

Impact and Innovation: How Can NGOs Manage Both?

A Single-Case Study on Ambidexterity in a Dynamic Environment

Stockholm School of Economics
MSc in Business & Management

Abstract

Organizational ambidexterity is a concept that captures an organization's ability to manage business efficiently by exploiting existing solutions, and to cope with future demand by exploring new opportunities. Scarce resources amplify the need for efficiency, while a dynamic environment demands adaptation and innovation. Resource-constrained organizations operating in dynamic environments are, thus, especially interesting subjects to study within the field of ambidexterity. This thesis constitutes a single-case study that explores to which extent an NGO operating in Kenya incorporates exploitation and exploration to maximize impact and ensure long-term relevance. NGOs rely primarily on financial resources from donors that demand tangible results, typically requiring the exploitation of proven concepts. Simultaneously, Kenya's dynamic environment requires the exploration of new concepts for the NGO to adapt and remain relevant in the long term. The study explores this contradiction and concludes that despite the pressure experienced by the NGO to be resource efficient, it incorporates both exploitation and exploration and is, hence, ambidextrous. The study finds that exploitation is more prominent than exploration, although both are present in the organization. The identified reasons for this allocation toward exploitation are the dependency on resources from donors and norms in the charity industry, while exploration is driven by a dynamic environment and excitement about innovation within and around the organization. The study contributes to the literature on organizational ambidexterity and the field of NGOs and organizations in similar contexts.

Keywords: innovation, organizational ambidexterity, environmental dynamism, NGO

Authors:

Hedda Heinonen, 24422
Linn Samuelson, 24293

Supervisor:

Mats Jutterström

Date of presentation:

2023-05-24

Acknowledgments

The thesis process has been a fun, challenging, developing and above all rewarding experience, and we have been lucky to receive a great amount of valuable support throughout our work.

First and foremost, we would like to thank all involved employees at Hand in Hand, the case organization of this thesis. Thank you, employees in Sweden, for providing us with background information, taking the time to participate in interviews and answer our questions, and helping us get in touch with your colleagues at the Eastern Africa office in Kenya. Thank you to Hand in Hand Eastern Africa for welcoming us with open arms, coordinating and facilitating interviews and field visits, and ultimately contributing to this once-in-a-lifetime experience.

Secondly, we want to sincerely thank our supervisor Mats Jutterström who has provided solid advice and helped us find new direction and inspiration when needed. We have very much appreciated your supportive attitude and ways of challenging us to reach as high as possible. Your help has been invaluable.

Finally, we thank our colleagues, friends, and family for acting as soundingboards for our ideas and thoughts and for providing motivational support and feedback.

Again, thank you!

Hedda & Linn

Table of Contents

Definitions	4
1. Introduction	5
1.1. Efficiency and Innovation in NGOs	5
1.2. Problem Discussion	6
1.3. Purpose and Research Question	6
1.4. Delimitations	7
2. Theory	8
2.1. Literature Review	8
2.1.1. Ambidextrous Organizations	8
2.1.1.1. Ambidexterity as a Concept	8
2.1.1.2. Forms of Ambidexterity and their Key Characteristics	9
2.1.2. Non-Governmental Organizations	13
2.1.3. The Role of the Environment	15
2.1.3.1. The Concept of Environmental Dynamism	15
2.1.3.2. Open Systems Theory	16
2.1.4. Research Gap	18
2.2. Theoretical Framework	19
3. Methodology	20
3.1. Research Approach and Design	20
3.1.1. Scientific Research Approach	20
3.1.2. An In-Depth Understanding through a Single-Case Study	20
3.2. Data Collection through Interviews and Observations	21
3.2.1. Interview Sample	21
3.2.2. A Flexible Interview Design and Process	23
3.3. A Data Analysis with Qualitative Rigor	24
3.4. Ensuring a High Quality of the Study	25
3.5. Ethical Considerations	26
4. Empirical Data	28
4.1. Hand in Hand's Ways of Working	28
4.1.1. Introduction to Hand in Hand	28
4.1.2. A Project-Based Organization	29
4.1.3. A Thoroughly Standardized Implementation Process	30
4.1.4. An Example of a Pilot Project: "Project Digital"	32
4.2. Addressing Internal Challenges	34
4.3. Addressing External Challenges	36
4.3.1. Structural Forces	36
4.3.2. Ecological Forces	37
4.3.3. Technological Forces	38
5. Analysis	40
5.1. The NGO as a Part of an Open System	40
5.2. Impact Maximization Through Ambidexterity	42
5.2.1. Why Ambidexterity?	42
5.2.2. Exploitative Actions	42

5.2.3. Explorative Actions	43
5.2.4. Combining Exploration and Exploitation	45
5.2.5. Explanatory Factors for Hand in Hand's Focus Allocation	48
5.2.6. Summary of Findings	49
6. Conclusion	51
7. Discussion	52
7.1. Theoretical Contributions	52
7.2. Managerial Implications	53
7.3. Limitations and Generalizability of the Study	53
7.4. Future Research	54
References	56
Appendices	67
Appendix 1: Overview of Interviews and Observations	67
Appendix 2: Overview of Core Module Program	68

