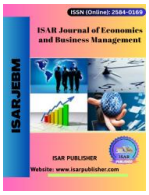
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Strategic Ambidexterity and Sustainable Competitive Advantage in Family-Owned Firms: The Moderating Role of Transformational Leadership

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Abstract: This study examined the relationship between strategic ambidexterity and sustainable competitive advantage among firms in Rivers State, Nigeria. Specifically, the study assessed how strategic exploration, strategic exploitation and strategic alignment contribute to firms' capacity to achieve and sustain competitive advantage. The study was anchored on the Dynamic Capabilities Theory and Resource-Based View Theory, while a cross-sectional survey design was adopted. Data obtained from 294 usable responses were analyzed using descriptive statistics and regression analysis. The findings revealed that strategic exploration has a positive and significant relationship with sustainable competitive advantage, while strategic exploitation also has a positive and significant relationship and constitutes the strongest individual contributor among the dimensions examined. However, strategic alignment did not demonstrate a significant independent relationship with sustainable competitive advantage. Furthermore, the combined measure of strategic ambidexterity showed a positive and significant relationship with sustainable competitive advantage, indicating that firms benefit from simultaneously pursuing new opportunities and efficiently utilizing existing capabilities. The study concludes that strategic ambidexterity provides an important strategic pathway through which firms can strengthen their competitive position in dynamic business environments. It recommends that managers develop organizational systems that encourage continuous exploration and innovation while simultaneously improving the efficiency and utilization of existing resources and capabilities.

Keywords: Strategic Ambidexterity; Strategic Exploration; Strategic Exploitation; Strategic Alignment; Sustainable Competitive Advantage.

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1.1. Backgrounds to the Study

Strategic ambidexterity has increasingly attracted scholarly attention as organisations seek to remain competitive by simultaneously pursuing present efficiency and future-oriented adaptation. The concept is rooted in March's (1991) distinction between exploration, which involves search, experimentation, variation and the development of new possibilities, and exploitation, which involves refinement, selection, implementation and the efficient use of existing knowledge. March (1991) argues that excessive emphasis on exploitation may generate short-term efficiency while undermining long-term adaptability, thereby making the simultaneous management of exploration and exploitation essential for organisational survival.

Strategic ambidexterity may therefore be understood as an organisation's strategic capability to pursue exploratory and exploitative activities concurrently while maintaining sufficient coherence among its strategic priorities. O'Reilly and Tushman (2013) describe organisational ambidexterity as the ability to explore and exploit simultaneously, thereby enabling firms to compete in established markets through efficiency and incremental improvement while also responding to emerging markets and technologies through experimentation and flexibility. Similarly, Cao, Gedajlovic, and Zhang (2009) conceptualise ambidexterity through the balance between exploration and exploitation and their combined magnitude, arguing that the simultaneous pursuit of both activities can generate synergistic benefits beyond their individual effects. Thus, strategic ambidexterity is not simply a choice between innovation and efficiency, but rather the organisational capacity to coordinate competing strategic demands in ways that support sustained effectiveness.

Within this perspective, strategic exploration represents the organisation's deliberate search for new opportunities, markets, technologies, products, knowledge and business approaches, whereas strategic exploitation concerns the refinement and utilisation of existing competencies, resources, processes and market opportunities. The two dimensions are interdependent because exploration provides new knowledge and opportunities that can become future sources of value, while exploitation enables organisations to convert existing knowledge and capabilities into current performance. March (1991) consequently observes that an organisation that concentrates excessively on exploitation may become efficient but increasingly vulnerable to environmental changes, while excessive exploration may consume resources without generating immediate returns. Recent research similarly treats exploration and exploitation as complementary but potentially conflicting strategic activities whose appropriate balance is important for organisational performance and survival.

Strategic alignment provides an important connecting mechanism between exploration and exploitation because it concerns the extent to which organisational strategic priorities, resources, activities and decisions are mutually consistent and responsive to environmental demands. Walter et al. (2013), for instance, regard strategic alignment as the extent to which strategic priorities fit the demands of the organisation's external environment, while research on strategic priorities suggests that alignment enables functional activities to support broader business-level strategies. In the context of strategic ambidexterity, alignment is particularly important because exploration and exploitation compete for organisational attention, resources and managerial commitment. Indeed, Lin (2017) demonstrates the importance of aligning knowledge assets in supporting firms' simultaneous pursuit of explorative and exploitative innovation strategies. Strategic alignment can therefore help an organisation determine how much attention and resources should be devoted to developing new opportunities while ensuring that existing capabilities continue to support current strategic objectives.

The interrelationship among strategic exploration, strategic exploitation and strategic alignment suggests that strategic ambidexterity is best understood as an integrated strategic capability rather than as three isolated activities. Exploration expands the organisation's strategic possibilities, exploitation converts existing capabilities into current value, and alignment ensures that these potentially competing activities remain coordinated with organisational objectives and environmental requirements. This relationship is consistent with Cao et al. (2009), who found that the combination and balance of exploration and exploitation can produce synergistic benefits, while more recent evidence suggests that the effectiveness of ambidexterity may depend on how appropriately firms dynamically balance these competing strategic orientations in changing environments. Carter (2012) further conceptualises strategic ambidexterity as a higher-order capability through which firms blend exploratory and exploitative strategic orientations in order to improve alignment among strategy process, content and context.

Despite the substantial development of ambidexterity literature, an important gap remains. Much of the foundational literature has concentrated on the exploration–exploitation tension, balance and combined effects, while comparatively less attention has been given to strategic alignment as an explicit dimension through which these strategic activities are integrated. This is particularly relevant because strategic ambidexterity can generate contradictory demands that require organisations to coordinate innovation, efficiency, resource allocation and environmental responsiveness rather than simply pursue exploration and exploitation independently. Existing studies have also examined alignment largely in relation to strategic

consensus, functional strategies, knowledge assets or performance measurement, rather than fully integrating it with exploration and exploitation as components of a broader strategic ambidexterity construct.

Consequently, the present study focuses on strategic ambidexterity through the dimensions of strategic exploration, strategic exploitation and strategic alignment, thereby extending the conventional exploration–exploitation perspective. Consistent with the operational framework, these three dimensions constitute the core dimensions of strategic ambidexterity, with the framework drawing the exploration and exploitation dimensions from Cao et al. (2009). The study therefore seeks to provide a more integrated understanding of how organisations can simultaneously discover new strategic possibilities, leverage existing capabilities and align these activities with overall strategic objectives, thereby addressing an important conceptual gap in the strategic ambidexterity literature.

1.2 Statement of the Problem

Sustainable competitive advantage has become increasingly difficult for firms to maintain because of intensified competition, changing customer preferences, technological disruption, rising operating costs and pressure to continuously create superior customer value. Sustainable competitive advantage refers to the ability of a firm to establish and maintain a competitive position that competitors find difficult to replicate, and it is commonly reflected through strategic positions such as cost leadership and product differentiation. Cost leadership enables firms to compete through lower operating and production costs while maintaining acceptable value, whereas differentiation enables firms to create distinctive products or services for which customers perceive superior value (Porter, 1985; Park, 2023). Recent research confirms that cost leadership and differentiation remain important strategic approaches for achieving superior organisational outcomes, although their effectiveness can vary with competitive and environmental conditions (Alghababsheh et al., 2022; Park, 2023; Arianpoor & Moghaddampoor, 2024).

The core problem is that many firms struggle to simultaneously maintain cost efficiency and offer differentiated value, because efforts to improve one competitive position can create pressures on the other. Cost leadership requires continuous control of production, procurement, logistics and operating expenses, yet excessive cost reduction may compromise quality, innovation and customer value; conversely, product differentiation requires investment in product development, technology, quality, branding and customer responsiveness, which may increase operating costs. Recent evidence shows that cost leadership and differentiation are influenced differently by market competition, suggesting that firms cannot rely on a single competitive positioning approach under changing market conditions (Xuan Ha & Thi Tran, 2024).

The manifestations of the problem can therefore be observed in increasing production and operating costs, difficulties in sustaining competitive prices, declining product uniqueness, imitation by competitors, weak innovation, changing customer preferences and difficulties in converting strategic investments into sustained market value. In addition, firms may pursue differentiation without adequate cost discipline, or pursue cost reduction at the expense of product quality and innovation, thereby weakening their ability to sustain competitive advantage. Alghababsheh et al. (2022) demonstrate that cost-leadership and differentiation strategies encourage different organisational priorities, while Arianpoor and Moghaddampoor (2024) found that both strategies can contribute positively to supply-chain efficiency, indicating that effective competitive positioning requires deliberate strategic choices rather than an exclusive dependence on either cost or differentiation.

