



MEDIATING ROLE OF DYNAMIC CAPABILITIES ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL AMBIDEXTERITY AND FIRM PERFORMANCE OF SUPERMARKETS IN KENYA

Rosemary Muange, Ambrose Kemboi and Charles Lagat

School of Business and Economics, Moi University, Kenya

Corresponding Email Address: rosemuange@gmail.com

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ABSTRACT: *Several businesses have established successful strategies in order to move their operations toward the desired future position. However, problems with performance have made it difficult to achieve the suggested future position. The possibility to grow and expand has been found in some supermarkets that embrace organizational ambidexterity. Existing research suggests that supermarkets poor performance can be attributed to informal retail competition, a lack of resource exploitation and exploration, ongoing employee training and development, and consumer preference for convenience because most informal retail locations are more easily accessible. Dynamic capabilities are a firm's ability to adapt and respond to changing environments effectively. They involve processes, routines, and skills that enable an organization to identify, assess, and seize opportunities or respond to threats. Examples of dynamic capabilities in the supermarket industry might include the ability to quickly adjust product offerings in response to changing customer preferences or rapidly reconfigure supply chain operations in response to disruptions. Dynamic capabilities can mediate the relationship between organizational ambidexterity and supermarket performance by enhancing exploration and exploitation. Organizational ambidexterity involves both exploration and exploitation activities. Dynamic capabilities play a crucial role in facilitating these activities. Supermarkets operate in a dynamic and competitive environment. Dynamic capabilities help them adapt to changing market conditions. For example, if a supermarket identifies a shift in customer preferences towards organic products, dynamic capabilities can help in quickly sourcing and stocking these products, thereby improving performance.*

KEY WORDS: Dynamic Capabilities, Rganizational Ambidexterity, Firm Performance



BACKGROUND INTRODUCTION

Concept of Firm Performance

A firm's performance is an end result from management, economics, and marketing that gives the organization structural and procedural components and competitiveness, efficiency, and effectiveness (Achim, 2010). How to perform well in any situation is the most crucial aspect of organizational operations. Many researchers have argued precisely that there are different ways on how to define organizational performance (Mahfouz & Muhumed 2020). According to Abu-Jarad et al. (2010), the performance of an organization is determined by the effectiveness and efficiency of its organizational operations. Adnan et al. (2016), on the other hand, defined organizational performance as the ability of the organization to use its resources effectively and efficiently in order to achieve its goals. As stated by Shahzad *et al.*, (2013), organizational performance is the capacity of an organization to fulfill both its objectives and goals. Additionally, Mungai (2016), argues that institutional performance consists of continual activities that set institutional goals, monitor progress toward the goals, and make adjustments as necessary to attain the goals more effectively and efficiently. An awareness of the connection between economic inputs and outcomes is a measure of organizational performance, according to Al-Hakimi, M. A., Borade, D. B., & Saleh, M. H. (2022)

Over the years, several approaches have been used to interpret the company's performance. If the factors of effectiveness and efficiency are attained, the firm's performance in the 1980s and 1990s, with the more difficult market, becomes successful. However, Ali *et al.*, (2018) and Suan *et al.*, (2015) states that performance of the firm, which makes use of limitless resources, could aid the organization in achieving its goals. According to Elnaga, & Imran, (2013), firm performance refers to a company's capacity to use all of its resources effectively and efficiently to accomplish and fulfill its goals. Ling and Hong (2010) further state that a company's performance is the sum of all of its divisions' successes throughout the course of a specific period of time in connection to a goal that was either intended for a specific stage or on an overall level. Scholars disagreed not only on how to define performance but also on its philosophical justification. According to Heffernan and Flood's (2000) study, it is unclear how to conceptually represent different performance categories as a theory in contemporary management. This lack of universality in definition also pertains to performance evaluation. Researchers occasionally confuse the terms productivity and performance, despite the fact that there is a distinction between the two. According to Jarad *et al.* (2010), performance is a more general phrase that could include consistency, productivity, and quality, whereas productivity is the quantity of work finished in a given period of time.