Definitions

Term	Definition
Ambidexterity	In an organizational setting, ambidexterity refers to the ability to both explore new opportunities to enable innovation and exploit already well-functioning processes and solutions to maximize resource efficiency (March, 1991).
Efficiency	This thesis defines efficiency as an activity that maximizes output with minimized loss or waste of resources. This is connected to being exploitative.
Environmental dynamism & dynamic environment	Environmental dynamism and dynamic environments refer to the rate and instability of changes, often unpredictable, in a firm's external environment (Dess & Beard, 1984; Goll & Rasheed, 2004).
Exploitation	Exploitation is about efficiency, control, certainty, and variance reduction in an organizational setting (March, 1991).
Exploration	Exploration is about search, discovery, autonomy, and innovation in an organizational setting (March, 1991).
Innovation	This thesis defines innovation as experimenting and creating new ideas, concepts, and approaches. This is connected to being explorative.
Non-governmental organizations (NGOs)	In general, NGOs differ from private and public sector organizations as they are not driven by profit and are separate from the government (World Bank, 1997). This study defines an NGO as a non-profit and non-governmental organization with a social mission in developing countries.
Open systems approach	An organizational approach that views organizations in their environments rather than as separate units (Katz & Kahn, 1966).
Poverty	Being able to spend less than \$2.15 a day (World Bank, 2022).
Social Impact and Social Mission	This study defines social impact as activities that lead to a positive change connected to social issues, such as poverty and human rights. A social mission is when the social impact is the overall goal.
Third sector	An “in-between” sector where organizations that are neither public nor private belong to. A diverse group of organizations are categorized in this sector, such as university groups, churches, and political groups, and they are nonprofit and voluntary (Knutson & Brock, 2014).

1. Introduction

1.1. Efficiency and Innovation in NGOs

Innovation is important for organizations, but is it a guarantee for success? No, at least not in isolation. Organizations need to build the capability to both exploit existing competencies to maximize efficiency and explore new opportunities, a concept called ambidexterity (March, 1991). This is especially critical to survive and thrive when operating in dynamic environments. Finding an optimal combination of exploitation and exploration is a challenge for NGOs, whose resources are controlled by external donors rather than generated by profit from sales to customers, and which often operate in dynamic environments. It is, therefore, interesting that previous literature on organizational ambidexterity has not turned the spotlight toward NGOs. This study delves into this unexplored area to understand how ambidexterity is embodied in NGOs and why certain tendencies of ambidexterity can be seen in this context.

In an increasingly globalized and complex world, people are often impacted by events and changes in the environment, such as the COVID-19 pandemic, the Russian war on Ukraine, climate change, and on a more positive note, various technological developments. People in developing countries are often more vulnerable, which makes it critical that organizations such as NGOs operating in these exposed areas can manage dynamic environments to continue making a social impact. Indeed, the level of innovation among NGOs has increased significantly in the past years, and new, innovative organizations, funds, and units have emerged; for instance, Unicef Innovation Office in 2007 and Humanitarian Innovation Fund in 2011 (Elrha, 2023; UNICEF, 2023) indicating a need for innovation among NGOs.

This thesis is a single-case study of the global NGO Hand in Hand which works with entrepreneurship training to reduce poverty and, thus, makes a social impact. More specifically, Hand in Hand's organization and its operations in Kenya has been chosen as the main subject of study, complemented by its collaboration with the Swedish office. Kenya is an example of a dynamic environment, characterized by many challenges such as poverty, drought, and political and safety issues while experiencing extremely fast economic development (World Bank, 2021) and showing great interest in digitalization and innovative solutions. In 2022, the country was ranked fourth in the Sub-Saharan Africa region in the Global Innovation Index (WIPO, 2022). The perspective of the Swedish organization adds value to the study in its role as a link to some of the organization's donors, which encompasses a distinct characteristic of NGOs.

The dependency on donations from external funders also means that NGOs are typically closely monitored and pressured to utilize their resources efficiently. This expectation is natural but creates organizational tension since NGOs, like other organizations, also need to invest in renewal and innovation to make a greater impact in the long term and adapt to their changing environments (Ebrahim, 2002, 2003; Khallouk & Robert, 2018).

In addition to a dependency on donations from external funders, NGOs differ from organizations in the private and public sectors by solely being driven by a social mission and, thus, being measured on social impact rather than financial performance (Khallouk & Robert, 2018). They also manage a different set of stakeholders, such as institutional funders, local authorities, and beneficiaries, and often work through a so-called grassroots focus, directly interacting with their surroundings (Khallouk & Robert, 2018). Because of this tight link with their environments, an open-systems approach, which explicitly views organizations in their environments rather than as separate units, has been applied to this study. This has been done by using a theoretical framework that combines the open-systems model (Katz & Kahn, 1966) with ambidexterity theory.

1.2. Problem Discussion

Ambidexterity is a well-researched topic. However, most studies have explored ambidexterity in the context of for-profit firms in the private sector. Little is known about how NGOs incorporate ambidexterity in their operations, even though it is critical for NGOs to maximize social impact.

The number of NGOs and their influence has grown exponentially since the late 1900s (Mitlin, 2022; O'Dwyer, 2007). NGOs manage a diverse and broad set of stakeholders and rely on donations. Nonetheless, they strive to optimize performance and need to innovate to deliver the social impact they promise their donors. NGOs are tightly linked to their often dynamic environments, amplifying the need to adapt and innovate. Therefore, this study will combine ambidexterity and open systems theory to understand how the case NGO can combine exploitation and exploration to make an impact in a dynamic environment.

