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# The Impact of Contextual Ambidexterity on the Internationalisation of Born Global Firms

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**ABSTRACT:**
Born global firms (BGFs) have accelerated their international expansion even earlier than was anticipated. That unprecedented acceleration has occasioned a reconsideration of traditional internationalisation theories. Why are certain companies able to accelerate their international expansion so rapidly? What are the dynamic organisational capabilities that are successfully under highly volatile global economic conditions?
Organisational ambidexterity is defined as the ability to balance exploration and exploitation, and it has been recognised increasingly as a critical determinant of firm performance. The specific mechanisms and micro-foundations through which contextual ambidexterity is achieved within BGFs that are resource constraints as well as the gaps while the speed of international expansion still needs to be examined. The goal of this article is to investigate the components and origins of contextual ambidexterity, which is operationalised as Dual Network Capability (DNC), and to examine its relationship with the internationalisation speed characteristic of BGFs. The research is conceptually grounded in the Dynamic Capabilities View (DCV) and utilise micro-foundations perspective to clarify the individual level characteristics underpinning these organisational capabilities. A qualitative research design was implemented in the form of multiple case studies. This method was chosen as it is well aligned to investigating complex, environment specific phenomena and could help to open “the black box” of organisational ambidexterity. Data were collected through in-depth, semi-structured interviews of Top Management Team (TMT) members from two BGFs from emerging economies. The data collected has been analysed using thematic analysis following Braun and Clarke’s method. The results of the study indicate that TMT human capital and managerial cognition serve as critical micro-foundations and influencing factors, directly affecting the strategic capacity for ambidextrous activities. The case companies combine structural elements with individual-level flexibility to manage contradictory demands which reflects a hybrid ambidexterity model. The theoretical proposition that the beneficial effect of contextual ambidexterity on international success is indirect, manifested in intermediate outcomes such as increased international opportunity after recognition and closing deals, rather than directly related to overall firm performance was confirmed. Crucially, the effectiveness of ambidexterity development also depends primarily to external conditions and institutional environments, and cultural norms determine first and foremost the dynamic balance needed between exploration and exploitation. This research provides a rare empirical basis for capability and reinforces the need for hybrid models for emerging market firms operating in turbulent environments.

**KEYWORDS:** Born global firms, Internationalisation, Organisational ambidexterity, Dynamic capability, Micro-foundations, Small-medium enterprises, Network.

# Contents

1 Introduction 7

1.1 Background 7

1.2 Research gaps, questions, and objectives 8

1.3 Definitions and Scope of the Study 9

1.4 Thesis Structure 11

2 Literature Review 13

2.1 Internationalisation of Born Global Firms 13

2.2 Organisational Ambidexterity 16

2.3 Dynamic Ambidexterity 18

2.4 Structural Ambidexterity 20

2.5 Temporal Ambidexterity 21

2.6 Contextual Ambidexterity 22

2.7 Definition and Conceptual Foundations of Contextual Ambidexterity 23

2.7.1 Alignment and Adaptability as Dual Dimension 24

2.7.2 Focusing on the Micro-level origins 25

2.7.3 Micro-foundations of Organisational Ambidexterity 26

2.7.4 Empirical Findings in Born Global Firms 28

2.8 Internationalisation Speed 29

2.8.1 Uppsala Model 31

2.8.2 Enhancing Research Gaps 32

2.9 Theoretical Framework 34

2.9.1 The Ambidexterity Imperative and the Contextual Approach 34

2.9.2 Dynamic Capabilities and the Need for Micro-Foundation 35

2.9.3 The Micro-Foundations Perspective 36

2.9.4 Dual Network Capability as the Operational Dynamic Capability 37

2.9.5 Linking Capability to Internationalisation Speed 38

2.9.6 Integrated Theoretical Framework 40

3 Methodology 43

3.1 Research Design 43
3.1.1 Research Philosophy and Approach 43
3.1.2 The Micro-foundational Perspective 44
3.2 Sample Selection 44
3.2.1 Case Selection Criteria 44
3.2.2 Case Firms 45
3.3 Data Collection Methods 46
3.3.1 Primary Data: Semi-Structured Interview 46
3.3.2 Secondary Data 46
3.4 Data Analysis Techniques 47
3.4.1 Qualitative Analysis Strategy 47
3.4.2 Coding 48
3.5 Validity, Reliability, and Ethical Considerations 48
3.5.1 Limitation 48
3.5.2 Ethical Compliance 49
4 Findings 50
4.1 Micro-Foundations Underpinning Contextual Capability 50
4.1.1 Top Management Team Human Capital and Managerial Cognition 50
4.2 Contextual Ambidexterity as a Dynamic Capability 51
4.2.1 Exploration Practices 52
4.2.2 Exploitation Practices 52
4.3 Internationalisation Outcomes and Contextual Influences 53
4.3.1 Internationalisation Speed and Perceived Performance Outcomes 53
4.3.2 Contextual Influence: Culture and Institutional Environment 54
4.4 Synthesis of Cross-Case Findings 55
4.4.1 Foundational Micro-Level Factors 55
4.4.2 Enactment of Hybrid Ambidexterity 56
4.4.3 The Influence of Contextual Conditions 56
4.4.4 Accelerated Outcomes and the Intermediate Performance Pathway 57
5 Conclusion and Discussion 59

5.1 Synthesis and Substantiation of the Core Framework 59
5.2 Theoretical Contributions to Ambidexterity Literature 60
5.2.1 Micro-Foundations and Managerial Cognition 60
5.2.2 Evidence for Hybrid Ambidexterity 60
5.3 Contextual Influences and Performance Pathways 61
5.3.1 The Process Through Which Ambidexterity Shapes Performance 61
5.3.2 Environmental Contingency 62
5.4 Managerial Implications 63
5.5 Limitations and Future Research Directions 63
5.6 Conclusion 64
References 65
Appendices 79
Appendix 1. Interview Questions 79

## Figures

Figure 1 Thesis structure. 11

**Figure 2** Dimensions of Organisational Ambidexterity (Adapted from Reyes-Parga et al., 2025). 17

**Figure 3** Integrated Theoretical Framework (Adapted from Faroque et al., 2021; Baia & Ferreira, 2019; and Gibson & Birkinshaw, 2004). 42

## Tables

**Table 1** Key Characteristics of Born Global Firms (Braunerhjelm & Halldin, 2019). 14

**Table 2** Additional Characteristics of Born Global Firms (Reyes-Parga et al., 2025). 16

**Table 3** Different Types of Organisational Ambidexterity (Kassotaki, 2022; O'Reilly & Tushman, 2013). 18

**Table 4** Dynamic Ambidexterity Building on Organisational Ambidexterity Types (Chen, 2017; O'Reilly and Tushman, 2008). 19

# 1 Introduction

## 1.1 Background

Since 1990s, born global firms have attracted growing attention from researchers due to their rapid and early internationalisation patterns (Lin & Si, 2019; Braunerhjelm & Halldin, 2019; Prange & Bruyaka, 2016). It is also known as the international new ventures, they adopt a global strategy since the start point (Braunerhjelm & Halldin, 2019). Lin & Si (2019) stated that through the lens of ambidexterity, the pattern of how born global firms (BGFs) internationalise can be understood.

Ambidextrous behaviour is defined as maintaining a balance between exploration and exploitation (Presutti et al., 2024). Studies explain that the exploration involves innovation and experimentation, while exploitation focuses on productivity and adaptation (Presutti et al., 2024). In this context, ambidexterity is defined as the term organisational ambidexterity and a strategy that enables organisations to thrive by managing the tension between the exploration and exploitation (Lô & Fatien Diochon, 2020).

Several studies have focused on the ambidextrous behaviour and internationalisation strategies implemented by multinational enterprises (MNEs) (Xiao et al., 2022). However, there are limited number of studies on the specific types of ambidexterity within born global firms. There are three types of organisational ambidexterity which are the contextual, structural, and temporal ambidexterity (Lô & Fatien Diochon, 2020). The foundation of organisational ambidexterity started as structural ambidexterity (Lo & Fatien Diochon, 2020; Zaidi & Othman, 2015). This type is known as teams of organisational groups that prioritise efficiency and exploitation, and others that focus innovation and exploration (Lô & Fatien Diochon, 2020). On the other hand, research studies demonstrated that contextual ambidexterity has provided a more natural and positive perspective for organisational ambidexterity (Gunsel et al., 2018; Lo & Fatien

Diochon, 2020). It defines as balancing exploration and exploitation of a business unit or individuals at the same time (Vettorello et al., 2020). It further states that individuals respond with their own decision and makes flexible choices (Sinha et al., 2020).

Most studies have focused on analysing the results of ambidexterity rather than the development. As one of the types of organisational ambidexterity, contextual ambidexterity is particularly important for assisting businesses in navigating the difficulties related to the dynamic business environment that guide organisations through transformation and generating shared value for all parties (Schlosser et al., 2023; O'Reilly & Tushman, 2013). Research on the factors that enable born global firms to achieve contextual ambidexterity is limited and therefore require further investigation to clarify these as well as their relationship to the speed of internationalisation. This highlights the need for an in-depth investigation into how contextual ambidexterity functions within born global firms.

## 1.2 Research gaps, questions, and objectives

Several scholars have advocated the significant role of top management teams (TMTs) in shaping organisational ambidexterity, particularly through their ambidextrous orientation and capabilities that support internationalisation strategy (Sinha, 2019). However, there is limited understanding of how born global firms can effectively manage contextual ambidexterity in ways that may accelerate their internationalisation speed (Figueiredo et al., 2024). Moreover, little is known about the specific factors of contextual ambidexterity that may influence the internationalisation and speed of the born global firms. Turner et al. (2012) discussed the three types of organisational ambidexterity, which are structural, temporal, and contextual. Despite the popularity of organisational ambidexterity among researchers, it is still unclear how organisations such as born global firms manage this balance of exploration and exploitation, and how it affects the rapid internationalisation. By examining factors that enable contextual

ambidexterity in BGFs and its direct impact on their pace of internationalisation process, research gaps can be found.

This study aims to identify the key factors that enable born global firms to connect contextual ambidexterity and to examine how it directly affects the internationalisation speed of born global firms. This helps us see how contextual ambidexterity shapes global growth strategies and the speed of internationalisation. BGFs use their ability to adapt to different situations to handle the challenges of foreign markets and the internationalisation speed.

The research question for this paper is “What are the main components and factors of contextual ambidexterity on the internationalisation speed of born global firms?”.

The following three research objectives below will help better understand the research question.

- To investigate the components of contextual ambidexterity within born global firms.

- To determine the relationship between contextual ambidexterity and the internationalisation speed of born global firms.

- To explore the influencing factors that influence the relationship between contextual ambidexterity and the speed of internationalisation.

## 1.3 Definitions and Scope of the Study

Sharma and Blomstermo (2003) explain that born global firm internationalise differently unlike the usual internationalisation patterns of established businesses. It finds itself in competition with multinational enterprises (MNEs) and is actively seeking for new

opportunities in international markets while adopting a global perspective right from the start (Masroor et al., 2020). Organisations that rapidly grow internationally right from the start are often referred to as born global firms (Sharma & Blomstermo, 2003; Knight & Liesch, 2015; Lin & Si, 2019; Braunerhjelm & Halldin, 2019; Prange & Bruyaka, 2016). Cesinger et al. (2012) pointed out that these companies often possess unique competitive edges, like innovative products or specialised knowledge and skill.