The significance of this problem is further heightened by the growing requirement for firms to achieve competitiveness while responding to sustainability, innovation and resource-efficiency pressures. Recent research indicates that sustainable manufacturing capabilities can create competitive value through resource conservation, cost benefits and market-positioning opportunities, while environmental and social innovations can also support cost leadership and value creation (Jahari et al., 2023; Abubakar et al., 2024). However, the literature continues to provide limited integrated evidence on how firms can sustain competitive advantage through the simultaneous strengthening of cost leadership and product differentiation, particularly within emerging-market business environments. A recent systematic review similarly identifies cost leadership, differentiation and competitive advantage as important but distinct areas requiring further integration in competitive-strategy research (2025).

Therefore, the problem addressed by this study is the difficulty of sustaining competitive advantage in an increasingly dynamic and competitive environment while simultaneously achieving cost efficiency and delivering differentiated customer value. Accordingly, the study examines sustainable competitive advantage through the dimensions of cost leadership and product differentiation, thereby providing empirical evidence on how these strategic positions can contribute to the development and sustenance of competitive advantage. The supplied manuscript likewise operationalises sustainable competitive advantage through cost leadership and product differentiation, providing the basis for examining these dimensions within the broader strategic ambidexterity framework.

1.3 Statement of Hypotheses

The following null hypotheses will be tested in the study:

H_{01}: Strategic exploration has no significant relationship with cost leadership among family-owned firms.

H_{02}: Strategic exploration has no significant relationship with product differentiation among family-owned firms.

H_{03}: Strategic exploitation has no significant relationship with cost leadership among family-owned firms.

H_{04}: Strategic exploitation has no significant relationship with product differentiation among family-owned firms.

H_{05}: Strategic alignment has no significant relationship with cost leadership among family-owned firms.

H_{06}: Strategic alignment has no significant relationship with product differentiation among family-owned firms.

H_{07}: Transformational leadership does not significantly moderate the relationship between strategic ambidexterity and sustainable competitive advantage among family-owned firms.

2.1 Theoretical Literature

2.1.1 Dynamic Capabilities Theory

Dynamic Capabilities Theory (DCT), developed by Teece, Pisano and Shuen (1997), provides an important theoretical foundation for explaining strategic ambidexterity and its relationship with sustainable competitive advantage. The theory argues that firms operating in changing environments must possess the capacity to integrate, build and reconfigure internal and external competencies in response to environmental changes (Teece et al., 1997). Thus, competitive advantage does not depend only on possessing valuable resources, but also on the organisational ability to renew and redeploy those resources as markets, technologies and customer requirements change.

DCT is particularly relevant to strategic exploration and strategic exploitation because exploration requires firms to search for new opportunities, technologies, markets and knowledge, whereas exploitation requires them to refine and efficiently utilise existing resources and capabilities. O'Reilly and Tushman (2008) consequently argue that ambidexterity can be viewed as a dynamic capability because firms must simultaneously exploit existing assets and explore new opportunities while reconfiguring their resource base to respond to environmental change. In addition, strategic alignment is consistent with DCT because the effective deployment of exploration and exploitation requires the coordination of organisational resources, processes and strategic priorities with changing environmental conditions. Teece et al. (1997) similarly emphasise that competitive advantage rests on distinctive organisational processes for coordinating and combining assets, and therefore alignment provides the coherence through which exploratory and exploitative activities can contribute to strategic outcomes.

Empirical studies have provided support for this theoretical relationship. Clauss et al. (2021), using evidence from 150 German medium-sized engineering firms, found that exploration, exploitation and ambidexterity were associated with competitive advantage, although the results also revealed tensions between exploration and exploitation and showed that strategic agility can influence their effectiveness. Similarly, Ashrafi and Zareravasan (2022), drawing explicitly on the dynamic capabilities perspective, found that innovative ambidexterity mediated the relationship between business analytics capabilities and competitive advantage, while exploitation demonstrated a stronger mediated relationship with competitive advantage than exploration. Furthermore, Chen and Lin (2023) found that firms tend to emphasise exploitation when building and sustaining existing competitive advantage but increase exploration when their competitive position begins to erode, thereby demonstrating the dynamic interaction between exploitation, exploration and competitive advantage. Therefore, DCT explains why firms need to explore new opportunities, exploit existing strengths and align these activities continuously if they are to maintain competitive advantage in changing environments.

2.1.2 Resource-Based View Theory

Resource-Based View Theory (RBV), formally advanced by Barney (1991), provides the second anchor for this study because it explains how firm-specific resources and capabilities can generate sustainable competitive advantage. Barney (1991) argues that firms differ in the resources they control and that resources capable of generating sustained competitive advantage possess characteristics of value, rarity, imperfect imitability and non-substitutability. Accordingly, firms can achieve sustainable competitive advantage when they possess and effectively deploy resources and capabilities that competitors cannot easily acquire, imitate or substitute.

RBV is directly relevant to cost leadership and product differentiation, which constitute the dimensions of sustainable competitive advantage in this study. Firms can use valuable and difficult-to-imitate resources, such as specialised knowledge, managerial expertise, technological capabilities, organisational routines and reputational assets, to improve efficiency and achieve cost leadership, while the same resource base can be deployed to develop distinctive products, superior quality and unique customer value that support product differentiation. Recent research similarly demonstrates that combinations of physical, human and organisational resources can create capabilities that are difficult for competitors to imitate and can therefore support

both lower-cost operations and differentiated offerings (Anderson et al., 2023).

The RBV also provides a theoretical explanation for why strategic exploration, strategic exploitation and strategic alignment can contribute to sustainable competitive advantage. Exploration enables firms to develop new knowledge and resources, exploitation allows them to efficiently leverage existing resources, and alignment ensures that these resources are directed towards strategically valuable competitive positions. Thus, while RBV explains the importance of possessing valuable and difficult-to-imitate resources, strategic ambidexterity explains how firms can continuously develop, utilise and coordinate those resources. This complementarity is supported by Leonidou et al. (2023), whose study combined RBV and the dynamic capabilities perspective and examined competitive advantage through cost leadership, product differentiation and service leadership, finding that both static resources and dynamic capabilities contribute to firms' competitive positioning.

The empirical literature further supports the relevance of RBV to the present study. Abdullahi, Kazeem and Jibrin (2026), for example, examined generic competitive strategies from an RBV perspective and specifically incorporated cost leadership and differentiation as competitive strategies, thereby demonstrating the continuing relevance of internal capabilities to competitive positioning. Similarly, Barney's (1991) original framework establishes that sustained competitive advantage arises when firms implement value-creating strategies that competitors are unable to duplicate effectively. Therefore, RBV suggests that firms are more likely to sustain cost leadership and product differentiation when their underlying resources and capabilities are valuable, rare, difficult to imitate and difficult to substitute.

2.2 Conceptual Clarification

Strategic ambidexterity refers to the organisational capacity to simultaneously pursue strategies that enable the firm to respond to emerging opportunities while efficiently utilising existing capabilities. It reflects the ability of an organisation to manage the tension between change and continuity because firms must continually search for new opportunities while, at the same time, improving and exploiting what they already possess (March, 1991; O'Reilly & Tushman, 2013). In line with the conceptual framework of the study, strategic ambidexterity is operationalised through strategic exploration, strategic exploitation and strategic alignment, and these dimensions are expected to influence sustainable competitive advantage, which is represented by cost leadership and product differentiation in the framework.

Strategic exploration concerns the deliberate search for new knowledge, opportunities, technologies, markets, products and alternative ways of doing business, and therefore emphasises experimentation, innovation and adaptation (March, 1991). Exploration enables firms to respond to environmental changes because it expands the range of strategic possibilities available to the organisation, and it can consequently provide new sources of competitive advantage. However, exploration normally involves uncertainty, experimentation and resource commitments, and therefore its benefits may not be immediately realised. Thus, within the conceptual framework, strategic exploration is expected to contribute to sustainable competitive advantage by helping firms identify and develop new opportunities that can support both distinctive offerings and more efficient ways of competing.