Concept of Dynamic Capabilities

Dynamic capabilities are acknowledged as the tools for modifying resource structures, learning methodologies, cultivating a culture of trust, enhancing technical resources, and improving the flexibility of organizational structure and design (Eisenhardt and Martin, 2000). Dynamic capabilities were initially described by Teece et al., (2007) as the organization's capacity to integrate, expand, and restructure internal and external competencies to address a rapidly changing environment. As stated by Helfat et al., (2015) the definition of that dynamic capability, which is analogous to this idea, is the ability of an organization to intentionally extend, create, or reconfigure its resource base. The significance of dynamic capabilities for securing a competitive advantage, according to Eisenhardt and Martin (2000), lies not in the capabilities themselves but rather in the reconfiguration of resources through the development of new resource configurations or the enhancement of the current configurations that they permit.

Sensing, seizing, and orchestrating are the three key capabilities that make up dynamic capabilities (Day et al., 2023). Sensing is the capacity to see and shape possibilities and risks in the environment. Seizing is defined as the capacity to respond to those chances or dangers. In order to retain competitiveness, orchestrating entails strengthening, merging, and safeguarding both tangible and intangible assets as well as rearranging and recombining them.

The concept of dynamic capacities has been adopted in several situations. For instance, it has been used to construct dynamic strategic alignment in the context of IT strategic alignment as opposed to a more static understanding of alignment (Luftman et al., 2017). Dynamic capabilities were discovered to help companies explore the market to identify various product concepts (sensing), choose the best product concept (seizing), and reorganize and recombine resources to be able to produce the new product (orchestrating) (Pavlou and Sawy, 2006). It is anticipated that the new product that is created would adapt to environmental demands. The notions of firm agility (Teece et al., 2016) and customer agility have both been linked to sensing and seizing capabilities. Studies in the healthcare industry have looked at recognizing and adapting to external changes (such as changes in patient relationships or governmental healthcare legislation) (Lee, Y., & Wu, L, 2014), as well as identifying patient requirements and responding to external opportunities and problems (Singh et al., 2011). Dynamic capabilities are recognized as a process through which managers' cognitive talents impact strategy transformation at their companies at the individual managerial level (Helfat and Peteraf, 2015).

Concept of Organizational Ambidexterity

According to Birkinshaw and Raisch (2004), Organizational ambidexterity refers to an organization's capacity to manage current business needs successfully and in line with changes in the external environment. Organizational ambidexterity is a word used by researchers to characterize two exploration and exploitation methods that occur in an organizations but are inconsistent and appear to be incompatible (Brix, 2019, Papachroni, *et al.*, 2015). Exploitation relies on previously acquired knowledge, whereas exploration relies on brand-new information (Kang & Snell, 2009). A firm's short- and long-term performance has often been predicted by its concurrent use of exploitation and exploration (Fernhaber & Patel, 2012).



As a continuation of ambidexterity in strategic management research, organizational ambidexterity also demonstrates the tension or conflict of tactical efforts of businesses with limited resources, such as the ability to pursue exploitative and explorative creative strategies (He and Wong, 2004). It enables businesses to take advantage of their current capabilities while also keeping in mind the work put forth in building new capabilities (Lubatkin et al., 2006). It is intrinsically linked with the transformation and change of organizations because it is a particular kind of dynamic capacity in nature (Jansen *et al.*, 2009). He and Wong (2004) assert that exploration is associated with organic architectures, slack connections between systems, independence, chaos, and emerging markets and technology.

According to exploration, businesses can be divided into those that engage in risk-taking, innovation, experimentation, search, and discovery (Cheng and Van de Ven, 1996). According to March (1991), adaptive systems that prioritize exploration over exploitation are likely to discover that they incur costs while only reaping a small portion of the rewards. This line of argument has been presented in a wide variety of contexts, from the logic of mass customization in manufacturing to Chang (2005), through the concept of the Transnational in international business (Bartlett and Ghoshal, 2002) to the idea of the ambidextrous organization as one that overcomes revolutionary changes in its industry (Tushman, M. L., & O'Reilly, 1996). However, despite the previously mentioned and other influential research studies, there are few thorough systematic studies demonstrating the effectiveness of such ambidextrous organizations and very little detailed investigation of the systems that leaders develop in organizations to achieve ambidexterity.