The speed at which born global firms venture into and grow in foreign markets is known as their internationalisation speed (Demir et al., 2021). This involves not only the time it takes for these firms to make their first expansion internationally but also how extensively and quickly they expand their operations abroad within a given period (Cabral et al., 2020; Aygoren & Kadakal, 2018). Earlier research shows that the method of expanding internationally have changed over time, becoming more varied and rapid (Zander, 2015; Vahlne & Jonsson, 2017). Quintas et al. (2009) noted that internationalisation is accelerating due to technological advancements, fewer trade barriers, and have global market connection. These changes have transformed the global business scene, allowing born global firms to overcome geographical limitations and enter international markets rapidly.

O'Reilly and Tushman (2013) and Sinha (2019) explain that as businesses adapt to new technologies and markets, organisational ambidexterity helps them stay competitive in mature markets. This approach demands a balance of efficiency and control, alongside flexibility. According to Baloni et al. (2019), there are three types of organisational ambidexterity that are structural, temporal, and contextual. This study highlights how being adaptable in different contexts can help born global firms expand international rapidly. Contextual ambidexterity refers to an organisation's capability to balance both exploration and exploitation across various situations (Ngo & Igwe, 2019). This concept involves creating a workplace atmosphere that motivates and allow employees to make decisions on whether to implement exploratory or exploitative activities, depending on what the situation presents. This category covers how businesses can use their

organisational structures, procedures, and cultures to encourage creativity and adaptability. By doing so, they can seize new opportunities and respond effectively to changing market conditions (Lin et al., 2020).

This study explores how born global firms work across different industries and countries. In the context of contextual ambidexterity, it will investigate on how organisations balance exploring new opportunities and exploiting existing ones. This paper also discuss how contextual ambidexterity impact born global firms to expand quickly into international markets. This will explore various contextual factors including industry trends, competitive intensity, technological advancements, that influence how quickly organisations can internationalise while balancing different strategic priorities (Mana Ay et al., 2020).

## 1.4 Thesis Structure

This study is structured into five chapters, each offering a unique and carefully examined perspective on the main research question. These chapters are introduction, literature review, methodology, findings, and conclusion and discussion.

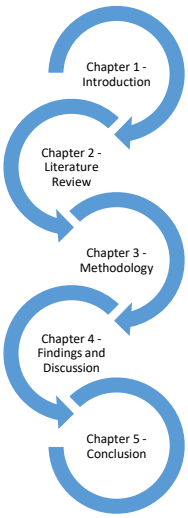


Figure 1 Thesis structure.

Chapter 1 shows a comprehensive overview of the thesis topic, exploring the research question, objectives, scope, and definitions. This set the stage for our further analysis.

In the literature review, second part of the study, existing studies on born global firms, how quickly they internationalise, and their ability to adapt to different contexts will be examined. This chapter will also highlight important ideas, theories, and areas where more research is needed.

The research methodology chapter 3 will state how the study collect data, research design, and how the data will be analysed, while ensuring the process is thorough and reliable.

Chapter 3 on the findings and discussion, it explores the study's evidence, analyse how contextual ambidexterity affects the speed of internationalisation, and examine what the data mean for both theory and practice.

The final chapter 5 summarises the study by highlighting main findings, acknowledging the research's limitations, and proposing future research directions, offering a well-rounded conclusion to the study.

# 2 Literature Review

This chapter discuss the literature on born global firms, one specific type of organisational ambidexterity, and how it affects the internationalisation speed. To build a theoretical framework, this brings together important ideas, theories, and identifies where more research is needed. In this section, the theoretical foundations, contextual ambidexterity, and focusing on how born global firms expand internationally are carefully examined. Understanding how these things interrelate between these constructs is essential.

The literature review process follows a clear structure. It begins by finding the correct databases and search terms and then progress towards analysing articles based on predefined exclusion and inclusion criteria (Rajwani & Liedong, 2015).

## 2.1 Internationalisation of Born Global Firms

Earlier research has focused on how born global companies quickly expand internationally that gained popularity in international business studies. However, the importance of what a company can do in helping born global firms internationalise is not yet well understood. Especially being able to imply the organisational ambidexterity. Previous studies have provided the foundation for understanding the traits and behaviours of born global firms. Recent studies are exploring the organisational factors that enable these companies to expand internationally at a rapid pace.

Born global firms are defined by their unique traits, such as entrepreneurial orientation and innovative business model unlike the traditional businesses (Kaur & Sandhu, 2013). These organisations often leverage their international orientation and innovative capabilities to gain a competitive edge in foreign market (Escandon-Barbosa et la., 2019). Born global firms, which are international small and medium-sized enterprises, have become increasingly attractive due to the globalisation trends over the past two decades

(Knight, 2015). According to Gabrielsson et al. (2008), these companies are known for their global outlook, offering specialised products and rapidly expanding internationally right from the start. To successfully compete with larger and well-established companies, these businesses focus on niche markets and leverage technology to overcome barriers of entry.

**Table 1** Key Characteristics of Born Global Firms (Braunerhjelm & Halldin, 2019).

| **Aspect** | **Description** |
|---|---|
| Definition | New firms achieving international sales within 2 years of founding, targeting global niches |
| Internationalisation | Rapid entry into foreign markets (≤2 years), often leveraging digital platforms. |
| Market Focus | Niche markets with specialised, high-quality products (non-commodity). |
| Core Drivers | Entrepreneurial vision, global mindset, and technological innovation. |
| Strategic Emphasis | Differentiation through product uniqueness and customer loyalty. |
| Operational Model | Reliance on external intermediaries (e.g., distributors) and ICT for global coordination |

Srivastava et al. (2020) pointed out that born global firms often face challenges like limited resources, lack of market knowledge, and weak networks, which can delay their international expansion. To tackle these issues, born global firms need to build a structure and culture that promotes both exploration and exploitation (Srivastava et al., 2020). This approach helps them adjust to changing market conditions, seize new opportunities and effectively manage risks. Taking exploratory and exploitative actions is not just beneficial for these firms, it is an essential for competitive edge and fostering global growth (Popadiuk et al., 2018). According to Freeman et al. (2006) and Weerawardena et al. (2007), born global firms need to explore new markets and exploit

what they already have, to succeed internationally. This means that born globals can use a flexible strategy to grow while dealing with global market challenges. Bahar and Akhtar (2020) and Prange and Bruyaka (2016) argue that organisations that promote flexibility are in a better position to manage the conflicting demands, adaptability to new circumstances, and perform better in the global context.

It has been discovered that organisations using ambidexterity is beneficial in dynamic foreign markets (Kassotaki, 2022). It demonstrates greater adaptability, resiliency and creative ability (Kassotaki, 2022). Further, born global firms embrace the ambidextrous strategy to respond their competitive disadvantages (Luo and Rui, 2009). This assists them in overcoming the limitations they have because of their size, resources, and a lack of legitimacy, as they struggle to compete in the international market. Studies indicate that born globals may leverage ambidextrous capabilities, which are their ability to exploit the uncertain requirements of venturing into new opportunities and exploit the available capabilities (O'Reilly and Tushman, 2008). This allows them to work on innovation and efficiency simultaneously, change the economic climates and avoid risks effectively.

Akinbola et al. (2020) also stated that born global firms tend to be characterised by entrepreneurial orientation, proactive behaviour, and a risk taking nature. That allow them to internationalise rapidly as born global firms must be fast and flexible enough to succeed in the international market (Akinbola et al., 2020; Escandon-Barbosa et al., 2019). It is at this phase that organisational ambidexterity comes into play as it is essential to the born global firms that require adequate innovation and efficiency in their internationalisation activities (Kassotaki, 2022).

**Table 2** Additional Characteristics of Born Global Firms (Reyes-Parga et al., 2025).

| Aspect | Description |
|---|---|
| Organisational Ambidexterity | Capacity to balance and integrate exploitation (efficiency, new markets) with exploration (innovation, new markets) to facilitate quick internationalisation and expansion. |

## 2.2 Organisational Ambidexterity

Organisational ambidexterity enhances innovation, efficiency, and competitiveness by enabling organisations to standardise and adapt their business strategies (Silva et al., 2021; Kassotaki, 2022). Based on Andripoulos and Lewis (2009), ambidextrous organisations excel at using their current products to foster gradual innovation while also exploring new opportunities for more innovation. Adopting an ambidextrous approach is crucial, as it allows them to adapt to changes while efficiently navigating dynamic and competitive environments (Silva et al., 2021).

According to Rosing et al. (2011), finding a balance between exploitation and exploration can offer a lasting competitive advantage. Exploration involves seeking out new knowledge and fostering innovation, often through activities like experimenting and creating new ideas (Vahlne & Jonsson, 2017). On the other hand, exploitation focuses on enhancing current skills, boosting efficiency, and following established practices (Vahlne & Jonsson, 2017; Ahmadi & Osman, 2020). Further, it involves activities such as refining processes, making choices, producing outcomes, improving efficiency, selecting options, and implementing strategies (Ahmadi & Osman, 2020). Balancing exploitation and exploration are crucial for firms, as these two strategic orientations often vie for limited resources (Rosing et al., 2011).

**Figure 2** Dimensions of Organisational Ambidexterity (Adapted from Reyes-Parga et al., 2025).

It has been pointed out that if either exploitation or exploration is focused, performance will decrease (Reyes-Parga et al., 2025). To discuss further, a company that only explores may find that it has many ideas but cannot commercialise them effectively, resulting in wasted resources and unrealised potential (Marín-Idárraga et al., 2020; Cao & Jiang, 2022; Jöhnk et al., 2022). On the other hand, if a company focuses only on exploitation, it might see some quick benefits. However, it could also find itself left behind as new innovations and changes emerge (Falahat et al., 2023).

Organisational ambidexterity can be understood through its various forms, such as structural, contextual, and temporal ambidexterity. Each of these forms provides distinct strategies for achieving a balance between exploration and exploitation, as discussed by several scholars (Boronat-Navarro & García-Joerger, 2019; O'Reilly & Tushman, 2008; Stelzl et al., 2020; O'Reilly & Tushman, 2013; Mana-Ay et al., 2020). The ambidextrous approach enables companies to respond quickly to industry changes, securing long-term market success by using both innovation modes in a complementary manner rather than restricting themselves to one (Andriopoulos & Lewis, 2009; Chen, 2017). The table below shows the different dimensions of ambidexterity.

**Table 3** Different Types of Organisational Ambidexterity (Kassotaki, 2022; O'Reilly & Tushman, 2013).

| Type | Description | Balance | Key Context |
|---|---|---|---|
| Structural Ambidexterity | The organisational creates separate units or structures for exploration and exploitation activities. | One part of the organisation focusses on efficiency and incremental improvement, while another pursues innovation and new opportunities. Each unit has clear mandates and processes, with integration at the senior management level. This is known as the spatial separation. | Common in large firms of those with resources to maintain dual structures. |
| Contextual Ambidexterity | Individuals and teams within the same unit are empowered to divide their time and resources between exploration and exploitation. | Employees rely on their personal judgement to find a balance between staying with established methods (exploitation) and being open to new approaches (exploration) in their daily tasks, all within a flexible and supportive work environment | Favoured in dynamic, resource-constrained, or fast-changing environments. |
| Sequential (Temporal) Ambidexterity | The alternatives overtime between the stages of exploration and exploitation. | This concept is often referred to as 'time-based cycling', a strategy that involves adjusting organisational focus over time. | Useful in environments where change is less frequent, allowing for strategic shifts over time. |

## 2.3 Dynamic Ambidexterity

Dynamic ambidexterity is known to be adeptly switching between exploring new opportunities and optimising current resources over time in response to their changing external environment (O'Reilly & Tushman, 2013). Organisations possess a dynamic capability that allows them to flexibly adjust their strategies and operations in response to changing market conditions (Chen, 2017). To provide a solution to the innovator's

dilemma, this dynamic ambidexterity is built on the foundation of three types of organisational ambidexterity (Chen, 2017). Dynamic capabilities allow organisations to reshape their structures to explore new opportunities while leveraging existing strengths. This process helps align their goals, structures, and methods with the ideas of exploring new avenues and making the most of current resources (Chen, 2017; Zhou et al., 2021). Dynamic ambidexterity highlights how an organisation can swiftly switch between exploring new opportunities and exploiting existing ones. As discussed previously, this concept builds on organisational ambidexterity, especially as it reacts to changes in the environment (O'Reilly & Tushman, 2008; Chen, 2017).

