

# *International business, innovation and ambidexterity: a micro-foundational perspective*

Article

Accepted Version

Liu, Y. ORCID: <https://orcid.org/0000-0002-4918-925X>,  
Collinson, S., Cooper, S. C. and Baglieri, D. (2022)  
International business, innovation and ambidexterity: a micro-  
foundational perspective. *International Business Review*, 31  
(3). 101852. ISSN 0969-5931 doi:  
10.1016/j.ibusrev.2021.101852 Available at  
<https://centaur.reading.ac.uk/97449/>

It is advisable to refer to the publisher's version if you intend to cite from the work. See [Guidance on citing](#).

To link to this article DOI: <http://dx.doi.org/10.1016/j.ibusrev.2021.101852>

Publisher: Elsevier

All outputs in CentAUR are protected by Intellectual Property Rights law, including copyright law. Copyright and IPR is retained by the creators or other copyright holders. Terms and conditions for use of this material are defined in the [End User Agreement](#).

[www.reading.ac.uk/centaur](http://www.reading.ac.uk/centaur)

**CentAUR**

Central Archive at the University of Reading

Reading's research outputs online

# ***International Business, Innovation and Ambidexterity: A Micro-foundational Perspective***

## **Abstract:**

Research on international business and innovation has accumulated a vast body of knowledge which has assisted in comprehending complex international management issues in diverse international settings. Yet, the existing studies have not paid sufficient attention to the multifaceted aspects of innovation and ambidexterity. We join the conversation with international business and innovation by suggesting that investigating the micro-foundations from a multidisciplinary perspective situated in varying international contexts can advance our collective understandings of the phenomena in important ways. This paper has three general objectives. First, we show that innovation and ambidexterity has been a long-standing issue in international management and business studies and provide an overview of the puzzles that underpin and trigger this special issue. Second, we highlight the key insights and contributions of the papers included in this special issue by reviewing their theoretical underpinnings, methodological approaches and findings. Finally, we outline a future research agenda that can help advance on international business and innovation research.

**Keywords:** international business, innovation, ambidexterity, micro-foundations, context, multidisciplinary

*“Knowledge is grateful to the understanding, as light to the eyes”*

John Locke, 1693

## **Introduction**

Innovation has become increasingly important for individuals, organizations and society to flourish in the global world of volatility, uncertainty, complexity and ambiguity (VUCA) (Millar, Groth, & Mahon, 2018). In particular the world has experienced an unprecedented global health crisis COVID-19 (Liu, Lee, & Lee, 2020), that has engendered significant disruption to the flow of people, goods and services via global supply chains. This in turn highlights the increased importance of agility and resilience (Xing, Liu, Boojihawon, & Tarba, 2020), both of which result from innovation and the adaptations to the micro-foundations that underpin innovation. The capacity and capability for innovation is a key differentiator for organisations in volatile competitive environments. Thus, the study of innovation and international business requires a more sophisticated and nuanced understanding of its multifaceted aspects in order to comprehend, predict and design the appropriate international business strategies, so as to enhance individual and organizational resilience and capabilities in the uncertain world (Liu, Cooper, & Tarba, 2019). Although the extant research on innovation has accumulated a vast body of knowledge and thereby has assisted us with comprehending these complex international business issues in diverse international settings, we argue that the existing studies have not paid sufficient attention to the multifaceted aspects of innovation. Therefore, by joining the current conversation on micro-foundations and ambidexterity, we suggest that investigating innovation and international business from a multidisciplinary perspective situated in varying international contexts can advance our collective understandings of the phenomena in significant ways.

This paper has three general objectives. First, we show that innovation and ambidexterity has been a long-standing issue in international management and organization studies and provide an overview of the puzzles that inform this special issue. Second, we highlight the key insights and contributions of the papers included in this special issue by

reviewing their theoretical underpinnings, methodological approaches and findings. Finally, we outline a future research agenda that can help advance the international business and innovation research.

### **The multifaceted aspects of innovation and international business**

Innovation is critical for organisations, international business operations and society at large. The innovator's dilemma portrays how newly emerged business ventures, oftentimes local ones enabled by innovation, can compete against incumbent multinational enterprises (Christensen, 2013). Innovation should go beyond the focal discourse of product or process innovation, such as those in international collaborative partnerships between domestic and multinational enterprises (Collinson & Liu, 2019; Collinson & Narula, 2014) to include management innovation and organisation innovation (Damanpour, 2014). New organisational forms and business model innovation (Massa, Tucci, & Afuah, 2017) requires new forms of innovation while presenting fresh challenges and opportunities for international business and management. For example, social innovation emphasises the social value creation beyond commercial profit-driven activities (Kroegeer & Weber, 2014). Reverse innovation illuminates the power of emerging and transitional economies by suggesting local-born innovation can have a global relevance and prevailing value for the advanced economies (Govindarajan & Ramamurti, 2011). Innovation and knowledge exchange between headquarters and subsidiaries hinge on the evolution of their relationships and the associated institutional environment (Meyer, Li, & Schotter, 2020). The rise of digital technologies and social media has also enhanced strategic options of businesses to (re)distribute their operations geographically and to create and capture value in novel ways (Lanzolla et al., 2020). The mobility of global talent can impart, implant, and inspire innovation and innovative practices

for business and management practices across geographical boundaries (Liu, 2020)