The structures for exploitation and exploration are differentiated within the same organization, with each having its own processes, structure, probably, different (sub-) organizational cultures. This differentiation according to Raisch *et al.*, (2008) can benefit the organization. According to several authors, the specialization of exploitation and exploration structures leads to increased efficiency in both activities (Junni *et al.*, 2013) and safeguards the creativity of exploration from the dominant managerial cognition of mainstream activities (Jansen *et al.*, 2009). O'Reilly and Tushman (2004) claim that the structure of ambidextrous organizations allows cross-fertilization among units while preventing cross-contamination.

The several types of ambidexterity, including ambidexterity and punctuated equilibrium, truly represent the different study perspectives of the current streams (Gupta *et al.*, 2006). Punctuated equilibrium claims that by temporarily separating these activities, firms may lessen these conflicts (Victor *et al.*, 2000). Therefore, either exploitation comes after exploration or vice versa. Contrarily, the ambidexterity literature suggests that organizations may simultaneously do both of these functions (Jansen *et al.*, 2009; O'Reilly & Tushman, 2004). The term leadership ambidexterity was recently popularized by a contradictory viewpoint (Raisch & Birkinshaw, 2008). According to Smith & Lewis (2011), paradox is defined as aspects that conflict but are connected at the same time and endure across time. This method pushes managers to live with paradoxes and find a way to accept them at the same time. As a result, it has to do with the cognitive approach or mode of decision-making utilized by senior management teams.



Problem Statement

Many firms have developed effective strategies with the intention of moving their operations toward the desired future position (Mutisya, 2016). However, challenges related to execution made it challenging to achieve the proposed future position. Some of the supermarkets that have been found to embrace organizational ambidexterity have the ability to grow and expand (Wirtz, (2020). Quick Mart is one of the local supermarkets that have been found to embrace exploration and exploitation ambidexterity and have improved their performance (Kalwar et al., 2023). Existing studies suggest that the low performance of supermarkets is attributed to competition from informal retail, a lack of exploitation and exploration of resources, continuous employee training and development, and consumer preference for convenience as most informal retail spaces are more accessible. According to Zhang et al., (2013), Dynamic skills and a firm's competitive advantage are related through the mediation of organizational ambidexterity. Theoretical findings indicate that organizational ambidexterity according to Jurksiene & Pundziene (2016) also mediates the relationship between dynamic capabilities and firm performance.

Given that the intensity of competition in the supermarkets is increasing and the nature of this competition changing, it is important for all stakeholders to gain knowledge on how best to employ competitive strategies within it in a bid to improve the performance and survival of their firms (Mutinda,& Mwasiagi, 2018).

In Kenya, the battle for control of the retail market has intensified as both foreign and local megastores roll out expansion plans. The industry has encountered collapse of supermarkets like Nakumatt which has been dominant in the last few years. This continues to cause anxiety and lost confidence amongst lenders and suppliers in the industry given the loss of revenue, job opportunities and market for suppliers occasioned by the problems in Nakumatt. Several studies have been done on retail chain stores in Kenya such as Imbuga (2005) who did a survey on determinants of brand loyalty to supermarkets in Machakos; Kiilu (2008) developed a case study on corporate strategy at Nakumatt Holdings Ltd. The study looked at strategic responses to competition by the medium and family owned supermarkets and established that customer service, strategic location, staff training, increased advertising and branding affects performance. The study examined how competing strategies affected supermarkets. In order to improve performance, this study clarified how to investigate how Dynamic capability's mediating the relationship between organizational ambidexterity and firm performance



EMPIRICAL LITERATURE REVIEWS

Several researches in the manufacturing industry (He and Wong, 2004) and high-tech sectors (Cao, Gedajlovic, and Zhang 2009) have discovered beneficial relationships between organizational ambidexterity and business performance. O'Reilly and Tushman (2004) discovered that 90% or more of the ambidextrous organizations fulfilled their objectives, particularly in a study of big businesses. These findings imply that ambidextrous companies are better able to take advantage of available resources to match current operations and actively seek out new chances to quickly adjust to environmental changes. It is essential for supermarket survival and success because organizational ambidexterity enables businesses to successfully manage risks and replenish their knowledge assets (Swart and Kinnie, 2010).