Strategic exploitation, in contrast, refers to the refinement, application and efficient utilisation of existing knowledge, resources, capabilities, technologies and market opportunities (March, 1991). While exploration is concerned with discovering what is new, exploitation focuses on improving what the organisation already knows and does well, and therefore promotes efficiency, consistency and incremental improvement. Cao et al. (2009) argue that exploration and exploitation can generate greater organisational benefits when pursued together because exploitation provides current returns while exploration creates future opportunities. Consequently, strategic exploitation is conceptually linked to cost leadership because effective utilisation of existing resources can improve efficiency and reduce unnecessary costs, and it is also linked to product differentiation because firms can continuously refine existing products and processes to improve quality and customer value.

Strategic alignment refers to the consistency and coherence between organisational objectives, resources, strategic decisions and activities, and it ensures that different strategic initiatives work towards common organisational goals. Alignment is particularly important to ambidexterity because exploration and exploitation can compete for managerial attention, financial resources and organisational capabilities, and therefore require coordination rather than independent pursuit. Strategic alignment consequently provides the connecting mechanism through which exploratory and exploitative activities can be directed towards desired competitive outcomes. In the conceptual framework, alignment links the activities of strategic exploration and strategic exploitation with the broader objective of achieving sustainable competitive advantage, and it enables the organisation to determine how resources and strategic attention should be coordinated between present efficiency and future opportunities.

Sustainable competitive advantage represents the ability of a firm to create and maintain a superior competitive position over time through strategies and capabilities that

competitors find difficult to replicate. Porter (1985) identifies cost leadership and differentiation as fundamental competitive strategies through which firms can establish superior market positions, and these dimensions are therefore used in the present study to operationalise sustainable competitive advantage. Cost leadership involves achieving a relatively lower cost position through efficient operations, resource utilisation, process improvement and effective cost management, and it enables a firm to compete effectively through competitive pricing while protecting its margins. Product differentiation, on the other hand, involves creating products or services that customers perceive as distinctive because of attributes such as quality, innovation, design, functionality, reliability or other forms of superior value.

OPERATIONAL FRAMEWORK

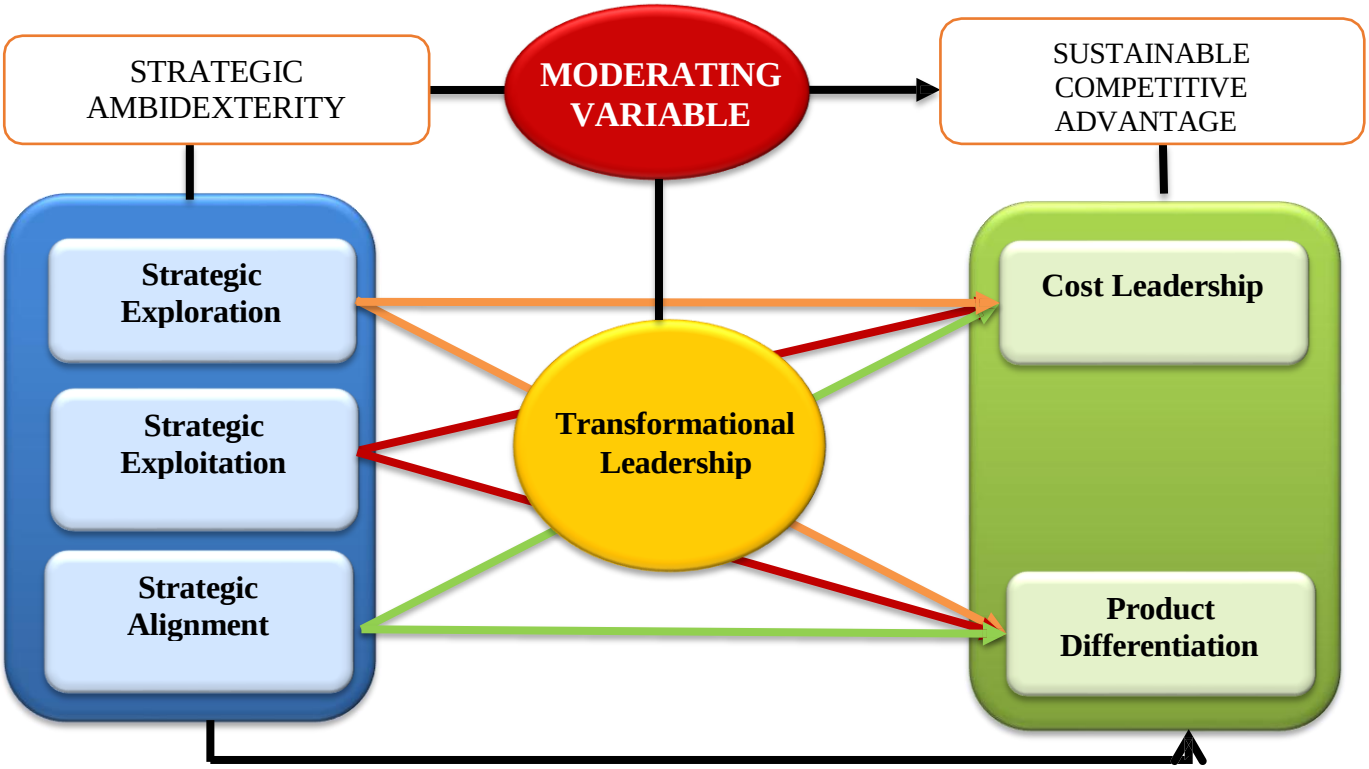


Figure 2.1: Operational Framework of the Study.

Source: Conceptualized from Opuala-Charles (2026) The dimensions of Strategic Ambidexterity was adopted from Cao, Gedajlovic and Zhang (2009). The measures of Sustainable Competitive Advantage were adopted from Vinayan et al. (2012). The moderating variable – Transformational Leadership adopted from Hu, Dou and You (2023)

The conceptual relationship therefore suggests that strategic exploration, strategic exploitation and strategic alignment collectively constitute strategic ambidexterity, while cost leadership and product differentiation constitute sustainable competitive advantage. Exploration provides the organisation with new opportunities and innovative possibilities, exploitation enables it to maximise existing capabilities and resources, and alignment ensures that both activities remain consistent with organisational objectives; consequently, their combined application can strengthen the firm's ability to achieve lower costs and distinctive customer value. The conceptual diagram in the supplied manuscript reflects this relationship by positioning strategic ambidexterity as the explanatory construct, with strategic exploration, strategic exploitation and strategic alignment as its dimensions, and sustainable competitive advantage as the outcome construct, measured through cost leadership and product differentiation.

3.0 Methodology

3.1 Research Design

The study adopts a cross-sectional explanatory survey design because it seeks to examine the relationships between strategic ambidexterity and sustainable competitive advantage among firms in Rivers State, Nigeria. The design is appropriate because data on strategic exploration, strategic exploitation, strategic alignment, cost leadership and product differentiation are collected from respondents at a particular point in time, while regression analysis is subsequently used to estimate the direction and magnitude

of the relationships among the variables. The design is also consistent with recent empirical studies of manufacturing firms in Port Harcourt that have employed survey approaches to examine organizational and strategic variables.

The unit of analysis is the firm, while the unit of observation comprises managers and senior employees who possess sufficient knowledge of their firms' strategic decisions and competitive activities. Consequently, respondents are drawn from managerial, supervisory and other strategic positions because such personnel are more likely to provide reliable information concerning exploration of new opportunities, exploitation of existing capabilities, strategic alignment, cost management and product differentiation.

3.2 Population of the Study

The population comprises manufacturing and industrial firms operating in Rivers State, with particular attention to family-owned firms that satisfy the study's eligibility criteria. Port Harcourt constitutes the principal industrial concentration within the state, particularly the Trans-Amadi Industrial Layout and adjoining industrial areas. Existing published manufacturing-firm listings for Rivers State identify firms across food and beverage, chemicals, engineering, building materials, plastics, metals and other manufacturing activities. For example, an earlier published directory identified Air Liquide Nigeria Plc, Almarine Limited, Crocodile Matchets Nigeria Limited, Eastern Bulkcem Company Limited, Eastern Enamelware Factory Limited, Rivers Vegetable Oil Company Limited, General Agro Industries Limited, First Aluminium Nigeria Limited, Nigeria Bottling Company Plc and other firms operating within the state.

