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Role of organizational ambidexterity and social capital in predicting organizational effectiveness

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Abstract---In today's fast-paced global economy, organizations are under constant pressure to adapt to rapid environmental changes, innovate continuously, and develop products and services tailored for emerging markets. This dynamic landscape has transformed the competitive business environment, making agility and innovation key differentiators. Despite operating under similar conditions, organizations often show varying levels of performance, which raises important questions about the underlying factors that drive organizational effectiveness. This study explores two critical variables—organizational ambidexterity (the ability to balance exploration and exploitation) and social capital (the networks and relationships that facilitate knowledge sharing and collaboration). These concepts are especially relevant in the context of modern industries where digital transformation, remote collaboration, and cross-functional teamwork are becoming the norm. To gain insights, data was collected from a sample of 250 managers across various private sector organizations in India. Using hierarchical and moderated regression analysis, the study examines how these variables interact and influence organizational performance. The findings have practical implications, especially in today's climate where firms must be both innovative and efficient. Leveraging organizational ambidexterity alongside strong social capital can help businesses remain resilient, adaptive, and competitive in the ever-evolving market landscape.

Keywords---organizational ambidexterity, social capital, organizational effectiveness.

Introduction

Organizational Ambidexterity

Organizational ambidexterity is like “flying the plane while rewiring it” (Judge & Blocker, 2008). March (1991) in his seminal paper defined organizational ambidexterity “as the ability of companies to simultaneously explore and exploit,” which according to Simsek, Heavey, Veiga and Souder (2009) remains the most common definition today. According to Tushman and O'Reilly (1996) ambidextrous organization juggle between exploration and exploitation by balancing or trading off between the two.

According to Im and Rai (2008) exploration is referred “as knowledge for search, novelty, experimentation, innovation, radical change, and creation of new products, processes, and services whereas exploitation is defined as knowledge for continuous improvement, modification, refinement, and incremental change of current products, processes, and services.”

As Andriopoulos and Lewis (2009) and Smith and Lewis (2011) pointed out that organizational ambidexterity is considered as an organization's ability to manage interdependent and complementary or contradictory processes. Raisch and Birkinshaw (2008) mentioned that ambidexterity is built on Duncan's view that organizations through “dual structures” can manage tradeoffs between conflicting demands for example adaptation and alignment. They also pointed

As put forward by Duncan (1976) and Gibson and Birkinshaw (2004), organizational ambidexterity is ‘a company's ability to simultaneously execute today's strategy while developing tomorrow's and arises from the context within which its employees operate’. More specifically, Jansen, Van den Bosch and Volberda (2005) treated organizational ambidexterity as “the ability to pursue exploratory and exploitative innovation simultaneously”.

Social Capital

Social capital is derived from employees' expert and business systems. Human Resources used to concentrate just on within worker factors. The new competitive landscape requires focusing on between-employee factors, the connections that combine to create new processes, products and services.

The idea of social capital had received extensive consideration among sociologists, financial specialists, and political researchers. Regardless of disciplinary focus, there is developing agreement among specialists that three driving figures, Bourdieu, Coleman, and Putnam, have made incredible commitments. These three writers have been portrayed as having created “relatively distinct tributaries” in the writing on social capital (Foley and Edwards, 1999). Bourdieu and Coleman emphasized the role of individual and organizational social ties in

anticipating individual progression and aggregate activity. On the other hand, Putnam has developed the idea of affiliation and civic activities as a reason for social integration and prosperity (Edwards, 2001). Regardless of these distinctions, all three of these researchers contend that social capital inheres in personal connections and relational communications, along with the shared sets of values that are related with these contacts and connections.

Social capital encompasses practices, knowledge exchanges, information flows, interest groups, social networks and other emergent connections between employees, suppliers, regulators, partners and customers. Social capital is what connects various forms of human capital. It is these patterns of connections that produce advantage for one group, and constraint for another. In the networked economy, the one with the best connections wins.

Social capital does exist in three levels. At micro level, it is formed wherever human relations exist. At middle level, it is formed among members of a group. Relations created as a result of group membership and belongingness can provide opportunities for development of social capital. At macro level, social capital exists in larger social environments and includes formal relations and structures, such as rules and regulations and legal frameworks (Akdere, 2008).