Dynamic ambidexterity helps organisations adapt by allowing them to systematically adjust their exploration and exploitation activities as conditions change. This system enables organisations to effectively manage the challenges posted by changing conditions, helping them maintain their performance levels and fostering innovation. Being dynamically ambidextrous is key to keeping up the pace of internationalisation and ensuring long-term success in global markets (Teece & Pisano, 1994; Zhou et al., 2021; Chen, 2017). Further, structural and temporal ambidexterity can be seen as pathways through which dynamic ambidexterity manifests. However, this study specifically focuses on contextual ambidexterity, as it is considered the most effective method for adapting to swift changes brought about by internationalisation (O'Reilly & Tushman, 2008). The table below illustrates how dynamic ambidexterity serves as a comprehensive and flexible strategy, expanding upon the three established types of organisational ambidexterity.

**Table 4** Dynamic Ambidexterity Building on Organisational Ambidexterity Types (Chen, 2017; O'Reilly and Tushman, 2008).

| **Type** | **Key Features** | **Mechanism** | **Relevance** |
|---|---|---|---|
| Dynamic ambidexterity | Adaptive integration and reconfiguration of all ambidexterity types. | Combines structural, contextual, and sequential approaches as needed. | Enable firms to shift seamlessly between exploration and exploitation in response to environmental |

| Type | Key Features | Mechanism | Relevance |
|---|---|---|---|
| | | | changes, ensuring sustained competitiveness. |
| Contextual Ambidexterity | Behavioural integration of exploration and exploitation within the same unit | Social or behavioural alignment (e.g. employee autonomy, cultural support). | Real-time balancing of exploration or exploitation, critical for dynamic adaptability in fast-paced environments. |
| Structural Ambidexterity | Separate units for exploration (e.g. R&D) and exploitation (e.g. operations). | Spatial separation of activities into distinct structures. | Provides foundation for dynamic shifts by enabling simultaneous focus on exploration and exploitation in parallel structures |
| Sequential Ambidexterity | Alternating phrases of exploration and exploitation overtime | Time-based cycling between strategic priorities | Offers a temporal framework for dynamic ambidexterity, allowing periodic reconfiguration as environments evolve |

## 2.4 Structural Ambidexterity

Structural ambidexterity is a type of organisational ambidexterity that involves setting up separate divisions within a company to handle both exploration and exploitation activities (Zhou et al., 2019). This method helps companies to distribute resources and develop specific skills tailored to different roles (Sun et al., 2020). Companies can effectively manage the challenging demands of using existing resources and exploring new opportunities by establishing clear guidelines. Therefore, this encourage both innovation and efficiency simultaneously.

The start of implementing different activities of exploration and exploitation can be observed as companies grow. This growth necessitates the development of various

organisational structures and processes (Callegari & Rai, 2021). Organisations can develop and utilise diverse individuals while benefitting from collaboration and shared knowledge across the organisation. At the same time, this approach allows the company to create effective integration processes that boost information flow between various parts (Dutta & Guha, 2015). By doing so, it improves performance (Dutta & Guha, 2015). This approach also helps to distribute control by establishing independent units across various architectural levels. Structural ambidexterity often faces coordination challenges despite the frequent distance between divisions (Callegari and Rai, 2021).

## 2.5 Temporal Ambidexterity

Another form of organisational ambidexterity is known as temporal or sequential ambidexterity. This concept explains how companies alternate between exploring new ideas and exploiting existing ones over time. Temporal ambidexterity enables companies to shift between phases of exploring new ideas and technologies, and utilising existing resources (Mavroudi et al., 2020; Wang et al., 2018).

Organisations can successfully handle the challenges of being innovative and efficient, while keeping a long-term perspective in mind (Şimşek et al., 2009). When it comes to managing resources, structuring their teams, and guiding their leaders, companies should consider adopting a flexible strategy. While some research highlights the advantages of sequential ambidexterity, others argue that implementing this approach can be challenging due to organisational inflexibility (Popadiuk et al., 2018).

A key challenge in managing temporal ambidexterity is determining the possibility to shift focus between exploring new opportunities and exploiting existing ones during the correct situation. This shows the importance of requiring the contextual ambidexterity approach, where it needs to explore new ideas and exploit at the same time (Geerts et al., 2010).

## 2.6 Contextual Ambidexterity

The third type of organisational ambidexterity is contextual ambidexterity. This type helps individuals find a balance between exploration and exploitation within their role (Zaidi & Othman, 2015). This encourages a workplace where employees are motivated to find and take advantage of opportunities for creativity and efficiency (Dutta & Guha, 2015). Integrating a balanced mix of exploration and exploitation, contextual ambidexterity highlights the importance of aligning individual decisions with the organisation's goals by integrating a balance between the activities of exploration and exploitation (Dutta & Guha, 2015). Born globals can utilise contextual ambidexterity to innovation, enhance productivity, and maintain a competitive advantage. By encouraging adaptable mindset and inspiring individuals to think both critically and strategically, companies can survive long-term (Chen, 2017; O'Reilly & Tushman).

As organisations strive to adapt swiftly to changing market conditions and optimise their ongoing operations, the importance of being ambidextrous has gained significant attention along with a rapid technological advancement and increased global competition (Gibson & Birknshaw, 2004). Zhou et al. (2021) explained that contextual ambidexterity is a strategy that can be successful when there are strict social control and common culture bonding the exploration and exploitation. Therefore, this type of organisational ambidexterity emphasises the importance of leaders encouraging adaptive behaviour (Zaidi & Othman, 2015) and developing a clear picture of the plan. Regarding resource constraints in born global companies, contextual ambidexterity leverages the same resources for exploration and exploitation, thereby potentially creating synergies and efficiencies (O'Reilly & Tushman, 2008). Even with the expanding literature on contextual ambidexterity, our understanding of how it affects certain organisational outcomes is still constrained.

## 2.7 Definition and Conceptual Foundations of Contextual Ambidexterity

Introduced by Gibson and Birkinshaw (2004), contextual ambidexterity is the organisational ability to simultaneously engage in investigation and exploitation efforts across all levels (Schnellbaecher et al., 2015). This type of organisational ambidexterity promotes individuals to make their own decisions through behaviour and social systems (Schlosser et al., 2023). On the contrary to the other types of organisational ambidexterity, contextual ambidexterity focuses on individuals and teams that can independently manage the conflict between alignment and adaptation (Schlosser et al., 2023). With this type, it enables organisations to adapt and respond swiftly to any potential changes (Schnellbaecher et al., 2015).

Based on the theory of organisational ambidexterity, companies that manage to balance the demands of exploring new opportunities and exploiting existing ones tend to perform better and adapt more easily to changing environments (Vahlne & Jonsson, 2017). Born global firms that is known for its rapid and active international expansion thrives unpredictable and competitive global markets. This environment makes it crucial for them to be adaptable and flexible to succeed (Knight, 2015). This method assists individuals in balancing the challenges of entering new international markets and leveraging current market positions by fostering a flexible and adaptive organisational culture (Ossenbrink et al., 2019). Contextual ambidexterity helps born global firms speed up their international expansion by giving individuals the ability to decide when to seek new opportunities and when to exploit what they already have (Vahlne & Jonsson, 2017; Knight, 2015). By implementing it, born global firms that balances exploration and exploitation are able to explore international opportunities more quickly and efficiently (Freeman et al., 2006). The speed of internationalisation of born global firms can be explained by understanding three areas of the effects that contextual ambidexterity brings, the organisation’s culture and leadership, and resource management.

To utilise contextual ambidexterity successfully, organisation should implement a culture that values both exploration and exploitation. This approach encourages individuals to innovate, experiment, and continuously improve processes (Bruyaka & Prange, 2020). Some experts believe that adopting strategic ambidexterity could be the best approach to excel in international markets (Han, 2007; Mana-Ay et al., 2020; O'Reilly & Tushman, 2011). In today's rapidly changing world, organisations face growing complexity and uncertainty, requiring them to continuously adapt and innovate to stay ahead.

### 2.7.1 Alignment and Adaptability as Dual Dimension

Contextual ambidexterity shows that alignment and adaptability are essential in successful companies in the changing environments (Kosasih et al., 2020). These two variables are applied as dual dimensions for this study.

The process of ensuring that operations and resources are aligned with the company's goal is defined as alignment in the context of this study (Kosasih et al., 2020). In contrast, adaptability is referred as the capacity of an organisation to react to the altering situations and seize new opportunities (Uhl-Bien & Arena, 2018). These two variables enable born global firms to respond to changes in the market quickly. This approach modifies the business models to suit local markets and exploit the local trends without breaking the cultural and behavioural standards (Monferrer et al., 2015). Organisations that apply contextual ambidexterity enable employees to develop the skills and decision-making to do what is required. This also helps the organisation to overcome the difficulties in the international markets as it strengthens its strategic alignment as well as its adaptability (Monferrer et al., 2015). This dual dimension shows that it is a complementary ability that must be developed simultaneously (Zimmermann & Birkinshaw, 2015).

### 2.7.2 Focusing on the Micro-level origins

Contextual ambidexterity is not just a phenomenon that occurs within organisations. It is also seen at the individual and team levels that affect how employees work and communicate with each other (Knight & Harvey, 2015). To support this, employees who show the ability to utilise contextual ambidexterity can effectively manage the challenges of exploring new market opportunities while also enhancing current operations.

Kassotaki et al. (2019) pointed out that implementing contextual ambidexterity allow teams to apply their own perspectives and skills to tackle challenging issues. This develops team coordination and knowledge. Individually, being ambidextrous can explain the basic challenges of the dilemma between exploring new opportunities or exploiting existing ones (Pertusa-Ortega et al., 2020; Kauppila & Tempelaar, 2016). Further, ambidexterity helps understand how organisations can achieve this balance (Pertusa-Ortega et al., 2020). Studies stated that the organisational structure and its context play a role in shaping individual behaviours (Schnellbacher et al., 2019; Kassotaki et al., 2019). Moreover, these individuals can adapt their behaviour to changing circumstances by switching between exploring new ideas and exploiting existing ones as needed (Kauppila & Tempelaar, 2016). To explain further, the belief in one's ability to succeed which is known as general self-efficacy helps act as a link that connect a desire to learn with the ability to perform multiple tasks effectively (Kauppila & Tempelaar, 2016). This shows that individuals with ambidexterity help to improve the organisation's innovation performance by balancing exploration and exploitation.

This balanced approach is shaped by various elements like the culture within an organisation, how leaders manage, and the systems of rewards (Alghamdi, 2018). Alignment happens through established structures and processes that guide how people and teams act. Moreover, teams working in environments that require both innovation

and efficiency tend to find a good balance between exploring new ideas and exploiting existing ones. They often work well together and handle disagreements in a positive way.