However, because the available published directories do not establish the current ownership structure of every listed firm, the final population frame for the study should be validated against current ownership/registration records before questionnaire administration. This is particularly important because the present study specifically focuses on family-owned firms, and ownership status should not be inferred merely from a firm's name or historical listing.

Table 3.1: Proposed Sampling Frame of Manufacturing Firms in Rivers State

S/N	Name of Firm	Address/Location	Major Activity
1	Air Liquide Nigeria Plc	Plot 108, Trans-Amadi Layout, Port Harcourt	Industrial and medical gases
2	Almarine Limited	28 Kolokuma Street, Borokiri, Port Harcourt	Boats/outboard engines
3	Crocodile Matchets Nigeria Ltd	Plot 29, Trans-Amadi Layout, Port Harcourt	Metal products
4	Eastern Bulkcem Company Ltd	Rumuolumeni, Port Harcourt	Cement
5	Eastern Enamelware Factory Ltd	Plot 29, Trans-Amadi Layout, Port Harcourt	Household utensils
6	Rivers Vegetable Oil Co. Ltd	Plot 80, Trans-Amadi Layout, Port Harcourt	Vegetable oil
7	General Agro Industries Ltd	Plots 78/79, Trans-Amadi Layout, Port Harcourt	Edible oil/agro-processing
8	First Aluminium Nigeria Ltd	Plots 19–21, Trans-Amadi Layout, Port Harcourt	Aluminium products
9	Nigeria Bottling Company Plc	Plot 126, Trans-Amadi Layout, Port Harcourt	Beverages
10	Nigerian Engineering Works Ltd	Trans-Amadi Layout, Port Harcourt	Engineering/fabrication
11	Port Harcourt Flour Mills Ltd	8A Industry Road, Port Harcourt	Flour and food products
12	QR Manufacturing & Trading Ltd	Plot 75, Trans-Amadi Layout, Port Harcourt	Automobile components
13	Sun Flower Manufacturing Co. Ltd	Plot 70, Trans-Amadi Layout, Port Harcourt	Plastics/household products
14	Shower Limited	17 Ohaeto Street, D-Line, Port Harcourt	Safety uniforms/products
15	Polo Packaging Industries Ltd	Plot 84, Trans-Amadi Layout, Port Harcourt	Packaging materials
16	Nikko Industries Nigeria Ltd	Choba, Port Harcourt	Fishnets/industrial nets
17	Galba Limited	Plot 311, Trans-Amadi Layout, Port Harcourt	Engineering/refurbishing
18	Oil & Industrial Services Ltd	9A, Trans-Amadi Layout, Port Harcourt	Industrial components
19	Crushed Rock Nigeria Ltd	Port Harcourt–Aba Expressway	Granite/aggregates
20	Danelec Limited	Plot 278, Trans-Amadi Layout, Port Harcourt	Electrical/electronic products

21	Dangote Bail Ltd	Onne, Rivers State	Cement
22	Keedak Nigeria Ltd	Plot 18, Trans-Amadi Layout, Port Harcourt	Chemicals/water treatment
23	West African Glass Industries	Plot 134, Trans-Amadi Layout, Port Harcourt	Glass containers
24	Boskel Nigeria Ltd	Port Harcourt–Aba Expressway	Industrial equipment
25	Eastern Wrought Iron Ltd	Plot 47, Trans-Amadi Layout, Port Harcourt	Metal/furniture products
26	Dufil Prima Foods Ltd	Plot 29, Trans-Amadi Layout, Port Harcourt	Food processing
27	Far East Paint Lustre Industries Ltd	Plots 170/171, Trans-Amadi Layout, Port Harcourt	Paints/chemicals
28	Hoison Energy & Resources Services Ltd	Trans-Amadi Layout, Port Harcourt	Plastics

Source: Compiled from published manufacturing-firm listings for Rivers State.

3.3 Sample Size Determination

The sample size for the study was determined using the Taro Yamane (1967) formula at a 5% level of sampling error. The formula is stated as:

$$n = \frac{N}{1 + (e)^2}$$

Where:

- n= required sample size
- N= population size
- e= level of precision (0.05)

To obtain a sample size of approximately 294 respondents, the accessible population is approximately 1,109 respondents. Substituting N = 1,109and e = 0.05into the formula gives:

$$n = \frac{1{,}109}{1 + 1{,}109(0.05)^2}$$

$$n = \frac{1{,}109}{1 + 1{,}109(0.0025)^2}$$

$$n = \frac{1{,}109}{1 + 2.7725}$$

$$n = \frac{1{,}109}{1 + 3.7725}$$

$$n = 294$$

Therefore, the study adopted a sample size of 294 respondents from an accessible population of approximately 1,109 eligible managerial and senior-level respondents in the selected family-owned firms in Rivers State. The sample size is considered adequate for the study because it was derived systematically using the Yamane formula at a 5% margin of error.

3.4 Sampling Procedure

A multistage sampling procedure is proposed. First, eligible firms was identified from the Rivers State manufacturing/industrial sampling frame and screened according to the study's family-ownership criterion. Second, purposive sampling was used to select managers and senior employees who possess knowledge of strategic decisions and organizational performance. Third, proportionate allocation was applied where the selected firms differ substantially in workforce or managerial population. This procedure is appropriate because the study requires respondents with direct knowledge of strategic exploration, exploitation, alignment, cost leadership and product differentiation rather than randomly selected employees without relevant strategic knowledge.

3.5 Method of Data Collection

Primary data was collected through a structured self-administered questionnaire. The instrument was containing sections covering demographic characteristics, strategic exploration, strategic exploitation, strategic alignment, cost leadership and product differentiation. Items will be measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Questionnaires will be administered physically and, where appropriate, electronically to eligible managerial respondents. The use of structured questionnaires is consistent with previous survey-based studies of manufacturing firms in Port Harcourt and Rivers State.

3.6 Model Specification and Data Analysis

The data were analyzed using descriptive statistics and multiple regression analysis. Descriptive statistics will summaries the characteristics of the respondents and the distribution of the study variables, while regression analysis was tested the hypothesized relationships between the dimensions of strategic ambidexterity and sustainable competitive advantage.

Two regression models were estimated because sustainable competitive advantage is operationalized through cost leadership (CL) and product differentiation (PD):

$$CL = \beta_0 + \beta_1 SE + \beta_2 SX + \beta_3 SA + \varepsilon$$

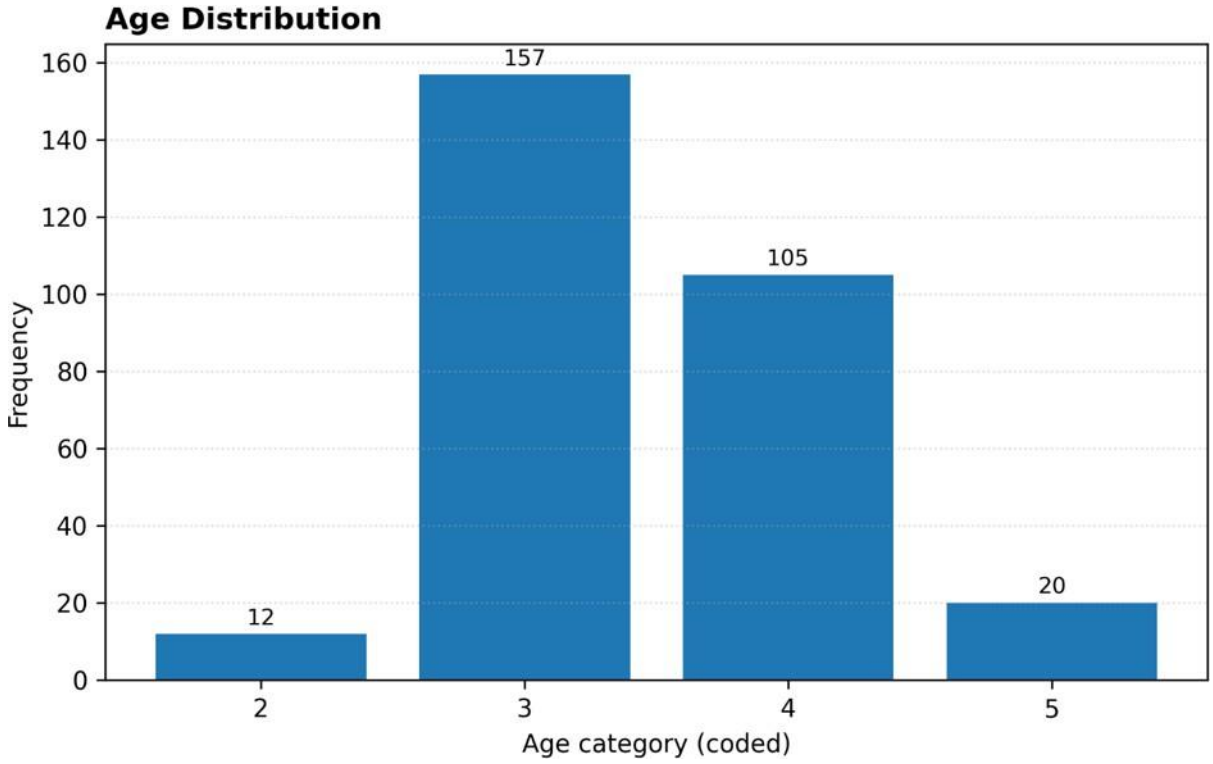
$$PD = \beta_0 + \beta_1 SE + \beta_2 SX + \beta_3 SA + \varepsilon$$