According to studies, organizational ambidexterity and company success in various situations are positively correlated. Cao et al., (2009) found a correlation between the balanced and combined dimensions of organizational ambidexterity and relative firm performance in 122 Chinese SMEs engaged in the high-tech sector. A correlation between organizational ambidexterity and perceived organizational efficiency was discovered by Gibson and Birkinshaw (2004) after surveying 4,195 employees from 41 business divisions of 10 multinational corporations. He and Wong (2004) studied 206 manufacturing firms in Singapore and Malaysia and discovered data that supported the relationship between organizational ambidexterity and increasing business sales.

Organizational ambidexterity is positively correlated with subjective company success, according to Lubatkin et al.'s (2006) study of 139 North American small and medium-sized businesses (SMEs) from a variety of industries. Recent research by Patel et al., (2013) among 215 US SMEs in the high-tech industry found a significant correlation between organizational ambidexterity and firm revenue growth. These findings show that ambidextrous companies are better equipped to match resources to current operations and explore new opportunities to quickly respond to environmental changes. In order to be flexible in a changing environment, businesses like law firms frequently mix exploration (searching for new prospects) and exploitation (rearranging their current resources) (Swart and Kinnie, 2010). Organizational ambidexterity helps accounting firms acquire a competitive edge by utilizing existing expertise (in auditing activities) and offering clients creative solutions (in consulting services) (Gardner et al., 2012). According to Kang and Snell (2009) and Lavie et al.,(2010), organizational ambidexterity enables the business to build a variety of learning skills that can provide strategic value.

Andriopoulos and Lewis (2009) contend that March (2003) reflects the right balance between exploration and exploitation in terms of an inter-relation among complementing deficiencies rather than competition and trade-off. It is known as combined ambidexterity when two viewpoints with different orientations engage in competition but also show mutual support for one another by leveraging the utilization of resources (Peng and Lin 2019, He and Wang 2004, Cao et al., 2009). When it comes to the effects of exploration and exploitation, managers are better able to find relevant information and resources within organizations and fully understand them through frequent use. This leads to a reconfiguration of existing resources and knowledge



while promoting the ability to explore new products and markets. Burgelman (1994) provides an example of how Intel is managers may recognize and sense durable competitive advantages in the microprocessor business thanks to their awareness of the market trends, existing memory chip capabilities, and engineering considerations.

In other words, greater exploitation can increase the effectiveness of businesses in their pursuit of novel information and sources for novel goods and markets (Cao et al., 2009). The capacity of businesses for exploitation, however, can be improved by mastering an exploratory method. Businesses internalize external knowledge and resources through research in order to increase their own competency and make use of efficient routines and processes at a wider scale. We emphasize that ambidexterity can take advantage of the interaction between fresh opportunities and the constraints imposed by customs and knowledge already in place. According to Miner et al., (2001), it is a type of improvisation that reorganizes existing components in novel ways to help connect the right idea with the proper demand at the appropriate moment.

RESEARCH METHODOLOGY

Research Design- A research design is the procedures for collecting, analyzing, interpreting, and reporting data in research studies (Creswell & Plano 2007). It is the comprehensive strategy for linking conceptual research issues with relevant research. In other words, the study design establishes the process for gathering the necessary data, the techniques to be used to collect and evaluate this data, and the manner in which all of this will address the subject of the study. As explained by Robson (2002), Exploratory, descriptive, and explanatory research designs are the three categories of research design that may be employed. Exploratory research design was utilized in this study. For causes and reasons and provides evidence to support or refute the prediction Sainani (2014). It conducts explanatory research looks to discover and report some relationships among different aspects of the phenomenon being researched. The goal of the design is to establish how the variables relate to one another, is concerned with determining how one variable affects the other, seeks to explain the cause and circumstances by experiment, and, in the end, establishes a link between elements.