Innovation is also closely linked to national policy conditions and frameworks that may enable or constrain the attractiveness of locality for international business activities (Baglieri, Cesaroni, & Orsi, 2014; Liu, Lattemann, Xing, & Dorawa, 2019). Furthermore, innovation can influence the development and enhancement of organisational capabilities and global competitive advantages. In other words, different kinds of innovation-related and organizational assets and capabilities are required for each of these and both must evolve in tandem (Collinson, Narula, & Rugman, 2020). In sum, we acknowledge that the diverse views on innovation are not mutually exclusive but complementary since innovation is multifaceted in nature. Thus, a nuanced understanding of innovation and international business necessitates a multidisciplinary approach to reveal their multifaceted aspects.

### **Ambidexterity and international business: A micro-foundational perspective**

Ambidexterity has (re)gained increasing attention from international business (Khan, Amankwah-Amoah, Lew, Puthusserry, & Czinkota, 2020) and organisation scholars (Raisch & Birkinshaw, 2008). Building upon the seminal metaphor of exploration and exploitation in organisational learning (March, 1991), ambidexterity essentially means two opposing organisational demands that compete for resources, attention and action to design strategy, implement business operation, and deliver performance expectations in a myriad of organisational settings (O'Reilly III & Tushman, 2013). From the innovation point of view, exploration and exploitation need to be balanced to orchestrate resources, build capabilities, so as to deliver innovation outcomes and ensure long-term survival (Junni, Sarala, Taras, & Tarba, 2013). On the one side, the most innovative firms pursue internationalization strategies and enlarge the market potential to fully capture the rents of their innovations and

capitalize their investments in R&D (Kyläheiko, Jantunen, Puumalainen, Saarenketo, & Tuppur, 2011). On the other side, firms dispersing R&D activities geographically foster their technological capabilities by building a network able to explore and exploit knowledge on a global scale (Lam, 2003). MNEs are often contributors and beneficiaries of a range of different innovative ecosystems and platforms where the modularity of products and services and the affordability of communication costs influence the exploration and exploitation trade-offs. Conversely, internationalization requires innovation, to adapt products, services and organizational structures and cultures to expand successfully from domestic to foreign markets (Ghemawat, 2007).

The micro-foundations movement in strategy and management research (Felin, Foss, & Ployhart, 2015) provides a useful perspective with which to understand the underlying decision mechanisms used to cope with the exploitation-exploration tension in firms and international business activities. Micro-foundations encapsulate multiple dimensions with rich theoretical roots, ranging from psychological concepts, behavioural antecedents to philosophical underpinnings (Devinney, 2013). For instance, in the research stream of international mergers and acquisitions, shared team and task mental models that were developed prior to an acquisition can influence exploration and exploitation innovation activities during post-acquisition integration (Dao, Strobl, Bauer, & Tarba, 2017). The ability and willingness of boundary spanners from the acquired target to collaborate with the Chinese acquirer can significantly impact the reverse knowledge transfer in Chinese cross-border acquisitions (Liu & Meyer, 2020). Ancient philosophical underpinnings, such as the notion of Mid-View thinking, can serve as a micro-foundation of the Chinese unique ‘light-touch’ integration approach in their dual pursuit of knowledge exploration and exploitation in cross-border M&As (Zhang, Liu, Tarba, & Del Giudice, 2020). Multinational enterprises depend on the continual adaptation of micro-foundations and routines that underpin a firm's

capability for managing regulative, normative, and cultural–cognitive pressures, in order to achieve a legitimate and environmentally sustainable positions in emerging markets (Elg, Ghauri, Child, & Collinson, 2017). Building upon the recent momentum in exploring the micro-foundations of ambidexterity (Tarba, Jansen, Mom, Raisch, & Lawton, 2020), we argue investigating micro-foundations of ambidexterity and innovation may significantly advance our theoretical understandings to complex and challenging international business and management phenomena (Foss & Pedersen, 2019) in the uncertain, risky, turbulent and ambiguous world we live in today.

### **A brief introduction to the papers in this special issue**

In this section we introduce the ten papers in the special issue. We discuss their theoretical underpinnings, methodological approaches, findings and overall contributions to the study of the international business, innovation, and ambidexterity. Before we introduce the individual papers, we first provide some background about this special issue project. The call for papers was announced in 2017. The submission deadline for this special issue was in September 2018. In total, we received 23 submissions covering multiple aspects of international business, innovation, and ambidexterity. We were pleased to see some manuscripts cover the topic beyond our original call, such as international production and network capability. After a rigorous review process with each paper reviewed by three high quality reviewers undertaking multiple rounds of reviews, we included ten papers in this special issue. Table 1 offers an overview of these ten papers along with some key dimensions.