According to Leana and van Buren (1999), the concept of social capital has been conceptualized and operationalized in heap alternative manners. At the core of the idea is the thought that, social resources within a community can be harnessed by specific actors to accomplish wanted results (Bourdieu, 1980). In this manner, if organizations can be regarded as 'social networks where individual and social expertise is transformed into financially useful products and service' (Kogut & Zander, 1992), then relationships between organization members are a conceivably 'important asset for the conduct of social affairs' (Nahapiet & Ghoshal, 1998). Albeit a few researchers center only around on the bridging aspects of interactions connecting diverse actors as the source of social capital (Burt, 1997), others underscore the holding idea of the mutual qualities that support such communications (Coleman, 1994).

The differentiating nature of structural and attitudinal dimensions of social capital are particularly well expressed in Nahapiet and Ghoshal's (1998) multidimensional formulation of the concept. Specifically, they contend that organizational social capital comprises three keys distinct (however interrelated) dimensions that may empower the unlocking of thoughts and information that can positively impact organizational outcomes: structural (connections among actors); relational (trust among actors); and cognitive (shared goals and values among actors) (Nahapiet & Ghoshal, 1998). Each of these dimensions furnishes organization members with collectively-owned 'assets' that facilitate 'a few forms of social action while restraining others.'

Olesen, Thoft, Hasle and Kristensen (2008) define organizational social capital based on a development of Putnam's definition of social capital: "Organizational social capital is the ability of the members of the organization to collaborate when solving the key tasks of the organization. In order to solve the key tasks, it is necessary that members master collaboration and that this collaboration is based

on a high level of trust and justice.” They argue that organizational social capital consists of three components, which all influence each other: trust, justice and cooperation. Following Olesen et al. (2008) organizational social capital is a collective good embedded in the relations between people, and no individual can own it exclusively.

Pastoriza (2009), states that organizational social capital exists in structures and processes of social exchange and it is the only factor which provides sustainable organizational advantage. It reflects quality of relations in organization and measures interrelatedness among its members. Organizational social capital is a source which mirrors the idea of social relations in an organization. It is distinguished through desire for collective goal and shared trust among individuals of an organization.

Organizational social capital (OSC) is a firm-level phenomenon (Adler & Kwon, 2002; Leana & Pil, 2006) and the study here focuses on the internal aspect of OSC. Concentrating on internal OSC is appropriate because the social relationships of organizational members within the same group or unit, as well as in the broader social structure of the organization, can improve group or unit performance (Merlo, Bell, Mengüç, & Whitwell, 2006; Oh, Chung, & Labianca, 2004; Tsai & Ghoshal, 1998) and benefit the whole organization (Andrews, 2010; Batjargal, 2003; Leana & Pil, 2006; Maurer et al., 2011). The presence of high trust and a shared sense of vision among organizational members who pursue common strategic goals can contribute to firm performance (Andrews, 2010).

Organizational Effectiveness

This concept is related to issues such as the ability of an organization to access and absorb resources and consequently achieve its aims (Federman, 2006). McCann (2004) noted it as the criterion of the organization’s successful fulfillment of their purposes through core strategies. Organizations are powerful to the degree that they can change over information and additionally innovations into items and services that customer’s need (Wang and von Tunzelmann, 2000).

Jamrog and Overholt (2004), and Reddy and Gayathri (2000) provided the fundamental definitions on what organizational effectiveness was about. They demonstrated that organizational effectiveness estimated the degree of organizational success in accomplishing its missions/goals by basically depending on its core strategies and assets (Anantadjaya, 2008; 2009; Daft, 2001). It was evident that the extent of organizational effectiveness represented the consequences of organization's contextual, structural, strategic, tactical and process variables (Hage, 1980; Jay & Overholt, 2004; Reddy & Gayathri, 2000). Cameron (2005) developed a contending esteem structure of organizational effectiveness and performance by placing these effectiveness models into four cells utilizing flexibility, stability, internal maintenance and external positioning.

To explain the complexities of organization effectiveness over time, Lawler and Worley (2006) have created the Built-to-Change Model. The model consists of environmental scenarios and three primary organizational processes—Strategizing, Creating Value, and Designing—spinning around the organization’s identity. Environmental Scenarios describe a range of possible future business

conditions. Most models of strategy and organization only address the “current environment,” but that is not enough when the environment is changing. Looking only at the current environment leads to building a static organization matched to the present but not to possible futures. The B2Change Model explicitly addresses ongoing environmental changes and argues that they should be the key determinants of strategy, organization design, and effectiveness. Strategizing, Creating Value, and Designing are the primary contributors to organization effectiveness. These organizational processes are how an organization figures out its response to the demands of a changing environment. For example, the strategizing process includes crafting a strategic intent that describes, among other things, the breadth of the firm’s product lines, how the firm differentiates itself, and the way profit is generated. At the center of the model is Identity. It consists of an organization’s relatively stable set of core values, behaviors, and beliefs.