1.3. Purpose and Research Question

This study's main purpose is to contribute to ambidexterity theory by applying it in a new context. By using the open systems model as a structure, ambidexterity will be applied in the context of an NGO that is closely connected to a dynamic environment. In addition, the results will offer Hand in Hand and other similar NGOs a better understanding of factors that impact their ability to innovate on the

one hand and to be resource efficient on the other, enabling them to make an even greater social impact. This study aims to answer the following two-fold research question:

“How is focus allocated between exploitation and exploration in an NGO that operates in a dynamic environment, and what are the explanations for this particular allocation?”

1.4. Delimitations

For this study, the term NGO will refer to non-profit and non-governmental organizations with a social mission in developing countries. The study is purely qualitative and will focus on one NGO in the form of a single-case study. Even though this approach can limit the possibilities of generalization, it enables greater depth given the limited time and resources for the study, and a deep understanding of contextual factors for this specific organization. Further, this study has a geographical delimitation to Kenya and Sweden.

2. Theory

This section provides an overview of previous research in a literature review (2.1) and introduces an identified research gap. Lastly, the theoretical framework used in the study is presented (2.2).

2.1. Literature Review

2.1.1. Ambidextrous Organizations

2.1.1.1. Ambidexterity as a Concept

The fundamental premise of ambidexterity theory is that organizations need to build the capability to innovate on the one hand and produce on the other (Duncan, 1976; Tushman & O'Reilly, 1996). The concept of ambidexterity builds on the largely accepted idea that organizations often need to change their structural alignments over time due to their environments and technology development (e.g., Schumpeter, 1934; Tushman & O'Reilly, 2002). The topic has caught the interest of several researchers over time, resulting in a wide array of empirical studies, theory papers, special issues of journals, and review articles (O'Reilly & Tushman, 2013).

Already in 1967, Thompson wrote about the trade-off between efficiency and flexibility. Duncan (1976) was the first to use the term “ambidextrous” in an organizational setting, arguing that organizations needed to shift structures in sequences to initiate and execute innovation. Later March (1991) developed the concept of ambidexterity further by expressing the adaptive organizational challenge as the need to exploit already existing assets and capabilities on the one hand and to enable sufficient exploration to remain relevant when markets and technologies change on the other hand. According to March (1991), exploitation was about efficiency, control, certainty, and variance reduction, whereas exploration included search, discovery, autonomy, and innovation. In this seminal article, he noted a bias in favor of exploitation among firms because it was more related to short-term success. However, he concluded that an effort toward exploration is also needed to avoid failure. This initial form of ambidexterity is called *sequential ambidexterity*. It was later contrasted with other forms such as *structural* and *contextual* ambidexterity, which will be presented in the next section (2.1.1.2).

Multiple empirical studies have been conducted, studying (1) whether ambidexterity is related to the survival and performance of organizations, (2) how it is accomplished organizationally, (3) under what conditions it is most valuable, and (4) how it can be achieved (O'Reilly & Tushman, 2013). These studies predominantly support that ambidexterity is associated with firm performance. O'Reilly

& Tushman (2013) name tens of studies that support this and that have been done in various industries, and using different measures connected to firm performance and methods. Ambidextrous firms can better respond to emerging technologies and disruptive new business models than other firms, so they have a stronger performance (Birkinshaw et al., 2016; Hill & Birkinshaw, 2014).

However, contradicting studies report that ambidexterity does not correlate with performance or that correlation only exists under some specific conditions (Ebben & Johnson, 2005; O'Reilly & Tushman, 2013). In conclusion, the findings supporting that ambidexterity correlates with performance are, however, robust. In addition to studying whether the original theory holds, various studies have been conducted to verify in which conditions ambidexterity seems to be the most valuable. Ambidexterity builds on the well-supported idea that organizations need to adapt to their environments (Schumpeter, 1934; Tushman & O'Reilly, 2002). Therefore, it is no surprise that ambidexterity seems to be most valuable in uncertain environments (e.g., Jansen et al., 2005, 2009; O'Reilly & Tushman, 2013; Sidhu et al., 2004; Siggelkow & Rivkin, 2005; Tempelaar & Van De Vrande, 2012; Uotila et al., 2009; Wang & Li, 2008). Second, the effects are more substantial in organizations with more resources (Cao et al., 2009; O'Reilly & Tushman, 2013; Sidhu et al., 2004; Tempelaar & Van De Vrande, 2012). Third, increased competition increases the value of ambidexterity (Auh & Menguc, 2005; Bierly & Daly, 2007; O'Reilly & Tushman, 2013), and fourth, larger firms seem to benefit more than smaller ones (O'Reilly & Tushman, 2013; Zhiang et al., 2007).

2.1.1.2. Forms of Ambidexterity and their Key Characteristics

Sequential Ambidexterity

As mentioned, Duncan (1976) initially viewed ambidexterity as something that could be achieved by shifting structures on an organizational level over time to align with the strategy of the firm, known as sequential ambidexterity. Sequential ambidexterity has been investigated through various studies and can especially be found in many early studies on organizational adaptation (O'Reilly & Tushman, 2013). An example of an influential older study is Tushman & Romanelli's (1985) theory of punctuated equilibrium change in which organizations implement "punctual" changes, realigning their structures and processes as a response to changes in the environment. Brown & Eisenhardt (1997) also advocated for sequential shifts as a way to be ambidextrous and presented terms such as "semisttructures" and "rhythmic switching" to move between exploitation and exploration. Nickerson and Zenger (2002) and Boumgarden et al. (2012) argued for the idea that switching between formal structures is often easier than changing the culture and informal aspects of an organization.