-----

Insert Table 1 about here

-----



In the first article, Christofi, Vrontis, and Cadogan examine micro-foundational ambidexterity and multinational enterprises. The authors take a systematic approach by critically reviewing the literature of ambidexterity from a micro-foundational perspective in the context of Multinational Enterprises (MNEs) which allows them to link factors across multiple levels of analysis. The sample includes 26 articles from an initial sample of 502 references after a systematic procedure in screening and selecting the resultant sample for review. By synthesizing the review findings, the authors develop a conceptual framework of micro-level ambidexterity and MNEs, suggesting two categories of micro-foundations, namely human capital characteristics (employees, managers and TMT), and structure and procedures (team, project, organisational) by mapping out the extant literature within and across various disciplines and multiple levels of analysis. A novel contribution of the paper is in showing the influence of contextual, conditional and moderate factors, which sheds new light to understanding the micro-level ambidexterity in MNEs in specific and the micro-foundations of international business in more general.

In the second article, Evers and Andersson use the qualitative case study method to examine international opportunity exploration and exploitation processes of high-tech international new ventures operating in the global medical devices sector. Applying the theoretical underpinnings of causation and effectuation theory in entrepreneurship research, the study focuses on the phases of their exploration and exploitation of international opportunities leading to international new venture (INV) creation. The novelty of the study is that it articulates a processual understanding of international entrepreneurial opportunity from the perspective of sequential ambidexterity and thereby sheds light for understanding decision making and innovation within the international entrepreneurship context. More broadly, the study contributes to the understanding of the micro-foundations of ambidexterity by showing that causation logic dominates the initial stages of exploration and effectuation

logic in the latter stages in the processes of innovation exploration and exploitation in high-tech INVs and the decision-making logics driving these processes.

In the third article, Amankwah-Amoah, Al-Atwi, and Khan study how organisational design and organisational learning can influence firms' sustainability. The theoretical underpinnings are based on organising paradox as formalisation and decentralisation coordination mechanisms and exploitation and exploration as organisational learning. By using a sample of 98 executives and 325 senior employees working across a diverse range of firms operating in the Middle East, this study contributes by identifying more nuanced relationships between organising paradox and firms' sustainability: while organising paradox positively influences learning ambidexterity, and learning ambidexterity has a positive impact on both organizational resilience and organizational energy. Furthermore, the study shows that learning ambidexterity mediates the relationship between organizing paradox and organizational creativity. Thus, the study contributes by highlighting important micro-foundations of organisational design and sustainability in specific and the role of ambidexterity learning in achieving sustainability of multinationals enterprises in more general.

In the fourth article, Qamar, Gardner, Buckley and Zhao examine exploitative and explorative capabilities of heterogenous firms in the UK automotive industry. Building upon contingency theory, this paper investigates the micro-foundations of ambidextrous production, which are conceptualised as lean and agile routines. The empirical setting includes 85 home-owned and 55 foreign-owned firms within the UK Midlands automotive industry. The novelty of the study is that it demonstrates home-owned firms are more likely to implement explorative (agile) production methods, whereas foreign-owned firms are more likely to implement exploitative (lean) production methods. In addition, the study shows that foreign-owned firms internationalise into the UK automotive sector to exploit the explorative

capabilities possessed by home-owned firms operating upstream in automotive supply chains, thus enabling ambidextrous capabilities at the industrial level. Thus, the study contributes by highlighting important contingencies when examining the micro-foundations of international production and operation.

In the fifth article, Wang and Wang examine how parenting matters in subsidiary innovation in emerging economies. Using the notion of subsidiary ambidexterity, namely subsidiary innovation initiative and motivation of learning from parent, this study investigates the relationship between parent superior competitiveness and subsidiary ambidexterity. Using 296 survey responses from multiple informants of 111 subsidiaries in China, this study reveals that superior competitiveness in parent firms negatively impacts subsidiary innovation initiatives, but positively influences the motivation to learn from the parent company at the subsidiary level. Furthermore, this relationship is more nuanced and can be balanced by subsidiary external tie and parent-subsidiary communication. The contribution of this study is to show how subsidiary innovation initiative contributes to subsidiary innovation performance through knowledge exploration and subsidiary motivation of learning from the parent positively affects innovation performance. This sheds new light on our understanding of headquarter and subsidiary relationships and their effects on innovation performance.

