

The Effect of Strategic Vigilance on Organizational Ambidexterity in Jordanian Commercial Banks

Sawsan A. Alshaer¹

¹Department of Management. The World Islamic Science & Education University, Jordan

Correspondence: Sawsan A. Alshaer, Department of Management. The World Islamic Science & Education University, Jordan.

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Abstract

The study aimed to highlight the effect of strategic vigilance on organizational ambidexterity in Jordanian Commercial Banks. A simple random sample with a size of (217) managers was adopted. The questionnaire was distributed to the sample and (171) questionnaire was retrieved. The study found a positive effect of strategic vigilance on organizational ambidexterity. The study recommends the organizations to employ committees and teams that specialize in strategic vigilance and provide them with all necessary resources to achieve organizational goals.

Keywords: strategic vigilance, organizational ambidexterity, Jordanian commercial banks

1. Study Background

1.1 Introduction

Strategic vigilance and organizational ambidexterity considered an important issue for all organizations that seek to keep up with the dynamic developments in their sector. Where strategic vigilance helps organizations to have adaptation mechanisms in order to get away from the risks that threaten them and put them at the earliest opportunity they can get, it can be described as an ongoing process that leads to the frequent and specialized collection of data and information and their processing according to one or more user purposes using relevant experience (Ibrahim, 2017). On the other hand, strategic ambidexterity points out to the simultaneous exploration and follows up of new market opportunities and effective exploitation of the current market (Snehvrat et al., 2018). Further, strategic vigilance authorizes organizations to sense and seize current and new opportunities by assign organizational assets, capabilities and resources. Vigilance organizations are fit to put in innovative products without break down current ones (Omran & Abuongem, 2019).

Exploitative and exploratory strategies led organizations to raise their sales performance in both current and new markets (Ramirez et al., 2018). Moreover, organizations that applied exploratory strategies improve new products and seek new markets (Park & Kim, 2015). Besides, by applying exploitative strategies, ambidextrous organizations are fit to understand their current customers' needs and reply to them appropriately (Popadic & Cerne, 2016). The banking environment is exposed to violent competition and to overcoming and controlling markets, so banks must be springy to their banking environment. In order to win the customer, it was sustainable to pay attention to strategic vigilance because it has an effective role in maintaining the banks' survival in the banking market (cost, time, flexibility and quality of services) for banks (Musigire et al., 2017). Therefore, this study aimed to highlight the effect of strategic vigilance on organizational ambidexterity in Jordanian Commercial Banks.

1.2 Study Problem

With the openness of domestic markets to global competition and quick technological development and the transformation of the world into a small village, the Jordanian organizations deal with a high level of environmental uncertainty. Information about the organization's internal and external environment has become very various, complex and renewable very fast with rapid developments in dissimilar areas (Zraquat, 2019). Thus, strategic vigilance brings the organization nearer to its surroundings. In this regard, strategic vigilance plays an effective role in providing the necessary information in many aspects of the organization, which strengthens its role as the actual strength of the organization. This is through the ability of the strategic vigilance to

distinguish itself to anticipate the future conditions that surround the organization, as it helps not only to exploit opportunities and avoid threats but also to create innovative solutions for the growth of the organization's economic activities and help it achieve its goals. On the other hand, the administrative literature indicated that successful organizations tend to meet the current requirements of working with their alignment to adapt to future changes. In addition, the researcher believes that it is necessary to clarify the mechanism to achieve the optimal mix of exploration and exploitation to reach organizational ambidexterity (Bravo, et al., 2018; Broekhuizen et al., 2017). For this reason, the problem of the study can be explored through the following question:

- What is the effect of strategic vigilance on organizational ambidexterity Jordanian Commercial Banks?

1.3 Study Objectives

The main objective of this study is to Identify the effect of strategic vigilance on organizational ambidexterity in Jordanian Commercial banks. Also, this study aims identify to the following:

- The effect of strategic vigilance on exploratory in Jordanian Commercial Banks.
- The effect of strategic vigilance on exploratory and exploitative in Jordanian Commercial Banks.