Where SE represents Strategic Exploration, SX represents Strategic Exploitation, SA represents Strategic Alignment, CL represents Cost Leadership, PD represents Product Differentiation, β_0 represents the intercept, β_1–β_3 represent the regression coefficients, and ε represents the error term.

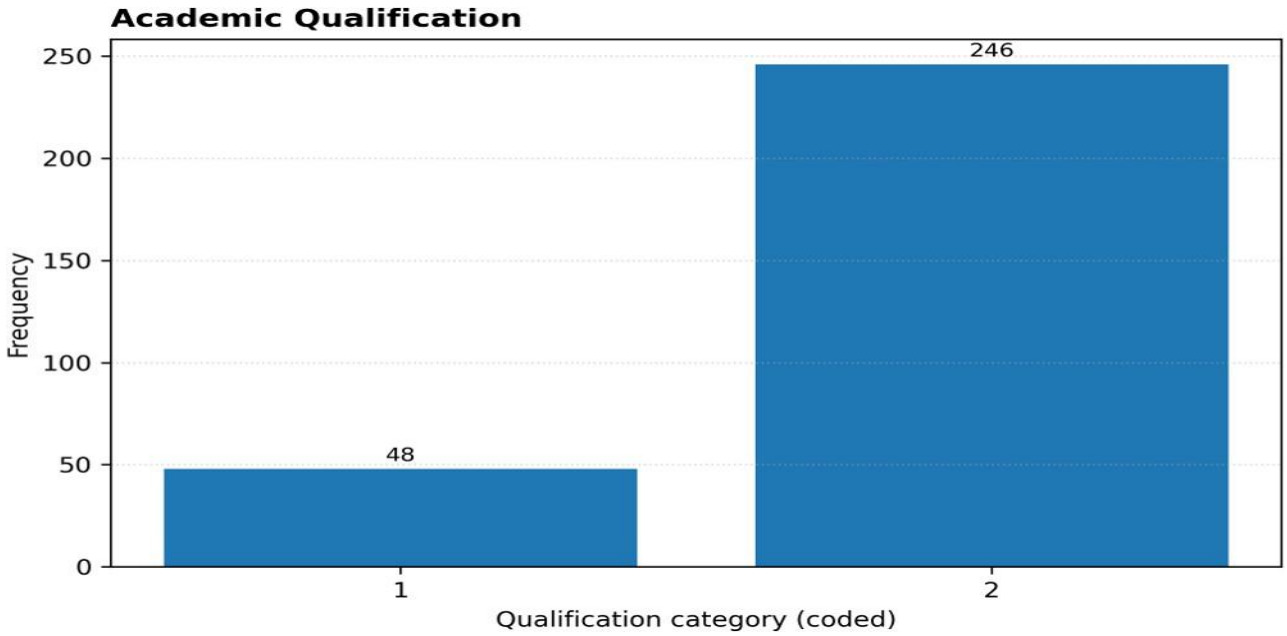
The hypotheses were tested at the 5% level of significance, and the analysis reports the regression coefficient (β), standard error, *t*-value, *p*-value and coefficient of determination (R^2), while the overall model will be evaluated using the F-statistic. Multicollinearity will be assessed through tolerance and variance inflation factor (VIF), and the assumptions of linearity, independence, normality and homoscedasticity will be examined before interpreting the regression results. This approach enables the study to determine not only whether strategic exploration, strategic exploitation and strategic alignment significantly predict cost leadership and product differentiation, but also the relative contribution of each dimension to sustainable competitive advantage.

4.0 Results and Discussion

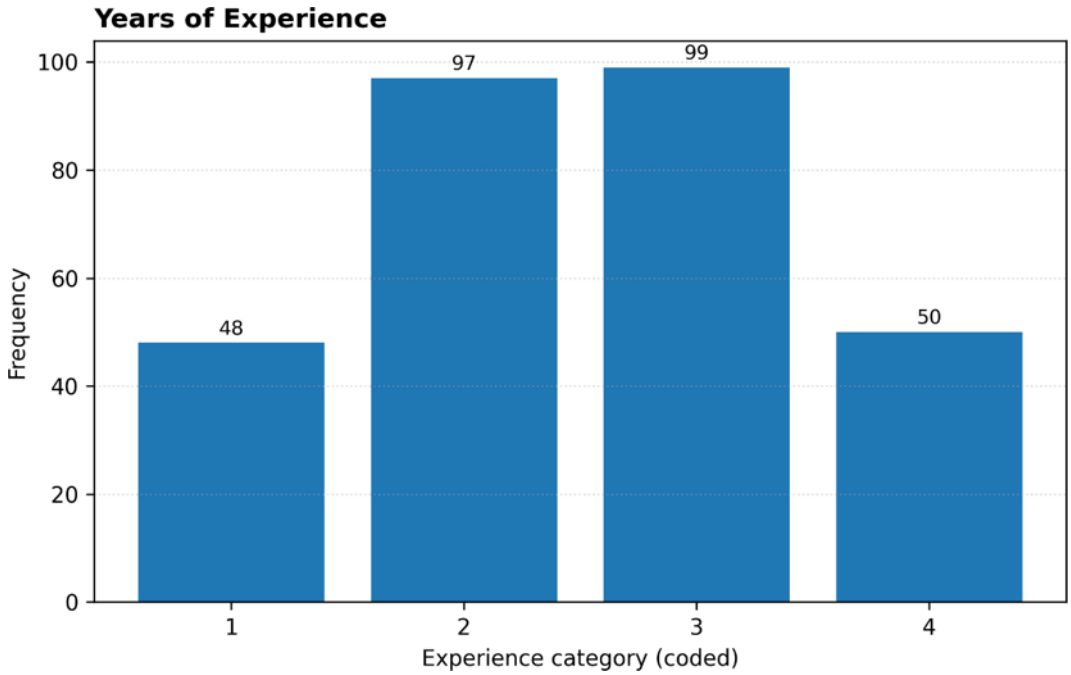
4.1 Demographic Characteristics of Respondents



