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Strategic ambidexterity and its performance implications for emerging economies multinationals

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ABSTRACT

Emerging market multinational enterprises (EMNEs) are attracting significant scholarly attention in the international business and general management domain. The extant research has provided important insights into the EMNEs' internationalization processes and whether the existing theories adequately explain their outward investment motives. This special issue aims to provide a platform suited to extend the current understanding of the rapid rise of EMNEs and examine the vital role played by strategic ambidexterity and its performance implications for the EMNEs. The current research on EMNEs has failed to adequately leverage strategic ambidexterity and link it with the post-entry performance of EMNEs. We argue that the strategic ambidexterity perspective offers valuable opportunities to understand the post-entry performance of EMNEs as they expand into developed and developing markets. The article also highlights important areas for future research by taking into account the current COVID-19 pandemic crisis.

1. Introduction

The internationalization and rapid rise of firms from emerging markets have attracted significant scholarly interest. Extant studies provide important insights into the outward internationalization motives and behaviors of emerging market multinational enterprises (EMNEs) (cf. Buckley, 2018; Cuervo-Cazurra, 2012; He, Khan, Lew, & Fallon, 2019; Hernandez & Guillén, 2018; Luo & Tung, 2007, 2018), indicating that, despite the aggressive nature of their internationalization, EMNEs encounter several challenges, including the 'liability of emergingness' (He et al., 2019; Madhok & Keyhani, 2012) and lack of legitimacy (Kostova & Zaheer, 1999). Given the rising trade wars and the protectionist policies pursued by some policymakers around the world, establishing legitimacy is vital for EMNEs (cf. Evenett, 2019; Dent, 2020); hence, scholars have emphasized the need for such enterprises to develop ambidexterity, which is the dynamic capability of simultaneously managing market and political or institutional challenges (Jiménez & Boehe, 2018; Li, Peng, & Macaulay, 2013). Within

this burgeoning stream of literature, recent studies have focused on understanding the role played by dynamic capabilities and the internationalization of EMNEs (e.g., Khan, Freeman, & Lee, 2020; Khan, Lew, & Rao-Nicholson, 2020), as these firms augment their firm-specific capabilities through cross-border mergers and acquisitions (Buckley, Munjal, Enderwick, & Forsans., 2016; Kumar, Singh, Purkayastha, Popli, & Gaur, 2020). Despite the suggestion, made in the extant literature, that EMNEs lack firm-specific advantages, recent evidence suggests that these firms facilitate the upgrading of their acquired targets by infusing valuable knowledge (He, Khan, & Shenkar, 2018).

Research highlights the vital role played by dynamic capabilities and ambidexterity in understanding the outward internationalization behavior of EMNEs (Khan, 2020; Khan, Freeman et al., 2020; Khan, Lew et al., 2020; Luo & Rui, 2009; Osei, Amankwah-Amoah, Khan, Omar, & Gutu, 2019). Being ambidextrous organizations, EMNEs simultaneously pursue dual objectives or strategies that offer them substantial growth opportunities while enabling them to preserve their stability (Luo & Rui, 2009). Yet, few studies have examined the role played by such

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capabilities in EMNE performance. Scholars indicate that ambidexterity is an important factor in influencing organizational performance at different levels (He & Wong, 2004; Khan, Freeman et al., 2020; Khan, Lew et al., 2020; O'Reilly & Tushman, 2013; Junni, Sarala, Taras, & Tarba, 2013; Raisch & Birkinshaw, 2008). At the organizational level, ambidexterity can be defined as the capability to reconcile two opposite strategies (for example, simultaneously pursuing both exploration and exploitation) within the same firm (O'Reilly & Tushman, 2004; Simsek, 2009). Studies indicate that organizations can adopt structural or contextual approaches to simultaneously pursue dual objectives or strategies (Gibson & Birkinshaw, 2004; Ossenbrink, Hoppmann, & Hoffmann, 2019). Contextual ambidexterity occurs when an organization creates a context in which the same employees are simultaneously involved in exploration and exploitation; a perspective that shows a low level of specialization and structural separation between the related activities (Gibson & Birkinshaw, 2004; Nowacki & Monk, 2020). On the other hand, structural ambidexterity creates internally aligned organizational units and teams characterized by competencies, processes, and cultures dedicated to exploitation and exploration (Gibson & Birkinshaw, 2004; Ossenbrink et al., 2019). Thus, the challenge of ambidexterity lies in matching an organization's strategy with its resources and competencies (e.g., Raisch & Birkinshaw, 2008).