Singh and Jaiswal (2015) in their study specify that organizational effectiveness has four dimensions, namely, innovation, productivity, interpersonal relationship and job satisfaction. According to them, all of these four dimensions are appropriate for each levels of organization. Innovation and productivity are essential for goal attainment that leads to organizational effectiveness. Interpersonal relationship is key element in building up the relationship between employees that lend hand for team empowerment at group level. Lastly, employees’ job satisfaction plays an important role at individual level. A satisfied employee always gives his/her job that would ultimately lead to goal attainment.

Review of Literature

Organizational Ambidexterity and work outcomes

Levinthal and March (1993) first explained how organizational ambidexterity might enhance performance by proposing that exploitation and exploration are realized in categorically distinct, yet complementary, changes in performance by differently influencing the size, timing, and riskiness of the organization’s cash flows. Specifically, exploration, to the exclusion of exploitation, leads to too many undeveloped ideas and not enough distinctive competence. Conversely, exploitation without exploration creates a ‘competency trap’ (March, 1991). Thus, their joint pursuit should enhance performance by enabling an organization to be innovative, flexible, and effective without losing the benefits of stability, and efficiency.

Hamel and Prahalad (1993) express that the need to misuse existing abilities and investigate or scan for new ones, structures a pressure among leverage and stretch which is a vital test for the organization in creating competitive advantage. As many authors concur with Tushman and O’Reilly (1996), superior execution is expected from the ambidextrous organization, which is empowered through structural mechanisms. These ambidextrous organizations likely will gain competitive advantage over their rivals.

He and Wong (2004) were the main analysts to test the ‘ambidexterity hypothesis’ empirically. These authors researched the effect of ambidexterity (in their case the combination of explorative and exploitative innovation strategies) on

organizational performance (sales growth rate) with a sample comprising 206 manufacturing firms. Their empirical results revealed that (a) the interaction of explorative and exploitative innovation strategies relates positively to sales growth rate, and that (b) the relative irregularity between explorative and exploitative innovation strategies relates adversely to sales growth rate.

Gibson and Birkinshaw's (2004) results are in line with He and Wong's (2004) findings. These authors explored the impact of contextual ambidexterity on business unit performance. They contended that business units, which are simultaneously aligned and versatile (contextual ambidexterity), will perform better contrasted with other units because every individual employee in such a unit is able to contribute to existing customers while simultaneously investigating new opportunities. Their empirical results support this method of reasoning. Using a sample including 81 business units from 10 worldwide organizations, they indicated that contextual ambidexterity is positively associated with subjective business unit execution.

Rothaermel and Deeds (2004) examined the effect of exploration-exploitation strategies on new product development in the context of new technology ventures. The results of their archival data study posit a positive link. Hill and Birkinshaw (2006) observed that units capable of simultaneously building new capabilities and using existing capabilities, enjoyed higher levels of venture strategic performance, assessed in four ways: creating breakthrough innovations, investing in disruptive technologies, developing strategic relationships with key external stakeholders, and providing funding for internal venturing activities. In addition, Cegarra-Navarro and Dewhurst (2007) report that an ambidextrous context is positively related to customer capital, measured as the existence of profitable customers, company reputation and prestige.

Chandrasekaran's (2009) study of high technology firms in the United States discovered support for the theory that divisions that are ambidextrous (simultaneously excel on both innovation and improvement) perform better than non-ambidextrous divisions. Another study by Parnell, Lester and Menefee (2009) revealed that a balanced strategy leads to superior performance. Martini, Aloini, and Dulmin (2012), also tested the ambidexterity hypothesis and found significant positive effect on a firm's performance.

