Ambidexterity and Employee Performance of Selected Commercial Banks in Anambra State of Nigeria

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Abstract
The seeming lack of participation by employees in generating new ideas propelled the study to explore the extent to which employee participation correlates with employee dynamic capabilities in selected commercial banks in Anambra State. The work was anchored on Competitive Advantage Theory by Michael Porter in 1980. Correlation Research Design was employed for the study. Three banks were selected from the three senatorial zones in Anambra State for coverage; the population of the study was 156 and complete enumeration was used. Pearson’s Product Moment Correlation Co-efficient was used to analyze the data. It was revealed through the findings that there is a positive significant relationship between employee participation and employee dynamic capabilities in selected commercial banks in Anambra State and therefore the study recommended among other things that management should give employees more opportunities to prove their worth in the art of proffering solutions and coming up with innovative ideas by increasing their participation level in brainstorming sessions.

Keywords: Ambidexterity; Employee; Banks; Ideas; Dynamic capabilities; Competitive advantage.

INTRODUCTION
As competition intensifies in the business environment in general and in the banking sector in particular, banks are always on the lookout for ways to keep their organizations on top and afloat. This is the reason employees are hired. They are brought into the organization to help navigate it through the turbulent and discontinuous environment and are expected to keep bringing up new and innovative ideas to that regards. This assertion is corroborated by Chandler (2002) who stated that Chief Executive Officers and employees are typically not employed to preside over the decline of a firm but to develop strategies that ensure continued success.

The environment as established earlier is characterized by change; these changes are sometimes radical change while at times, may be incremental change. But whatever the kind of change, organizations are expected to adapt to the situations they find themselves. As banks, albeit not the majority, do survive in the face of change, the question is how they manage to adapt and why are some of the banks able to accomplish this while others cannot? Survival instinct is a bank’s ability to exploit existing assets and positions in a profit producing way and simultaneously to explore new technologies and markets; to configure and reconfigure organizational resources to capture existing as well as new opportunities (Helfat & Raubitschek, 2000; Holmqvist, 2004; March, 1991; Teece, 2006).

This capacity has been referred to either as exploration and exploitation (March, 1991) or ambidexterity (Duncan, 1976; Tushman & O’Reilly, 1997). Exploitation is about
efficiency, increasing productivity, control, certainty, and variance reduction. Exploration is about search, discovery, autonomy, innovation and embracing variation. Ambidexterity is about doing both. In March’s terms, this is the fundamental tension at the heart of an enterprise’s long-run survival. “The basic problem confronting any bank’s operation is to engage in sufficient exploitation to ensure its current viability and at the same time, devote enough energy to exploration and to ensure its future viability (March, 1991). However, the effectiveness and efficiency of the act of exploiting and exploring which is what organizational ambidexterity stands for requires the enormous input of both the management and employees. Rotemberg and Saloner (2000) assert that to explore and exploit at the same time requires senior management to articulate a vision and strategic intent that justifies the ambidextrous form.

As the economic uncertainties highly increase during recent years, the issue of adaptabilities which focus on “ability to move quickly towards new opportunities and adjust volatile markets” gets crucial. However successful banks should not just go for new opportunities but also should have the “ability to exploit the value of the proprietary assets and roll out existing business models quickly”; this ability makes the meaning of alignment significant (Birkinshaw & Gibson, 2004). In other words, banks should not just aim for exploring the future, discontinuous innovation, targeting for new customers or even revolutionary change but also have to, at the same time, focus on existing customers, incremental innovations and evolutionary change.

In a bid to achieve these lofty goals, the banks engage people to come out with creative ideas. It was however observed that the banks of study (Zenith bank plc, First bank plc and Access bank plc) make use of consultants and top management staff who are made to brain storm in order to generate ideas on how to serve customers better and to break new grounds in terms of market penetration and diversification. Little seem to be done in terms of giving lower level employees the opportunity to take part in such brainstorming sessions in order to generate ideas. This seems to affect their morale as it seems management do not believe in their capability and thus this affects their innate dynamic capabilities because management do not give them a chance to participate. It is on this premise that the study seeks to ascertain the relationship existing between employee participation and employee dynamic capability.

The banks rely heavily on the employees to provide services to the customers making them (employees) the nearest to the customers and in the best position to feel the pulse of the customers and know what the customers need. In a bid to explore and exploit as ambidexterity stipulates as stated by Smith and Tushman (2005) who described it as organizations design such that they can both explore and exploit, it was however noticed that when it comes to idea generation on how to explore existing market and exploit new market, managers seem to rely mostly on the input of top managers and consultant brought from outside the organization. They seem not to trust the employees enough to be able to come up with innovative ideas. This seems to affect the moral and the confidence level of the employees; their innate desires to contribute their quota and show their dynamic capability seem to be destroyed. Employees therefore relax and wait for management and the consultant they employed to come up with the ideas, in some case the ideas so generated are not pursued vigorously by the employees probably because they were not involved in generating the ideas. Employees at some point use words like “they will fix it, it is not up to me solve the problem, they will find solutions to it”.