Strategic ambidexterity has received limited attention from global perspectives, especially in regard to the comparison between EMNEs and DMNEs (Lavie, Kang, & Rosenkopf, 2011; Luo & Rui, 2009; Raisch & Birkinshaw, 2008; Rao-Nicholson, Khan, Akhtar, & Tarba, 2020; Wang & Wang, 2020). International business (IB) scholars would do well to examine the antecedents and consequences of strategic ambidexterity in enhancing the performance of these firms. From the global strategy perspective, MNEs should develop and implement their corporate strategies—'where to compete'—for competitive advantage by (1) diversifying their products and services, (2) integrating and outsourcing their global value chain activities, and (3) consolidating and decoupling geographical locations.

The traditional IB and management literature has focused on the geographical diversification of MNEs, theoretically drawing on from oligopolistic MNE behaviors and market power (Knickerbocker, 1973), internalization (Buckley & Casson, 1976), and the knowledge-based view (Kogut & Zander, 1992). In the era of globalization and digitalization, however, contemporary MNEs strategically diversify the first two pillars (i.e., products/services and business functions) through innovation, value chain reconfiguration (e.g., outsourcing and reshoring), and strategic ambidexterity. In particular, besides facilitating the implementation of their business and corporate policies, strategic ambidexterity helps both EMNEs and DMNEs to cope with the opportunities and challenges presented by an increasingly globalized world, including those linked to cultural and institutional differences (Roth & Morrison, 1990; Shenkar, 2001), and recent crises such as the COVID-19 pandemic. Nevertheless, we have a relatively limited understanding of the role played by strategic ambidexterity in the performance of and global strategies pursued by EMNEs vis-à-vis DMNEs. The extant studies have been conducted in a wide variety of industrial and methodological settings with, so far, mixed empirical results (e.g., Junni et al., 2013).

Given the paucity of research on this topic in the context of EMNEs, the purpose of this special issue is to provide a space suited to identify any synergies between strategic ambidexterity and global strategy and performance consequences for EMNEs vis-à-vis DMNEs in relation to developing a competitive advantage. This special issue contributes to the emerging literature that examines the rapid rise of EMNEs and, in particular, to the recent stream of literature that suggests that dynamic capabilities and ambidexterity play a vital role in the post-internationalization strategies of these firms (Khan, Freeman et al., 2020; Khan, Lew et al., 2020; Luo & Rui, 2009; Rao-Nicholson, Khan, Akhtar, & Merchant, 2016). This issue further highlights the key areas in which more research is needed to understand the role played by strategic ambidexterity and the internationalization of EMNEs. The articles

published in this special issue shed important light on strategic ambidexterity and its role in the EMNE context.

2. The internationalization of emerging market firms and strategic ambidexterity

Firms from emerging markets are rapidly expanding into foreign ones, both developed and developing; scholars have thus become interested in understanding whether current theories explain their rapid rise (e.g., Buckley, 2018; Cuervo-Cazurra, 2012; Hennart, 2012). Recent scholarly work has highlighted the speed at which these firms are expanding their geographic scopes (cf. Kumar et al., 2020), quickly learning and developing their capabilities by aggressively acquiring assets from developed markets (He et al., 2018; Luo & Tung, 2007). These firms overcome their late mover 'liabilities of emergingness' by utilizing the home country-specific advantages provided by the strong role played by governments across many emerging markets (He et al., 2019; Luo & Tung, 2007; Madhok & Keyhani, 2012; Mathews, 2006). Against this backdrop, EMNE overseas expansions can be best illustrated through the ambidexterity lens (Luo & Rui, 2009) as these firms both acquire knowledge and develop their capabilities; they are flexible and nimble, which enables them to quickly adapt to external environmental challenges, given the weak institutional settings that are prevalent in their home countries (He et al., 2019). As such, the ambidexterity perspectives offer important insights into the context superior international performance of EMNEs and their post-acquisition behaviors, compared to those of DMNEs.