In contrast to the recently surveyed research that has found positive direct effects on performance outcomes, other research reached counterintuitive and opposite outcomes like no immediate effect, curvilinear relations, and even negative effects. Different researchers (Atuahene-Gima, 2005) explored ambidexterity's influence on incremental and radical innovation execution. Atuahene-Gima's (2005) results uncovered no immediate impact on incremental but a negative effect on radical innovation performance. In a later study, Yang and Atuahene-Gima (2007) found a curvilinear ambidexterity-performance relation in their sample of 300 Chinese cutting edge firms. Other research (Lin et al., 2007) discovered a negative impact on firm performance. Lin et al. (2007) investigated ambidexterity of strategic collusions. The observational outcomes they accomplished dependent on data obtained from five US industries showed that alliance ambidexterity relates to firm performance (net sales over current asset) adversely.

Moreover, in not many studies where researchers have considered how ecological components and other moderators might condition the effect of organizational ambidexterity on performance, they have thought about this in the context of exploitation and exploration, rather than organizational ambidexterity per se (e.g. Auh & Menguc, 2005; Jansen et al., 2006). Venkatraman, Lee and Bala (2006) in their empirical longitudinal study of 1005 software firms found no direct effect of simultaneous exploration and exploitation but showed that alternating sequences of exploration and exploitation (punctuated equilibrium) affected the sales growth of these software companies positively. Similarly, Bierly and Daly (2007) found no direct noteworthy connection between the interaction of exploration and exploitation and firm performance (financial performance and growth).

Sarkees (2007) studied organizational ambidexterity in publicly traded pharmaceutical organizations in the United States, and found that "pharmaceutical companies scored higher on exploitation than exploration". But, Sarkees (2007) also found that ambidextrous firms, those with solid abilities in both exploitation and exploration, had no preferred performance than non-ambidextrous firms. Comparable outcomes were obtained by Bierly and Daly (2007), who studied small assembling firms in the United States. They found that firms with elevated levels of organizational ambidexterity did not have preferable execution than those with low levels of ambidexterity.

Working from this 'ambidexterity premise', studies have focused the requirement for organizations to pursue organizational ambidexterity to improve performance; however, in total, the discoveries have been dubious.

Social Capital and work outcomes

Social capital has been described in multiple contexts including national (Fukuyama, 1995), community (Putnam, 2000), strategic (Hitt & Ireland, 2002), and workplace (Cohen & Prusak, 2001), and is increasingly viewed as an advantageous organizational resource that can be used for constructive purposes. From an organizational efficiency perspective, social capital increases productivity and reduces transaction costs because the high amount of trust inferred mitigates the need for constant monitoring (Leana & van Buren III, 1999).

Social capital appears to be positively related to organizational effectiveness and to play a central role in reducing organizational transaction costs (Fukuyama, 1995). It also facilitates coordinated action to achieve desired goals (Leana and Buren, 1999), and results in a significant positive impact on product innovation (Nahapiet & Ghoshal, 1998).

Workplace Social Capital as the origin of this causal chain reaction is proposed by Watson and Papamarcos (2002). They implemented the theoretical measures on social capital in firms by Nahapiet and Ghoshal (1998). Based on the sample of 469 sales professionals from a medical company, they found that interpersonal trust towards management, communication with colleagues and perceptions of normative structures had important repercussions on organizational commitment.

An empirical analysis of the relationship between social capital, satisfaction and quality of life at work in workplace in Spain was done by Requena (2003). In this study social capital was defined as the set of cooperative relationship between social actors that facilitate collective action. This concept was measured based on five dimensions, namely, trust, social relation, commitment, communication and influence. The data of this study was based on Spain's 2001 Quality of Life at Work Survey. It was found in the results that higher levels of social capital imply greater level of satisfaction and quality of life at work. Research has also shown that social capital positively influences various career development issues and outcomes (Carden & Callahan, 2006; Kessels & Poell, 2004; Maman, 2000). Consequently, the role of HRD professionals in collaborating with leaders to enable social capital in organizations has attracted significant discussion (Akdere, 2005; Hitt & Ireland, 2002; Lengnick-Hall & Lengnick-Hall, 2003).

Luthans and Youssef (2004) contend that organizations should place more emphasis on the development of latent resources such as social, human and positive psychological capital in order to develop and maintain competitive advantage. Other researchers suggest that organizations leverage HRD professionals' competencies to help employees forge productive individual relationships within workplace networks (Gubbins & Garavan, 2005; Lengnick-Hall & Lengnick-Hall, 2003; Storberg-Walker & Gubbins, 2006).