Many of these studies focus on long-term, large-scale examples, and the results suggest this approach to be best suitable in stable environments, as well as for smaller organizations with scarce resources (Chen & Katila, 2008; Goossen et al., 2012; Rosenkopf & Nerkar, 2001; Tempelaar & Van De

Vrande, 2012). It has further been concluded that sequential ambidexterity can be a suitable approach at the project level within organizations where different managerial practices can be used to manage projects at their different stages (Blank, 2013; Chen, 2017). In line with this, a critique of the theory has been that sequential ambidexterity can cause dislocation and even destroy the “core organizational capabilities” of firms if switches between modes are done too often (Chen, 2017; Christensen & Overdorf, 2000).

What is still missing within this field of research is *how* sequential ambidexterity occurs and what the transition looks like (O'Reilly & Tushman, 2013; Tarba et al., 2020). O'Reilly and Tushman pose questions such as what it means to go from exploitation to exploration or the reverse at ground level in an organization and whether shifting from a centralized to decentralized form throughout a long period of time should be considered ambidexterity, especially if the organization has failed to be effective at exploration.

Structural Ambidexterity

In 1996, Tushman & O'Reilly reacted to the idea of sequential ambidexterity and argued that the approach was insufficient and that firms should manage exploitation and exploration simultaneously, referred to as *structural* or *simultaneous ambidexterity*. They initially suggested that organizations should be structured in separate units that focus on either exploration or exploitation, and later developed the concept also to include “*different competencies, systems, incentives, processes, and cultures - each internally aligned*” (O'Reilly & Tushman, 2008 p. 192). To stay aligned, a common strategic intent is key (O'Reilly et al., 2009; O'Reilly & Tushman, 2004), which suggests that this approach is more focused on leadership than organizational structures (O'Reilly & Tushman, 2011; Smith et al., 2010; Smith & Tushman, 2005). In a review of several studies, O'Reilly & Tushman (2013) conclude that structural ambidexterity consists of (1) autonomous structural units, (2) targeted integration in order to leverage assets, (3) an overarching vision, and (4) leadership that can manage the tensions that emerge from multiple organizational alignments.

Various studies of different kinds have been conducted to confirm that structural ambidexterity, specifically, is associated with firm performance (e.g., He & Wong, 2004; Katila & Ahuja, 2002; Lubatkin et al., 2006; C. Markides & Charitou, 2004). In addition to how ambidexterity can be used within an organization, structural ambidexterity has been used in inter-organizational settings. Studies conducted by Rothaermel & Deeds (2004), Phene et al. (2012) and Zhiang et al. (2007) show that alliances between firms can contribute to ambidexterity and enhance both exploitation and exploration, and Kauppila (2010) presented a case where a company used both internal ambidexterity and external partnerships as complements to enable both exploration and exploitation. Chen (2017) views structural ambidexterity as “*the most promising and practical solution to the pursuit of*

organizational ambidexterity” (p. 388). She, however, points out that the approach requires a lot from top executives who need to be involved in everything from managing diverse units to creating new ones and coordinating between them, which can result in top executives being the bottleneck of structural ambidexterity.

Contextual Ambidexterity

Birkinshaw & Gibson joined the conversation about ambidexterity with a seminal article published in 2004. They argue that ambidexterity can be achieved on an individual level and that firms should create an environment and system where individuals can judge when to exploit and explore, called *contextual ambidexterity*. As many earlier authors focusing on other forms of ambidexterity, Birkinshaw & Gibson verified that ambidexterity correlated with success. Contextual ambidexterity is not radically different from the two earlier forms. However, there are three disparities; (1) the adjustment between exploration and exploitation is made on an individual rather than a unit level, (2) ambidexterity is considered achieved when individuals agree that their unit is aligned and adaptable, and (3) the organizational enablers for individual adjustment should promote stretch, discipline, and trust, but are not specified further. A unit can be considered ambidextrous, although the underlying enabling mechanisms could not be defined.

In firms with contextual ambidexterity, employees are expected to perform both routine tasks (*exploit*) and continuously change their jobs to increase efficiency (*explore*), as exemplified in a study on Toyota (Adler et al., 1999). This kind of ambidexterity is enabled by management and a culture that supports pursuing both. Culture is, indeed, a key concept in contextual ambidexterity, and several studies indicate that a culture that promotes both flexibility and control may enable the kind of alignment and adaptability that is needed to achieve contextual ambidexterity (O'Reilly & Tushman, 2013). Although an accepted form of ambidexterity, a criticism of the concept is that the focus and responsibility assigned to individuals, often on lower levels of an organization, disables more radical or disruptive changes that require resources, legitimacy, and often new skills that require involvement from senior managers (Gilbert, 2005; O'Reilly & Tushman, 2004). Kauppila (2010) therefore argues that to enable radical exploration or exploitation, structural separation is necessary.