In the sixth article, Ren, Fan, Huang, and Li study the international opportunity identification (IOI) in international expansion for emerging markets multinational enterprises (EMNEs). The theoretical underpinnings are rooted in social cognitive theory and micro-foundations perspective that conceptualises IOI as ambidextrous and non-ambidextrous classifications. Using the qualitative research method in the empirical context of Chinese MNEs, the study focuses on articulating cognitive mechanisms enabled by international management teams relevant to international opportunity identification. The novelty of the paper is in showing the role of self-efficacy in the ambidextrous opportunity identification

process. More broadly, the study contributes to the understanding of international opportunity in EMNEs context, to continue with the theme of opportunity identification in international new ventures of Evers and Andersson (this issue), by showing the importance of micro-foundations of ambidexterity.

In the seventh article, Lafuente, Vaillant, Alvarado, Mora-Esquivel, and Vendrell-Herrero examine how different forms of accumulated knowledge and experience can influence export destinations. Building upon the ambidexterity and entrepreneurship literature, this study conceptualises the notion of ambidextrous connection between export experience with the current firm and past entrepreneurial experience. The empirical setting consists of Costa Rican entrepreneurial businesses with sequential deductive triangulation analysis. The novelty of the study is that it shows the positive effect of export experience with the current business on export destinations is more prevalent among firms created by serial entrepreneurs. Furthermore, qualitative analysis suggests that task-specific international experience and experience gained through past business venturing are relevant micro-foundations of international business expansion in the context of the export destinations. Thus, this study contributes to the understanding of micro-foundations of ambidexterity by conducting both quantitative and qualitative analysis of entrepreneurial firms.

In the eighth article, Yan, Tsinopoulos and Xiong continue this line of scholarly inquiry with international export. Applying the theoretical underpinnings of micro-foundation and organisational capability, the study examines the effect of exploration, exploitation and ambidexterity strategies on export performance. Using firm-level data from the UK's innovation survey (CIS), this study suggests exploration and exploitation positively influences export performance, while this positive relationship is weakened by investment in infrastructure. Furthermore, ambidexterity strategy has a negative effect on export performance, and it is negatively moderated by investment in infrastructure. The novelty of

the study is that it shows the micro-foundations, defined as the formal and informal organizational roles that constitute an organization's capabilities, can be conducive to achieving ambidexterity to improve export performance.

In the ninth article, Faroque, Morrish, Kuivalainen, Sundqvist, and Torkkeli examine how dual network capability through the lens of exploration-exploitation can influence the identification of international opportunities for early internationalizing firms. The theoretical underpinnings are based on micro-foundations of exploitation and exploration as ambidextrous behaviours. By using a sample of 647 early internationalizing firms from Bangladesh, this study contributes by identifying founder's prior experience as one micro-foundation for dual network capability. Furthermore, the study reveals both exploration and exploitation capabilities fail to bring new opportunities in a changing market environment. A novel contribution by conducting a post-hoc analysis reveals that at a higher level of market change, younger firms benefit more from network exploration, whereas older firms achieve greater success when leveraging benefits from network exploitation. Thus, the study contributes by highlighting important boundary conditions when examining the impact of dual network capability on opportunity recognition in international entrepreneurship research.

In the tenth article, Pereira, Patnaik, Temouri, Tarba, Malik, and Bustinza use a longitudinal qualitative case method to examine international strategic alliance between an Indian biopharmaceutical company and international companies. Applying the theoretical underpinnings of micro-foundations of ambidexterity, this study explores and identifies the processes, structures and mechanisms that underpin the development of ambidextrous practices in the EMNE. The novelty of the study is that it shows how EMNE can exploit its technological knowledge, whilst utilising strategic alliances to simultaneously engage in exploratory activities. The study contributes to micro-foundation of ambidexterity by highlighting the critical role played by its leadership in addressing paradoxical tensions for

simultaneously managing exploitation and exploration in an international strategic alliance context in particular and in collaborative partnerships in general.

Collectively, these ten papers potentially illustrate the wide scope of the topic of innovation and ambidexterity by encompassing international contexts ranging from automotive industry to medical device, and biopharma industry in both advanced and emerging economies. Theoretically, the wide range of theoretical perspectives - from effectuation theory to ambidexterity, contingency theory and social cognitive theory - shows that different theoretical views and their combinations are needed to truly understand the nuances of phenomena as complex as innovation and international business. Furthermore, methodologically, the presence of quantitative, qualitative and systematic review studies demonstrates the broad range of possibilities for scholars to investigate innovation, international business and ambidexterity from many different methodological orientations.

### **Future research directions**

In this section, we will outline several future research directions, namely (1) appreciating the role of context and addressing global crisis and societal grand challenges in international business studies, (2) advancing theoretical development by fostering the interdisciplinary and multidisciplinary approach, (3) investigating multifaceted micro-foundations of innovation and international business, and (4) embracing methodological pluralism and research integrity.