### 2.7.3 Micro-foundations of Organisational Ambidexterity

Contextual ambidexterity analyses the problem between exploration and exploitation within the same department by developing a constant set of processes, practices, and incentives (Bui et al., 2021; Silva et al., 2021; Martini et al., 2015; Gibson & Birkinshaw, 2004). This enables organisations to develop new knowledge rapidly without requiring structural ambidexterity (Bui et al., 2021). However, the popularity of organisational ambidexterity creates theoretical conflicts on the connection between contextual ambidexterity and in other areas of dynamic capabilities (Bahar & Akhtar, 2020; Vahlne & Jonsson, 2017; O'Reilly et al., 2013). It is necessary to move toward empirically studies by defining a clear process and antecedents that emphasise this capability (Vettorello et al., 2020; O'Reilly & Tushman, 2008).

In micro-foundation of organisational ambidexterity, individual ambidexterity is critical for connecting the theoretical gap between the micro and macro levels. In the field of international entrepreneurship, individual ambidexterity proposes an integrated conceptual framework connecting the speed of internationalisation of born globals to dynamic capabilities rooted in individual factors (Zhang & Van, 2019; Ying Huang & Huei Hsieh, 2013; Weerawardena et al., 2007). These factors are seen as the manager's human capital, experiences, cognition, and intuition (Zhang & Van, 2019).

Leadership is known to be part of the key component at the micro level where the concept of ambidextrous leadership examines how leaders foster innovative ambidexterity (Schlosser et al., 2023). In this context, top management team (TMT) is used for "leadership". Further, the role that leadership TMT is highlighted for is risk propensity, where it contributes to determine organisational results (Schlosser et al., 2023; Rosing et al., 2011; Uhl-Bien, 2018).

According to Faroque (2021), founder's prior experience is a crucial micro-foundation when developing dual network capabilities for born global firms (Faroque, 2021). Further, experience with previous managerial, industry, and functional strengthens network exploitation and exploration capabilities (Faroque, 2021). By providing managerial relevance to the development process of capabilities, understanding these various sources shows that capabilities are developed, managed, and extended (Freeman et al.,2006; Chen, 2017; Prange & Bruyaka, 2016).

Faroque (2021) has pointed out that the utility of these dual network capabilities in generating outcomes, such as international opportunity recognition (OR), is contingent upon environmental factors, such as market change. It further explains that the utility of these dual network capabilities in generating outcomes, such as international opportunity recognition (IOR), is contingent upon environmental factors, such as market change. Additionally, it claims that the post-hoc analysis reveals higher rates of market change, mature organisations are more able to take advantage of network exploitation, while younger companies take the opposite turn even though both skills are positively associated with recognising international opportunities.

The framework illustrates the contextual ambidexterity as a dynamic capability on the basis of individual backgrounds. This capability is essential for a competitive advantage in the long run for international success as it balance exploration and exploitation (Hsu et al., 2013). In this context, international opportunity recognition is known to be the outcome of balancing exploration and exploitation capabilities successfully. For supporting the relationship between dynamic capability and performance, this approach is considered the most promising method (O'Reilly, 2008; Popadiuk & Kretschmer, 2018; Weerawardena et al., 2007). Zhang et al. (2019) and Schnellbacher et al. (2019) suggested to integrate micro and macro theories if more in-depth research is required for organisational ambidexterity (Zhang et al., 2019; Schnellbacher et al., 2019).

### 2.7.4 Empirical Findings in Born Global Firms

Studies shows that internationalisation speed is achieved by balancing between exploration and exploitation (Chandrasekaran et al., 2011; Hsu et al., 2013). Furthermore, organisations that implement contextual ambidexterity can achieve high performance in dynamic and competitive industries. However, born global firms often rely on contextual ambidexterity rather than structural and temporal ambidexterity due to resource constrains and dynamic environment (Rodriguez-Serrano & Martin-Armario, 2017; Popadiuk et al., 2018; Ahmadi et al., 2018). Peng & Lin (2019) states that contextual ambidexterity enables born global firms to tackle the challenges of foreign market entry, business model adaptation, and foreign partners relationships. Sinha (2019) further adds that contextual ambidexterity helps by implementing an emergent strategy process that initiate through the ambidextrous orientation and abilities of the top management team.

To discuss further, contextual ambidexterity is significantly interrelated with the quantity of countries that a company had business activities are present (Chebbi et al., 2016). This was found when research conducted on startup tech companies was revealed. Specifically, when comparing to structural ambidextrous firms, it is found that organisations with higher contextual ambidexterity is able to enter more international market in a shorter time (Balboni et al., 2019); Martini et al., 2015). Additionally, cross-functional teams, knowledge sharing platforms, and decentralised decision making are identified as specific organisational practices that promotes contextual ambidexterity (Sinha, 2019). By catering to specialised customer needs in international markets and capitalising on niche markets, born global firms are able to succeed (Sinha, 2019). Moreover, it has been shown that organisations encourage this use of approach by implementing a set of processes, contexts and leadership behaviours in terms of managing and developing contextual ambidexterity (Alghamdi, 2018; Balboni et al., 2019; Rosing et al., 2011).

## 2.8 Internationalisation Speed

The speed of internationalisation is defined as the pace at which an organisation expands its operations across international borders (Weerawardena et al., 2007; Ying Huang & Huei Hsieh, 2013). This rapid internationalisation is known to be a critical factor of success in today's global marketplace. Further, studies states that contextual ambidexterity influences the internationalisation speed in born global firms (Weerawardena et al., 2007). It rapidly adapts to changing market conditions and capitalise new opportunities. The interplay of contextual ambidexterity with other organisational capabilities becomes essential in shaping the internationalisation process of born global firms (Sharma & Blomstermo, 2003). These organisational capabilities include entrepreneurial orientation, absorptive capacity, and network competence.

According to Mana-Ay et al. (2020), this type of organisational ambidexterity emerged as a critical enabler for organisations to achieve internationalisation speed and consistent with the systems approach across multiple dimensions. By promoting a culture of creativity and flexibility, this contextual ambidexterity type enables individuals to make decisions, manage risks, and being proactive to new threats and opportunities (Heavey et al., 2015). To accelerate internationalisation, born global firms utilise internationalisation knowledge in individual employees into organisational strategies and operational procedures (Ying Huang & Huei Hsieh, 2013).

Firms can enhance their capacity to identify and exploit international opportunities by combining contextual ambidexterity with a strong entrepreneurial orientation (Rodríguez-Serrano & Martín-Armario, 2017). Additionally, born global companies can use external networks and partnerships to get access to crucial resources, information, and market intelligence that help them grow quickly in the international market (Hsu et al., 2013; Ren et al., 2020).

Deng et al. (2020) explained when competing in underdeveloped countries, born global firms could initially apply strategies that take advantage of foreign resources, leveraging the specialised knowledge they have gained. To clarify further, a born global firm may first enter a less developed market with an exploitative strategy and later enter a developed market with an explorative strategy. Research shows that the more developed the market, the more innovation is required for its product to be accepted by customers (Zhou et al., 2019; Sinha, 2019; Prange & Bruyaka, 2016). In these cases, performance is better when international orientation is complemented by innovative capacity and the dynamism and favourability of the environment (Escandón-Barbosa et al., 2019).

To further discuss the interrelationship between contextual ambidexterity and the Internationalisation speed, there is an argument that organisational ambidexterity plays a crucial role in determining the Internationalisation speed of SMEs (Silva et al., 2020). When it comes to a rapidly internationalising, studies pointed out that contextual ambidexterity fosters rapid feedback loops and knowledge transfer between foreign markets and internal teams (Rosenzweig & Shaner, 2004). Individual employees use real-time insights from international customers to exploit while exploring new partnerships or regions. To explain, Scandinavian born global firms reduced time-to-market by 50% by implanting cross-functional teams that shared market-specific knowledge across departments. This further emphasise the importance of ambidexterity at the individual employee level in driving organisational agility and accelerating Internationalisation speed (Gerschewski et al., 2014). Contextual ambidexterity relies on a culture of individuality and trust, enabling employees to build relationships with local partners while standardizing processes for cross-border consistency.

Firms that can reconfigure resources and routines in response to unpredictable environments are able to internationalise rapidly (Ahmadi & Osman, 2018). Those firms require organisational agility and cluster of competences that integrate adaptability, speed, innovation, sustainability and organisational resilience (Shams et al., 2020). Born globals demonstrating superior dynamic capabilities, for example, expanded into three

new continents within the first five years by rapidly modifying their offerings for local market (Bui et al., 2021).

### 2.8.1 Uppsala Model

The Uppsala model, also known as the U-model of internationalisation theory, is a theory based on the concept of experiential learning. This theory shows that firms acquire knowledge about foreign markets through direct experience and gradually increase their involvement as their knowledge and confidence grow (Bruyaka & Prange, 2020).

This traditional internationalisation theory is different with the rapid internationalisation strategies employed by born global firms, which often enter multiple foreign markets simultaneously or within a short period (Tabares et al., 2015). While the U-model emphasises a gradual approach to internationalisation, born global firms typically adopt a more aggressive and proactive strategy that seek to capitalise on global opportunities from the outset.

Despite these differences, the U-model provides valuable insights into the internationalisation process, particularly regarding the importance of knowledge acquisition and commitment building. Sharma & Blomstermo (2003) argues that the longer a firm waits to initiate international activities, the more difficult it will be to grow internationally. This is when the organisational ambidexterity theory can be utilised to fill the gap.

It is crucial to have resources and skills for firms that go international right from the start. These help them deal with the challenges that come from being new and unfamiliar as they grow rapidly in other countries (Guili, 2018). Born global firms often do not have the same resources and skills that traditional international firms have built over time. To overcome this, they must either draw on the diverse experiences of their founding team or seek support from both local and international networks (Bengtsson, 2004). In other

words, born global firms need to leverage innovation, and create newness in international markets to overcome barriers (Neuber, 2016).

Recently, studies have challenged the applicability of the U-model to born global firms, arguing that different factors and motivations drive their internationalisation process. Several studies have emphasised the relevance of an entrepreneurial mindset, connection with other parties, and innovative technology as elements that propel the swift global expansion of companies that are born with an international focus (Rossato et al., 2020; Laanti et al., 2006). The entrepreneurial spirit that exists within the founders or leadership is a critical aspect that drives the internationalisation of these born global firms (Kaur & Sandhu, 2013). While the U-model provides a useful framework for understanding the internationalisation process of traditional firms, it may not fully capture the unique characteristics and dynamics of born global firms, which often pursue more rapid and aggressive internationalisation strategies from their inception (Rani, 2021).

This has led to integrating the U-model and the organisational ambidexterity theory by looking at how entrepreneurs create opportunities with network partners (Andersson, 2011). That way, born global companies can enter many markets in a short period of time.

### 2.8.2 Enhancing Research Gaps

Existing research on born global firms has extensively explored their rapid internationalisation, strategic orientations, and resource constraints, but the specific role of contextual ambidexterity in shaping their internationalisation speed remains relatively under-explored (Paul & Rosado-Serrano, 2019). While previous studies have acknowledged the importance of ambidexterity in fostering innovation and adaptability, there are still critical gaps remain in our understanding of how contextual ambidexterity influences the internationalisation speed of born global firms.

Firstly, limited empirical focus on contextual ambidexterity in born global firms. Extant literature predominantly focusses on structural and temporal ambidexterity, neglecting contextual ambidexterity's nuances, and future studies can address how this specific ambidexterity form uniquely impacts internationalisation speed (Turner et al., 2012). Secondly, existing literature exhibits a limited understanding of the micro-foundations and underlying processes through which contextual ambidexterity and related dynamic capabilities influence internationalisation speed. Despite the recognition that capabilities need micro-foundations, the antecedents of network exploration and exploitation capabilities remain under-developed and under-theorised in international Entrepreneurship (IE) research (Faroque et al., 2021).