Combining Different Modes of Ambidexterity: Dynamic Ambidexterity

The abovementioned three modes of sequential, structural, and contextual ambidexterity were initially presented as contrasting views, but later studies have shown that firms often use combinations of them to achieve ambidexterity (Goossen et al., 2012; Laplume & Dass, 2012; Raisch, 2008). One reason for switching between the different types is the variety in the environments or competitive markets that organizations face. Some studies indicate that dynamic environments require structural ambidexterity, whereas more stable environments enable a sometimes slower sequential approach. Simultaneously,

contextual ambidexterity can enable local innovation, which is required for continuous adaptation to the environment (e.g., Adler et al., 1999; Benner & Tushman, 2003).

Organizational ambidexterity research has evolved and resulted in many different theoretical approaches over time (Guerrero, 2021). One approach is introduced by Chen (2017) who proposes to combine the three previous approaches and introduces the concept of *dynamic ambidexterity*. She argues that this approach can help mitigate the limits that the different forms have separately. Dynamic ambidexterity means applying structural ambidexterity at the corporate level by creating separate units for exploration and exploitation, incorporating contextual ambidexterity within these units by encouraging employees to engage in both, and finally, implementing sequential ambidexterity at the project level by assigning projects to suitable business units. Chen (2017) further concludes that dynamic ambidexterity is costly and may lead to different contradictions and conflicts in the short-term, but confidently states that these costs are outweighed in the long term and that firms have to be able to both explore and exploit to survive through disruption in the long-term.

Form of ambidexterity	Environment <i>Best suitable when</i>	Locus in organization <i>Based on dynamic ambidexterity</i>
Sequential	Stable	Project level
Structural	Dynamic	Corporate level
Contextual	Continuous change	Business unit level

Figure 1: Overview of the forms of ambidexterity best suitable by type of environment (summarized by O'Reilly & Tushman, 2013) and organizational levels (Chen, 2017).

Related Concepts and Recent Criticism of Ambidexterity Theory

Ambidexterity is one line of research within the broad field of organizational adaptation and is studied within the behavioral theory (Sarta et al., 2021). Adaptation is broadly applied, and a natural criticism is that the concept has many imperfect synonyms, such as fit, alignment, and congruence (Sarta et al., 2021). The issue of definition is also raised in the case of ambidexterity theory (O'Reilly & Tushman, 2013). An ambiguity exists in the definition of organizational ambidexterity and its components, namely exploration, and exploitation. When a concept is applied very broadly, O'Reilly and Tushman argue that “*the research moves away from the original phenomenon and loses its meaning*” (p. 331) and that any phenomenon is simply “rebadged” as ambidexterity. Birkinshaw & Gupta (2013) also request a greater focus within the research field. Since the interpretations of ambidexterity and its components have shifted slightly in different research and over time, Nosella et al. (2012) suggest future researchers go back to the construct's original definition, emphasizing ambidexterity as a *capability*. O'Reilly & Tushman (2013) agree and suggest viewing ambidexterity through the

theoretical lens of dynamic capabilities, which can be defined as “*the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments*” (Teece et al., 1997, p. 516).

Although organizational ambidexterity is a well-researched area, scholars request additional studies on the leaders’ role in managing arising conflicts and how supporting new cultures and identities can be promoted (O’Reilly & Tushman, 2013). They also highlight the need for research where the unit of analysis is not a separate firm but rather the ecosystem that the firm is operating in. With decreasing communication costs and increasingly modularizable services, the locus of innovation is predicted to shift to the outside of the firm, which increases the need for ambidexterity but also makes it more difficult (Benkler, 2006; O’Reilly & Tushman, 2013; Von Hippel, 2005).

Summary of Ambidexterity

In summary, ambidexterity consists of exploitation and exploration, and studies have shown that the ability to be ambidextrous generally leads to improved firm performance. Research indicates that ambidexterity is most valuable (1) in uncertain environments, (2) in organizations that have more resources, (3) with increased competition, and (4) in larger firms. Firms tend to have a bias in favor of exploitation because of its relatedness to short-term success which means that an effort to explore is needed to succeed.

Scholars have presented several forms of ambidexterity over the past decades, the most prominent ones being sequential, structural, and contextual ambidexterity. According to some studies, structural ambidexterity is especially suitable in dynamic environments, while more stable environments enable sequential ambidexterity. Contextual ambidexterity, in turn, enables local innovation and continuous adaptation to the environment.

As the compilation of research above can conclude, a firm’s external environment and internal resources are critical factors that should be considered when finding the optimal combination of exploitation and exploration. NGOs are examples of organizations that often face dynamic environments and work with scarce resources, which is why they are a relevant subject to study.

2.1.2. Non-Governmental Organizations

Non-governmental organization (NGO) is a widely used term. Together with terms such as *non-profit*, *civil society*, *charity*, and *voluntary*, there is an ongoing debate on how to define and where to categorize them, making generalizability difficult. The *third sector* is one of the more accepted categorizations (Knutsen & Brock, 2014). The term NGO is commonly used in an international

context and connected to organizations that work in a developing country (Knutsen & Brock, 2014; Lewis, 2010). NGOs often have the roles of being an implementer, a catalyst, and a partner. Being an implementer refers to their role to mobilize and provide resources to people in need. Their catalyst role is to promote and inspire social transformation on various levels, including grassroots, local communities, and governments. The partner role refers to the growing trend of joint activities with donors, the government, and the private sector (Lewis, 2007).

