics at a specific moment in time. This design is chosen for its suitability in assessing organizational ambidexterity and performance in a cost-effective and efficient manner. Due to practical constraints, a non-probability sampling technique was adopted. The sample was selected for convenience and accessibility, aiming for representation from diverse industries and organizations in Nigeria. The study targeted 408 corporate leaders in senior and executive management roles. Data were collected through an online survey hosted on the Survey monkey. Potential respondents were invited via email to participate. To ensure anonymity, no identifying questions were included, and participants were assured of the confidentiality and privacy of their responses.

Descriptive statistics were employed to summarize the demographic characteristics of the respondents, providing frequencies and percentages for each variable. Tests for normal distribution compliance were conducted. Precautions were taken to address common method bias through rigorous survey design and data analysis. The data were analyzed using SPSS version 25 for descriptive statistics, correlation analysis, and normality tests. Smart-PLS 4.0.8.7 statistical software packages were utilized for advanced analysis, including structural equation modeling.

Common Method Bias Test

By entering each item into a principal component analysis (PCA) with an unrotated factor solution, this study used Harman's single-factor test to see if there was any evidence of common method bias in the data obtained. The objective was to determine whether a single component emerged or whether a single, generic factor explained

more than 50% of the covariation. Twelve dimensions were recovered, according to the analysis's findings, and they accounted for 75.512% of the variance overall. The fact that the initial factor only explained 27.449% of the variance, however, showed that no single factor emerged. Thus, it was determined that there was no issue with common method variance in this investigation. Similar to the Full Collinearity Test, CMB was also tested. To test for potential collinearity and a Variance Inflation Factor (VIF) higher than 3.5, all eight latent constructs were regressed against a random item. The outcome, as reported in Table 1, indicated that VIF levels were below the maximum threshold of 3.5. As a result, it can be said that this study has no CMB problems based on the results of the Harman single factor test and the Full Collinearity test.

Table 1: Full Collinearity Test

	BUG	CEP	COM	COR	CXP	ICD	ORE	PRO
Tolerance	0.471	0.341	0.391	0.586	0.311	0.332	0.501	0.520
VIF	2.125	2.930	2.559	1.705	3.210	3.015	1.996	1.923

Source: Smart-PLS 4 Output

Result and Analysis

The partial least squares structural equation modeling (PLS-SEM) method analysis was used in this investigation. The two-stage strategy suggested by Hair et al. (2017, 2018) was used. The evaluation of the measurement model, which included assessing the measures' validity and reliability for each individual construct, was the first phase. The structural model was then evaluated to ascertain the levels of significance of the links between the constructs. Because the three main constructs in the study model are higher order constructs and need the use of a hierarchical component modeling (HCM) technique, the model included a second-order reflective-formative construct (Type II). The higher order constructs are modeled using the two-stage approach for evaluation. In the second stage of this method, the manifest variables for the HOC are employed as the latent scores for the LOCs, which were obtained using the repeated indicators approach in the first stage (Hair et al., 2018).

Reflective Measurement Model Assessment

Exogenous and endogenous factors are included in the research model, which is a second-order reflective-formative (Type II) construct made up of nineteen first-order reflective constructs. Hair et al. (2017) state that it is crucial to check the reflective first-order constructs' internal consistency reliability, indicator reliability, discriminant validity, and convergent validity when examining the measurement model for such a construct. Table 3 presents the results of the evaluation of the measurement model.

Table 3 Measurement Model Assessment

Constructs	Items	Loadings	CA	CR (rho_a)	AVE
Business/Share Growth	BUG1	0.877	0.717	0.802	0.637
	BUG2	0.597			
	BUG3	0.886			
Competence Exploration	CEP1	0.919	0.905	0.914	0.728
	CEP2	0.915			
	CEP3	0.851			
	CEP4	0.809			
	CEP5	0.762			
Environmental Competitor Orientation	ECO1	0.831	0.793	0.812	0.616
	ECO2	0.792			
	ECO3	0.695			
	ECO4	0.814			
Environmental Customer Orientation	ECOR1	0.849	0.774	0.727	0.599
	ECOR2	0.745			
	ECOR3	0.812			
Competence Exploitation	CXP1	0.808	0.841	0.856	0.617
	CXP2	0.895			
	CXP3	0.862			
	CXP4	0.668			
	CXP5	0.664			
Environmental Inter-Function Coordination	EICD1	0.671	0.782	0.844	0.530
	EICD2	0.903			
	EICD3	0.677			
	EICD4	0.638			
	EICD5	0.721			
Organizational Effectiveness	ORE1	0.843	0.802	0.857	0.630
	ORE2	0.882			
	ORE3	0.848			
	ORE4	0.56			
Profitability	PRO1	0.862	0.815	0.83	0.727
	PRO2	0.828			
	PRO3	0.868			