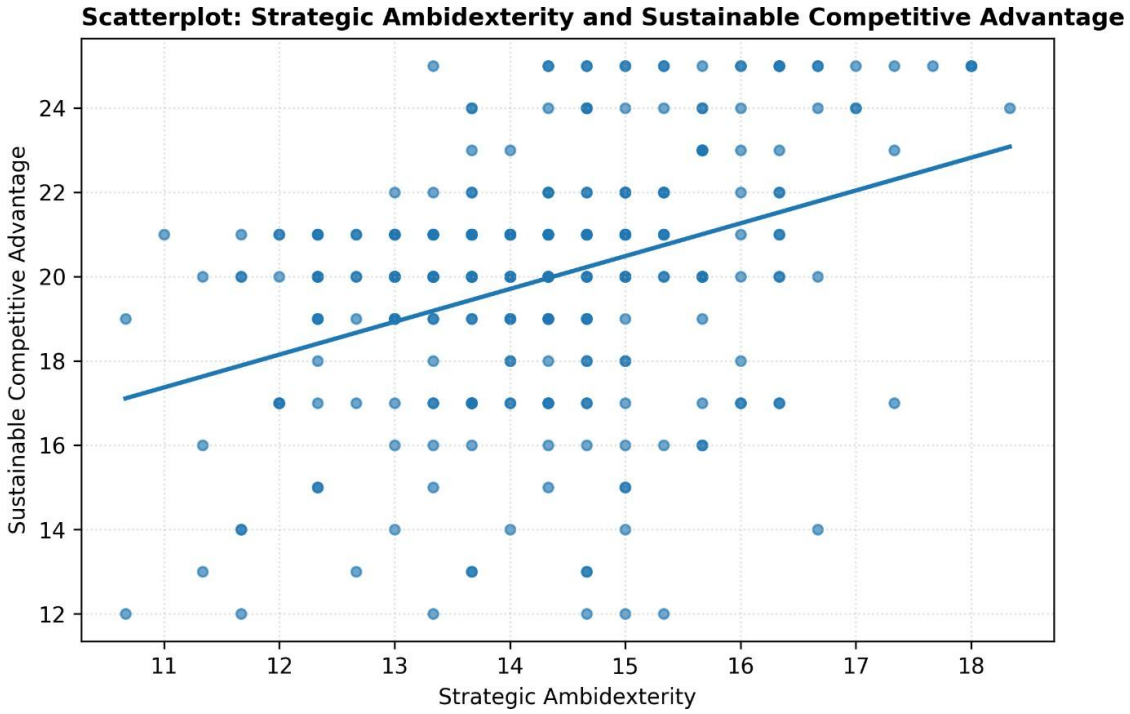
The demographic analysis shows that 294 respondents participated in the study. With respect to age, 157 respondents (53.4%) were in coded age category 3, while 105 (35.7%) were in category 4. Categories 2 and 5 accounted for 12 (4.1%) and 20 (6.8%), respectively. Thus, the sample was predominantly concentrated in the middle-age categories, suggesting that most respondents were sufficiently mature to provide informed assessments of strategic practices within their organizations.



Regarding academic qualification, 246 respondents (83.7%) belonged to qualification category 2, while 48 (16.3%) belonged to category 1. Although the supplied dataset does not provide the accompanying codebook, the concentration in the higher qualification category suggests that the respondents generally possessed substantial educational exposure. This is potentially useful for a study of strategic ambidexterity because the assessment of exploration, exploitation, alignment and competitive advantage requires respondents capable of understanding organizational strategy.

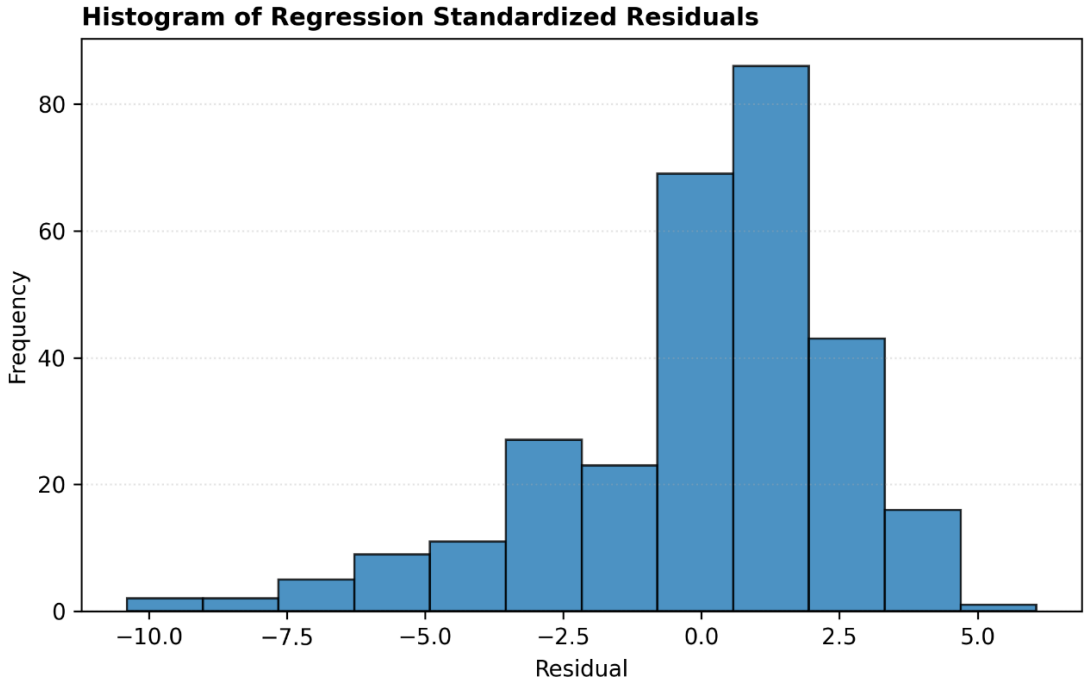


In terms of years of experience, 99 respondents (33.7%) were in category 3, followed closely by 97 respondents (33.0%) in category 2, while 50 (17.0%) and 48 (16.3%) were in categories 4 and 1, respectively. Therefore, approximately two-thirds of the respondents were concentrated in the middle experience categories. The distribution provides reasonable grounds for obtaining responses from individuals with organizational experience rather than relying predominantly on newly employed personnel.



The scatterplot shows a positive linear relationship between Strategic Ambidexterity and Sustainable Competitive Advantage**.** The observations are generally distributed around an upward-sloping regression line, indicating that higher levels of strategic ambidexterity tend to be associated with higher levels of sustainable competitive advantage. Thus, firms that are more capable of simultaneously exploring new opportunities, exploiting existing capabilities and maintaining strategic coherence tend to report stronger competitive advantage.

The regression line rises from the lower-left region toward the upper-right region, which further indicates that improvements in strategic ambidexterity are accompanied by corresponding improvements in sustainable competitive advantage. However, the observations are not tightly clustered around the line, as considerable dispersion can be observed at different levels of strategic ambidexterity. This suggests that although strategic ambidexterity contributes positively to sustainable competitive advantage, other organizational and environmental factors may also influence the outcome.



The histogram of regression standardized residuals shows that the residuals are concentrated mainly around the centre of the distribution, with the highest frequencies occurring approximately between 0 and 2.5. The frequencies gradually decline as the residual values move away from the central region, although a relatively longer tail is observable on the negative side, particularly between approximately −10 and −3. This indicates some degree of negative skewness in the residual distribution.

Despite this asymmetry, the majority of the residual observations are concentrated within the central range, while only a relatively small number of observations occur at the extreme ends of the distribution. This suggests that the regression model does not exhibit severe departures from the expected residual pattern. However, the presence of a few observations with large negative residuals indicates potential outlying cases that should be considered when assessing the regression assumptions.

4.2 Preliminary Analysis and Reliability

The descriptive results show that Strategic Exploration recorded a mean score of 13.39, Strategic Exploitation recorded 14.69, Strategic Alignment recorded 14.65, while Sustainable Competitive Advantage recorded 19.89. The results indicate relatively stronger observed scores for strategic exploitation and strategic alignment than strategic exploration.

The reliability assessment, however, requires particular caution. Strategic Exploration produced an acceptable Cronbach's alpha of 0.737, while Sustainable Competitive Advantage produced 0.719. Strategic Exploitation (α = 0.312) and Strategic Alignment (α = 0.283) were substantially below conventional reliability thresholds. Consequently, although the regression analysis can be reported as an analysis of the supplied composite scores, the instrument should not be submitted to a Scopus journal in its present form without reviewing the underlying items and codebook. In particular, the low reliability of Strategic Exploitation and Strategic Alignment suggests that the item coding or construct mapping may not correspond to the intended study variables.

Table 4.2: Reliability Statistics

Construct	No. of Items	Cronbach's Alpha
Strategic Exploration	4	0.737
Strategic Exploitation	4	0.312
Strategic Alignment	4	0.283
Sustainable Competitive Advantage	5	0.719

4.3 Regression Analysis and Hypotheses Testing

Table 4.3: Regression Results for the Seven Hypotheses

Hypothesis	R^2	Adjusted R^2	F	Sig.	B	t	p-value	Decision
H_{01}: Strategic Exploration → SCA	.068	.064	21.166	.000	.530	4.601	.000	Reject
H_{02}: Strategic Exploitation → SCA	.216	.213	80.465	.000	.545	8.970	.000	Reject
H_{03}: Strategic Alignment → SCA	.000	-.003	.002	.965	.003	.044	.965	Accept
H_{04}: Strategic Ambidexterity → SCA	.137	.134	46.189	.000	.779	6.796	.000	Reject
H_{05}: Exploration + Exploitation → SCA	.226	.221	42.462	.000	-	-	.055*	Partial/no individual significance for exploration
H_{06}: Exploration + Alignment → SCA	.068	.061	10.566	.000	.531	4.597	.000	Reject
H_{07}: Exploitation + Alignment → SCA	.218	.212	40.490	.000	.549	8.999	.000	Reject

*The joint model is significant overall, although the marginal coefficient for Strategic Exploration in the two-predictor model is p = .055.