Furthermore, literature calls for exploring the micro-foundations of capability development to uncover the origins and processes of exploration and exploitation, extending these notions to new domains (Ren et al., 2020; Turner et al., 2012; Faroque et al., 2021). Specifically, there is limited empirical work explaining how firms develop capabilities from experience. Research suggests that individual-level origins, such as the founder's prior experience (Faroque et al., 2021), serve as essential micro-foundations for dual network capability, providing a deeper understanding of how these capabilities influence firm outcomes like international opportunity recognition. A deeper examination is crucial to understand these individual level factors of the "human side" is critical for advancing the collective understanding of networking and capability evolution in international context (Faroque et al., 2021). Thirdly, the environmental uncertainty, cultural differences, and resource constraints are acknowledged as challenges for born global firms' Internationalisation speed, but their moderating role in the contextual ambidexterity relationship remains untested.

For instance, organisational ambidexterity affects how managers approach markets, including domestic and international markets (Silva et al., 2020). International business theories characterize the Internationalisation of firms as the ability to exploit competitive advantages and the desire to explore resources that strengthen corporate

global competitiveness and long-term performance (Silva et al., 2020). This study addresses these gaps mentioned above to advance understanding of the internationalisation of born global firms (Hsu et al., 2013).

## 2.9 Theoretical Framework

The development of a theoretical framework for understanding the accelerated internationalisation of born global firms requires the synthesis of fragmented literature. Particularly drawing upon the theory of organisational ambidexterity (OA), the dynamic capabilities view (DCV), and international entrepreneurship. Despite its growth, ambidexterity research, remains a fragmented field (Yunita et al., 2023; Popadiuk et al., 2018; Monferrer et al., 2015; Rosing et al., 2011; Alghamdi, 2018) that often suffer from a limit of consensus on conceptualisation (Pertusa-Ortega et al., 2020; Silva et al., 2021). Consequently, the framework must explicitly address the core theoretical tensions. Specifically, regarding the blurred boundaries between contextual ambidexterity and dynamic capabilities (Popadiuk et al., 2018). This section establishes a clear fundamental flow from individual antecedents to organisational capability that connect the specific mechanism of dual network capability to accelerate international outcomes.

### 2.9.1 The Ambidexterity Imperative and the Contextual Approach

Organisational ambidexterity is defined as the firm's capacity to engage in the simultaneous pursuit of exploration and exploitation (O'Reilly et al., 2013; Kassotaki, 2022). This duality is essential for firms to maintain short-term profitability while ensuring long-term competitiveness (Kassotaki, 2022).

The literature primarily identifies two approaches to achieving ambidexterity of structural and contextual (O'Reilly et al., 2013; Kassotaki, 2022; Zaidi & Othman, 2015). Structural ambidexterity separates exploratory and exploitative activities into distinct units or teams (Zaidi & Othman, 2015). Conversely, contextual ambidexterity relies on

the firm's internal organisational context, such as supportive systems and management behaviour, to enable individuals to perform contradictory activities with alignment as exploitation focus and adaptability as exploration focus within the same unit (Dutta & Guha, 2015; Vettorello et al., 2020; Zaidi & Othman, 2015). Contextual ambidexterity necessitates that employees resolve these tensions at the task level by applying their own decision-making (Lo & Fatien, 2020; Dutta & Guha, 2015). The success of contextual ambidexterity relies on achieving knowledge ambidexterity which, in turn, strongly affects the degree of innovation ambidexterity (Bandeira-de-Mello et al., 2016; Gibson & Birkinshaw, 2004). This framework adopts the contextual perspective, which is highly pertinent for lean born global firms that often lack the resources to implement large-scale structural separation.

### 2.9.2 Dynamic Capabilities and the Need for Micro-Foundation

The dynamic capabilities view (DCV) is a prominent strategic framework aimed at identifying drivers of long-term firm growth and survival (Teece & Pisano, 1994; Teece, 2007; Weerawardena et al., 2007). Popadiuk et al. (2018) and Deng et al. (2020) discussed the fundamental of dynamic capabilities that defined as the firm's ability to incorporate, build, and reorganise the competences of internal and external that addresses rapid changing environments. Given that ambidexterity involves the organisational capacity to integrate and reconfigure resources for innovation, it is widely classified as a dynamic capability (Zimmermann & Birkinshaw, 2015; Popadiuk et al., 2018; Pertussa-Ortega et al., 2020; O'Reilly & Tushman, 2013).

However, the dynamic capability literature remains limited and unclear with inconsistencies prevalent in definitions and conceptualisations (Popadiuk et al., 2018; Weerawardena et al., 2007). A core problem arises when researchers confuse potential dynamic capabilities with possible outcomes, failing to distinguish the capability of the process of changing from the operational routines of the resulting change (Teece, 2007). This lack of conceptual clarity means researchers must be consistent about the level of

analysis even if focusing on individual managers or the organisational (Teece, 2007). The framework addresses this by following the conceptual necessity of identifying the antecedents, mediators, and intermediate outcomes that precede and enable the dynamic capability itself (Teece, 2007; Monferrer & Ripolles, 2015; Deng et al., 2020).

### 2.9.3 The Micro-Foundations Perspective

To resolve the conceptual entanglement between contextual ambidexterity and dynamic capability, this framework adopts the micro-foundations perspective (Pertusa-Ortega et al., 2020; Ying & Huei, 2013; Weerawardena et al., 2007; Faroque et al., 2021). This approach directly addresses the critical need to tackle the micro and macro division in the field of management (Pertusa-Ortega et al., 2020; Zhang & Van Horne, 2019) by rooting organisational phenomena in individual-level origins (Pertusa-Ortega et al., 2020). The micro-foundational lens shows that the evolution of organisational capabilities is rooted in the characteristics of key entrepreneurial figures (Weerawardena et al., 2007).

To pursue conflicting demands, organisational individuals influencing the firm's capabilities have been ignored (Pertusa-Ortega et al. 2020; Schnellbacher et al., 2019; Zhang & Van Horne, 2019). Furthermore, Pertusa-Ortega et al. (2020) and O'Reilly & Tushman (2013) stated that the organisational ambidexterity literature has historically concentrated on organisational design and consequences. At an individual level, analysing ambidexterity helps opening the black box of organisational ambidexterity and addresses the root of the dilemma of exploration or exploitation (Pertusa-Ortega et al., 2020).

The specific micro-foundation antecedent identified for early internationalising firms, such as born globals, is the founder's prior experience, which serves as an essential micro-foundation for the dual network capability (Faroque et al., 2021). According to Faroque et al. (2021), researchers have emphasized that micro-level origins play an

important role in the evolution of organisational capabilities. However, the micro-foundations perspective and prior experience in international entrepreneurship (IE) are often under-developed and under-theorised. Further, the founder brings human capital, knowledge, and experience, including prior managerial, industry, and technical experience that constitutes an individual model affecting the firm's operations (Faroque et al., 2021). Empirical evidence demonstrates that the delivery of the knowledge-based stemming from this earlier experience is a significant micro-foundation of dual network capability (DNC). By utilising founder expertise, firms can overcome partner ambiguity and rely on this experience to reduce the costs associated with developing new capabilities. Thus, the micro-foundations approach provides the essential individual-level mechanism through which contextual ambidexterity is developed and operationalised as a dual network capability (Faroque et al., 2021).

### 2.9.4 Dual Network Capability as the Operational Dynamic Capability

In the international context, contextual ambidexterity is operationalised through Dual Network Capability (DNC). Network capability is the dynamic capability through which born global firms systematically identify, build, and leverage international network relationships (Heavey et al., 2015; Kassotaki et al., 2019; Monferrer et al., 2015).

The dual network capability is composed of two strategic building blocks which are network exploration capability and network exploitation capability (Faroque et al., 2021; O'Reilly et al., 2008; Vahlne & Jonsson, 2017). Starting with the network exploration capability, it refers to as the capacity to search and form new international ties, which is vital for sensing new opportunities and addressing the liability of smallness inherent to SMEs (Baia & Ferreira, 2019). The network exploitation capability leverages existing network resources and relationships for efficiency and short-term gains, critical for seizing established opportunities and transferring existing capabilities abroad (Baia & Ferreira, 2019).

According to Zahoor et al (2023), firms frequently move beyond their organisational boundaries to form alliances or networks to explore new technologies and markets while exploiting complementary resources of partners due to their limited resources. Analysing ambidexterity in strategic alliances and networks, therefore, often uses the micro-foundations perspective to explore antecedents of knowledge, supply chain, and governance ambidexterity (Zahoor et al., 2023). By linking founder experience to the development of dual network capability, the framework establishes the necessary theoretical clarity.

### 2.9.5 Linking Capability to Internationalisation Speed

The efficacy of Dual Network Capability (DNC) is assessed by its impact on two crucial internationalisation outcomes which are International Opportunity Recognition and Internationalisation Speed (Faroque et al., 2021). The international opportunity recognition is recognised as a central activity in international entrepreneurship, underpinned by the notion that opportunities are often network-driven and network assisted (Faroque et al., 2021).

Network capabilities influence international opportunity recognition due to the identification and development of opportunities require the mobilisation of relevant resources both within the focal firm and from external network partners (Faroque et al., 2021). In recent research, it has been discussed that network exploitation supports international opportunity recognition by capitalising on the privileged knowledge developed during on-going business relationships, while network exploration is necessary to overcome network rigidity and identify opportunities that lie outside current network boundaries (Faroque et al., 2021). The effective and simultaneous execution of both network capabilities is expected to lead to increased degrees of internationalisation in both scale and scope.

However, the effectiveness of dual network capability is strongly context-dependent, necessitating the inclusion of contingency factors to understand the true impact of ambidexterity (Pertusa-Ortega et al., 2020; Faroque et al., 2021; Hsu et al., 2013; Ruano-Arcos et al., 2024). The influence of organisational capabilities and performance is context specific, and firms must adjust their strategic postures to match the market change rate (Faroque et al., 2021). This theoretical effect is grounded in the fact that born global firms and other early ventures suffer from the liability of newness and often rely heavily on network capability for success (Faroque et al., 2021).

In recent research, Faroque et al (2021) pointed out that to match the change rate of the market, adjustments in firms' strategic postures must be considered. The external contingency known as the market change, the market environment defined by its change rate and dynamism, has a prevalent influence on organisational behaviour (Faroque et al., 2021). While both exploration and exploitation capabilities may contribute new opportunities in relatively stable markets, in a highly changing market environment, the recipes for capturing international opportunities differ (Faroque et al., 2021). A post-hoc analysis confirmed that when market change is high, younger firms benefit more from network exploration, while older firms achieve greater success when leveraging benefits from network exploitation (Faroque et al., 2021).

This finding emphasises that capabilities must fit environmental conditions to realise superior performance abroad (Faroque et al., 2021). For the internal contingency known as the firm attributes or top management team (TMT), the framework also considers the moderating role of internal factors, specifically the attributes of the Top Management Team (TMT) and the Firm Age. Top management team characteristics, such as business ties and political ties, are critical in shaping the international dynamic capabilities of performance relationship, particularly in emerging markets (Prange & Bruyaka, 2016; Bruyaka & Prange, 2020). Executives' networks are crucial for accumulating external resources, mitigating risks, and strengthening risk-taking capacity in foreign operations, thereby strengthening the positive effect of dynamic capabilities like international

ambidexterity on performance (Prange & Bruyaka, 2016; Bruyaka & Prange, 2020; Hsu et al., 2013).

### 2.9.6 Integrated Theoretical Framework

The integrated theoretical framework provides the comprehensive model that addresses the research questions and resolves the conceptual ambiguity regarding the relationship between contextual ambidexterity and dynamic capabilities. This framework shows that contextual ambidexterity is operationalised as a specific dynamic capability, dual network capability, whose development is contingent upon micro-foundations and whose success is mediated by international opportunity recognition (Pertusa-Ortega et al., 2020; Ying Huang & Huei Hsieh, 2013; Faroque et al., 2021; Ren et al., 2020; Prange & Bruyaka, 2016; Bruyaka & Prange, 2020). The framework organises the constructs into a clear casual flow across three levels of analysis.