Source: Smart-PLS Output

According to the results, the outer loadings of the Construct components are higher than the suggested level of 0.708. Furthermore, all of the latent constructs' Cronbach's Alpha (CA) and Construct Reliability (CR) values above the 0.7 minimal limits. All of the latent constructs have values over the minimal 0.5 criteria, as demonstrated by the convergent validity as determined by the Average Variance Extracted. According to Table 4's Heterotrait and Monotrait (HTMT) analysis results, the construct values fell below the 90th percentile, which satisfies the HTMT.90 standard established by Gold, Malhotra, and Segars (2001). This implies that there is enough data to support the claim that the model exhibits enough discriminant validity. This leads to the conclusion that the model's discriminant validity is unaffected.

Table 4 Discriminant Validity (HTMT Criterion)

	BUG	CEP	ECO	ECOR	CXP	EICD	ORE	PRO
BUG								
CEP	0.623							
ECO	0.596	0.722						
ECOR	0.563	0.534	0.78					
CXP	0.811	0.823	0.782	0.625				
EICD	0.471	0.832	0.782	0.469	0.734			
ORE	0.632	0.609	0.661	0.575	0.656	0.705		
PRO	0.687	0.542	0.614	0.539	0.656	0.613	0.628	

Source: Smart-PLS 4 Output

Formative Construct Assessment

The validity of a higher-order construct composed of second-order constructs was established by this investigation. The importance and relevance of the links between the eight separate components and their related second-order constructs were evaluated after the collinearity among the eight first-order constructs. The Variance Inflation Factor (VIF) algorithm is used to analyze the collinearity between the lower order components of the Performance, Contextual Ambidexterity, and Green Market Orientation constructs. The outcome demonstrated that the lower order components do not exhibit any collinearity problems (Table 5). All values are below the cutoff of 3.5, according to the collinearity's conclusion (Hair et al., 2019). Additionally, the importance of each element in connection to the higher-order constructions was looked at. The weight of each component in the formative model was calculated using bootstrapping with 5000 subsamples in the analysis. According to the findings, all of the lower-order components were determined to be significant in relation to the corresponding higher-order components at a p-value less than 0.05.

Table 5 Collinearity Assessment Result

	GREEN MARK ORIENT	ORG AMB	ORG PERF
BUG			1.902
CEP		2.050	
ECO	2.227		
ECOR	1.513		
CXP		2.050	
EICD	1.720		
MARK ORIENT			3.061
ORE			1.984
CON AMB			3.180
PRO			2.021
MARK ORIENT x ORG AMB			1.319

Source: Smart-PLS 4 Output

Demography of the respondents

The target population included firm executives, particularly, those in the senior and executive management of the organizations. The primary data was collected via a survey conducted in Nigeria. Responses from the respondents were anonymous as there are no identifying questions in the survey. The participation links were sent to 650 respondents in the selected Multinational Companies. Out of the 650, 570 completed the questionnaire and were valid, giving a response rate to be 88%. The result as shown in Table 1 showed the demographic characteristics of the respondents, as 41.1% of the respondents are from the FMCG and 43.3% are from Pharmaceuticals, 4.9% are from Manufacturing, 3.5% from ICT and 43.3% from the Oil and Gas. Also, the majority of the respondents have polytechnic/ technical education (47%) as the highest educational qualification, followed by those with a master's degree (22.8%), first degree (22.1%), 4.2% have a Doctoral degree, 2.1% have high school qualifications and 1.8% have other types of qualification. The majority of the respondents have 6-10 years of working experience (35.4), followed by those with 11-15 years. There are 27.7% with 16 years and above working experience and the last group is those with 1-5 years (4.6%). The majority of the respondents are in the senior management cadre (60.4%), 26.3% are in the executive management cadre, 6.3% are in the middle management cadre while are there 3.9% and 3.2% are in the junior and entry-level cadre, respectively. The majority of the respondents claim that their organizations have been existing for more than 16 years (38.6%), followed by those existing for 11-15 years. There are 28.4% of respondents with their organizations existing between 6-10 years and 3.2% are within 1-5 years of existence. The result also showed that 43.5% of the organizations have turnovers between 11 – 100 million

USD and 28.8% have turnovers between 5 to million. The majority of the employees have 201 to 500 employees (41.1%), 38.9% have employees between 51 – 200, 12.3% organizations have above 501.