The practice of proffering solutions through consultants and management alone seems to have eroded the innovativeness of the employees. Customers have been made to wait for long hours for a problem the employees could easily solve because they were waiting for management to come up with ideas of hour to tackle the problem and sometimes customers leave unsatisfied and disgruntled. For instance, in Zenith bank plc when product types are rolled out, it is often times not suitable for some market segments, this is due to the fact that the organization seems not to involve the front liners (low level employees) who interface with these customers to elicit information on what the market needs.

This issue of lack of participation in the focused firms may affect the overall dynamic capabilities of both the employees and the organization and invariably the performance of the organization. It is against this backdrop that the study seeks to ascertain the correlation existing between employee participation and employee dynamic capability.

With regards to the problems stated above, the general objective of this study is to determine the correlation existing between ambidexterity and employee performance in selected commercial banks in Anambra state. More specifically, the study seeks to ascertain the extent to which employee participation correlates with employee dynamic capabilities in selected commercial banks in Anambra State.

**Research question**

How does employee participation correlate with employee dynamic capability in selected commercial banks in Anambra State?

**Hypothesis**

H1 There is a positive significant correlation between employee participation and employee dynamic capabilities in selected commercial banks in Anambra State.
LITERATURE REVIEW

Ambidexterity

Etymologically, the word “Ambidexterity” has its roots from two Latin words ambos, ‘both’, and dexter, ‘right’. Thus, bringing them together means ‘right on both sides’ (Simsek, 2009), in other words, an accomplishment of two different things at the same time equally well. The word “ambidexterity” was first introduced into the business literature by Duncan who suggested a dual structure for an organization to follow the activities related to both adaptation and alignment at a sequential order (Duncan, 1976). In the first use of the term “organizational ambidexterity,” Duncan (1976), building on earlier studies (e.g., Burns & Stalker, 1961; Thompson, 1967), argued that for long-term success, firms needed to consider dual structures; different structures to initiate versus execute innovation. In his view, ambidexterity occurs sequentially as organizations switch structures as innovations evolve. Building upon earlier work by Duncan (1976), Tushman and O’Reilly (1996) were first to present a theory of organizational ambidexterity. They suggest that superior performance is expected from the ambidextrous organization and describe structural mechanisms to enable ambidexterity. Firms adjust their structures by the phase of the innovation process: organic structures are employed to explore followed by mechanistic structures to exploit. This view of ambidexterity as temporal sequencing is evident in some of the current research on organizational adaptation (e.g., Eisenhardt & Brown, 1997; Lovas & Ghoshal, 2000; Venkatraman, Lee, Chi-Hyon & Iyer, Bala 2006).

In recent years, the concept of organizational ambidexterity has gained momentum in research on organizations. The number of studies in leading management journals that explicitly refer to the ambidexterity concept increased from less than 10 in 2004 to more than 80 in 2009 (Michael, 2013). Organizational ambidexterity is an organization’s ability to be aligned and efficient in its management of today’s business demands while simultaneously being adaptive to changes in the environment, has gained increasing interest in recent years. It is the ability to pursue two disparate things at the same time, such as efficiency vs. flexibility, low cost vs. differentiation, global integration vs. local responsiveness, exploitation vs. exploration, stability vs. adaptability, short-term profit vs. long-term growth (Raisch, Sebastian & Birkinshaw, Julian, 2008). He and Wong (2004) suggest that it is “being capable of operating simultaneously to explore and exploit” Smith and Tushman (2005) describe it as organizations designed such that they can both explore and exploit. Lubatkin et al. (2006) defined it as firms “capable of exploiting existing competencies as well as exploring new opportunities with equal dexterity. Birkinshaw and Gibson (2004), on the other hand, define ambidexterity as the ability of the company to pursue both long-term development of products, markets, and technologies; called adaptability, and short-term profitability and coordination; called alignment.