Leana and Pil (2006) inspected social capital and its relationship with performance at the organizational level. They anticipated that both interior and exterior social capital will have a positive effect on organizational performance. Wambugu, Okello & Nyikal (2009) studied the effect of social capital on performance of smallholder producer organizations. The aftereffect of their investigation uncovered that social capital positively influenced performance of producer organizations.

In the context of business firms, the positive effect of social capital on resource allocation, innovation and learning, its effect on availability of human resource and attrition, as a facilitating function to strengthen relation with members of value chain to explain longevity and economic performance of firms including prospect of start-ups (Ingram & Baum, 1997; Maurer and Ebers 2006). Westlund and Nilsson (2005) investigated the relation between investment in social capital and economic growth of firm and they found a significant positive relationship. Sorheim, (2003) investigated effect of social capital on pre-investment behavior and concluded the relationship to be positive. Most of the researchers mentioned above, has explored the outcome of social capital on variables those have direct impact on firm's existence, firm performance and profit potential.

Empirically, several researchers have constructed a positive connection between managerial social capital, the capacity to get organizational resources and capabilities, and organizational performance (Kale, Singh, & Perlmutter, 2000; Lee et al., 2001; Pennings, Lee, & Van Witteloostuijn, 1998; Peng & Luo, 2000; Rowley, Behrens, & Krackhardt, 2000; Uzzi, 1996, 1999; Yli-Renko, Autio, & Sapienza, 2001).

Study by Ofro and Sackey (2010) evaluated the elements of social capital within Ghanaian organizations, and depicted the patterns and determinants of social capital use within organizations and investigated how social capital adds to firm performance. The aftereffects of their study demonstrated that social capital was basic to information partaking in the Ghanaian organization; that it assisted with completing things and aided in the accomplishment of organizational objectives. The discoveries likewise proposed that three determinate factors of social capital: reciprocity, trust and institutional ties, had the most critical relationship with organizational performance.

A study by Andrews (2010) explored the independent and combined effects of organizational social capital and structure on the performance of over 100 organizations. The results suggested that cognitive and relational dimensions of social capital were positively related to performance, but that the structural dimension of social capital were unrelated to service outcomes.

Gholami (2011) considered the connection between social capital and job satisfaction among staff. Their study alleged that social capital has beneficial outcome on job satisfaction. Bakiev and Kapucu (2012) in their study examined three dimensions of organizational social capital (participation, feedback on performance, and empowerment) and organizational commitment. Their outcomes proposed that organizational social capital, with its dimensions, was a source for the trust-building process which affected perceived organizational commitment.

Another study by Savari and Monavarifard (2013) related to the impact of social capital on agricultural employees' job satisfaction, concluded that there were significant positive relationships between social capital factors (relational, structural and cognitive) and job satisfaction. Yet another study by Akuzum and Tan (2014) was conducted to find the role of social capital and job satisfaction as the predictors of the organizational commitment. The most significant finding of this study was that social capital and job satisfaction were found to be the important predictors of the organizational commitment.

Tantardini and Kroll (2015) studied the role of organizational social capital on performance management system. They theorized that structural (social interaction), relational (trust), and cognitive (common goals) organizational social capital foster the use of performance information.

Lee and Sukoco, (2007) examined social capital moderated the effect of both entrepreneurial orientation and knowledge management capability on innovation competence improvement and organizational effectiveness among companies in Taiwan, listed in the Top 1000 Firms. Social capital moderates the effect on entrepreneurial orientation and knowledge management capabilities on the effectiveness. They argued that these findings had practical implications for business practitioners and academics

Wu, Chang and Chen, (2008) studied the role of social capital as moderator. The purpose of their study was to develop a comprehensive research model to integrate the interrelationships among social capital, entrepreneurial orientation, intellectual capital and innovation. Additionally, it also focused on the moderating

effects of social capital on the relationship between intellectual capital and innovation. The result also supported the hypothesis. This study revealed specifically that firms that have higher levels of social capital tend to amplify the effects of intellectual capital on innovation.

According to a study by Li (2012) the social capital among top executive facilitates the intra-team information processing by which to promote the benefits of TMT diversity for achieving organizational ambidexterity. Gadut and Talmund (2010) studied the moderating effect of social capital (i.e., trust, and social support and reciprocity) on job performance. Their result social capital is a good moderator of the relationship between perceptions of organizational politics and performance.