6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.047 ^a	.002	-.003	1.36816
2	.469 ^b	.220	.214	1.21102

a. Predictors: (Constant), CXP1, CEP1

b. Predictors: (Constant), CXP1, CEP1, ECOR1

Source: Smart-PLS 4 Output

7. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.648	2	.824	.440	.644 ^b
	Residual	758.107	405	1.872		
	Total	759.755	407			
2	Regression	167.263	3	55.754	38.017	.000 ^c
	Residual	592.492	404	1.467		
	Total	759.755	407			

a. Dependent Variable: MKT1

b. Predictors: (Constant), CXP1, CEP1

c. Predictors: (Constant), CXP1, CEP1, ECOR1

Source: Smart-PLS 4 Output

8. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	(Constant)	4.499	.394	-.036	11.410	.000
	CEP1	-.051	.078		-.648	.517
	CXP1	.058	.064		.901	.368
2	(Constant)	3.119	.372	-.043	8.376	.000
	CEP1	-.060	.069		-.865	.387
	CXP1	-.057	.058		-.996	.320
	COR1	.459	.043		10.627	.000

a. Dependent Variable: MKT1

Source: Smart-PLS 4 Output

Discussion of findings

The study supports Wang and Rafiq's (2014) study, which offered proof that contextual ambidexterity is feasible in practice, by demonstrating that it is a

fundamental driver of organizational performance. The ability of an organization to balance exploration and exploitation (also known as contextual ambidexterity) is crucial for its overall performance in both developed and developing countries, according to the findings of the current study.

Additionally, we support with data that market orientation is a significant predictor of the impact that contextual ambidexterity might have on the performance of an organization. This is supported by the fact that the incorporation of market orientation factors, which include customer orientation, competitor orientation, and inter-functional co-ordination for both nations, has significantly increased the impact contextual ambidexterity has on organizational performance.

The study demonstrates that market orientation moderates the impact of contextual ambidexterity on organizational performance, but with an outsized influence on organizational effectiveness. According to Gibson & Birkinshaw (2004), exploration and exploitation can be complimentary organizational activities in the innovation process inside a business unit as opposed to conflicting activities that can only exist in other structural topologies. This is provided that they are managed effectively. According to Wang and Rafiq (2014), implementing contextual ambidexterity necessitates a significant managerial shift. Our research supports this totally by demonstrating the disproportionate effect that contextual ambidexterity has on the component of organizational performance that is driven by organizational effectiveness, which is moderated by market orientation.

Essentially, this is a significant practical addition made by the study that highlights why contextual ambidexterity, which is primarily focused on leadership and C-Suite influence, is seen to have a disproportionately large impact on organizational effectiveness compared to other organizational performance variables. The main takeaway from our research is that by embracing and utilizing the moderating effects of market orientation, the effects of contextual ambidexterity on organizational performance can be tremendously improved. Additionally, the moderating effects of market orientation are what most negatively affect organizational effectiveness as a metric of organizational performance.

Conclusion and Recommendations

The study's results practically demonstrate that in order to improve overall performance, companies should make an effort to balance their attention between exploration and exploitation. Exploitation refers to the effective use of available resources and capabilities, whereas exploration refers to the pursuit of new opportunities and innovation. To remain competitive and adapt to shifting market conditions, firms must strike a balance between these two operations. An organization

that places an excessive amount of emphasis on exploitation may pass up fresh chances for development and innovation. However, a company that places an excessive amount of emphasis on research may fail to effectively utilize its current resources and capabilities, resulting in inefficiencies and lost possibilities for performance enhancement.

Therefore, the results suggest that monitoring and measuring the degree to which an organization is achieving contextual ambidexterity is crucial because of the positive association between contextual ambidexterity and organizational success. As it becomes increasingly important for decision-making, managers should be aware of the need to monitor the balance between exploration and exploitation and modify their plans as necessary. Managers should not only concentrate on utilizing already-existing resources and competencies at the expense of looking for new chances, notwithstanding how crucial balance is. Instead, they ought to make an effort to strike a balance between the two, as doing so is probably going to improve performance.

The results also suggest that businesses should actively work toward green market orientation, which might help to mitigate the association between contextual ambidexterity and organizational effectiveness. Organizations that are strongly green market-oriented are better able to recognize potential new research possibilities and comprehend how to make the most of already available resources and capabilities. A company with a strong focus on the market may be able to recognize emerging market trends and opportunities that can be explored, as well as how to best make use of its current assets and competencies to satisfy the needs of its clients. By raising revenues, enhancing efficiency, and cultivating a more devoted customer base, this can aid in enhancing organizational performance.