Tushman, Michael, O’Reilly, and Charles (1996) opined that an organization can achieve ambidexterity by balancing exploration and exploitation, which allows the organization to be creative and adaptable, while also continuing to rely on more traditional, proven methods of business. Exploration includes things such as search, variation, risk taking, experimentation, flexibility, discovery or innovation, whereas exploitation includes such things as refinement, choice, production, efficiency, selection, implementation, and execution. Companies that focus only on exploration face the risk of wasting resources on ideas that may not prove useful or never be developed. On the other hand, companies that focus only on exploitation may accept status quo performance and products and fail to reach optimal levels of success. According to March (1991), exploitation pertains to the refinement of existing competencies, whereas exploration involves searching for new knowledge and opportunities. Both activities are seen as critical to a firm’s sustainable competitive advantage. Owing to the linked nature of the exploration and exploitation constructs, researchers have started using ambidexterity as an integral concept to denote a firm’s dual orientation with respect to exploration and exploitation (e.g. Gibson & Birkinshaw, 2004; He & Wong, 2004; Lubatkin et al., 2006; O’Reilly & Tushman, 2004; Tushman & O’Reilly, 1996).

Employee Performance

Employee performance describes how an employee carries out the tasks that make up the job. Good performance results from efforts, ability and direction (Fagbamie, 2000). It refers to formal job duties, assigned by organizational authorities and evaluated during performance appraisal. Aguinis (2007) opines that performance is about behaviour or what employees do and not about what employees produce or the outcomes of their work. The effectiveness and efficiency with which employees carry out these activities assigned to them is however dependent on so many factors one of which is the dynamic capabilities of the employees (Aguinis, 2007).

The construct of organizational ambidexterity has attracted the growing attention of many. (Raisch and Birkinshaw, 2008). The general agreement in available literature is that an ambidextrous firm is one that is capable of both exploiting existing competencies as well as exploring new opportunities, and also that achieving ambidexterity enables a firm to enhance its performance and competitiveness through organizational practices and through the employees. Moreover, ambidextrous organizations seem to perform better compared to
organizations that are good at conducting either only explorative or exploitative activities (March, 1991; Tushman and O’Reilly, 1996). Literatures highlight some consequences of achieving ambidexterity over other organizations. For instance, ambidexterity results in the better organizational performance (Gibson and Birkinshaw, 2004; Smith and Tushman, 2005), long term success (Raisch, et al., 2009) and sustainable competitive advantage (O’Reilly and Tushman, 2008).

To enhance performance in an organization, a whole lot of measures are taken by an organization one of which is involving employees for them to have a sense of belonging and come up with new ideas. When employees are allowed to participate in idea sharing and generation, it improves their performance (O’Reilly and Tushman, 2008). Employee performance is higher in happy and satisfied workers and management finds it easy to motivate high performers to attain firm targets (Kinicki and Kreitner, 2007). The employee could only be satisfied when they feel themselves competent to perform their jobs and free enough to contribute their quota, which is achieved through better employee participation (Amir and Amen, 2013).

**Employee Participation**

Employee participation is considered as a combination of different tools designed to increase employee input of various degrees in managerial decision making like organizational commitment, reduction of employee intention to turnover and absenteeism, increase in productivity and motivation. There has been significant attention from researchers that focus on the manner in which structure affects employee attitudes (Singh, 2009). When employees are given the opportunities of contributing their ideas and suggestions in decision making, increased firms’ performance may result since deep employee involvement in decision making maximizes viewpoints and a diversity of perspectives and boast their dynamic capability (Kemelgor, 2009).

Strauss (2006) said that participation is a process that allows employees to exercise some control over their work and the conditions under which they work and make contributions in decision making and idea generation. It encourages employees to participate in the process of making decisions, which have a direct impact on work environment and skills development. Substantial employee participation in management is vital for cross-functional integration and efficient working. Employee participation is a method where, a large number of subordinates share a degree of decision-making power with their superiors. A study conducted by Topolnytsky et al. (2002) found a very strong positive correlation between affective commitment and employee’s job involvement. According to Cohen and Kirchmeyer (1995) support by organizations to their employees to participate usually plays a very vital role in enhancing employees' affective commitment, whereas. Cox, Zagelmeyer and Marchington (2006) found no support for the idea that the mere presence of employee involvement and participation is associated with positive employee perceptions of participation practices. It was also suggested by them that the number and mix of practices is the key issue in the participation and commitment relation.

**Employee Dynamic Capability**

Teece, Pisano and Shuen (1997) define dynamic capabilities as the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Organizational capabilities are embedded in its existing organizational routines, structures, and processes. More specifically, these routines are found in the way the organization operates, its structures, cultures, and the mindset of senior leadership. They are those processes that permit an enterprise to build, integrate, and reconfigure organizational assets, offer one way out of the inertial dynamics associated with success. Existing capabilities reflect the firm’s ability to compete in the current environment. Dynamic capabilities are the main source of competitive advantages for firms, those companies that can “rapidly integrate, learn, and reconfigure their internal and external resources can adapt to rapid environmental changes and thus enhance or maintain their competitive advantages” (Wu, 2010).