Furthermore, EMNEs are in a better position to manage the tensions caused by their ambidexterity due to the strong institutional support they receive from their home governments and the ways in which they learn and develop their capabilities in international markets (Luo & Rui, 2009; Luo & Tung, 2007). EMNEs can achieve superior international performance and enhance their employees' psychological safety through ambidexterity (Rao-Nicholson et al., 2016; Wang & Wang, 2020). Also, the EMNEs' ability to leverage ambidexterity enables them to simultaneously explore and exploit business activities, which, in turn, facilitates their rapid expansion into foreign markets (Luo & Rui, 2009; Luo & Tung, 2018; O'Reilly & Tushman, 2013). For instance, Luo and Rui (2009) suggested that, being ambidextrous, EMNEs are better placed than DMNEs to simultaneously engage in exploration and exploitation activities in the home and international markets by nurturing their resources and capabilities. They identified four important processes—*co-evolution*, *co-competence*, *co-opetition*, and *co-orientation*—through which EMNEs can manage the tensions caused by their exploration and exploitation activities and leverage ambidexterity to offset their liabilities and late-mover disadvantages.

Firms are embedded in multiple institutional settings (Meyer, Mudambi, & Narula, 2011); thus, EMNEs can leverage ambidexterity to their advantage given the widespread legitimacy issues they face in foreign markets. As such, these firms adopt the co-evolution process to mitigate the challenges they face due to operating in different institutional environments. Through co-competence, EMNEs can leverage transactional and relational advantages in order to contend effectively with global competitors. EMNEs are better placed to utilize co-opetition to their advantage by simultaneously cooperating and competing with a range of their business stakeholders. As relational ties play an important role in the context of emerging markets, EMNEs are uniquely placed to nurture *co-opetition* and scale up their capabilities and business models. They are also ideally placed to maintain co-orientations and manage their short-term survival by leveraging competitive advantages while achieving long-term growth despite any liabilities (Luo & Rui, 2009).

Any political uncertainty found in the host markets may also create both challenges and opportunities for EMNEs (Jiang, Peng, Yang, & Mutlu, 2015; Jiménez & Boehe, 2018). This is particularly relevant in the current context, given the rising trade wars and the protectionist policies adopted by developed countries such as the USA and UK (Dent,

2020). However, studies indicate that a proactive and sensible approach to interacting with host market authorities enables EMNEs to not only gain market access but also achieve competitive advantages (Dong, Li, & Tse, 2013; Jiménez & Boehe, 2018). In other words, EMNEs need to develop dynamic capabilities needed to manage the concurring influences of both markets and governments, capabilities that Li et al. (2013) described as market-political ambidexterity. These studies also extend the ambidexterity literature, which is focused on the internal organizational side, by incorporating an external side and emphasizing both market and non-market strategies (Jiménez & Boehe, 2018; Li et al., 2013). Besides organizational ambidexterity, studies indicate that EMNEs also need to develop market-political ambidexterity to achieve corporate success.

Having briefly discussed the background context of EMNE internationalization and strategic ambidexterity, we next discuss the articles that form the key part of this special issue.

3. Overview of the articles in this special issue

For this special issue, we received multiple submissions from scholars based in both developed and emerging economies. All papers were subjected to several rounds of revisions, which resulted in seven papers being eventually accepted and included. These papers provide important insights into the role played by strategic ambidexterity and

EMNEs. Some of the articles also take a comparative stance in regard to firms from emerging and developed markets. Below, we present these papers. A synthesis of the articles found in this special issue is presented in Table 1.

The first of the seven articles in this issue deals with the catch-up strategies adopted by EMNEs when they expand into foreign markets. In it, Choi, Cui, Li, & Tian, 2020 examine the determinants of the catch-up strategies adopted by EMNEs as they rapidly internationalize. By utilizing panel data (2005–2010) on EMNEs originating from China, the authors specifically focus on the influence of the industry environment on the EMNEs' adoption of focused and ambidextrous catch-up strategies. They integrate an industry-based view with an upper-echelon perspective and propose that, although industry munificence promotes a focused catch-up strategy, it hinders any ambidextrous strategies. They find that these opposing effects are further magnified by the functionally diverse EMNE managerial teams, which are more likely to turn their attention to cues originating in the external industry environment, as opposed to forming a unified internal strategic orientation. Thus, this study provides important insights into exploratory and exploitative EMNE catch-up strategies (cf. Awate, Larsen, & Mudambi, 2012; Luo & Rui, 2009).