4.4 Effect of Strategic Exploration on Sustainable Competitive Advantage

The regression result indicates that Strategic Exploration has a positive and statistically significant relationship with Sustainable Competitive Advantage. The model produced R^2 = .068, indicating that strategic exploration independently explains approximately 6.8% of the variation in sustainable competitive advantage. The regression coefficient was positive (B = 0.530), with t = 4.601 and p < .001. Consequently, H_{01} is rejected.

The finding suggests that firms that search for new opportunities, experiment with alternative approaches and develop new knowledge are more capable of strengthening their competitive position. However, the relatively modest R^2 indicates that exploration alone is insufficient to explain sustainable competitive advantage. This is consistent with March's (1991) argument that exploration creates future possibilities but may involve uncertainty and delayed returns. It also supports the ambidexterity perspective of O'Reilly and Tushman (2013), which suggests that exploration becomes more valuable when combined with exploitation rather than pursued in isolation.

4.5 Effect of Strategic Exploitation on Sustainable Competitive Advantage

Strategic Exploitation produced the strongest individual explanatory result among the three dimensions. The regression produced R^2 = .216, indicating that approximately 21.6% of the variation in Sustainable Competitive Advantage was explained by Strategic Exploitation. The coefficient was positive (B = 0.545), and the effect was statistically significant (t = 8.970, p < .001). Thus, H_{02} is rejected.

The finding indicates that firms derive substantial competitive value from refining and efficiently deploying existing capabilities, processes, knowledge and resources. The stronger contribution of exploitation relative to exploration may be particularly important in competitive environments where firms must convert existing capabilities into immediate efficiency and market value. Cao et al. (2009) similarly emphasize that exploitation can contribute strongly to organizational outcomes when it is combined appropriately with exploration, while recent ambidexterity research has also demonstrated the importance of exploitation in converting existing organizational capabilities into competitive outcomes.

4.6 Effect of Strategic Alignment on Sustainable Competitive Advantage

Contrary to the results obtained for exploration and exploitation, Strategic Alignment did not significantly predict Sustainable Competitive Advantage. The model produced $R^2 \approx .000$, with B = 0.003, t = 0.044 and p = .965. Therefore, H_{03} is retained.

This result suggests that, within the supplied dataset, strategic alignment considered independently does not explain meaningful variation in sustainable competitive advantage. The finding should, however, be interpreted cautiously because the Strategic Alignment scale produced a very low reliability coefficient (α = .283). Therefore, the non-significant finding may partly reflect measurement problems rather than the absence of a substantive strategic relationship. Conceptually, alignment is expected to coordinate exploration and exploitation, but its independent contribution may be difficult to detect when the underlying measurement items do not demonstrate adequate internal consistency.

4.7 Effect of Strategic Ambidexterity on Sustainable Competitive Advantage

When Strategic Exploration, Strategic Exploitation and Strategic Alignment were combined to create an overall Strategic Ambidexterity measure, the model was statistically significant. The result produced R^2 = .137, adjusted R^2 = .134, F = 46.189 and p < .001, while the regression coefficient was B = .779, t = 6.796 and p < .001. Therefore, H_{04} is rejected.

The result provides overall empirical support for the proposition that strategic ambidexterity contributes positively to sustainable competitive advantage. In other words, firms appear to benefit when they combine the search for new opportunities with the effective utilization of existing capabilities. This finding reinforces the central argument of ambidexterity theory that organizations should not treat exploration and exploitation as mutually exclusive strategic alternatives. Rather, competitive advantage can emerge from their simultaneous deployment.

4.8 Joint Effect of Strategic Exploration and Strategic Exploitation

The joint regression of Strategic Exploration and Strategic Exploitation produced R^2 = .226 and adjusted R^2 = .221, indicating that the two variables jointly explain approximately 22.6% of the variation in Sustainable Competitive Advantage. The model was statistically significant, F = 42.462, p < .001. However, Strategic Exploration approached but did not attain the conventional 5% significance threshold in this combined specification (p = .055), while Strategic Exploitation remained the dominant contributor.

This finding is theoretically important because it indicates that exploitation contributes more consistently to current competitive outcomes, while the effect of exploration becomes less distinct when exploitation is introduced into the same model. The result is consistent with March's (1991) distinction between the uncertain and longer-term benefits

of exploration and the more immediate returns associated with exploitation. It also supports Cao et al. (2009), who argue that ambidexterity involves both the balance and combined magnitude of exploration and exploitation.

4.9 Joint Effect of Strategic Exploration and Strategic Alignment

The combination of Strategic Exploration and Strategic Alignment produced $R^2 = .068$, adjusted $R^2 = .061$, with $F = 10.566$ and $p < .001$. Strategic Exploration retained a positive and significant coefficient (B = .531; t = 4.597; p < .001). Therefore, H_{06} is rejected.

The finding indicates that exploration retains its positive association with sustainable competitive advantage when considered alongside alignment. However, the explanatory power remains modest, suggesting that exploration and alignment alone do not adequately capture the complete strategic mechanism through which firms sustain competitive advantage. This reinforces the argument that the effective management of existing organizational capabilities remains important alongside future-oriented strategic initiatives.

4.10 Joint Effect of Strategic Exploitation and Strategic Alignment

The joint model involving Strategic Exploitation and Strategic Alignment generated $R^2 = .218$, adjusted $R^2 = .212$, with $F = 40.490$ and $p < .001$. The dominant contribution came from Strategic Exploitation (B = .549; t = 8.999; p < .001), while the contribution of Strategic Alignment remained weak.

Consequently, H_{07} is rejected on the basis of the significant overall relationship, although the results again suggest that exploitation is the principal driver within this model. The result reinforces the importance of organizational efficiency, refinement and effective utilization of existing capabilities in achieving sustainable competitive advantage.

4.11 Full Regression Model

For additional substantive interpretation, a full regression model was estimated in which Strategic Exploration, Strategic Exploitation and Strategic Alignment simultaneously predicted Sustainable Competitive Advantage.

Table 4.4: Full Regression Coefficients

Predictor	B	Std. Error	t	Sig.
Constant	—	—	—	—
Strategic Exploration	.211	.113	1.863	.064
Strategic Exploitation	.505	.065	7.729	.000
Strategic Alignment	.036	.057	.626	.532
$R^2 = .227$	; Adjusted $R^2 = .219$	; F = 28.379	p < .001	

The full model explains approximately 22.7% of the variance in Sustainable Competitive Advantage and is statistically significant. Strategic Exploitation remains the only dimension with a statistically significant unique contribution ($p < .001$), while Strategic Exploration becomes marginal ($p = .064$) and Strategic Alignment remains non-significant ($p = .532$).

The pattern is theoretically meaningful because it suggests that the immediate competitive benefits of using and refining existing capabilities are stronger than the independent effects of searching for new opportunities or aligning strategies. Nevertheless, this should not be interpreted as evidence that exploration is unimportant because exploration was significant when tested independently. Rather, the result suggests that its contribution overlaps with other elements of ambidexterity.

4.12 Discussion of Findings

The overall findings demonstrate that strategic ambidexterity has a positive relationship with sustainable competitive advantage, although the dimensions do not contribute equally. Strategic Exploration was significant when examined independently, indicating that firms benefit from seeking new opportunities and developing new strategic possibilities. Strategic Exploitation produced a substantially stronger effect, suggesting that firms obtain considerable competitive benefits from efficiently deploying and refining their existing resources and capabilities. This pattern broadly corresponds with March's (1991) argument that organizations need both exploration and exploitation because exclusive reliance on either can create strategic vulnerabilities.