The emerging research on dynamic capabilities, and how these provide firms with long-term competitive advantage, offers a promising way to explain organizational adaptation. Although in its early stages, studies have already illustrated how capabilities may be developed (Bingham, 2006; Ethiraj, Kale, Krishnan & Singh, 2005; Helfat & Peteraf, 2003; Subramanian & Youndt, 2005; Zollo & Winter, 2002) and provide some preliminary evidence for their long-term consequences on performance and survival (Adner & Helfat, 2003; Gulati, Diamid, & Wang, 2002; Helfat & Raubitschek, 2000; Klepper, 2002; Macpherson, Jones & Zhang, 2004). For example, Tripsas and Gavetti (2000), in an in-depth case study of Polaroid, showed how senior management cognitions about how Polaroid competed hindered the firm’s ability to develop the new capabilities needed for the company to compete selling software rather than hardware (cameras). Interestingly, they showed that Polaroid had developed an array of new digital imaging competencies, but that rigidity in existing processes and management’s inability to implement a new business model stopped them from successfully entering new markets.

Teece (2006) characterizes dynamic capabilities as the distinct skills, processes, procedures, organizational structures, decision rules and disciplines that enable the organizations members to identify threats and opportunities
and to reconfigure assets to meet these. “Winners in the
global market place have been firms that can
demonstrate timely responsiveness and rapid flexible
product innovation, coupled with the management
capability to effectively coordinate and deploy internal
and external competencies through building dynamic
capabilities. Conceptually, dynamic capabilities are a
useful way to understand inter-firm performance
differentials (Ethiraj, Kale, Krishnan & Singh 2005), but
what specifically would these capabilities look like and
how would they operate to help a firm sense, seize, and
reconfigure organizational assets? Eisenhardt and Martin
(2000) note that unless made specific, dynamic
capabilities remain vague (e.g., “routines to learn
routines”) and add little other than terminology to our
understanding of organizational adaptation.

Ambidexterity and Employee Performance

The ability of employees to seize opportunities through
the orchestration and integration of both new and existing
assets to overcome inertia and path dependencies is at
the core of employee dynamic capabilities which
influence employee performance and dovetails into
stronger positive performance by an organization
(Khrishnan & Singh, 2005). These capabilities,
sometimes characterized as high level routines or
processes (Winter, 2003; Zott, 2003) or routines to learn
new routines (Eisenhardt & Martin, 2000), are now seen
as a central underpinning of long-run competitive
advantage the through employees. The emerging
research on employee dynamic capabilities, and how
these provide firms with long-term competitive advantage
and influence, offers a promising way to explain
organizational adaptation. Although in its early stages,
studies have already illustrated how capabilities may be
developed to improve performance (Bingham, 2006;
Ethiraj, Kale, Krishnan & Singh, 2005; Helfat & Peteraf,
2003; Subramanian & Youndt, 2005; Zollo & Winter,
2002) and provide some preliminary evidence for their
long-term consequences on performance and survival
(Adner & Helfat, 2003; Gulati, Daldin, & Wang, 2002;
Helfat & Raubitschek, 2000; Klepper, 2002; Macpherson,
Jones & Zhang, 2004). In summary, ambidexterity is
theorized to have a positive effect on different
performance dimensions as reported by He and Wong

Theoretical Framework

This work is anchored on Competitive Advantage Theory
by Micheal Porter in 1980. The term competitive
advantage refers to the ability gained through attributes
and resources to perform at a higher level than others in
the same industry or market (Christensen and Fahey
Lynch 1999). A firm is said to have a competitive
advantage when it is implementing a value creating
strategy not simultaneously being implemented by any
current or potential player (Barney 1991 cited by Culow,
Val, Gerstman, Julie, Barry, & Carol 2003). Competitive
advantage is seen as the strategic advantage one
business entity has over its rival entities within its
competitive industry. It is a business concept describing
attributes that allow an organization to outperform its
competitors. Achieving competitive advantage
strengthens and positions a business better within the
business environment. Successfully implemented
strategies will lift a firm to superior performance by
facilitating the firm with competitive advantage to
outperform current or potential players (Passemard
and Calantone 2000). To gain competitive advantage,
a business strategy of a firm manipulates the various
resources over which it has direct control and these
resources have the ability to generate competitive
advantage (Reed & Fillippi 1990 cited by Rijamampianina
2003). The attributes that could provide competitive
advantage for a firm may include access to natural
resources, such as high grade ores or inexpensive
power, highly skilled personnel, geographic location, high
terrier barriers. Competitive advantage makes sure
customers remain loyal through offering superior
products and services. Value proposition is important
when understanding competitive advantage (Passemard
and Calantone 2000).