The second article in this issue, by Wu, Wood, Chen, Meyer, and Liu (2020), compares Chinese EMNEs with local (indigenous) firms operating in the high-tech industry. It demonstrates that ambidexterity has a

Table 1

The special issue articles: a synthesis.

Authors	Study aim(s)/question(s)	Theory & data	Key findings
Choi, Cui, Li, & Tian, 2020	Examines the influence of industry environment on EMNE adoption of focused (exploratory) and ambidextrous (exploitative) catch-up strategies on EMNE rapid internationalization The moderating role played by managerial team functional diversity	Theory- industry-based view & upper-echelon perspective Data- Panel data (2005–2010) on EMNEs originating from China	Industry munificence promotes a focused (exploratory) catch-up strategy but hinders ambidextrous ones. These opposing effects are further magnified by the functional diversity of EMNE managerial teams
Wu, Wood, Chen, Meyer & Liu (2020)	Investigates the role played by ambidexterity on innovation performance The moderating effect of managerial capability	Seventy-four Chinese multinational enterprises (MNEs) vs. 60 indigenous firms in high technology industries.	Ambidexterity has a negative correlation with local firm innovation, while ambidexterity and managerial capabilities play a vital role in improving the innovation and performance of Chinese EMNEs
Shamim, Zeng, Choksy & Shariq (2020)	Examines the association of big data management capabilities with employee exploratory and exploitative activities The mediating role played by big data value creation	Theory- knowledge-based dynamic capabilities Data- 308 employees of 20 Chinese multinational enterprises	Conceptualizes big data management as the ability to utilize external knowledge (generated from global users) in the resource-constrained environment of an emerging economy.
Lee, Yang & Park (2020)	The impact of the dual dimensions of ambidextrous knowledge sharing among group-affiliated companies within internationalized chaebols on the global performance of such companies. The moderating role played by organizational and environmental contingencies	Theory- Ambidexterity based on organizational and network learning perspectives Data- 337 Korean multinational group-affiliated companies	The results show that striking a balance between exploratory and exploitative knowledge sharing among group-affiliated companies (i.e., BD) within a chaebol increases the global performance of those companies. High synergistic levels of ambidextrous knowledge sharing among group-affiliated companies (i.e., SD) also enhance those companies' global performance. Organization size and environmental munificence have a moderating effect on the interactions of BD and SD. Identified important differences in terms of the role played by the strategic ambidexterity and product-service innovation of emerging and developed market firms
Bustanza, Vendrell-Herrero, & Gomes, 2020	Tests whether strategic ambidexterity improves product-service innovation (PSI) outcomes for manufacturing multinational enterprises.	Theory- Strategic ambidexterity & Innovation Data- 338 manufacturing multinational enterprises from Canada/the US, Europe, the UK, Japan, and China	Reported the differential role played by strategic ambidexterity
Zhou, Xu, Xu & Barnes (2020) Consistent with Choi, Cui, Li, & Tian, 2020	Examines how emerging market firms pursue international opportunities by leveraging the dynamics of product-market ambidexterity.	Theory- Dynamic capability, internationalization, and IE Data- Four longitudinal case studies of established Chinese multinational firms 14 qualitative in-depth interviews with CEOs/high-level managers of acquired German companies.	The incremental internationalization of firms is characterized by structural ambidexterity—combining product exploitation with market exploration at the initial stages The accelerated internationalization of firms is best explained by market exploration and exploitation (or market ambidexterity) when these firms first enter into foreign markets.
Zhang, Liu, Tarba & Giudice (2020)	Why do Chinese companies deploy such a strategic ambidexterity approach in their post-acquisition integrations	Data- 14 German companies acquired by Chinese MNEs	Communication approach and organizational control—as two critical aspects in integration management—reveal how mid-view thinking can serve as a micro-foundation of strategic ambidexterity.

negative correlation with local firm innovation, while ambidexterity and managerial capabilities play a vital role in improving the innovation and performance of Chinese EMNEs. This study provides interesting insights by identifying the differential role played by ambidexterity and managerial capabilities on EMNEs vs. local firm innovation. This suggests the need for future studies to pay greater attention to the firm-, industry- and country-level factors that can explain strategic ambidexterity and the performance of firms embedded in different institutional environments.