1.4 Study Hypotheses

H₀₁: There's no significant effect at the level of significance ($\alpha \leq 0.05$) of strategic vigilance on organizational ambidexterity in Jordanian Commercial banks.

H₀₂₋₁: There's is no significant effect at the level of significance ($\alpha \leq 0.05$) of strategic vigilance on exploratory in Jordanian Commercial Banks.

H₀₁₋₂: There's is no significant effect at the level of significance ($\alpha \leq 0.05$) of strategic vigilance on exploitative in Jordanian Commercial Banks.

1.5 Conceptual Model

Based on the study hypotheses, a conceptual model (Figure -1-) was designed.

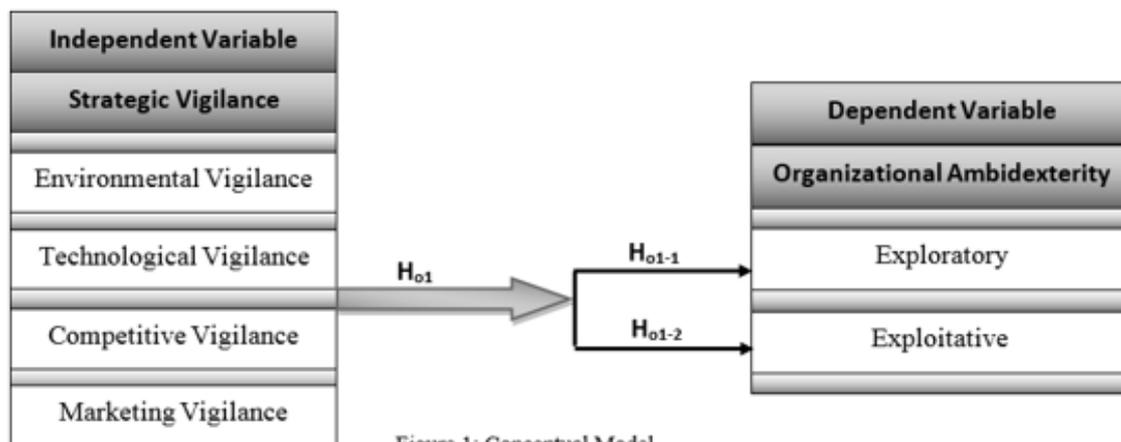


Figure 1: Conceptual Model

2. Theoretical Background

2.1 Strategic Vigilance

Strategic vigilance indicates attention and awareness of current events, internal and external experiences, continuous scrutiny of expectations and a desire to innovate (weick & sutcliffe, 2006). It can be defined as the information race which the organizations can voluntarily through listen to the external environment in order to find opportunities to exploit it in the proper time, also to avoid or minimize threats effects after identifying it (Dawood & Abbas, 2018). Allawi (2016) define it as a smart monitoring and follow-up of the organization's surroundings by searching for current and future information. It like the organization's radar by sensing the various developments surrounding the organization to seize new opportunities and reduce risks associated with the uncertainty (Issa & Obakhti, 2019). As the search for information is the first step for strategic vigilance by defining the field of vigilance and determining what to monitor and where the information is located then obtaining it and setting an action plan then the information is analyzed and processed and a knowledge balance is created to be used in a timely manner to make a decision (Gonyea & Kuh,2009). Accordingly, the researcher

defines strategic vigilance as an ongoing process in which the environment is monitored and analyzed, information is constantly collected and opportunities identified to seize it and threats to avoid it and reduce its effects.

2.1.1 Strategic Vigilance Dimensions

1- Environmental Vigilance

It's also called "ocean vigilance", it can be defined as comprehensive vigilance to monitor all developments (demographic, economic, social, cultural and legal) which affect the organization's activities, also to follow up all relevant environmental events and changes (Dawood & Abbas, 2018).

2- Technological Vigilance

It indicates the organization's ability to follow technological developments such as information systems, the Internet and software, which are considered to be one of the components of its external environment, in order to enhance its competitive capabilities (Omran & Abuongem, 2019). It is the vigilance that the organization devotes to developing technology (Allawi, 2016).