This theory suits this work because employee skill sets,
knowledge and competencies which could be attained
and nurtured through proper employee participation
improves the dynamic capability of both the employee
and the firm and it is a source of competitive advantage
which is the fulcrum of competitive advantage theory.

METHODOLOGY

Correlation research design was adopted for this study
because the purpose of the study is to examine the type
of relationship between the variables and correlation
research design best suits the purpose. The constructs
which the relationships will be determined and which
constituted the building blocks are given bellow as
follows: EMPER = f (AMBI), EMPAT = f (EMDYCAP),
Where: EMPER = Employee Performance, AMBI =
Ambidexterity, EMPAT = Employee Participation,
EMDYCAP = Employee Dynamic Capability. The
population of the study consists of three banks in
Anambra state. They are as follows: Access bank, Zenith
bank and First bank with total population of 156. Because
the population of the studied firms are small, the
researcher thought it wise to use complete enumeration
so as to have a complete view of the entire population as
they can be handled and managed with ease and it will
also make the result more accurate when all their views
are articulated. Questionnaire which is a primary instrument
was used to elicit relevant data for the study.

The questionnaire was structured in a 5-point Likert scale so as to help in turning the hitherto qualitative responses into quantitative figures to be able to manipulate and get a quantifiable and empirical result. The instrument of data collection was subjected to content and face validity carried out by validators from Educational Foundation Department who made inputs; their inputs were taken and the instrument was later certified valid. Before the certification, they (validators) demanded for the topic, the objective of the study and research question so that they will check it for adequate coverage which content validity stands for and eschew it from ambiguity and ensure proper structure and less grammar which face validity was for. The result obtained after testing the reliability of the instrument using Spearman Brown’s Split Half technique was 0.953. A reliability coefficient that is above 0.7 is regarded as a reliable instrument that is capable of eliciting consistent result and as such this instrument is certified reliable.

Pearson’s Product Moment Correlation Coefficient was used in analyzing the data which is to explore the extent to which employee participation correlates with employee dynamic capabilities in selected commercial banks in Anambra State. The level of significance used was 5% and the confidence interval, 95%.

Table 1. Correlations

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**. Correlation is significant at the 0.01 level (2-tailed)

**RESULTS**

As shown in table 1 which is the hypothesis table, employee participation was shown to have a significant positive relationship with employee dynamic capability with correlation coefficient of 0.769 and a probability value of 0.000 (p-value < 0.01) which is less than the significant level at 0.01 2-tailed test. Going by this result, the research hypothesis which states that there is a positive significant correlation between employee participation and employee dynamic capabilities in selected Commercial Banks in Anambra State is therefore accepted.

**DISCUSSION**

From the findings obtained after carrying out an empirical analysis to test the extent to which employee participation correlates with employee dynamic capabilities in selected Commercial Banks in Anambra State, it was revealed that there exists a strong positive correlation between the constructs tested. The implication of this is that as employee participation increases in the organization, the dynamic capability of the employees will also follow suit. That is, as management improves the involvement of employees and seeking their opinion on issues and encouraging them to come up with innovative and transformational ideas in the organization, the skill set, knowledge, exploitative and explorative capability of the employees will also increase which will eventually help improve the performance of the employees and ultimately the organizational overall performance. This study is corroborated by earlier findings of Bhatti, Nawab and Akbar (2011) who studied the banking sector in Pakistan and United States to determine if types of employee participation practice would explain variance in the organizational commitment and to also know what kind and extent of differences exist in both countries regarding this relationship. Their result indicated direct participation and extent of differences exist in both countries regarding this relationship. Their result indicated direct participation has a more significant and positive relationship in Pakistan than in the USA. Similarly, Owolabi and Abdul-Hameed (2011) found a statistically significant relationship between employee involvement in decision making and firms’ performance as well as indicated a significant difference between the performance of firms.
whose employee involvement in decision making are deep and the performance of firms whose employee involvement in decision making are shallow.

CONCLUSION

The researcher concludes that ambidexterity being the ability of an organization to both exploit and explore effectively and efficiently can be achieved not only through the innovative input of top management and consultant but could also be achieved through the lower level employees through encouraging and trusting them to be able to proffer solutions to disturbing issues and discover new ways of serving customers better as they are the people closest to the customers and knows what they want.

ACKNOWLEDGEMENTS

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