First, context is important for the advancement of international management and business studies. International management and business scholars have urged scholars to pay closer attention to different dimensions of context (Liu & Vrontis, 2017; Meyer, Mudambi, & Narula, 2011). Importantly, the role of context may not only trigger interesting questions but generate important international management challenges and complex organisational

phenomena that can inform and impact practice. International business and management scholars have continuously encouraged the IB community to tackle global and societal grand challenges (Buckley, Doh, & Benischke, 2017).

The global economy and globalisation are facing unprecedented challenges partially stemming from the global health crisis COVID-19 and new geopolitical word order. This prompts scholars, policymakers, business practitioners and all stakeholders to rethink and reform the commonly accepted global norms and international practices. How can global value chains and supply chains be resilient to large-scale external shocks and extreme disruption (Kano, Tsang, & Yeung, 2020)? The COVID-19 global crisis should be regarded as an opportunity as well as a challenge, for a global reset. Furthermore, what role will be played by the rising power of China in the new era (Allison, 2017)? How will the collaboration and competition between emerging economies and advanced economies interact and coevolve? How will digital transformation shape and reconfigure strategic alliances, supply chains and geographically dispersed networks? In order to address these global challenges, we believe appreciating the role of context can significantly advance our theoretical advancement and impact practice.

Second, we encourage future research to adopt an inclusive and multidisciplinary approach to advancing theoretical development. International business and innovation research can benefit significantly from other disciplines, ranging from psychology to political science, sociology and business history. By connecting with adjacent yet vibrantly independent literature streams, innovation and international business research may be significantly advanced. In doing so, we gain a more comprehensive understanding concerning complex phenomena related to the IB field that can only be analysed using multiple forms of knowledge and methods to provide a multi-level explication. For instance, business history can insightfully inform organizational innovation in the multinational

enterprise (da Silva Lopes, Casson, & Jones, 2019). Perspectives from neuroscience can deepen our understanding of cognitive processes that affect employee performance in international business research (Volk, Köhler, & Pudenko, 2014). Our reflection about the editing process is there is no single-authorised paper. This indicates a clear trend towards multidisciplinary with small to medium-sized research teams of three to five members, which is a considerable number of co-authors in international business field that is quite different from other scientific areas. In particular, investigating micro-foundational issues of ambidexterity at the intersection between International Business and Innovation research also requires some degree of diversity demography, and/or heterogeneity of research teams' composition. Furthermore, tackling global challenges necessitates interdisciplinary and multidisciplinary collaborations and cross-fertilisation among medical science, natural sciences, and social sciences. Therefore, championing mutually understood languages and terminologies across disciplinary boundaries in conducting and communicating IB and innovation research is in greater demand, while public engagement in the post pandemic COVID-19 world is at high stake. We believe multidisciplinary approach can provide generative benefits for future work on innovation and international business.

Third, we argue that the micro-foundational perspective can further advance research on international business, innovation and ambidexterity. Building upon the micro-foundational approach, we believe that exploring the social mechanisms and illuminating the multi-faceted micro-foundations can foster both theoretical advancement and empirical refinement in international business research (Liu, Sarala, Xing, & Cooper, 2017). A better understanding of behavioural antecedents and social interaction at the micro-level provides an opportunity for advancing our understanding of the processes and outcomes of international business and innovation at the macro-level (Barney & Felin, 2013; Devinney, 2013; Foss & Pedersen, 2019). Such a micro-foundational approach can contribute to



elucidate the two key mechanisms: aggregation and social interaction wherein “organization analysis should be fundamentally concerned with how individual level factors aggregate to the collective level” (Barney & Felin, 2013: 145) and the role that social interaction plays in these processes. In this special issue, several papers explored the various types of micro-foundations that underpin ambidexterity embedded in international business practices as reflected in the “Focus on micro-foundations” and “Types of ambidexterity” columns in Table 1. Our observation resonates with the importance of considering capability in management (Felin, Foss, Heimeriks, & Madsen, 2012; Kafouros & Aliyev, 2016) and international business studies (Liu, 2020; Liu & Huang, 2018). Some papers included in this special issue examine capability in the organisational context (e.g., Yan, Tsinopoulos and Xiong), while some emphasise the role of capability in explaining network phenomenon (e.g., Faroque and colleagues). In so doing, the authors also offer an alternative way of reconceptualizing ambidexterity from a micro-foundational approach in international business context.

Last but not least, we have taken an inclusive approach and embraced methodological pluralism when selecting and developing papers in this special issue. Our selected papers include qualitative, quantitative and systematic review work. We encourage methodological pluralism in international business research based on the belief that no ‘golden rule’ method prevails, but the characteristics of research questions determine the choice of the appropriate research method (Aguinis, Ramani, & Cascio, 2020). We argue that a diversity of research methods—including quantitative, qualitative and mixed methods—allows for examining social phenomena from multiple theoretical perspectives. Furthermore, research integrity is important for social sciences, including international business community, so that findings can be trusted by scholarly community, policymakers, the general public and all other stakeholders. Without research integrity, the findings can engender devastating consequences.