Between the late 1900s and today, the presence and influence of NGOs have increased exponentially (Mitlin, 2022; O'Dwyer, 2007). One of the first in-depth academic books on NGO management was published by David Lewis in 2001 (Elbers, 2017). In the 1980s, de Graaf (1987) claimed that NGOs often focus on factors that they can control, such as internal processes and budgets, rather than external factors that have a high impact on NGOs (de Graaf, 1987; Lewis, 2001). In order for NGOs to be successful, he suggests that they should also focus on external forces that they can influence and accurately appreciate outside forces that they cannot impact. Lewis (2001) provides a conceptual framework of the NGO management challenge where he identifies three interrelated areas, namely activities, organization, and relationships, that should be considered in the specific context of the NGO. Essentially, de Graaf (1987) and Lewis (2001) called for NGOs to consider their external environment and adapt.

More recently, Lewis (2014) found that the focus in NGOs has moved from prioritizing their core purpose, such as relief or conservation, to looking at the big picture of development in their work. With this new perspective, leading NGOs realize the need for a holistic approach to development (Lewis, 2014). The environment of NGOs is becoming more complex and evolving rapidly, leading to increased uncertainties, which puts more pressure on their leadership and management (Fowler & Malunga, 2020).

Many NGOs rely heavily on partnerships and funding, which creates financial constraints for the organization and a high demand for accountability and information transparency (Ebrahim, 2002, 2003). Funders' expectations of NGOs differ from investors' expectations of for-profit organizations as NGOs are pressured to use the money ethically toward their social mission and are more closely monitored and supervised (Ebrahim, 2002; Khallouk & Robert, 2018). NGOs must constantly react to changing priorities among their funders and maintain a good relationship with them and other external stakeholders to preserve trust (AbouAssi, 2013; Khallouk & Robert, 2018). As a result, NGOs tend to focus on short-term performance rather than a long-term strategy. Sahley (1995) suggests that the challenge and uncertainties connected to finding long-term partnerships and funding can be an explanation for this. However, funders also tend to focus on functional and more short-term accountability, making it more difficult for NGOs to make a long-lasting impact (Ebrahim, 2003).

Little attention has been assigned to innovation in NGOs (Khallouk & Robert, 2018). However, some researchers have conducted case studies and suggest that NGOs and other voluntary organizations have an important role in driving innovation on a regional level. When Fyvie & Ager (1999) conducted two NGO case studies, they investigated their organizational structures. They noticed that, despite their innovative characteristics, signs of innovation were not reflected in the NGOs' project outcomes. Clark (1991) argues that NGOs can contribute with innovative ideas to promote development as they are often more flexible and closely connected to local communities than governments. However, NGOs face obstacles such as funding and governmental resistance that hinder innovation (Clark, 1991). Overall, these studies were conducted when NGOs were not as influential as they are today. In a more recent study, similar results were found, where factors such as financial resource constraints, high accountability pressure from external stakeholders, and negative internal attitudes toward management innovation due to lack of clarity and scope were identified as obstacles to innovation (Khallouk & Robert, 2018).

Summary of Research on NGOs

To summarize, NGOs have developed significantly and gained a greater influential role in the past 30-40 years. The management of NGOs has developed as well, becoming more holistic. NGOs operate with scarce resources, constantly depend on funders, and are closely monitored. These financial constraints make NGOs focus more on short-term results which seems to limit their ability to innovate. That being said, there is still limited research on how NGOs innovate, let alone how they combine exploitation and exploration. Research suggests that NGOs operate in dynamic environments, and are tightly linked with these environments in various ways. Thus, an open-system approach is applicable. The next section will dive deeper into what is meant by an open system and what dynamic environments entail for organizations.

2.1.3. The Role of the Environment

2.1.3.1. The Concept of Environmental Dynamism

Environmental dynamism refers to the rate and instability of changes in a firm's external environment (Dess & Beard, 1984). Literature also uses a wide selection of other terms, such as uncertainty, volatility, and high-velocity, and in conclusion, the concept often refers to unpredictable changes (Goll & Rasheed, 2004).

Various scholars have studied ambidexterity in the context of dynamic environments. As mentioned in section 2.1.1.1, most researchers agree that ambidexterity is especially valuable when the environment

is dynamic. However, there are still some conflicting studies, for instance, Schilke (2014) argues the contrary saying that firms operating in dynamic environments are not able to predict changes in technologies, earnings, and investment requirements well enough, thus, reducing the value of ambidexterity. Overall, research, however, suggests that dynamic environments increase the value of ambidextrous capabilities in an organization, and it is clear that dynamic environments and ambidexterity are intertwined.

Another line of studies explores how a high rate of environmental dynamism impacts the shift toward either exploration or exploitation. Generally, a shift toward exploration is viewed as a natural response to environmental change (e.g., Benner & Tushman, 2003; March, 1991). Posen & Levinthal (2012), however, argue that this is not necessarily appropriate as new knowledge gained from exploration may be eroded by changes in the environment and, thus, be less beneficial. They further conclude that organizations have a natural “action bias,” meaning they tend to engage in increased exploration when the environment changes. Therefore, even though ambidexterity is important in dynamic environments, it is less clear what the optimal balance between exploration and exploitation is.