The two segments of Organizational Social Capital – trust and goal congruence – were found to play a moderating role for the entrepreneurial orientation and competitive intelligence relationship (Tuan, 2015). Employees' exploratory and exploitative activities can be utilized all the more proficiently and successfully yielding more significant levels of performance when organizational capital is high. In another study the moderating role of an internal organizational resource, i.e. organizational capital, in the link between organizational ambidexterity and firm performance (Fu, Flood & Morris, 2016) was likewise affirmed.

Methodology:

Objectives

Keeping in view the above conceptualization and review of literature, the accompanying objectives of the current study are proposed:

1. To examine the role of organizational ambidexterity in organizational effectiveness.
2. To examine the role of social capital in organizational effectiveness.
3. To examine the role of social capital in the relationship between organizational ambidexterity and organizational effectiveness

Hypotheses

- H1 Organizational ambidexterity (OA) would be positively related with organizational effectiveness (OE)
- H2 Social capital (SCT) would be positively related with organizational effectiveness
- H3 Social capital would moderate the relationship between organizational ambidexterity and organizational effectiveness

Research Design:

The present study adopted correlational research design so as to probe the underlying relationships between each of the variables being studied .

Sample - The present study was conducted on 250 managerial personnel of different private sector organizations of India. Convenience sampling method was used for the selection of the sample.

Psychometric Tools of measurement: In addition to a demographic data schedule (age, education, gender, marital status, type of family and tenure) the following measures were used in the present study:

1. Organizational Ambidexterity Scale -To assess organizational ambidexterity, 12 item scale developed by Luatkin, Simsek, Ling and Viega (2006) was used. The response criteria of this 5 point likert scale ranged from from 1 (strongly disagree) to 5 (strongly agree). To test the reliability of the scale in present context, a pilot study was done and the cronbach's alpha was found to be 0.94.

2. Investment in Social Capital Scale – This scale developed by Ellinger, Elmadag and Ellinger is based on 7 point likert scale. The response criterion ranges from 7 “strongly agree” to 1 “strongly disagree.” It consisted of 14 items. To test the reliability of the scale in present context, a pilot study was done and the cronbach's alpha was found to be 0.94.

3. Organizational Effectiveness Scale- This scale having 20 items was developed by Singh and Jaiswal (2015). Items are to be rated on five-point scale ranging from 5 “strongly agree” to 1 “strongly disagree”. It has 4 dimensions namely, innovation, productivity, interpersonal relationships and satisfaction. This scale has a cronbach's α of 0.92.

Results

Table 1 reflects correlation coefficient indicating that the demographic variable, marital status has been found to be significantly negatively correlated with organizational effectiveness. The variables, organizational ambidexterity and social capital are found to be significantly positively correlated with organizational effectiveness.

Further, hierarchical regression analysis was performed to find out whether organizational ambidexterity, social capital predicted Organizational Effectiveness. The results of which are reported in table 2. In this analysis all the demographic variables were entered in the first step of the model and were considered as control variables. Organizational Ambidexterity, and Social Capital were entered in the second, third steps respectively of the model.

Table 2 indicates that after controlling the demographic variables, organizational ambidexterity ($\beta = 0.481$, $p < 0.01$), social capital ($\beta = 0.217$, $p < 0.01$) were found to be significant predictors of Organizational Effectiveness. It is also clear from the table that organizational ambidexterity and social capital produced 22.5% and 7% of variance respectively in predicting Organizational Effectiveness.

Table 3 summarizes the results of moderated regression analysis for social capital as a moderator between the relationship of organizational ambidexterity and Organizational effectiveness. The results indicate that social capital was found to be the significant moderator between the relationship of organizational ambidexterity and organizational effectiveness (F change = 9.650, $p < 0.05$). The result also shows that social capital produces 2.5% of variance between the predictor and criterion variable. It is also observed from the **table 3** that due to the influence of social capital there is a significant negative association between organizational ambidexterity and organizational effectiveness ($\beta = -0.170$, $p < 0.05$).

Discussion

Various theoretical and empirical researches have provided the base for the present study which attempted to investigate the role organizational ambidexterity and social capital on predicting organizational effectiveness. From the results it is clear that organizational ambidexterity have been found to be positively related to organizational effectiveness. Also, it has emerged as a significant predictor of organizational effectiveness. Thus accepting our first hypothesis. As per Stettner and Lavie (2013), a firm that engages in both exploration and exploitation is expected to maintain innovation, achieving reliability while enabling organizational renewal and thus enjoying enhanced performance. Our finding is also in germane with this fact as the organizational effectiveness was measured through a scale which considered the important organizational facets like productivity, satisfaction, relationships and innovation. The present result can also be attributed to a number of researches.