The results also suggest that managers should support and promote experimentation and exploration within their firm. By offering resources and support for fresh projects and initiatives, encouraging staff to take calculated risks, and recognizing innovative thinking, managers may promote a culture of experimentation and exploration. Managers may support their firms' ability to remain competitive and adjust to shifting market conditions by encouraging a culture of innovation and exploration. In addition to encouraging cross-functional cooperation and creating a system of rewards and recognition for staff members who come up with creative solutions, managers can give funding and resources for employee-led projects and initiatives. Managers should be mindful of any potential trade-offs when balancing exploration with exploitation, though. The resources needed to pursue new opportunities might also be used to enhance current operations. Managers should therefore be aware of these trade-offs and adopt strategic choices that reduce them as much as possible.

References

Ajayi, O. E., Adeyeye, C. T., Salau, A. A., Akanbi, L. K., & Adebayo, P. O. (2024). Revolutionizing courier services: The holistic impact of digital marketing strategies on fast delivery in Nigeria. *Indonesia Journal of Business Analytics*.4(3), 1077-1100.

Alder, P., Goldoftas, B., & Levine, D. (1999). Flexibility versus efficiency? A case study of model changeovers in the Toyota production system. *Organization Science*, 10(1), 43–68.

Alpkana, L., Sanalb, M., & Aydenc, Y. (2012). Market orientation, ambidexterity and performance outcomes. *Procedia – Social and Behavioral Sciences*, 41, 461–468. <https://doi.org/10.1016/j.sbspro.2012.04.054>

Amit, R., & Schoemaker, P. J. H. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14(1), 33–46. <https://doi.org/10.1002/smj.4250140105>

Baker, W. E., & Sinkula, J. M. (2005). Market orientation and the new product paradox. *Journal of Product Innovation Management*, 22(6), 483–502. <https://doi.org/10.1111/j.1540-5885.2005.00145.x>

Benner, M. J., & Tushman, M. L. (2003). Exploitation, exploration, and process management: The productivity dilemma revisited. *Academy of Management Review*, 28(2), 238–256. <https://doi.org/10.5465/amr.2003.9416096>

Berthon, P., Hulbert, J. M., & Pitt, L. F. (1999). To serve or create? Strategic orientations toward customers and innovation. *California Management Review*, 42(1), 37–58. <https://doi.org/10.2307/41165978>

Cao, Q., Gedajlovic, E., & Zhang, H. (2009). Unpacking organizational ambidexterity: Dimensions, contingencies, and synergistic effects. *Organization Science*, 20(4), 781–796. <https://doi.org/10.1287/orsc.1090.0426>

Christensen, C. M., & Bower, J. L. (1996). Customer power, strategic investment, and the failure of leading firms. *Strategic Management Journal*, 17(3), 197–218. [https://doi.org/10.1002/\(SICI\)1097-0266\(199603\)17:3<197::AID-SMJ804>3.0.CO;2-U](https://doi.org/10.1002/(SICI)1097-0266(199603)17:3<197::AID-SMJ804>3.0.CO;2-U)

Day, G. S. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, 58(4), 37–52. <https://doi.org/10.1177/002224299405800404>

Deshpandé, R., Farley, J. U., & Webster, F. J. (1993). Corporate culture, customer orientation, and innovativeness. *Journal of Marketing*, 57(1), 23–37. <https://doi.org/10.1177/002224299305700102>

Gibson, C. B., & Birkinshaw, J. (2004). The antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*, 47(2), 209–226. <https://doi.org/10.5465/20159573>

Hamel, G., & Prahalad, C. K. (1996). *Competing for the future*. Harvard Business Press.

He, Z. L., & Wang, P. K. (2004). Exploration and exploitation: An empirical test of the ambidextrous hypothesis. *Organization Science*, 15(4), 481–496. <https://doi.org/10.1287/orsc.1040.0078>

Hofstede, G. (1997). *Culture and organizations: Software of the mind*. McGraw-Hill.

Kirca, A. H., Jayachandran, S., & Bearden, W. O. (2005). Market orientation: A meta-analytic review and assessment of its antecedents and impact on performance. *Journal of Marketing*, 69(2), 24–41. <https://doi.org/10.1509/jmkg.69.2.24.60761>

Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: The construct, research propositions, and managerial implications. *Journal of Marketing*, 54(2), 1–18. <https://doi.org/10.1177/002224299005400201>

Kortmann, S. (2012). *The relationship between organizational structure and organizational ambidexterity: A comparison between manufacturing and service firms*. Springer Gabler Research.