3- Competitive Vigilance

the process in which the organization determines its potential & current competitors, by collecting, analyzing information to qualitative & quantitative to recognize competitors' strategies, abilities, goals, and performance. Further, to determine R& D efforts and all relations with products, markets, suppliers and new technology (Dawood & Abbas, 2018). Also, it called competitive inquiry, through which strengths and weaknesses are identified (Allawi, 2016). It should be noted that competitive vigilance focuses on current competitors as well as on new entrants (Hammoudi et al., 2019).

4- Marketing Vigilance

This type of vigilance relates to customers, and it relates to defining their needs and responding to them. On the other hand, it focuses on suppliers and building long-term relationships with them (Omran & Abuongem, 2019). It focuses on suppliers and customers to develop goods and services where market vigilance information intersects with competitive vigilance information (Allawi, 2016).

2.2 Organizational Ambidexterity

The thinking of organizations is often far from only satisfying existing customers, by focusing on identifying and anticipating potential changes in the desires of these clients (Caniëls et al., 2017), which requires striking a balance between exploiting what is happening well and exploring new fields that generate profitability in the future. Carrying out both these activities is referred to as the Ambidexterity, which consists of pursuing exploratory activities, in addition to exploitative activities (Bravo, et al., 2018) Organizational ambidexterity refers to the ability of an innovative organization to meet simultaneous and conflicting demands, depending on the level of management capabilities (Severgnini et al., 2018), although this conflict sometimes leads to tension within the organization (Raguseo et al., 2015). Organizational ambidexterity is defined as the ability to implement both types of exploitative and exploratory strategies, although exploration and exploitation are often considered contradictory activities, because achieving ambidexterity needs to strike a balance between these two activities, where the organization is able to exploit its competencies as well as exploring new opportunities in a balanced manner (Gschwantner & Hiebl, 2016).

2.2.1 Organizational Ambidexterity Dimensions

1. Exploratory

Exploratory is closely related to research, diversity, risk-taking, experimentation and discovery and is used when organizations seek to add new value different from what was present, to achieve more diversified returns in the long run (Park & Kim, 2015). Therefore, Exploratory is seen as a risky effort, which requires more resources and efforts deeper than those related to the exploitation of opportunities, and it may be necessary to search for new resources and cooperation that exceeds organizational limits in the pursuit of exploration, and it must be noted that the new knowledge acquired by the organization is the key to introducing Exploratory (Zang, 2018). As the organization aims to use this type of strategy to improve competitiveness in the long run, and to improve future income (Li et al., 2010), by searching for multiple interpretations of available information and diversifying research to find new solutions to problems (Park & Kim, 2015), which gives the organization the ability to deal with changing environments, and opens up new business opportunities for them, and thus enables them to offer new products that are very different from existing products that improves their overall long-term performance (Popadic et al., 2016).

2. Exploitative

Exploitative is related to deepening the organization's experience, through improving quality and operations, cost and time savings, and current knowledge, as well as through improving & developing existing goods and services with a view to maintaining the current market share in the market, by optimizing the use of available resources to optimize exploitation, as the cost of exploitation is often Less than the cost of exploration (Popadic & Cerne, 2016). As organizations seek to extend the life cycle of their products as long as possible, this is an indication of the brand's performance that represents the company's ongoing investments to differentiate, and also reduces the risks of product imitation by competitors, and the acquisition of the organization's market share (Broekhuizen et al., 2017).

When using the exploitation strategy, the organization aims to meet the needs of existing customers or existing markets by exploiting existing opportunities such as existing technologies and skills to achieve a gradual improvement in existing products and services (Hong et al., 2018), as well as increasing efficiency in the short term, improving The organization's current income (Li et al., 2010).

3. Method

3.1 Research Methodology

This study is designed to determine the effect of strategic vigilance on organizational ambidexterity in Jordanian Commercial banks. The study follows sequential procedures as a strategy for the mixed methods that have been applied. The researcher collects qualitative data that are quantitatively analyzed. The study is exploratory in trying to reveal the possible effect of strategic vigilance on organizational ambidexterity, but analytical in drawing the conclusion. The results of the hypotheses test are analyzed, and the implication of hypotheses is determined to reach recommendations and conclusions. The researcher reviews the theoretical studies and researches to crystallize the foundations on which the theoretical framework is based. A questionnaire is used to achieve the purpose of the study.