Data Type and Sources- Primary data were used in the investigation, which are facts that a researcher deliberately gathered for a study project (Kumar 2011). The term primary data refers to information that you have independently gathered, was obtained directly from the source, or was first gathered by individuals, focus groups, or a panel of respondents that the researcher had explicitly assembled and whose opinions were occasionally solicited on particular topics (Ohgaki, & Kleihues, 2013). The researcher generally took the time and allocated the resources required to gather primary data only when a question, issue or problem presents itself that is sufficiently important or unique that it warrants the expenditure necessary to gather the primary data. Primary data are original and directly related to the issue or problem and current data.

Method and Tools for Data Collection- The term data Collection Instruments describes the tool used to gather data, such as a paper questionnaire or a computer-assisted interviewing system (Leeuw, 2012). To gather the data, a structured questionnaire was used. The study sample's



respondents were asked to respond by filling out a self-administered questionnaire. According to Hair *et al.*, (2013), a self-administered questionnaire is a method of gathering data in which participants get written questions and must provide written responses. The researcher physically delivered the questionnaires to the respondents. Responses to the assertions stated in the closed-ended questions were constructed using a five-point Likert scale in accordance with Hutchinson's findings (2021). This gave the researcher the opportunity to gauge how strongly each responder agreed or disagreed with the numerous conceptions and variables in the study question. The following ratings were given to the scale's five possible responses: 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly agree. The use of a questionnaire as a tool for data collecting is justified by a variety of considerations, including the fact that they are easy and inexpensive to administer. Additionally, the impartiality of the data acquired is preserved above the influence and variability of the researcher. Thirdly, it is very practical for the respondents since they may fill them out when they have free time, and it is practical for evaluating perceptual investigations, (Yang & Chang 2007; Hair *et al.*, 2013).

Model and Conceptual Framework- This primary goal is to explain how as an independent variable, organizational ambidexterity, and as a dependent variable, firm performance is mediated by dynamic capability. Mediation, according to Wang, L., & Preacher, K. J. (2015) and Hayes (2012) is stated to occur when a mediator (Dynamic capacity) transmits an independent variable's causal impact (Organizational Ambidexterity) on a dependent variable (firm performance). According to Preacher and Hayes (2008), mediation describes how or how a dependent variable (firm performance) is impacted by an independent variable (organizational ambidexterity) through a possible intervening variable. Conducting such indirect tests generally has the benefit of enhancing and deepening our understanding on the relationship among the independent and dependent variables. For examining the mediating role of dynamic capability on organizational ambidexterity and firm production, Hayes (2012) used the approach developed by Baron and Kenny (1986).

The analysis involved using the following regression models; (1) Model I; the predictor variable (Organizational Ambidexterity) must significantly predict the outcome variable (firm performance). (2) Model II; the predictor variable must significantly predict the mediator, that is, Organizational Ambidexterity must predict. Dynamic capability (3) Model III; The mediator variable (dynamic capability) must considerably predict the firm's performance in relation to organizational ambidexterity, in order for a mediator to significantly predict the outcome variable. Additionally, In comparison to Model I, The independent variable must less strongly predict the dependent variable in Model III for the decision-making criterion (often referred to as Model IV), which is intended to demonstrate the mediation effect, to hold accurate. Researchers typically draw the conclusion that mediation is not likely or conceivable if any of these associations, models I through III do not have any significance. Although this is not always the case, (MacKinnon, *et al.*, 2012)

Baron and Kenny (1986) claim that when the mediator (dynamic capability) is included in model III, the relationship between the independent variable (organizational ambidexterity) and the dependent variable (firm performance) is stated to be fully mediated. That is the value of 'C₁', in model III becomes Zero. However, under the scenario of a partial mediation, the value of " C₁"



in model III merely decreases but retains significance and does not reach zero. In this scenario, it would imply that there is some sort of the direct relationship between the independent and the dependent variables in addition to a significant association between the mediator (dynamic capability) and the dependent variable (firm performance).