The stronger role of Strategic Exploitation is also consistent with the Resource-Based View because competitive advantage depends on the effective deployment of valuable organizational resources and capabilities (Barney, 1991). Existing capabilities become economically meaningful when firms can use them efficiently, improve their processes and

convert them into customer and market value. At the same time, the significant independent effect of Strategic Exploration indicates that firms cannot depend entirely on existing capabilities because changing competitive environments require continuous search, experimentation and renewal.

The non-significant result for Strategic Alignment should be interpreted more cautiously. Strategically, alignment should facilitate the coordination of exploration and exploitation, yet its independent statistical contribution was negligible in the present data. More importantly, the low reliability of the Strategic Alignment scale means that the result may reflect measurement inadequacy. Consequently, future analysis using the original questionnaire/codebook should reassess the Strategic Alignment items before drawing a strong theoretical conclusion.

The combined results are therefore consistent with the central argument of strategic ambidexterity: competitive advantage is strengthened when organizations can explore emerging opportunities while simultaneously exploiting existing strengths. O'Reilly and Tushman (2013) similarly conceptualize ambidexterity as an organizational capability for balancing competing demands, while Cao et al. (2009) demonstrate that both the balance and combined magnitude of exploration and exploitation can have implications for organizational outcomes.

However, the relatively moderate R^2 of the full model (22.7%) also demonstrates that strategic ambidexterity does not completely explain sustainable competitive advantage. Other organizational, environmental and market factors may account for the remaining variation. This finding strengthens rather than weakens the study because sustainable competitive advantage is multidimensional and is unlikely to depend on a single strategic capability.

4.13 Summary of Hypotheses Decisions

Hypothesis	Finding	Decision
H_{01} Strategic Exploration → SCA	Significant positive	Rejected
H_{02} Strategic Exploitation → SCA	Significant positive	Rejected
H_{03} Strategic Alignment → SCA	Not significant	Retained
H_{04} Strategic Ambidexterity → SCA	Significant positive	Rejected
H_{05} Exploration + Exploitation → SCA	Significant model; exploration marginal	Rejected at model level
H_{06} Exploration + Alignment → SCA	Significant model	Rejected
H_{07} Exploitation + Alignment → SCA	Significant model	Rejected

5.0 Summary, Conclusion and Recommendations

5.1 Summary

This study examined the relationship between strategic ambidexterity and sustainable competitive advantage, with strategic ambidexterity represented by strategic exploration, strategic exploitation and strategic alignment, while sustainable competitive advantage was assessed as the organization's capacity to maintain a superior competitive position. The study was motivated by the increasing difficulty faced by firms in sustaining competitiveness because of changing customer expectations, competitive pressures, technological developments and the need to simultaneously develop new opportunities and efficiently utilize existing capabilities.

The study was anchored on the Dynamic Capabilities Theory and the Resource-Based View Theory, because the former explains the ability of firms to renew, reconfigure and deploy capabilities in changing environments, while the latter explains how valuable and difficult-to-imitate resources can provide the foundation for competitive advantage. A cross-sectional survey design was adopted, and data obtained from 294 usable responses were subjected to descriptive and regression analyses.

The findings showed that strategic exploration had a positive and significant effect on sustainable competitive advantage, with the result indicating that firms that actively search for new opportunities, knowledge and strategic possibilities are more likely to strengthen their competitive position. Similarly, strategic exploitation demonstrated a positive and significant effect on sustainable competitive advantage, and it produced the strongest individual contribution among the dimensions examined. This suggests that the efficient utilization, refinement and improvement of existing organizational capabilities constitute an important source of competitive advantage.

However, strategic alignment did not demonstrate a

significant independent effect on sustainable competitive advantage in the analyzed data. Nevertheless, when strategic exploration, strategic exploitation and strategic alignment were considered collectively through the strategic ambidexterity construct, the relationship with sustainable competitive advantage was positive and statistically significant. The overall regression model also showed that strategic ambidexterity explained a meaningful proportion of the variation in sustainable competitive advantage, although other organizational and environmental factors evidently contribute to the remaining variation.

The joint analyses further showed that strategic exploitation remained particularly influential when combined with other dimensions, whereas the contribution of strategic exploration became weaker when other dimensions were introduced simultaneously. Overall, the findings demonstrate that firms are more likely to strengthen their competitive position when they are capable of combining future-oriented exploration with effective exploitation of existing capabilities, although the dimensions of strategic ambidexterity do not necessarily contribute equally.

5.2 Conclusion

Based on the findings, the study concludes that strategic ambidexterity is an important strategic capability for achieving sustainable competitive advantage. The evidence indicates that firms cannot depend exclusively on existing products, processes and capabilities because changing competitive conditions require continuous exploration of new opportunities; however, exploration alone is also insufficient because firms must convert existing knowledge, resources and capabilities into efficiency and market value.

The significant contribution of strategic exploration demonstrates that organizations benefit from searching for new opportunities, experimenting with new approaches and developing new strategic possibilities, while the stronger contribution of strategic exploitation demonstrates that the efficient utilization and refinement of existing capabilities remain particularly important for achieving competitive outcomes. Thus, the findings support the fundamental logic of organizational ambidexterity, which requires firms to manage both renewal and efficiency rather than choosing one at the expense of the other.

The non-significant independent effect of strategic alignment indicates that alignment, when considered in isolation, may not automatically generate sustainable competitive advantage. Rather, its value may depend on how effectively it coordinates exploration and exploitation with organizational objectives and available resources. Therefore, strategic alignment should be regarded as an enabling mechanism through which exploratory and exploitative activities can be coordinated rather than simply as an independent source of competitive advantage.

Consequently, the study concludes that sustainable competitive advantage is more likely to emerge when firms develop the capacity to explore new possibilities, exploit existing strengths and coordinate these activities around clearly defined strategic objectives. The results therefore provide empirical support for the relevance of strategic ambidexterity to competitive strategy and contribute to the understanding of how firms can manage the tension between innovation and efficiency.

5.3 Recommendations

Based on the findings, the study recommends that management should institutionalize strategic exploration by encouraging continuous search for emerging markets, new customer needs, innovative technologies and alternative business opportunities, and this should be supported through investment in research, learning and experimentation. Such an approach would enable firms to identify future sources of competitive advantage before existing products and markets become less attractive.

Management should also strengthen strategic exploitation because it recorded the strongest individual contribution to sustainable competitive advantage. Firms should therefore continuously improve existing processes, eliminate operational inefficiencies, strengthen resource utilization and refine existing products and services, while maintaining appropriate quality standards. This would enable organizations to derive greater value from capabilities that they already possess.

Furthermore, firms should balance exploration with exploitation rather than concentrating exclusively on either activity. Consequently, resources should be deliberately allocated between initiatives designed to generate future opportunities and activities intended to improve current operations, and management should establish appropriate structures that allow exploratory projects to develop without undermining the efficiency of core operations.

The study further recommends that organizations should improve strategic alignment by ensuring that exploration and exploitation activities are clearly connected to corporate objectives, resource availability and market priorities. Since alignment did not demonstrate a significant independent effect in the present findings, management should avoid treating alignment merely as a formal planning exercise and should instead use it to coordinate strategic priorities, resource allocation, managerial responsibilities and performance targets.

Management should also develop ambidextrous leadership and organizational cultures that encourage experimentation while maintaining operational discipline. Managers should therefore tolerate reasonable experimentation and learning from unsuccessful initiatives, while simultaneously

demanding accountability for efficiency, quality and resource utilization.

Finally, firms should establish regular strategic performance reviews through which exploration, exploitation and competitive outcomes are assessed jointly. Such reviews would enable management to identify whether investments in new opportunities are producing future value and whether existing capabilities are being exploited efficiently, and consequently allow firms to reallocate resources as competitive conditions change.

5.4 Contribution to Knowledge

The study contributes to strategic management literature by providing empirical evidence that the dimensions of strategic exploration, strategic exploitation and strategic alignment do not necessarily exert identical effects on sustainable competitive advantage. In particular, the findings demonstrate the stronger role of exploitation while also confirming the positive contribution of exploration, and therefore provide support for the argument that firms require both future-oriented renewal and present-oriented efficiency.

Finally, the study provides managerial insight by demonstrating that strategic ambidexterity should be treated as an integrated organizational capability rather than as a collection of isolated strategic practices. Firms seeking sustainable competitive advantage should consequently develop the capacity to explore new opportunities, exploit existing capabilities and align these activities with their strategic objectives.

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