The third article in this issue, by [Shamim, Zeng, Choksy, and Shariq \(2020\)](#), focuses on big data management capabilities and employee level ambidexterity in the context of EMNEs, and suggests that such capabilities are important in the context of fast changing and resource-constrained environments, such as those observed across many emerging markets. Very few studies have focused on individual employee-level exploration and exploitation and on the role played by big data management capabilities in explicating how firms achieve ambidexterity at that level; thus, Shamim et al. make a valuable contribution to the extant literature. The article demonstrates that there is a need for more research on the micro-processes of ambidexterity and to identify the mechanisms through which emerging market firms can balance exploration and exploitation. Extant studies have not sufficiently utilized micro-foundational perspectives to examine how firms achieve ambidexterity; there is thus a greater scope to infuse insights from micro-foundations in order to understand how different types of firms manage and balance exploration and exploitation through individual actions (cf. [Mazzelli, De Massis, Petruzzelli, Del Giudice, & Khan, 2019](#); [Mom, Van Den Bosch, & Volberda, 2007](#)).

In the fourth article of this issue, [Lee, Yang, and Park \(2020\)](#) explore ambidexterity and its performance implications in the context of 337 Korean multinational group-affiliated companies. The authors document to what extent a balanced approach towards exploitative and exploratory knowledge sharing among inter-organizational firms increases their global performance. This article highlights the important role played by organization size and environmental munificence and the impacts of ambidextrous knowledge sharing on both the balance dimension and on the synergistic dimension of ambidextrous knowledge sharing, which leads to the global performance of firms. This study is important because little research has been conducted on ambidexterity and innovation in the inter-organizational network context (cf. [Aoki & Wilhelm, 2017](#); [Khan, Rao-Nicholson, & Tarba, 2018](#)).

The fifth article, by [Bustinza, Vendrell-Herrero, & Gomes, 2020](#), offers interesting insights into the context of 338 manufacturing multinational enterprises from emerging and developed markets. By comparing developed and emerging market firms, they highlight important differences in terms of the role played by their respective strategic ambidexterity and product-service innovation. The authors suggest that a sequential approach is better suited to the development of product-service innovation, and also indicate that product service innovation enables developed market manufacturing multinationals to escape from price-based competition, whereas emerging market ones resort to product-service innovation to explore new technological opportunities in foreign markets. The findings of this study have important implications, as the role played by context is important in examining international business phenomena (cf. [Khan et al., 2018](#); [Teagarden, Von Glinow, & Mellahi, 2018](#)).

In the sixth article, [Zhou, Xu, Xu, and Barnes \(2020\)](#) study four firms from China and suggest a more dynamic perspective of ambidexterity in explicating the route taken by emerging market EMNEs to strategic product and market development options. The authors find a somewhat differential role played by strategic ambidexterity. They suggest that the incremental internationalization of firms is characterized by structural ambidexterity—i.e., a combination of product exploitation with market exploration at the initial stages. In contrast, the accelerated internationalization of firms is best explained by the market exploration and exploitation (or market ambidexterity) they enact when they first enter

into foreign markets. This study further supports the article, also presented in this issue, in which [Choi, Cui, Li, & Tian, 2020](#) argue that EMNEs may adopt different catch-up strategies as they expand into foreign markets. Zhou et al. also refer to the extant literature on ambidexterity, which suggests different approaches aimed at achieving it (cf. [O'Reilly and Tushman \(2013\)](#)).

The last article in this issue, by [Zhang, Liu, Tarba, and Del Giudice \(2020\)](#), examines the micro-foundations of strategic ambidexterity and explores the cross-border acquisitions made by EMNEs. The authors suggest that the 'light-touch' integration approach undertaken by EMNEs in such acquisitions can best be examined through micro-foundations of strategic ambidexterity. According to this study, such an approach facilitates the exploitation and exploration of knowledge enacted by EMNEs as they integrate their acquired companies. The authors suggest that communication and organizational control are the two vital aspects of post-acquisition integration management and that mid-view thinking can serve as an important element of the micro-foundation of strategic ambidexterity. The findings of this study shed important light on the challenges related to EMNE post-acquisition integration and ambidexterity perspectives, and offer valuable insights into the exploitation and exploration of knowledge conducted during the integration of firms originating from different institutional contexts. In this context, the recent composition-based approach may offer important insights into how EMNEs integrate their acquired firms and achieve ambidexterity (cf. [Luo & Child, 2015](#); [Luo & Bu, 2018](#)).