Taking into consideration the above, a command PROCESS macro was simplified (Hayes 2012) and ran to provide an output in this respect for interpretation of the ensuing nature of mediation. Then finally, a Sobel's test was used to ascertain the significance of the mediating effect, if any. Additionally, bootstrapping was carried out using process macro (Preacher & Hayes 2004) to support the Sobel test results. Bootstrapping involves frequently and randomly selecting observations from the data set, replacing them, and computing the each resamples intended statistic. By using confidence intervals and estimations, bootstrapping enables researchers to assess the potential importance of a mediation effect. If zero does not lie inside the bootstrapping method's resultant confidence intervals, then the researcher will claim that there is a strong mediation effect of perceived fairness. Point estimates display the average across all bootstrapped samples. The model equations linked to the above-described mediation test are as follows;

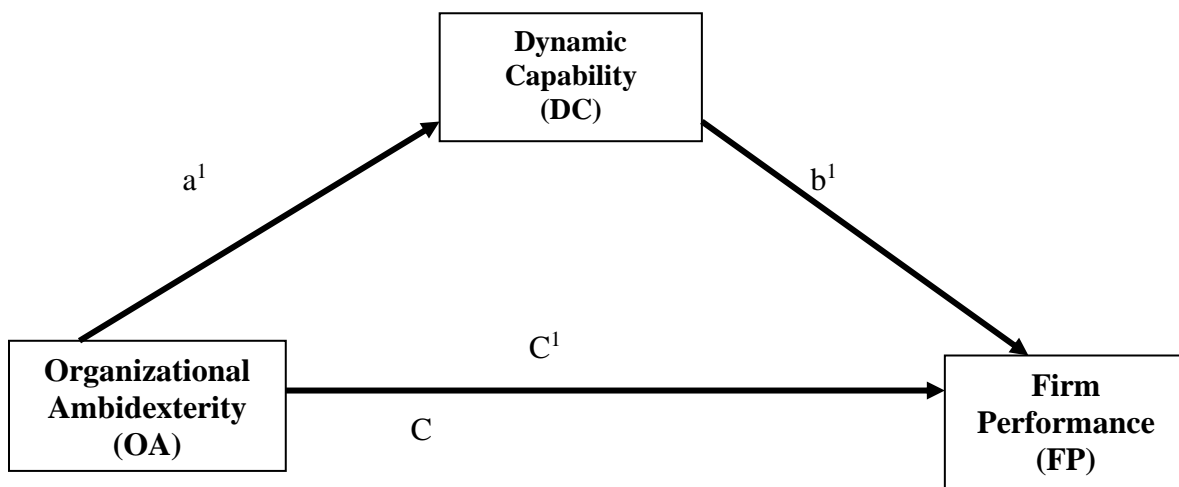
'OA' must have a sign effect 'DC' $DC = a_1OA + \varepsilon$

i) 'DC' must have a sign effect 'FP' $FP = b_1DC + \varepsilon$

ii) $FP = b_1DC + C^0OA + \varepsilon = \text{Partial Mediation}$

iii) $\text{Mediation} = a_1 OA b_1 \text{ or } C \text{ (Total effect)} - C^0 \text{ (Direct effect)}$

Figure 1: For testing mediation Hypothesis





RESULTS AND DISCUSSION

The study examined the mediation of the dynamic capabilities of supermarkets in Nairobi County using the Hayes model 4 in Process-Macro. It was proposed that dynamic capability does not account for the causal effect of organizational ambidexterity on performance. In the research, the data was analyzed and the findings are shown in Table 1. According to Barron and Kenny (2012), in mediation analysis, how the dependent variable (FP) is affected by the independent variable (OA) is referred to as total effect, which is then partitioned into a combination of a direct independent variable's direct impact on the dependent variable and the independent variable's indirect influence on the dependent variable via the mediating variable (DC).

Table 1: Mediation Analysis of Dynamic Capability

Variables	Dynamic Capability Coef. (SE)	Firm Performance Coef. (SE)	
Constant	.000(.0351)	.000(.0392)	
Organizational ambidexterity (X)	.8517*** (.0352)	.6455***(.0750)	
Dynamic Capability	-	.1880***(.0129)	
	$R^2 = .7254$	$R^2 = .6588$	
	F=586.5628 P= .000	F=213.3705 P= .000	
	Index	SE (Boot)	Boot 95% CI
Index of mediation	.1601	.0740	.0247 .3156

Source: Survey Data, 2022

Note: Coef. = coefficient, SE = standard error, CI = confidence interval. 95% confidence interval for conditional direct and indirect effect using bootstrap.