3.2 Sources of Data

Qualitative data has been collected and then quantitatively analyzed. Qualitative data is suitable for the study because it is based on the views and trends of Jordanian bank managers as the study tries to determine the possible effect of strategic vigilance on organizational ambidexterity. A questionnaire has been distributed, then the resulted data has been expressed in statistical figures as well as applying statistical tools needed to test the hypotheses. The sources of data for the study are classified into primary and secondary data. The primary data are the results of the questionnaire. The secondary data include books, previous studies, academic journals, etc., to formulate hypotheses and determine the theoretical framework of the study.

3.3 Sample

The Jordan Commercial Banks as a part of the Jordanian banking sector was chosen, which are (13) banks. The study population consisted of all managers in these banks, which are approximately (411) managers. A simple random sample with a size of (217) managers was adopted. The questionnaire was distributed to the sample with (78.8 %) retrieve percentage so, the final sample size is (171) managers.

3.4 Study Tool

The researcher used the questionnaire as a tool to collect primary data. It was designed as follows:

The first part: includes the personal and functional characteristics of the sample members, and it includes: gender, age, educational qualification, job title, years of experience.

Part two: The questions that measured the independent variable (strategic vigilance) after reviewing a group of previous studies, among of them: (Allawi, 2016; Bravo, et al., 2018; Dawood & Abbas, 2018)

Part 3: The questions that measured the dependent variable (organizational ambidexterity) after reviewing a set of previous studies, among of them: (Caniëls et al., 2017; Gschwantner & Hiebl, 2016; Severgnini et. Al, 2018)

Each of the study variables was measured using a five-degree Likert scale.

4. Results & Discussion

Table 1 shows the items of the dimensions of each variable, where all values of the reliability coefficient are greater than the acceptable percentage (0.70). The highest mean value is (3.909) for exploitative) and the lowest mean value is (3.506) for Exploratory. Also, the table shows that the highest correlation between the dimensions of the variables is (.0810), while the correlation values between the other dimensions are less than that value, so this indicates that there is no linear correlation problem.

Table 1. Reliability, Mean, Std. and Correlation

<i>Variables</i>	<i>Item</i>	<i>Alpha</i>	<i>Mean</i>	<i>Std.</i>	<i>Envi.</i>	<i>Tech.</i>	<i>Comp.</i>	<i>Mark.</i>
	<i>s</i>				<i>Vigilance</i>	<i>Vigilance</i>	<i>Vigilance</i>	<i>Vigilance</i>
Environmental Vigilance	7	0.886	3.829	0.679				
Technological Vigilance	6	0.857	3.669	0.688	.0810**			
Competitive Vigilance	5	0.792	3.737	0.617	.0694**	.0733**		
Marketing Vigilance	5	0.878	3.829	0.652	.0700**	.0722**	0.722**	
Exploratory	6	0.870	3.506	0.675				
Exploitative	6	0.903	3.909	0.588				

H₀₁: There's no significant effect at the level of significance ($\alpha \leq 0.05$) of strategic vigilance on organizational ambidexterity in Jordanian Commercial Banks.

Table 2. Effect of Strategic Vigilance Dimensions on Organizational Ambidexterity

<i>Model</i>	<i>Strategic</i>	<i>B</i>	<i>T</i>	<i>Sig.</i>	<i>R²</i>	<i>F</i>	<i>Sig.</i>
	<i>Vigilance</i>						
first	Environmental Vigilance	0.804	17.017	0.000	0.653	289.572	0.000
second	Environmental Vigilance	0.516	8.973	0.000	0.740	217.493	0.000
	Technological Vigilance	0.385	7.151	0.000			
third	Environmental Vigilance	0.405	6.541	0.000	0.764	163.606	0.000
	Technological Vigilance	0.302	5.418	0.000			
	Competitive Vigilance	0.254	3.907	0.000			

Table 2 presents the results of stepwise regression analysis of strategic vigilance dimensions on organizational ambidexterity, as it was found that environmental vigilance was the most influential dimension on organizational ambidexterity, as it was found that it explained (65.3%) of the variance in organizational ambidexterity, and after adding technological vigilance in the second model, the percentage of explanation rose to (74%), in addition to that competitive vigilance has raised the interpretation rate to (76.4%), but regarding Marketing Vigilance had no significant effect.