Levinthal, D. A., & March, J. G. (1993). The myopia of learning. *Strategic Management Journal*, 14(S2), 95–112. <https://doi.org/10.1002/smj.4250141009>

Lubatkin, M. H., Simsek, Z., Ling, Y., & Veiga, J. F. (2006). Ambidexterity and organizational performance in small- to medium-sized firms: The pivotal role of TMT behavioral integration. *Journal of Management*, 32(5), 646–672. <https://doi.org/10.1177/0149206306290712>

March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, 2(1), 71–87. <https://doi.org/10.1287/orsc.2.1.71>

McGrath, R. G. (2001). Exploratory learning, innovative capacity, and managerial oversight. *Academy of Management Journal*, 44(1), 118–131. <https://doi.org/10.5465/3069330>

Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54(4), 20–35. <https://doi.org/10.1177/002224299005400403>

Narver, J. C., & Slater, S. F. (1998). Customer-led and market-oriented: Let's not confuse the two. *Strategic Management Journal*, 19(10), 1001–1006. [https://doi.org/10.1002/\(SICI\)1097-0266\(199810\)19:10<1001::AID-SMJ996>3.0.CO;2-4](https://doi.org/10.1002/(SICI)1097-0266(199810)19:10<1001::AID-SMJ996>3.0.CO;2-4)

Narver, J. C., Slater, S. F., & MacLachlan, D. L. (2004). Responsive and proactive market orientation and new-product success. *Journal of Product Innovation Management*, 21(5), 334–347. <https://doi.org/10.1111/j.0737-6782.2004.00086.x>

O'Reilly, C. A., & Tushman, M. L. (2013). Organizational ambidexterity: Past, present, and future. *Academy of Management Perspectives*, 27(4), 324–338. <https://doi.org/10.5465/amp.2013.0025>

Peng, J., Lee, H., & Hong, S. (2019). Exploring the link between organizational ambidexterity and firm performance: The moderating role of top management team heterogeneity and competitive intensity. *Sustainability*, 11(21), 5923. <https://doi.org/10.3390/su11215923>

Peng, M. Y. P., & Lin, K. H. (2019). Impact of ambidexterity and environmental dynamism on dynamic capability development trade-offs. *Sustainability*, 11(23), 6541. <https://doi.org/10.3390/su11236541>

Peter, M., Baden-Fuller, C., & Howell, J. (1999). *The rejuvenation of Celltech in the 1990s: Laying the foundations of a FTSE 100 company* (ECCH Case Study No. 300-072-1).

Prange, C., & Schlegelmilch, B. B. (2009). The role of ambidexterity in marketing strategy implementation: Resolving the exploration–exploitation dilemma. *Business Research*, 2(2), 215–240. <https://doi.org/10.1007/BF03342712>

Qu, R. (2007). The role of market orientation in the business success of MNCs' UK subsidiaries. *European Journal of Marketing*, 41(9–10), 1181–1192. <https://doi.org/10.1108/03090560710773313>

Shapiro, B. P. (1988). What the hell is “market oriented”? *Harvard Business Review*, 66(6), 119–125.

Spector, P. E. (1992). *Summated rating scale construction: An introduction*. Sage.

Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350. <https://doi.org/10.1002/smj.640>

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. [https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7<509::AID-SMJ882>3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z)

Tushman, M. L., & O'Reilly, C. A. (1996). Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review*, 38(4), 8–30. <https://doi.org/10.2307/41165852>

Wang, C. L., & Rafiq, M. (2014). Ambidextrous organizational culture, contextual ambidexterity and new product innovation: A comparative study of UK and Chinese high-tech firms. *British Journal of Management*, 25(1), 58–76. <https://doi.org/10.1111/j.1467-8551.2012.00832.x>

Zhang, J., & Yanling, D. (2010). The impact of different types of market orientation on product innovation and organizational performance: Evidence from Chinese manufacturers. *Management Decision*, 48(6), 849–867. <https://doi.org/10.1108/00251741011053433>

Zhou, L., Peng, M. Y. P., Shao, L., Yen, H. Y., Lin, K. H., & Anser, M. K. (2021). Ambidexterity in social capital, dynamic capability, and SMEs' performance: Quadratic effect of dynamic capability and moderating role of market orientation. *Frontiers in Psychology*, 11, 584969. <https://doi.org/10.3389/fpsyg.2020.584969>