The first level shows that the model begins at the individual level, reflecting the consensus that the underlying origins of capabilities must be addressed to open the black box of organisational ambidexterity (Pertusa-Ortega et al., 2020). This study identifies the founder's prior experience or top management team human capital as an essential micro-foundation for the firm's dual network capability (Faroque et al., 2021; Prange & Bruyaka, 2016; Bruyaka & Prange, 2020). This human capital, comprising managerial, industry, and technical experiences, directly facilitates the managerial processes and cognitions required to develop organisational ambidexterity (Gerschewski et al., 2015; Silva et al., 2021; Deng et al., 2020; Pertusa-Ortega et al., 2020; O'Reilly & Tushman, 2013). Focusing on these antecedents ensures the framework avoids the tautological problem of asserting that a capability simply influences another capability, by instead showing what enables the emergence of that dynamic capability (Ren et al., 2020; Baia & Ferreira, 2019).

At the second stage, the micro-foundations enable the firm to deploy dual network capability, which serves as the organisational mechanism of contextual ambidexterity. To engage in ambidextrous learning and resolve exploration and exploitation tensions simultaneously, contextual ambidexterity relies on organisational context to encourage individuals (Chebbi et al., 2022; Martini et al., 2015; Zahoor et al., 2023; Hsu et al., 2013; Ruano-Arcos et al., 2024). Dual Network Capability, defined by its components of network exploration capability and network exploitation capability, is classified as a dynamic capability essential for born global firms, embodying the exploration or exploitation duality necessary for generating innovative and adaptation (Ruano-Arcos et al., 2024; Faroque et al., 2021).

At the third level of the outcomes, the framework hypothesises an indirect effect of the dynamic capability on final performance, a methodological approach considered the most promising in dynamic capability research (Baia & Ferreira, 2019). Dual network capability influences performance by first driving international opportunity recognition, an organisational ability defined as a dynamic capability to identify opportunities and mobilise relevant resources in international markets (Faroque et al., 2021). The effectiveness of dynamic capabilities is known to be context-dependent, thus requiring the inclusion of both internal and external factors to account for performance heterogeneity (Baia & Ferreira, 2019).

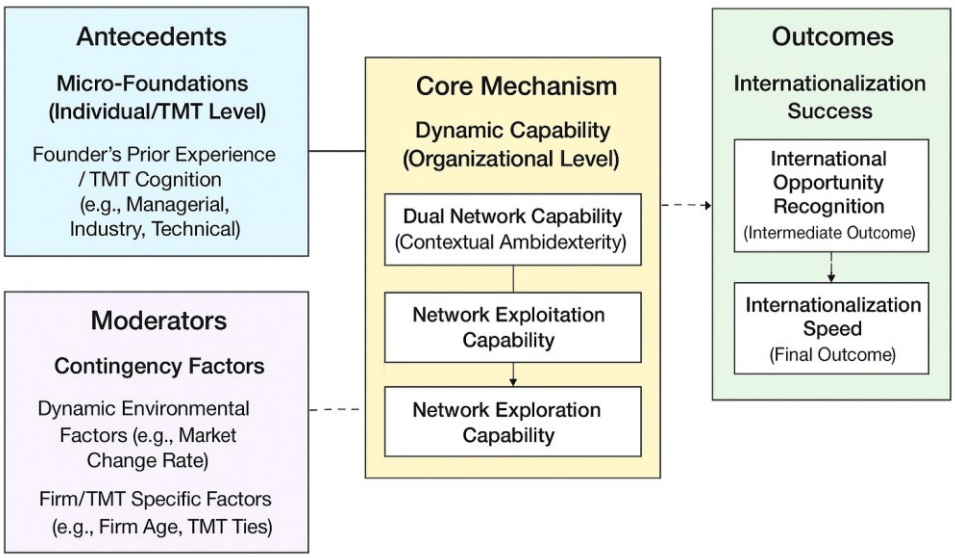


**Figure 3** Integrated Theoretical Framework (Adapted from Faroque et al., 2021; Baia & Ferreira, 2019; and Gibson & Birkinshaw, 2004).

Furthermore, the dashed lines shown in figure 3 illustrate that the relationships within the framework are not static but are influenced by contingencies, such as external moderation and internal moderation. The external moderation refers as environmental factors such as market change rate significantly affect the capability-outcome link. As discussed previously, research shows that the optimal strategy depends on context: at a higher level of market change, younger firms benefit more from network exploration, while older firms leverage network exploitation (Faroque et al., 2021). Therefore, external dynamism dictates how effectively dual network capability translates into opportunity recognition (Ruano-Arcos et al., 2024; Baia & Ferreira, 2019).

Internal moderation, here, define internal firm and top management team attributes also govern the effectiveness of dual network capability. The characteristics of top management team and firm age modify the deployment of capabilities (Baia & Ferreira, 2019). This ensures that the framework achieves both external and internal fit, providing a theoretical basis for explaining observed differences in born global firms performance (Baia & Ferreira, 2019).

# 3 Methodology

This chapter is dedicated to detailing the methodological approach employed to investigate the impact of contextual ambidexterity on the internationalisation speed of born global firms. The methodology is structured to provide a rigorous and transparent framework for data collection, analysis, and interpretation, ensuring the validity and reliability of the research findings.

## 3.1 Research Design

### 3.1.1 Research Philosophy and Approach

Given the complex nature of contextual ambidexterity, which requires balancing the paradoxical demands of exploration and exploitation, and its implementation through individual behaviours (Ren et al., 2020), an interpretative philosophical paradigm is adopted (Uhl-Bien & Arena, 2018). This focus allows for an in-depth understanding of how managers perceive and enact ambidextrous practices in their specific international contexts.

The study uses a qualitative research design employing a multiple case study approach. This design is highly appropriate because the relationship between contextual ambidexterity and internationalisation speed in born global firms from emerging economies is an under-research topic (Ruano-Arcos et al., 2024), often lacking a clear definition or measurement consensus (O'Reilly & Tushman, 2013; Cao & Jiang, 2022). Qualitative methodology, particularly case study research, enables the researcher for in-depth response and capture the nuances and contextual factors that influence the internationalisation process, providing rich insights that quantitative methods may overlook.

### 3.1.2 The Micro-foundational Perspective

The selection of a qualitative case study design is essential for addressing the contemporary theoretical obligation to open the black box of organisational ambidexterity (Ren et al., 2020; Faroque et al., 2021). Specifically, this study aims to investigate the individual-level characteristics that underpin firm capabilities, aligning with the focus on micro-foundations (Ying Huang & Huei Hsieh, 2013; Ren et al., 2020). Qualitative data collection through in-depth interviews is particularly suited for studying how individual actions, characteristics, and managerial cognition aggregate to create collective organisational phenomena, such as ambidexterity (Pertusa-Ortega et al., 2020; Ren et al., 2020; Ruano-Arcos et al., 2024; Faroque et al., 2021).

## 3.2 Sample Selection

The selection of case firms utilised purposive sampling to ensure the chosen firms are relevant and representative of the phenomenon of born global firm internationalisation, allowing for targeted analysis of contextual ambidexterity.

### 3.2.1 Case Selection Criteria

The firms selected meet the established criteria for born global firms (BGFs), characterised by rapid and early internationalisation within the first three years of operation. Key selection criteria focused on the followings:

1) Born global firm status which demonstrated significant international activity shortly after inception.

2) Industry diversity representing different sectors to broaden the understanding of the phenomenon.

3) Contextual diversity where headquartered in different emerging economy contexts to account for institutional and cultural differences, which are critical factors shaping ambidexterity.

4) Informant expertise with key informants holds top management positions (Founders, CEOs, or Managing Directors) with strategic decision-making authority regarding internalisation and capability development.

### 3.2.2 Case Firms

Based on the criteria above, two born global firms were selected for in-depth qualitative analysis.

Firm A

Company A

Interviewee A

Role: Managing Director

Sector: Manufacturing Industry, Recycled Glass Cullet

Firm B

Company B

Interviewee B

Role: Founder

Sector: IoT Solutions, ESG focus digitally

The selected interviewees occupy top management positions, one as Managing Director and one Founder. Confirming their strategic decision-making authority and in-depth knowledge of the firm's internationalisation history and ambidexterity related activities.

## 3.3 Data Collection Methods

To ensure data triangulation and enhance the credibility and validity of the research findings, multiple data sources were utilised.

### 3.3.1 Primary Data: Semi-Structured Interview

Data was primarily collected through semi-structured, in-depth interviews with the key informants. This method allows for flexibility in exploring emerging avenues of inquiry, helping to elaborate on the why and how of complex ambidextrous behaviour. The interviews were designed to gain detailed insights across five key areas of exploration and exploitation practices, strategic decision making, cultural and regulatory adaptation, internationalisation processes, and contextual factors shaping ambidexterity.

All interviews were conducted via phone, online, recorded, and subsequently transcribed to facilitate rigorous data analysis. The overall interview duration ranged between 45 to 60 minutes. Prior to conducting the interviews, participants were fully briefed on the study's intent, provided informed consent, and were assured of the confidentiality and anonymous use of the contents discussed.

### 3.3.2 Secondary Data

Secondary data sources, including company documents, public reports, and press releases, were consulted to enhance data triangulation and support the findings derived from the primary interviews. This process helps to situate the firm's reported strategies within a broader contextual framework.

## 3.4 Data Analysis Techniques

The qualitative data collected from the interviews and secondary sources were analysed using techniques aimed at structuring textual data into meaningful theoretical contributions.

### 3.4.1 Qualitative Analysis Strategy

The data analysis utilises a combination of qualitative data analysis techniques, including thematic analysis, within-case analysis, and cross-case analysis. The core analysis relies on thematic analysis, a method advocated as highly flexible and appropriate for pragmatic research.

This study follows Braun and Clarke (2006) six-phase framework for thematic analysis.

a) Familiarising oneself with the data which involved reviewing interview transcripts and organising secondary materials.

b) Generating initial codes, an inductive approach was employed, coding actions, interactions, and statements specific to the firms' behaviours concerning exploration and exploitation.

c) Searching for themes, grouping initial codes based on conceptual similarities, aiming to move from raw data to theoretical insight.

d) Reviewing themes by refining and checking if the themes adequately reflect the data set.

e) Defining and naming themes, systematising the final themes.

f) Producing the report by integrating the finding with the theoretical concepts.

### 3.4.2 Coding

The process of analysis involved systematically moving from first-order concepts to second-order themes and ultimately structuring these into aggregate dimensions. The coding and categorisation process utilised thematic matrices to systematically compare patterns and themes across the two case studies.

This approach ensures that the findings are grounded directly in the empirical evidence provided by the key informants, enhancing the transparency and trustworthiness of the research findings.

## 3.5 Validity, Reliability, and Ethical Considerations

To ensure the quality and trustworthiness of the qualitative findings, several measures were employed.

Firstly, data triangulation is employed using multiple data sources, including interviews, company reports, and industry publications, to enhance the credibility of the findings. Purposive sampling is conducted by sharing the findings with the case study participants to ensure accuracy and relevance. Additionally, the qualitative method allows for a “deeper, broader, and more descriptive illustration of the phenomenon” (Gerschewski et al., 2015), capturing the essential context-dependent nature of dynamic capabilities.