Recent critique of empirical social science encouraged scholars to replicate and validate research findings in multiple contexts when examining complex social science phenomena (Lewin et al., 2016). Furthermore, systematic literature review (Christofi, Vrontis, & Cadogan, this issue) is an effective method to consolidate and synthesise the body of knowledge based on evidence-based management research and policymaking (Briner & Walshe, 2014). We believe that embracing pluralism in research methods and research integrity contributes to advancing our collective knowledge from multiple perspectives and this approach is reflected in this special issue.

In conclusion, understanding the multifaceted aspects of innovation and ambidexterity through the multidisciplinary perspective can assist in better understanding and predicting antecedents, outcomes, and contingencies related to international business practices at multiple levels. We invite other scholars and practitioners to join the debate and to move this interesting and important research agenda ahead.

## References

- Aguinis, H., Ramani, R. S., & Cascio, W. F. 2020. Methodological practices in international business research: An after-action review of challenges and solutions. *Journal of International Business Studies*, 51(9): 1593–1608.
- Allison, G. 2017. *Destined for war: Can America and China escape Thucydides's trap?*: Houghton Mifflin Harcourt.
- Baglieri, D., Cesaroni, F., & Orsi, L. 2014. Does the nano-patent ‘Gold rush’ lead to entrepreneurial-driven growth? Some policy lessons from China and Japan. *Technovation*, 34(12): 746-761.
- Barney, J., & Felin, T. 2013. What are microfoundations? *The Academy of Management Perspectives*, 27(2): 138-155.
- Briner, R. B., & Walshe, N. D. 2014. From passively received wisdom to actively constructed knowledge: Teaching systematic review skills as a foundation of evidence-based management. *Academy of Management Learning & Education*, 13(3): 415-432.
- Buckley, P. J., Doh, J. P., & Benischke, M. H. 2017. Towards a renaissance in international business research? Big questions, grand challenges, and the future of IB scholarship. *Journal of International Business Studies*, 48(9): 1045-1064.
- Christensen, C. M. 2013. *The innovator's dilemma: when new technologies cause great firms to fail*. Cambridge, MA: Harvard Business Review Press.
- Collinson, S., & Liu, Y. 2019. Recombination for innovation: performance outcomes from international partnerships in China. *R&D Management*, 49(1): 46-63.

- Collinson, S. & Narula, R. 2014. Asset recombination in international partnerships as a source of improved innovation capabilities in China. *Multinational Business Review*, 22. 394-415.
- Collinson, S., Narula, R., & Rugman, A. M. 2020. *International Business* (8th ed.). Pearson: Harlow.
- da Silva Lopes, T., Casson, M., & Jones, G. 2019. Organizational innovation in the multinational enterprise: Internalization theory and business history. *Journal of International Business Studies*, 50(8): 1338-1358.
- Damanpour, F. 2014. Footnotes to research on management innovation. *Organization Studies*, 35(9): 1265-1285.
- Dao, M. A., Strobl, A., Bauer, F., & Tarba, S. Y. 2017. Triggering innovation through mergers and acquisitions: the role of shared mental models. *Group & Organization Management*, 42(2): 195-236.
- Devinney, T. M. 2013. Is microfoundational thinking critical to management thought and practice? *Academy of Management Perspectives*, 27(2): 81-84.
- Elg, U., Ghauri, P. N., Child, J., & Collinson, S. C. 2017. MNE microfoundations and routines for building a legitimate and sustainable position in emerging markets. *Journal of Organizational Behavior*, 38(9): 1320-1337.
- Felin, T., Foss, N. J., & Ployhart, R. E. 2015. The microfoundations movement in strategy and organization theory. *The Academy of Management Annals*, 9(1): 575-632.
- Felin, T., Foss, N. J., Heimeriks, K. H., & Madsen, T. L. 2012. Microfoundations of routines and capabilities: Individuals, processes, and structure. *Journal of Management Studies*, 49(8): 1351-1374.
- Foss, N. J., & Pedersen, T. 2019. Microfoundations in international management research: The case of knowledge sharing in multinational corporations. *Journal of International Business Studies*, 50(9): 1594-1621.
- Ghemawat, P. 2007. *Redefining global strategy: Crossing borders in a world where differences still matter*. Boston, Massachusetts: Harvard Business Press.
- Govindarajan, V., & Ramamurti, R. 2011. Reverse innovation, emerging markets, and global strategy. *Global Strategy Journal*, 1(3-4): 191-205.
- Junni, P., Sarala, R. M., Taras, V., & Tarba, S. Y. 2013. Organizational ambidexterity and performance: A meta-analysis. *Academy of Management Perspectives*, 27(4): 299-312.
- Kafouros, M., & Aliyev, M. 2016. Institutions and foreign subsidiary growth in transition economies: The role of intangible assets and capabilities. *Journal of Management Studies*, 53(4): 580-607.
- Kano, L., Tsang, E. W., & Yeung, H. W.-c. 2020. Global value chains: A review of the multi-disciplinary literature. *Journal of International Business Studies*: 1-46.
- Khan, Z., Amankwah-Amoah, J., Lew, Y. K., Puthusserry, P., & Czinkota, M. 2020. Strategic ambidexterity and its performance implications for emerging economies multinationals. *International Business Review*: 101762.
- Kroege, A., & Weber, C. 2014. Developing a conceptual framework for comparing social value creation. *Academy of Management Review*, 39(4): 513-540.
- Kyläheiko, K., Jantunen, A., Puimalainen, K., Saarenketo, S., & Tuppur, A. 2011. Innovation and internationalization as growth strategies: The role of technological capabilities and appropriability. *International Business Review*, 20(5): 508-520.
- Lam, A. 2003. Organizational learning in multinationals: R&D networks of Japanese and US MNEs in the UK. *Journal of Management Studies*, 40(3): 673-703.
- Lanzolla, G., Lorenz, A., Miron-Spektor, E., Schilling, M., Solinas, G., & Tucci, C. L. 2020. Digital Transformation: What is New if Anything? Emerging Patterns and Management Research. *Academy of Management Discoveries*, 6(3): 341-350.
- Lewin, A. Y., Chiu, C.-Y., Fey, C. F., Levine, S. S., McDermott, G., Murmann, J. P., & Tsang, E. 2016. The Critique of Empirical Social Science: New Policies at Management and Organization Review. *Management and Organization Review*, 12(4): 649-658.
- Liu, Y. 2020. The micro-foundations of global business incubation: Stakeholder engagement and strategic entrepreneurial partnerships. *Technological Forecasting and Social Change*, 161: 120294.