*p <0.05; **p <0.01; ***p <0.001.

Table 1 displays the relationship between organizational ambidexterity and dynamic capability (DC) is significant ($=.8517$, $p = .000$). The coefficient for determination (R-square) was high at 72.54 percent. This relationship is referred to as path a. Organizational ambidexterity (OA) and performance (FP) have a positive and significant relationship ($=.6455$, $p < .05$) and are referred to as path 'c' in Zhao *et al.*'s (2010) mediation analysis. Barron and Kenney (2012) and Zhao *et al.*, (2010) both state that, the significance of path 'a*b' suggests a mediation effect, and the effect of DC on FP was positive and significant ($=.188$, $p < .05$) on path 'b'. In this study, the coefficient of .1601 was significant because the bootstrap confidence interval (which does not include 0, that is the lower limit confidence interval for bootstrapping,) was positive (.0247) and also the



bootstrap confidence interval upper limit was positive (.3156). This kind of mediation is referred to as partial mediation.

Since the bootstrap standard error was .0740 and the coefficient was .1601, the t-statistic can be calculated by dividing the coefficient by the standard error: $.1601/.0740 = 2.164 > 1.96$. The study concludes that DC mediates the link between OA and FP. The bootstrap method is a resampling technique for estimating population statistics by sampling a dataset with replacement. Calculations of summary statistics like the mean and standard deviation can be made using it (Hesterberg, 2011). Bootstrap methods can be far more accurate than traditional inference methods based on the Normal or t distributions (Hayes, 2012; Zhao *et al.*, 2010).

Although it is frequently used, mediation analysis has come under fire for how it affects causal mediation. Mediation becomes a complete method because it is frequently possible to randomize just one of the three variables in the mediation hypothesis. The independent variable's randomization undermines the causal relationship between the independent and dependent variables. These constraints were overcome by MacKinnon and Pirlott (2015) using current statistical advancements in causal mediation research. A participant in a within-subjects design may take part in both the experimental and control conditions. Dynamic capabilities are a firm's ability to adapt and respond to changing environments effectively. They involve processes, routines, and skills that enable an organization to identify, assess, and seize opportunities or respond to threats. Examples of dynamic capabilities in the supermarket industry might include the ability to quickly adjust product offerings in response to changing customer preferences or rapidly reconfigure supply chain operations in response to disruptions.

Dynamic capabilities can mediate the relationship between organizational ambidexterity and supermarket performance by enhancing exploration and exploitation. Organizational ambidexterity involves both exploration and exploitation activities. Dynamic capabilities play a crucial role in facilitating these activities. Supermarkets operate in a dynamic and competitive environment. Dynamic capabilities help them adapt to changing market conditions. For example, if a supermarket identifies a shift in customer preferences towards organic products, dynamic capabilities can help in quickly sourcing and stocking these products, thereby improving performance. Dynamic capabilities help supermarkets respond quickly to changes in customer preferences or competitive moves, enhancing customer satisfaction and market share. In summary, dynamic capabilities mediate the relationship between organizational ambidexterity and supermarket performance by facilitating effective exploration and exploitation, enabling adaptation to changing market conditions, and guiding resource allocation. By effectively leveraging dynamic capabilities, supermarkets can better balance their ambidextrous activities and improve overall performance in a dynamic and competitive industry.



RECOMMENDATIONS

Supermarkets need to enhance their strategic performance through dynamic capabilities by fostering adaptability, agility, and continuous improvement.

- i. This can be achieved by considering and structuring separate units or teams within the supermarket to focus on exploration and exploitation. This allows each unit to concentrate on its specific objectives without compromising the other's effectiveness.
- ii. They also need to identify and develop dynamic capabilities that align with the supermarket's strategic priorities. These capabilities should be integrated into the organization's core processes and activities to support strategic objectives effectively.
- iii. They need to form strategic partnerships with external entities, such as suppliers, technology providers, or research institutions. These partnerships can provide access to new knowledge, resources, and expertise, enhancing the supermarket's dynamic capabilities

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