### 3.5.1 Limitation

It is acknowledged that this study is based on relatively small sample size of two case studies. This choice is inherent to the exploratory and qualitative nature of the research, which prioritises depth over quantity. However, the small sample may limit the

generalisability of the findings to a broader population of born global firms. Therefore, the results are intended for analytic generalisation, as such theoretical contribution, rather than statistical generalisation.

### 3.5.2 Ethical Compliance

All research was conducted in compliance with ethical guidelines, which included fully informing all participants of the study's purpose and their rights. Participation was strictly voluntary, and informed consent was obtained prior to conducting each interview. Anonymity and confidentiality were rigorously maintained throughout the data collection and analysis stages, ensuring all data is securely stored.

# 4 Findings

The primary objective of this chapter is to present the empirical findings gathered through in-depth, qualitative interviews, analysing how the two selected born global firms operationalise contextual ambidexterity in their rapid international expansion. This qualitative analysis employs a multiple-case study approach, which is particularly suited for studying the micro-foundations underlying capabilities in underexplored contexts, such as born global firms from emerging economies (Chebbi et al., 2022; Faroque et al., 2021). The ensuing discussion is structured in alignment with the integrated theoretical framework, progressing from the antecedents of capability to the core mechanisms of ambidexterity, and finally, to the resultant performance outcomes as moderated by specific contextual variables.

## 4.1 Micro-Foundations Underpinning Contextual Capability

Recent literatures stresses that organisational capabilities, including ambidexterity, must be understood by scrutinising their origins at the individual or group level, often referred to as micro-foundations (Faroque et al., 2021; Chebbi et al., 2022; Pertusa-Ortega et al., 2020). This approach aims to open the black box of organisational ambidexterity by focusing on the behaviours and cognition of the top management team (Chebbi et al., 2022). The small organisational size and resource constraints typical of born global firms mean that the top management team's strategic choices directly translate into firm-level ambidextrous activities (Chebbi et al., 2022).

### 4.1.1 Top Management Team Human Capital and Managerial Cognition

The case study findings illustrate how the personal orientation, cognition, and experience of the key informants, both occupying top decision-making roles, serve as critical antecedents of the firm's dynamic capabilities (Chebbi et al., 2022). The challenge

of balancing exploration and exploitation is often first discussed at the individual stage (Ren et al., 2020).

For Company B, the founder's role as the single owner and source of capital inherently defined the strategic constraints and subsequent management of exploration and exploitation. This required an acute level of managerial cognition focused on adaptive learning and resource control. The Interviewee B demonstrated a deliberate, ambidextrous search strategy for new market knowledge to overcome the liability of foreignness, seeking varied perspectives.

This individual-level effort to synthesise local and foreign knowledge directly enabled the firm's ambidextrous opportunity identification, international opportunity recognition (Ren et al., 2020). Similarly, the managing director of Company A exercised top management team human capital by making strategic resource allocation decisions necessary to achieve international compliance, demonstrating how leadership and top management processes influence innovation ambidexterity (Interviewee A, personal conversation, 2024).

## 4.2 Contextual Ambidexterity as a Dynamic Capability

Contextual ambidexterity is recognised as a suitable approach for organisations, including born global firms, to successfully manage the dual demands of efficiency and innovation (Martini et al., 2015). By integrating contradictory activities within the same unit, these firms operationalise contextual ambidexterity as a dynamic capability essential for accelerated internationalisation (Chebbi et al., 2022). The findings provide strong evidence for the adoption of hybrid ambidexterity, where firms utilise a combination of contextual and structural mechanisms to respond to environmental turbulence (Ossenbrink & Hoffmann, 2019).

### 4.2.1 Exploration Practices

Exploration involves sensing new opportunities, developing new knowledge, and adapting to novel environments (Schnellbacher et al., 2019). For these born global firms, exploration was inextricably linked to overcoming the challenges imposed by foreign contexts.

For Company A, exploration was driven by the necessity of institutional adaptation to achieve legitimacy in developed markets (Interviewee A, personal conversation, 2024). The firm was compelled to engage in resource exploration and re-configuration when facing regulatory gaps between the home and host countries.

This forced resource allocation towards external learning demonstrates a critical dynamic capability in response to institutional voids.

As for the Company B, exploration manifested as deep product localisation and market sensing. The exploration process focused on understanding client behavioural needs and market characteristics before adapting the core IoT solutions to fit localised demands.

### 4.2.2 Exploitation Practices

Exploitation centres on maintaining operational efficiency, refining existing processes, and utilising current resources (O'Reilly & Tushman, 2013). For both firms, exploitation strategies were fundamental for achieving the necessary alignment to fund rapid expansion.

Company A focused exploitation on leveraging established intangible resources, specifically business networks, for rapid and low-cost entry into new markets. The managing director affirmed the centrality of efficient resource use in their international processes (Interviewee A, personal conversation, 2024).

Company B's exploitation was dominated by the strategic decision to operate solely via self-funding (Interviewee B, personal conversation, 2025). This financial constraint resulted in a necessary reliance on the efficiency of its core technological offering and careful management of existing, profitable client relationships, ensuring that core capabilities were fully leveraged (Schnellbacher et al., 2019).

## 4.3 Internationalisation Outcomes and Contextual Influences

The effectiveness of ambidexterity in accelerating international growth and performance is not universally linear. However, the relationship is often indirect, relying on achieving intermediate outcomes and is heavily moderated by external contextual factors (Baia & Ferreira, 2019; Hsu et al., 2013).

### 4.3.1 Internationalisation Speed and Perceived Performance Outcomes

Both case studies confirmed their status as born global firms characterised by a rapid and early international trajectory (Chebbi et al., 2022; Gerschewski et al., 2015). Company A explicitly stated that it was "founded on an internationalisation model" (Interviewee A, personal conversation, 2024). Contextual ambidexterity, by allowing rapid adaptation and efficient leveraging of capabilities, acts as the dynamic mechanism enabling this accelerated speed.

Performance was judged by both efficiency and strategic foresight. Interviewee A articulated the link between efficiency and accuracy. The profitability of distributing goods indicates that the company produced an accurate market estimate. In contrast, each of the divisions has their own KPIs, and everything must be synergised for the company to confront the global environment (Interviewee A, personal conversation, 2024).

The successful application of exploration was seen as directly leading to the desired intermediate outcome of deal realisation, demonstrating how ambidexterity precedes performance success (Baia & Ferreira, 2019).

### 4.3.2 Contextual Influence: Culture and Institutional Environment

Operating from emerging economies, these born global firms face unique challenges where institutional and cultural environments serve as strong moderators of their ambidextrous efforts (Leidi Ruano-Arcos et al., 2024; Zahoor et al., 2023; Hsu et al., 2013).

The necessity of cultural adaptation profoundly affected the exploration and exploitation efforts of Company B, influencing their fundamental sales and relationship building practices (Interviewee B, personal conversation, 2025).

This difference in required relationship depth necessitated specific exploration, such as friendship building, to secure exploitation, sales, confirming that the alignment or adaptability tasks within contextual ambidexterity are contextually shaped (Zahoor et al., 2023).

Furthermore, institutional instability, such as the currency devaluation experienced by the Company A, following political upheaval, forced a redirection of ambidextrous efforts. The firm had to shift focus from exploring new markets to prioritising internal efficiency (Interviewee A, personal conversation, 2024). This demonstrates that high environmental turbulence acts as a strong external factor that dictates the dynamic balance between exploration and exploitation (Ossenbrink & Hoffmann, 2019).

## 4.4 Synthesis of Cross-Case Findings

The cross-case analysis of Company A and Company B provides a rigorous empirical validation of the integrated theoretical framework, specifically illuminating the processes through which contextual ambidexterity is enacted in born global firms originating from emerging economies. The comparison confirms that contextual ambidexterity functions as a crucial dynamic capability that mediates the relationship between individual-level antecedents and accelerated international performance, with the process being significantly moderated by external contextual factors.

### 4.4.1 Foundational Micro-Level Factors

The findings strongly support the theoretical focus on micro-foundations, the underlying individual and group actions that shape dynamic capabilities (Faroque et al., 2021). As small-medium sized enterprises (SMEs), both case firms demonstrated that the behaviours and cognition of the top management team exert a highly proximate influence on organisational outcomes (Chakman & Dhir, 2021; Ren et al., 2020; Hughes et al., 2020). The owner of Company B, operating as the single founder, provides rich evidence that managerial cognition and characteristics are essential antecedents, directly influencing the firm's strategic planning and resource allocation in the pursuit of ambidexterity (Zahoor et al., 2023; Ren et al., 2020). For instance, the founder's necessary reliance on self-funding dictated a cautious approach to market expansion, thereby balancing core capability exploitation with localised knowledge exploration. This proves as a key micro-foundation of organisation ambidexterity for literature to study individual ambidexterity (Pertusa-Ortega et al., 2020). Similarly, the managing director of Company A demonstrated top management team influence by strategically allocating substantial financial and human capital resources toward compliance-driven exploration, underscoring the necessity of high-level managerial capabilities in reconfiguring resources to meet international demands (Baia & Ferreira, 2019). The managerial ability

of these leaders to shift between complementary sets of behaviours is paramount to enabling ambidextrous activities (Leidi Ruano-Arcos et al., 2024; Zahoor et al., 2023).

### 4.4.2 Enactment of Hybrid Ambidexterity

The analysis confirms that contextual ambidexterity, the capacity to pursue alignment and adaptability simultaneously within the same unit (Martini et al., 2015; Gibson & Birkinshaw, 2004), is the dominant mode for resource-constrained born global firms. However, the case evidence suggests that the practical application goes beyond pure contextual means, leaning toward hybrid ambidexterity (Ossenbrink & Hoffmann, 2019). This hybrid configuration arises because external necessities compel the integration of both contextual and structural elements (Ossenbrink & Hoffmann, 2019).

Company B primarily achieves contextual ambidexterity through individual behaviours, such as the founder seeking diverse external intelligence to tailor IoT solutions. Conversely, Company A's needs to comply with stringent foreign ESG mandates necessitated the structural allocation of financial resources to third-party reporting services. This introduction of formalised mechanisms, specific resource management, alongside behavioural flexibility of cultural adaptation in negotiations demonstrates that the firms operate across the structural-contextual continuum (Ossenbrink & Hoffmann, 2019). This synthesis challenges the prevailing understanding of these two approaches are completely contradictory (Zahoor et al., 2023; Ossenbrink & Hoffmann, 2019), instead providing evidence of a blended strategy necessary for SMEs operating in highly dynamic international environments (Ossenbrink & Hoffmann, 2019).

### 4.4.3 The Influence of Contextual Conditions

A central contribution of the qualitative findings is the strong articulation of external factors as contingencies that moderate the deployment and efficacy of contextual ambidexterity (Baia & Ferreira, 2019).

The influence of institutional context was pronounced in the Company A's case, where the gap between the underdeveloped home-country regulatory environment and the host-country's standard forced substantial exploratory investment for legitimacy purposes (Interviewee A, personal conversation, 2024). Furthermore, geopolitical upheaval forced a strategic shift toward increased exploitation, the firm had to prioritise being more efficient and decide more, confirming that environmental turbulence dictates the appropriate balance of exploration and exploitation (Zahoor et al., 2023).

The cultural context was identified as a critical factor influencing the transactional processes of Company B. The recognition that successful exploitation depends on culturally sensitive exploration emphasises the concept of international cultural ambidexterity (Leidi Ruano-Arcos et al., 2024). For example, building personal relationships in certain markets versus focusing purely on product objectivity in others. This detailed contextualisation reinforces the argument that ambiguity and conflicting demands are highly influenced by situational conditions (Pertusa-Ortega et al., 2020; Gibson & Birkinshaw, 2004; Ren et al., 2020).