- Liu, Y. 2020. Contextualizing risk and building resilience: returnees versus local entrepreneurs in China. *Applied Psychology: An International Review*, 69(2): 415-443.
- Liu, Y., Cooper, C. L., & Tarba, S. Y. 2019. Resilience, wellbeing and HRM: A multidisciplinary perspective. *The International Journal of Human Resource Management*, 30(8): 1227-1238.
- Liu, Y., Lattemann, C., Xing, Y., & Dorawa, D. 2019. The emergence of collaborative partnerships between knowledge-intensive business service (KIBS) and product companies: the case of Bremen, Germany. *Regional Studies*, 53(3): 376-387.
- Liu, Y., Lee, J. M., & Lee, C. 2020. The challenges and opportunities of a global health crisis: the management and business implications of COVID-19 from an Asian perspective. *Asian Business & Management*, 19(3): 277-297.
- Liu, Y., & Huang, Q. 2018. University capability as a micro-foundation for the Triple Helix model: The case of China. *Technovation*, 76-77(August–September): 40-50.
- Liu, Y., Sarala, R. M., Xing, Y., & Cooper, C. L. 2017. Human Side of Collaborative Partnerships: A Microfoundational Perspective. *Group & Organization Management*, 42(2): 151-162.
- Liu, Y., & Vrontis, D. 2017. Emerging markets firms venturing into advanced economies: The role of context. *Thunderbird International Business Review*, 59(3): 255-261.
- Liu, Y., & Meyer, K. E. 2020. Boundary spanners, HRM practices, and reverse knowledge transfer: The case of Chinese cross-border acquisitions. *Journal of World Business*, 55(2): 100958.
- March, J. G. 1991. Exploration and exploitation in organizational learning. *Organization science*, 2(1): 71-87.
- Massa, L., Tucci, C. L., & Afuah, A. 2017. A critical assessment of business model research. *Academy of Management Annals*, 11(1): 73-104.
- Meyer, K. E., Li, C., & Schotter, A. P. 2020. Managing the MNE subsidiary: Advancing a multi-level and dynamic research agenda. *Journal of International Business Studies*, 51(4): 538–576.
- Meyer, K. E., Mudambi, R., & Narula, R. 2011. Multinational enterprises and local contexts: the opportunities and challenges of multiple embeddedness. *Journal of Management Studies*, 48(2): 235-252.
- Millar, C. C., Groth, O., & Mahon, J. F. 2018. Management innovation in a VUCA world: Challenges and recommendations. *California Management Review*, 61(1): 5-14.
- O'Reilly III, C. A., & Tushman, M. L. 2013. Organizational ambidexterity: Past, present, and future. *Academy of management Perspectives*, 27(4): 324-338.
- Raisch, S., & Birkinshaw, J. 2008. Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management*, 34(3): 375-409.
- Tarba, S., Jansen, J., Mom, T., Raisch, S., & Lawton, T. 2020. A microfoundational perspective of organizational ambidexterity: Critical review and research directions. *Long Range Planning*.
- Volk, S., Köhler, T., & Pudelko, M. 2014. Brain drain: The cognitive neuroscience of foreign language processing in multinational corporations. *Journal of International Business Studies*, 45(7): 862-885
- Xing, Y., Liu, Y., Boojihawon, D. K., & Tarba, S. 2020. Entrepreneurial team and strategic agility: A conceptual framework and research agenda. *Human Resource Management Review*, 30(1): 100696.
- Zhang, X., Liu, Y., Tarba, S. Y., & Del Giudice, M. 2020. The micro-foundations of strategic ambidexterity: Chinese cross-border M&As, Mid-View thinking and integration management. *International Business Review*, 29(6): 101710.