Researchers like Espallardo, Pérez, and López, (2011) noted that exploration and exploitation have been shown to positively affect organizational performance. Brion, Mothe and Sabatier (2010) results, based on a dataset of 108 large firms, showed that firms combining exploration and exploitation activities should adopt long-term practices that favor risk taking and creativity, and thereby build an organizational context suited to innovation. A number of researches cited earlier in review of literature also suggest the influence of organizational ambidexterity on organizational performance. An ambidextrous organization seeks to have positive impact on organization's effectiveness and thus leading to an organization's success.

Our second objective was to examine the role of social capital in organizational effectiveness. Results revealed that social capital was found to be significant predictor and had a positive relationship with organizational effectiveness. Thus, confirming our second hypothesis. There are a number of studies that link social capital with performance, innovation, productivity, job satisfaction (which as per the measure used are dimensions of organizational effectiveness) and other work outcomes. The present result is in accordance with a number of findings.

Subramaniam and Youndt (2005) showed that the overall social capital influenced positively both incremental and radical innovative capabilities. De Jong, Frankema and Cardinal (2014); De Jong and Elfring (2010), in their studies reported that social capital constituted a dimension of social structure that facilitated collaboration and improved team performance. Doh and Acs (2010) in their cross country study revealed that social capital had a positive impact on innovation.

Greve, Benassi, and Sti (2010) in their study collected archival data from the firms and found that social capital was the most important factor to determine productivity. Tsounis, Niakas and Sarafis (2017) in their cross-sectional study conducted on 239 employees found a significant positive correlation between social capital and job satisfaction.

Hauser (2015), based on a survey of 1007 employee, expressed that workplace social capital fills in as a transmission system converting social trust in upgraded paces of both compensation/job satisfaction and in particular organizational commitment.

Our third objective was to examine the role of social capital as a moderator between the relationship of organizational ambidexterity and organizational effectiveness. The results illustrated that social capital was found to be significant moderator. However, very interestingly, it has been observed in the present study that social capital changes the direction of the relationship between the variables (as per the negative β value). In other words, social capital tends to make the otherwise positive relationship between organizational ambidexterity and organizational effectiveness to negative. Now, this finding which deviates from the existing literature can be attributed to a number theories and explanations.

Firstly, the sample of the present study as mentioned previously has been taken from different private sector organizations. The private sector organizations have been known to be very target and result oriented organization. Whoever completes the targets, keeps on benefitting in the organization. The one who comes up with continuous innovations and efficiencies sustains in the organization. This throws light to the fact that there is lot of competition among the employees of the same organization, as each one of them is fighting their own battle of sustenance and growth. Therefore, sharing and trust becomes almost difficult. Knowledge is easily transferred through trusting and non-competitive relationships. Social capital facilitates trust and relationships and is beneficial to the knowledge transfer process. However, environmental competition which leads to less trust and intense competition may be harmful for the knowledge transfer process. Research by Wang and Fang (2012), related to the moderating role of environmental competition showed that the positive relationship between social capital and exploration capabilities becomes insignificant under fierce competition situation.

Secondly, under environmental turbulence, social capital plays crucial role on firm performance. "Environmental turbulence refers to the hostility of business environment, which can turn into various level of uncertainty (Zhang & Duan, 2010)". Under low environmental turbulence, social capital has positive effect on firm performance. However, social capital brings negative impact on firm performance during high environmental turbulence (Pratono & Mahmood, 2013). Resource-based view demonstrates that investment in such valuable resources does not cultivate firm performance during high environmental turbulence. However, during low environmental turbulence, firms with more striking social capital encounters greater firm performance. On the other hand, under high environmental turbulence, firm with greater social capital experiences poor firm performance (Tang, Kreizer, Marino & Weaver., 2010 & Chawla, Mangaliso, Knipes & Gautheir, 2012).

Studies have additionally demonstrated that while social capital gives benefits to organizations, it can also block their advancement by acting as constraints on an organization's activities, and thus its performance (Gargiulo & Benassi, 2000; Portes & Sensenbrenner, 1993). According to Chiang & Wang, (2005), social Capital does not necessarily direct higher organizational innovativeness.