Accordingly, there's a significant effect of strategic vigilance on organizational ambidexterity in Jordanian Commercial Banks.

H₀₁₋₁: There's is no significant effect at the level of significance ($\alpha \leq 0.05$) of strategic vigilance on exploratory in Jordanian Commercial Banks.

Table 3 refers to the results of the simple regression analysis of strategic vigilance on exploratory; it was found that there is a significant effect between the two variables where the value of Sig. is (0.00). Accordingly, there's a significant effect of strategic vigilance on exploratory in Jordanian Commercial Banks.

Table 3. Effect of Strategic Vigilance on Exploratory

Dependent variable	Model		ANOVA			Coefficient		
	R	R ²	Sig.	DF	F	independent variable	B	Sig.
strategic vigilance	.835	.698	.000	1	355.718	exploratory	0.951	.000

H₀₁₋₂: There's is no significant effect at the level of significance ($\alpha \leq 0.05$) of strategic vigilance on exploitative in Jordanian Commercial Banks.

Table 4 refers to the results of the simple regression analysis of strategic vigilance on exploitative; it was found that there is a significant effect between the two variables where the value of Sig. is (0.000). Accordingly, there's a significant effect of strategic vigilance on exploitative in Jordanian Commercial Banks.

Table 4. Effect of Strategic Vigilance on Exploitative.

Dependent variable	Model		ANOVA			Coefficient		
	R	R ²	Sig.	DF	F	independent variable	B	Sig.
strategic vigilance	.805	.648	.000	1	282.977	exploitative	.957	.000

5. Conclusions and Recommendations

The results of the analysis of the study data indicated that there is a positive effect of strategic vigilance on organizational ambidexterity in Jordanian Commercial Banks where the levels of strategic vigilance & organizational ambidexterity were high. This indicates the importance of strategic vigilance represented by attention and awareness of current events, internal and external experiences and finding and exploiting opportunities and avoiding the effects of threats in achieving organizational prowess in Jordanian commercial banks. Which allows Jordanian commercial banks to enhance exploitation and exploration strategies by making the best use of all ideas and skills provided by employees as well as customers, this can be achieved by activating mechanisms that encourage brainstorming, workshops and discussion sessions, as well as by providing physical and moral rewards for individuals who come up with new creative ideas.

The results of the analysis of the study data indicated that there is a significant impact of the strategic vigilance on the exploitative in the Jordanian commercial banks. In addition to the significant impact of the strategic vigilance on exploratory in Jordanian commercial banks. This indicates the great role of the strategic veto in the Jordanian commercial banks' research and development operations that add value in the long run, by enhancing competitiveness, as well as the role of the strategic veto in deepening the banks' experience, through improving quality and operations, and providing cost and time, And improving and developing existing banking services in order to maintain the current market share through improving the use of available resources to improve exploitation.

Based on the above results, it can be concluded that the Jordanian commercial banks can enhance exploitation and exploration strategies by making the best use of all ideas and skills provided by employees as well as customers, this can be achieved by activating mechanisms that encourage brainstorming, workshops and discussion sessions, as well as by providing physical and moral rewards for individuals who come up with new creative ideas. It can also develop strategies & plans which deal professionally with strategic vigilance by using information systems in order to support strategic decisions.

Based on the results reached, the study recommends that banks should pay clear attention to the marketing and technological vigilance through which the organization has a real opportunity to learn about market conditions and what customer's ideas about the nature of products. Where a strong focus on technological vigilance helps

provide complete and correct information on technological development, which helps organizations implement them at the right time. Jordanian commercial banks should also focus on competitive vigilance helps organizations make the necessary adjustments to the organization's strategies to monitor the nature of methods used by competitors and market excellence. The study also recommends that the organizations should employ committees and teams that specialize in strategic vigilance and provide them with all the resources necessary for work to achieve organizational goals.

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