**Table 1.** An Overview of the Articles in this Special Issue

<b>Authors</b>	<b><u>Theoretical perspectives</u></b>	<b><u>Methodological approaches</u></b>	<b><u>Key findings</u></b>	<b><u>Focus on micro-foundation</u></b>	<b><u>Types of ambidexterity</u></b>	<b><u>Geographical coverage</u></b>
Christofi, Michael; Vrontis, Demetris; Cadogan, John	Ambidexterity theory	Systematic review	-Two categories of micro-foundations, namely human capital characteristics (employees, managers and TMT), and structure and procedures (team, project, organisational)	-Human capital characteristics -Structure and procedures	-Micro-level ambidexterity and MNEs	26 articles selected from a sample of 502
Evers, Natasha; Andersson, Svante	Effectuation and causation	Qualitative	-Causation logic dominates the initial stages of exploration and effectuation logic in the latter stages in the processes of innovation exploration and exploitation in high-tech INVs.	International entrepreneurial opportunity	-Exploration vs. exploitation -Sequential ambidexterity	Ireland and Sweden
Amankwah-Amoah, Joseph; Al-Atwi, Amer; Khan, Zaheer	Paradox Theory Organisational learning	Quantitative	-Organising paradox positively influences learning ambidexterity, and learning ambidexterity has a positive impact on both organizational resilience and organizational energy.	Organisational design and sustainability	Exploitation and exploration	Middle East

-Learning ambidexterity mediates the relationship between organizing paradox and organizational creativity.

Qamar, Amir; Gardner, Emma; Buckley, Thomas; Zhao, Kai

Contingency theory

Quantitative

-Home-owned firms are more likely to implement explorative (agile) production methods, whereas foreign-owned firms are more likely to implement exploitative (lean) production methods.

International production

Explorative vs. exploitative

UK

-Foreign-owned firms internationalise into the UK to exploit the explorative capabilities possessed by home-owned firms

Wang, Na; Wang, Yonggui

Ambidexterity theory

Quantitative

- Parent superior competitiveness negatively impacts subsidiary innovation initiative, but positively influences subsidiary motivation of learning from the parent company.

Subsidiary ambidexterity

Subsidiary innovation initiative and motivation of learning

China

- This relationship can be balanced by subsidiary

external tie and parent-  
subsidiary communication

Ren, Shuang; Fan, Di; Huang, Xinli; Li, Zijie	Social cognitive theory	Qualitative	- Cognitive mechanisms enabled by international management teams relevant to international opportunity identification  - Self-efficacy in the ambidextrous opportunity identification process	International opportunity identification	Explorative vs. exploitative	Chinese MNEs
Lafuente, Esteban; Vaillant, Yancy; Alvarado, Marco; Mora, Ronald; Vendrell-Herrero, Ferran	Ambidexterity theory	Quantitative and qualitative	-Positive effect of export experience with the current business on export destinations is more prevalent among firms created by serial entrepreneurs	International business expansion	Task-specific international experience and experience gained through past business venturing	Costa Rica
Yan, Ji; Tsinopoulos, Christos; Xiong, Yu	Organisational capability	Quantitative	-Exploration and exploitation positively influences export performance, while this positive relationship is weakened by investment in infrastructure.	Organisation al capability	Exploration and exploitation	UK

			- Ambidexterity has a negative effect on export performance, and it is negatively moderated by investment in infrastructure			
Faroque, Anisur; Kuivalainen, Olli; Morrish, Sussie Celna; Torkkeli, Lasse; Asikainen, Sanna-Katriina	Ambidexterity theory	Quantitative	<p>- Exploration and exploitation capabilities fail to bring new opportunities in a changing market environment.</p> <p>- At a higher level of market change, younger firms benefit more from network exploration, whereas older firms achieve greater success when leveraging benefits from network exploitation</p>	Network capability	Exploration and exploitation	Bangladesh
Pereira, Vijay; Patnaik, Swetketu; Temouri, Yama; Tarba, Shlomo Y.; Malik, Ashish;	Ambidexterity theory	Qualitative	<p>- EMNE can exploit its technological knowledge, whilst utilising strategic alliances to simultaneously engage in exploratory activities</p> <p>- Critical role played by leadership in addressing paradoxical tensions for</p>	International strategic alliance	Explorative vs. exploitative	India

---



Bustanza,  
Oscar F.

simultaneously managing  
exploitation and exploration

---