2.1.3.2. Open Systems Theory

As mentioned, a complex environment and the importance of stakeholder management are key characteristics of many NGOs (Fowler & Malunga, 2020; Lewis, 2001; Mitchell, 2014). The fact that organizations are interdependent with other entities in their environment has been captured by the principles of open systems theory (Harris et al., 1997). Daft (1994), consequently, concludes that NGOs that monitor, interact with, and are impacted by their environments, are operating as open systems. This way of operating is crucial in this context, as nonprofit organizations that try to be self-sufficient and avoid interacting with their environment, i.e., operate as closed systems, often fail (Daft, 1994). This is in line with de Graaf (1987), who claims that focusing on external factors can lead to a high impact for NGOs.

Systems theory was originally used to explain phenomena within living organisms (Von Bertalanffy, 1956). Since then, the theory has been applied to many fields and integrates knowledge from natural, social, organizational, psychological, economic, management, and leadership sciences (Ramosaj & Gentrit, 2014). Open systems theory was introduced into organization theory in the 1960s. It became transformational for how organizations are understood, shifting the focus from internal management and organization to viewing the organization in its environment (Hinings & Greenwood, 2017; Katz & Kahn, 1966). Today, the open systems approach is an obvious part of organizational theory. Katz & Kahn (1966) developed the open systems model (see Figure 2) that factors in the *environment* as a part of the organizational system. In the model, *inputs* refer to resources or influences acquired from the external environment, for instance, employees, raw materials, and financials. *Throughput* refers to

the processes through which these inputs are used and transformed into products or services, also called *outputs*. The concept of *feedback*, further, allows the organization to use information about environmental conditions and how the system functions in relation to its environment to make needed changes.

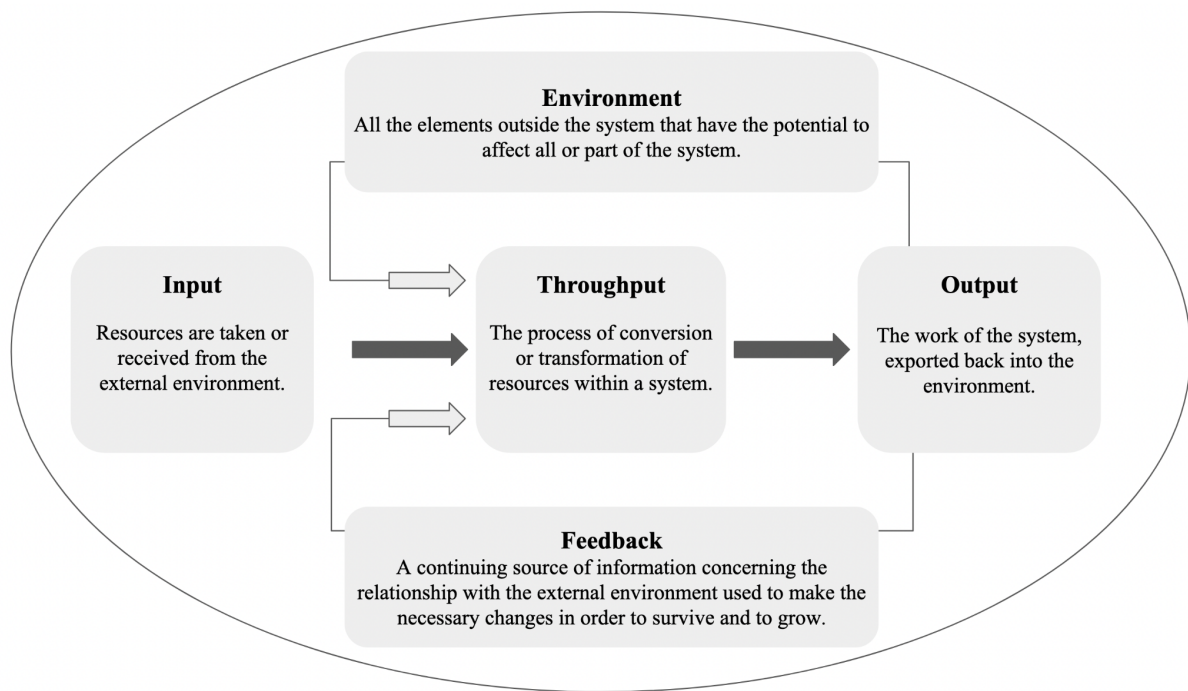


Figure 2: The open systems model (Katz & Kahn, 1966)

The open systems model is perennial and there are several related developments and applications of open systems theory, for instance within contingency theory (Lawrence & Lorsch, 1967a, 1967b), organizational design (Mintzberg, 1979), resource dependency (Pfeffer & Salancik, 1978), and institutional theory (Meyer & Rowan, 1977). Despite this, the original open systems model is considered to be the most applicable to this study and acts as a framework for structuring the empirical findings and analysis.

Further, scholars request studies on organizations not in the private or public sector as open systems. Langton (1987) argued that this in-between space should move from a closed-system approach to an open-system view. Knutsen & Brock (2014) conclude that an aggregate of later research suggests the same, confirming that also more modern studies have viewed these organizations as closed rather than open systems.

2.1.4. Research Gap

The above review gives an overview of the literature within (1) organizational ambidexterity, (2) NGOs, and (3) the role of the environment. Ambidexterity theory is a well-researched area that has been tested thoroughly toward different parameters connected to firm performance. How a firm should combine exploitation and exploration to optimize firm performance depends on factors prevalent in the context of NGOs, such as access to resources and the stability of their environment. Yet, although there is some research on innovation in NGOs, research on ambidexterity in NGOs is limited. This study aims to investigate this area and answer the research question:

“How is focus allocated between exploitation and exploration in an NGO that operates in a dynamic environment, and what are the explanations for this particular allocation?”