### 4.4.4 Accelerated Outcomes and the Intermediate Performance Pathway

Both firms exemplify the non-traditional internationalisation pattern of born global firms, confirming the rapid trajectory that deviates from the incremental Uppsala model. The synthesis supports the theoretical position that the dynamic capability derived from contextual ambidexterity does not have a direct effect on overall performance (Brulhart et al., 2024). Instead, contextual ambidexterity's positive influence is indirect, operating by enhancing international opportunity recognition (Ren et al., 2020).

The continuous practice of contextual ambidexterity, particularly the individual manager's ability to iteratively integrate exploration and exploitation insights, fosters the strategic flexibility necessary to accelerate international opportunity recognition. Successful exploitation activities validate the accuracy of market forecasts, providing the

necessary capital for further exploration. This symbiotic link confirms that ambidexterity significantly contributes to performance by enabling rapid strategic shifts and adaptations, enhancing domain-specific performance (Gibson & Birkinshaw, 2004; Baia & Ferreira, 2019), and thereby contributing to the accelerated internationalisation speed (Leidi Ruano-Arcos et al., 2024).

# 5 Conclusion and Discussion

This chapter is dedicated to the discussion of the empirical findings presented in Chapter 4, interpreting the qualitative evidence from the two born global firms, Company A and Company B, against the integrated theoretical framework. This framework connects micro-foundations, contextual ambidexterity, internationalisation speed, and contextual factors to resolve existing ambiguities in the literature regarding the mechanisms driving rapid global expansion. The discussion is structured to highlight the theoretical contributions and managerial implications derived from this study's unique focus on born global firms from emerging economies.

## 5.1 Synthesis and Substantiation of the Core Framework

The fundamental premise that born global firms necessitate ambidexterity to manage the dual demands of exploration and exploitation is strongly supported by the case evidence. Both interviewed firms demonstrated a pattern of rapid and early internationalisation, aligning with the definition of born global firms and confirming their deviation from the gradual, incremental process described by traditional internationalisation models.

The capability to concurrently pursue exploration and exploitation is confirmed to function as a crucial dynamic capability (Leidi Ruano-Arcos et al., 2024). The qualitative data shows that contextual ambidexterity acts as a catalyst for accelerating internationalisation speed, enabling these firms to effectively offset the resource constraints and late-mover disadvantages typically associated with emerging market firms (Leidi Ruano-Arcos et al., 2024).

## 5.2 Theoretical Contributions to Ambidexterity Literature

The findings provide two significant theoretical contributions by enriching the understanding of ambidexterity's origins and its practical structural form.

### 5.2.1 Micro-Foundations and Managerial Cognition

The study addresses the critical research gap concerning the lack of literature on the micro-foundations and processes through which contextual ambidexterity influences organisational outcomes (Ren et al., 2020). The evidence shows the pivotal role of individual managers, particularly the top management team, in enabling ambidextrous activities.

In the case of Company B, the fact that the founder is the primary decision-maker demonstrates that managerial cognition and characteristics are direct predictors of the firm's ambidextrous strategy (Chebbi et al., 2022). The founder's deliberate process of seeking intelligence from the locals and the other people who are foreigners who successfully entered the market, illustrates an individual-level self-regulation of cognition and behaviour used to inform international opportunity identification (IOI) (Ren et al., 2020). By examining ambidexterity at the individual level (Pertusa-Ortega et al., 2020), this helps to open the black box of organisational ambidexterity. The ability of managers to shift between complementary sets of leadership behaviours is crucial for enabling ambidextrous activities (Leidi Ruano-Arcos et al., 2024; Zahoor et al., 2023).

### 5.2.2 Evidence for Hybrid Ambidexterity

A central theoretical debate revolves around whether firms should pursue ambidexterity through sequential, structural, or contextual approaches (Pertusa-Ortega et al., 2020; Ossenbrink & Hoffmann, 2019; Leidi Ruano-Arcos et al., 2024). Traditional structural ambidexterity involves physical separation of units, while contextual ambidexterity relies

on individuals within the same unit balancing conflicting demands (Chakman & Dhir, 2021).

The findings from both case studies challenge the prevailing view of structural and contextual ambidexterity as dichotomous categories (Ossenbrink & Hoffmann, 2019). Instead, the evidence supports the concept of hybrid ambidexterity. Company A's needs to allocate specific financial resources to external third parties for ESG reporting to meet international mandates introduced a formalised, structural component to their contextual strategy. Similarly, Company B's constraints imposed by self-funding forced the integration of sequential, a passive market entry, and contextual adaptation. These observations suggest that born global firms, especially those with limited resources, utilise initiatives that consciously combine elements of both structural control and contextual freedom (Ossenbrink & Hoffmann, 2019). This integration places the born global firms' strategy on a continuum between the ideal types, advancing the nuanced understanding of organisational design (Ossenbrink & Hoffmann, 2019).

## 5.3 Contextual Influences and Performance Pathways

The integrated framework shows that the dynamic capability derived from contextual ambidexterity influences performance indirectly and is contingent upon environmental factors. The empirical findings substantial both propositions, particularly emphasising the distinct liability faced by emerging market firms.

### 5.3.1 The Process Through Which Ambidexterity Shapes Performance

In alignment with recent robust studies in dynamic capabilities, this research finds that ambidexterity does not seem to directly and positively influence firm performance, instead, its effect is indirect (Baia & Ferreira, 2019; Brulhart et al., 2024). The qualitative data reveals that the benefits of contextual ambidexterity manifest first through intermediate outcomes, such as achieving specific regulatory compliance or confirming

accurate market forecasts. Interviewee A noted that meeting Malaysia ESG requirements, an exploratory activity, ensured that the process of meeting a deal will go accordingly (Interviewee A, personal conversation, 2024).

This supports the notion that dynamic capabilities primarily cause change that leads to intermediate outcomes, such as changes in operational capabilities, which then translate into long-term performance gains (Baia & Ferreira, 2019).

### 5.3.2 Environmental Contingency

The findings highlight that contextual factors are vital contingent effects on ambidexterity (Pertusa-Ortega et al, 2020; Baia & Ferreira, 2019; Leidi Ruano-Arcos et al., 2024; Zahoor et al., 2023). Born global firms from emerging economies operate in inherently volatile, unstable, and institutionally weak environments (Zahoor et al., 2023). The role of institutional context was visible in the regulatory challenges faced by Company A, where the firm adapted its operations and documentation to satisfy the standards of the host country. Similarly, cultural differences were identified by Company B as profoundly influencing the transactional effectiveness of exploitation, requiring managers to localise both products and personal relationships (Interviewee B, personal conversation, 2025).

The idea of international cultural ambidexterity (Leidi Ruano-Arcos et al., 2024), which entails striking a balance between the tensions inherent in entering foreign markets into near and distant cultures, is emphasised by this need for subtle cultural navigation. Additionally, the political and economic turmoil in Myanmar led the company to concentrate on operational efficiency rather than exploration, which shows that environmental turbulence determines the proper balance of ambidextrous actions (Baia & Ferreira, 2019).

## 5.4 Managerial Implications

The findings offer several targeted practical implications for managers of born global firms, particularly those operating in turbulent emerging markets.

Firstly, cultivating individual ambidexterity is key (Leidi Ruano-Arcos, 2024). Managers should focus on recruiting a developing top management team members who demonstrate strong individual duality competencies, such as the capability to acquire knowledge from diverse networks while maintaining disciplined resource management (Leidi Ruano-Arcos, 2024; Ren et al., 2020). The identification of self-regulation as a micro-foundation offers specific variables for human capital manage in international teams, such as for recruitment and training (Ren et al., 2020).

Secondly, adopt hybrid strategy. Managers should leverage the benefits of hybrid ambidexterity by combining structural clarity with contextual flexibility (Ossenbrink & Hoffmann, 2019). For instance, structural clarity refers to funding specific compliance units or project, while contextual flexibility engages by empowering employees to customise services for local need. Contextual ambidexterity promotes efficiency and synergy by enabling the use of the same resources for both exploration and exploitation. Thirdly, prioritise contextual sensing. Due to high market uncertainty and institutional distance characteristics of emerging economies (Leidi Ruano-Arcos et al., 2024), managers must invest continuously in deep market sensing to anticipate shifts in institutional requirements and cultural norms. Adapting to local factors, such as culture, is a direct prerequisite for the profitable exploitation of existing assets.

## 5.5 Limitations and Future Research Directions

Despite the valuable contributions, this study is subject to limitations inherent in its research design, primarily the small sample size of two case studies (Hughes et al., 2020; Zahoor et al., 2023). While providing rich descriptive illustration (Gerschewski et al.,

2015), this scope limits the statistical generalisability of the findings (Baia & Ferreira, 2019). Future research can address these limitations by exploring the area of a) quantitative validation of the indirect model, b) multi-level analysis of micro-macro linkages, and c) exploring contingencies in diverse emerging markets.

## 5.6 Conclusion

The study demonstrated that contextual ambidexterity is a fundamental dynamic capability for born global firms navigating the turbulence of global markets. By integrating insights on the micro-foundational conditions shaping managerial cognition and contextual factors that influence capability development, the research provides a clearer, process-oriented understanding of how resource-constrained firms enact rapid international expansion. The continued exploration of hybrid ambidexterity models and their underlying micro-foundations represents a particularly promising direction for future research.

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# Appendices

## Appendix 1. Interview Questions

"The Impact of Contextual Ambidexterity on the Internationalization of Born Global Firms"

Date: Time: Location: Interview #

Name: Role/Position:

Email: Phone:

Name of the business:

Business Sector:

**RQ1**: What are the main components and factors of contextual ambidexterity on the internationalization speed of born global firms?

***A. Exploration and Exploitation Practices***

**Ambidexterity:** In the context of organizations refers to a company's ability to simultaneously and effectively engage in both exploration and exploitation.

**Exploration:** When a company searches for, discovers, experiments with, and takes risks on new products, markets, or ways of doing business. This often involves innovation and venturing into unfamiliar territory.

**Exploitation:** This involves refining, implementing, and making a company's existing products, services, and processes more efficient. This focuses on maximizing the value of what the company already does well.

1) Can you describe your company's approach to identifying and entering new international markets? What specific activities or processes do you undertake?

2) How do you leverage your existing products, services, or capabilities when entering new international markets?

3) How do you balance the need to adapt to local market conditions with the desire to maintain consistency in your international operations?

4) Can you give an example of a time when your company successfully balanced exploration and exploitation in an international market? What were the key factors that contributed to this success?

***B. Internationalization Speed and Performance***

**Internationalization:** A process of a business expanding its operations into international markets. This involves various activities like exporting, foreign direct investment (FDI), and establishing a presence in multiple countries.

5) How quickly did your company expand into international markets after its founding? What factors influenced this pace of expansion?

6) What are the key performance indicators you use to measure the success of your internationalization efforts?

7) How has your company's approach to balancing exploration and exploitation affected its internationalization speed and performance?

***C. Contextual Factors and Adaptation***

**Contextual Ambidexterity:** It is a specific approach to organizational ambidexterity that emphasizes the simultaneous pursuit of exploration and exploitation within the same business unit. Specifically requires individuals to make judgments about how to allocate their time and resources between exploration and exploitation based on their current context.

8) What are the most significant differences you have observed in the market conditions of the various countries you operate in?

9) How have these differences influenced your company's approach to exploring and exploiting opportunities in those markets?

10) Can you provide an example of how you had to adjust your internationalization strategy due to specific contextual factors in a particular market?

***D. Challenges and Opportunities***

11) What are the biggest challenges your company has faced when trying to balance exploration and exploitation in different international markets?

12) How have you overcome these challenges?

13) Can you share any insights or lessons learned about effectively navigating different contextual factors to achieve contextual ambidexterity?