4. Conclusion and implications

4.1. Ambidexterity in today's turbulent global environment: a new research agenda

In the concluding section of this special issue, we seek to make some observations drawn from research on global events and we point out how research on 'strategic ambidexterity' can be channeled and shaped to improve our understanding of global events. We also offer some uncharted issues, concerning EMNEs, that have promising potential for the field. Besides the potential contributions to scholarship, understanding these issues can help lead to better public policy and business decisions. In addition, in this section, we take a more critical look at the organizational ambidexterity literature; we do so with the aim of outlining new areas for future research in the light of regular occurrences of fast-changing events, such as those caused by the COVID-19 pandemic. Some of the new areas are reflected in the papers included in the issue, while others stem from recent developments in the global economy.

Research has re-enforced the notion that, in rapidly changing environments, organizational ambidexterity is not only advantageous but can also enable firms to out-innovate and better respond to turbulent conditions ([Amankwah-Amoah, Chen, Wang, Khan, & Chen, 2019](#); [Hill & Birkinshaw, 2014](#)).

In the light of the increasing frequency of fast-changing 'black swan' events affecting businesses, there is a need for a greater level of ambidextrous business models, agility, and resilience. Although, during crises, there are very few outperforming firms in the IT and biotech sectors, most firms and business models have failed to cope (e.g., the recent impacts of the COVID-19 crisis on IB activities, including international trade, foreign direct investment, global supply chains, and firm business performance). Although crises often merely expose and amplify long-existing organizational problems and sources of inefficiencies ([Amankwah-Amoah et al., 2017](#)), they also necessitate new and robust business responses drawn from their existing expertise and capabilities in order to prepare for the future ([Hill & Birkinshaw, 2014](#)), and to mitigate the risk of business failure (cf. [Amankwah-Amoah, Khan, & Wood, 2020](#)).

Organizational ambidexterity—the concurrent pursuit of both exploration and exploitation activities—has the potential of leading to and fortifying firm market competitiveness ([He & Wong, 2004](#); [Jansen, Tempelaar, Van den Bosch, & Volberda, 2009](#); [Levinthal & March, 1993](#);

Mom, Chang, Cholakova, & Jansen, 2019). As a dynamic capability, it can enable firms to out-innovate and better adapt to changes in the external environment (O'Reilly & Tushman, 2008; Yeganegi, Laplume, Dass, & Greidanus, 2019). Any misalignment in navigating the tensions associated with these learning activities has the potential of leading to either the “success trap (too much exploitation at the expense of exploration) or a failure trap (too much exploration at the expense of exploitation)” (Chandrasekaran, Linderman, & Schroeder, 2012, p. 134; Levinthal & March, 1993). Countering this potential loss of competitive advantage requires charting and achieving a strategic balance in how firms perform their functions, especially in times of crisis.

4.2. Ambidexterity and fast-changing events: the way forward

The exponential growth of the organizational ambidexterity literature has been reflected in comprehensive reviews on the subject (cf. O'Reilly & Tushman, 2013; Mom et al., 2019; Raisch & Birkinshaw, 2008). Generally, the main stream of ambidexterity studies seeks to deduce the mechanisms through which organizations enhance their capacity for exploratory activities without surrendering that for exploitative ones (Al-Atwi, Amankwah-Amoah, & Khan, 2019; Amankwah-Amoah et al., 2019; Hill & Birkinshaw, 2014; Junni et al., 2013; Khan, Lew, & Marinova, 2019; Raisch & Birkinshaw, 2008).

Exploration focuses on developing novel ideas and “activities aimed at entering new product and process domains” whereas exploitation is associated with executing a new activity and “activities aimed at improving existing product and process positions” (He & Wong, 2004, p. 484; March, 1991; Yeganegi et al., 2019). Prior studies have demonstrated that those firms that are better able to achieve the right continuity and need for change and adaptation are likely to enjoy long-term success (Probst & Raisch, 2005; Tushman & Romanelli, 1985).