Implications

This research proposes to comprehend the requirement for an organization to simultaneously achieve both exploration and exploitation in order to endure and flourish. To build ambidexterity, organizations must concentrate on exploring new knowledge as well as exploiting existing knowledge in everyday work exercises. Indicators of exploration activities would incorporate (a) how often the organization is experimenting with new ideas in order to develop new administrations, and (b) to what extent the organization is creating new services for new consumers and new segments. To seek after better exploitation, senior professionals need to screen (a) to what extent the current activities are in congruence with existing firm policy, (b) to what extent the existing knowledge has been used to lead customer activities, and (c) how efficiently the re-utilization of knowledge occurs, as opposed to repeated development of similar solutions. Understanding the impacts of internal moderators such as organizational social capital adds to theoretical knowledge about the linkage between ambidexterity and firm performance and complements existing research findings on external factors. It additionally offers experiences for practitioners on how they can build up such internal resources as organizational capital, over which they have relatively better control than external factor and to enhance the performance impact of ambidexterity. Existing research primarily centers on the moderating effects of environmental factors which are typically outside the control of the firm and how internal resource management influences organizational ambidexterity and firm performance which is often ignored.

Limitation and Future Research

From the present study it is noted that there is a diverse result when investigating social capital as moderator. This is because factors like personality, organizational culture and design, type of leadership were not taken into account. However, prior researches have showed the importance of these factors in fostering social capital. Thus there is a scope in future to incorporate these factors by either controlling or studying these factors along with social capital.

Likewise, regardless of ever-expanding enthusiasm for the estimation of organizational social capital, a number of important empirical questions remain under-explored in the present study. For example, which dimensions of organizational social capital are conducive to better performance? Are these moderated by important internal structural features?

Present study has incorporated sample from only private sector organizations. This was so because the variables under study best suit the culture of private multinational companies. Generally, public sector in India follows specific fixed culture, where there is little scope of flexibility. However, incorporating samples from public sector organizations and making a comparison between the two sectors could have better justified the result and choice.

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Table-1 Correlation coefficients of demographic variables, organizational ambidexterity and social capital with organizational effectiveness

Demographic Variables	Criterion Variable
	Organizational Effectiveness
Age	0.016
Gender	-0.084
Qualification	-0.065
Tenure	-0.056
Marital Status	-0.181**
Family Type	0.118
Predictor Variables	
Organizational Ambidexterity	0.499**
Social Capital	0.406**

** Correlation is significant at the 0.01 u (two-tailed)

*Correlation is significant at the 0.05 level (two-tailed)

Source: *Primary data (2018) using SPSS (v25.0)*

Table-2: Summary of Hierarchical Regression Analysis for organizational ambidexterity and social capital as predictors and organizational effectiveness as a criterion variable

Variable	Criterion Variable		
	Employee Engagement		
	Step 1	Step 2	Step 3
Control Variables: Step 1			
Age	0.017	0.023	0.067
Gender	-0.082	-0.084	-0.073
Qualification	-0.059	-0.034	-0.012
Tenure	-0.139	-0.129	-0.141
Marital Status	-.0176**	-0.098	-0.076
Family Type	0.134	0.138	0.100
Predictor Variables: Step 2			
OA		0.481**	
Predictor Variable: Step 3			
SCT		0.413	0.217**
F change	2.889	76.640	26.215
R²	0.067	0.291	0.361
Adjusted R²	0.044	0.271	0.339
R² change	0.067	0.225	0.070

* $p < 0.05$, ** $p < 0.01$, *** $p < .001$

Note: Standardized Beta (β) is reported in the table

Source: *Primary data (2018) using SPSS (v25.0)*

Table-3 Summary of Moderated Regression Analysis for social capital as a moderator between the relationship of organizational ambidexterity and Organizational effectiveness

Model	R	R²	Adjusted R²	R² change	β	f change	p
OA	0.499	0.249	0.246	0.249	0.499	82.271	0.000
SCT	0.575	0.331	0.326	0.082	0.422	30.223	0.000
OA * SCT	0.597	0.336	0.348	0.025	-0.170*	9.650	0.014

* $p < 0.05$ level ** $p < 0.01$ level

Source: *Primary data (2018) using SPSS (v25.0)*