Nevertheless, in times of crisis, there is often the desire not to change, but to simply weather the storm. An alternative view suggests that, in those times, firms need to embrace change to enhance their survival chances (e.g., Amankwah-Amoah, 2016; Hager, Galaskiewicz, Bielefeld, & Pins, 1996). In the face of fast-changing events—such as global pandemics, conflicts, wars, and political instability—firms often have limited, if any, time to simultaneously pursue exploration and exploitation. Given such events, the simultaneous pursuit of exploration and exploitation is a strategic imperative, ensuring that firms not only avoid lagging behind rivals but also crucially secure their survival. Nonetheless, crises also present new opportunities to explore how organizations can achieve such ambidexterity in the midst of natural disasters and pandemics. Future studies could focus on whether organizations adopt a structural or contextual ambidexterity approach to the simultaneous pursuit of exploration and exploitation during times of crisis. Today's fast-changing business environment also requires scholars to examine exploration and exploitation activities in the context of fast-changing events and to explore how firms balance conflicting demands and mitigate extreme crises. Such studies could examine those EMNEs that are augmenting their capabilities by aggressively acquiring firms from advanced economies and how they balance exploration and exploitation and overcome external risks. Future studies could also explore how EMNEs balance exploration and exploitation and scale up their business models in order to gain competitive advantage. Research suggests that dynamic capabilities play a vital role in business model renewal (cf. Teece, 2018). Thus, there is scope for future studies to examine how rapidly internationalizing firms from emerging markets develop ambidextrous capabilities and scale up their business models. For example, the COVID-19 pandemic crisis is reminding us of the importance of being ambidextrous and of developing flexible and agile business models in dealing with unexpected business environments. Therefore, future research would benefit by examining the role played by networks, balancing marketing vs. supply-chain agility, inside-out vs. outside-in capabilities, ecosystems, and alliances in enabling firms from developed and emerging markets to achieve ambidexterity and develop

competitive advantages.

The topic of the strategic ambidexterity and internationalization of EMNEs is still in its early stages; more research is thus needed to understand the role played by strategic ambidexterity and EMNE geographic scope (cf. Kumar et al., 2020). As EMNEs are facing severe legitimacy issues as they expand into foreign markets, future studies are needed to explain how these firms achieve ambidexterity and mitigate their legitimacy issues. Future studies would also benefit by comparing different types of firms—such as business groups, state-owned enterprises, small entrepreneurial firms, and private firms from emerging markets—and understanding how they achieve strategic ambidexterity and enhance their performance. Emerging markets are heterogeneous; it would thus be interesting to examine different firms from various Asian, African, and Latin American emerging markets and to understand their ambidextrous business models in relation to their degrees of internationalization. Future studies could examine different industries and home-host markets to understand how contextual factors shape strategic ambidexterity and firm performance across home and host markets. The seven articles included in this special issue make important contributions to the literature on ambidexterity and EMNE overseas expansion. Finally, we hope that this special issue broadens the scope for future research on this important topic.

In recent years, growing political and trade conflicts between leading economies, such as those between China and the United States, India and China, and Brexit have created uncertainties for MNEs, particularly in regard to international operations (Zhu & Sardana, 2020). For example, concerns pertaining to national security threats have led to the banning of TikTok in India and of Huawei 5G networks in the UK, and to the imminent banning of TikTok in the United States (The Economist, 2020; Financial Times, 2020). Studies indicate that such bans are likely to increase distrust among countries and companies, which can lead to escalating trade wars that could disrupt world trade and international investment (Huang & Madnick, 2020). Therefore, MNEs need to develop dynamic capabilities suited to circumvent the risks arising from international conflicts and political uncertainty (Jiménez & Boehe, 2018; Zhu & Sardana, 2020). Despite increased efforts made to understand how companies manage marketing-related risk (Lu, Liu, Wright, & Filatotchev, 2014), the focus on institutional challenges and political risks is limited (Zhu & Sardana, 2020). Hence, akin to organizational ambidexterity, studies indicate that EMNEs also need to develop market-political ambidexterity to simultaneously manage both market and governmental impacts (Li et al., 2013: 2; Jiménez & Boehe, 2018). Taking their cues from the articles published in this special issue, we suggest that future studies could investigate the impact of market-political ambidexterity on EMNE strategy and performance.

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