This question addresses two issues and aims to contribute to research on ambidexterity and NGO management. Although ambidexterity is an overall well-researched concept, the concept in the context of an NGO as a specific type of organization, with its challenges, priorities and dynamic environments, is inadequately covered in academia. This research gap has been illustrated in Figure 3 below. As NGOs operate in dynamic environments, these findings can potentially also be used to understand innovation in other organizations operating in similar environments. The level of generalizability will be further discussed in section 7.3.

Further, literature on NGOs suggests that they operate closely with their environments and are highly monitored and pressured by their funders. Innovation in organizations is currently trending, but researchers have directed little attention to NGOs' ways and capabilities to innovate. This means that NGO management currently lacks a unified understanding of the role and presence of innovation and ambidexterity in their operations, making this study relevant.

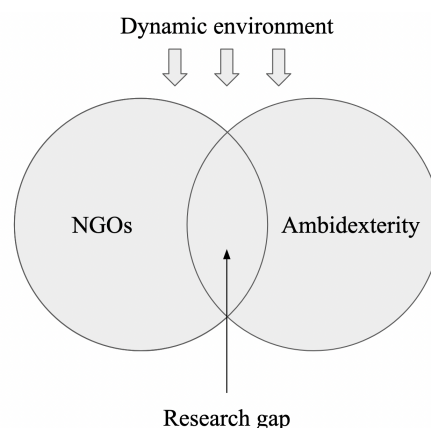


Figure 3: Illustration of research gap

2.2. Theoretical Framework

To address the research gap identified above, a theoretical framework combining the open systems model (Katz & Kahn, 1966) and a visualization of the ambidextrous relationship between exploitation and exploration (March, 1991) has been developed (Figure 4). The combined framework will be used to make sense of how NGOs, being organizations operating in and as a part of dynamic environments, can allocate focus between exploration and exploitation, and consequently make the biggest possible social impact.

Since NGOs are closely tied to their environments in many aspects, such as their overall mission, operations, and partnerships (Fowler & Malunga, 2020; Lewis, 2014), the open systems model is a suitable frame for conceptualizing the context of this study and highlighting important components. In addition to the environment, feedback is a crucial part of organizational learning and, thus, plays an integral part in answering the research question about how NGOs in dynamic environments can allocate their focus between exploration and exploitation, and what explains this. Finally, the circles within throughput visualizing exploitation and exploration are at the very core of this framework, and understanding this dyadic relationship will eventually be the result of this study.

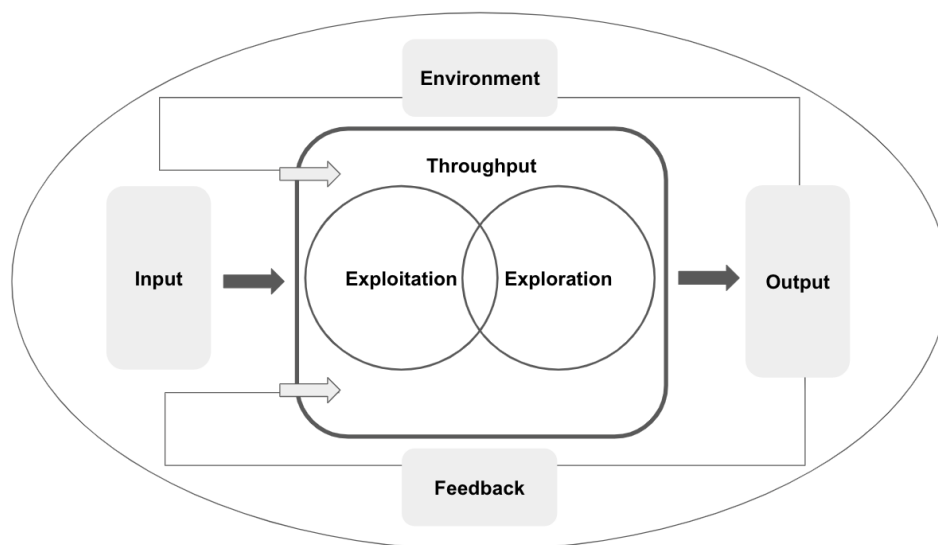


Figure 4: Visual representation of the theoretical framework used in this study, combining the open systems model (Katz & Kahn, 1966) and the ambidextrous relationship between exploitation and exploration (March, 1991).

3. Methodology

This section provides an overview of the study's research approach and design (3.1), data collection (3.2), data analysis (3.3), a discussion concerning the quality of the study (3.4), and finally, ethical aspects considered in the study (3.5).

3.1. Research Approach and Design

3.1.1. Scientific Research Approach

The purpose of this research was to explore the phenomenon of ambidexterity in the context of an NGO operating in a dynamic environment in a detailed and nuanced manner. A qualitative research method was applied, and both interviews and observations were conducted to achieve a deeper understanding of the phenomena through the perspectives of the people in relation to the organization. As the authors studied a research gap in a somewhat unexplored context, a qualitative method was also deemed appropriate to enable them to collect and interpret data to gain new insights (Bryman & Bell, 2011; Edmondson & Mcmanus, 2007). The study analyzed the phenomenon of ambidexterity on an organizational level, using individuals as the subjects of the study. In order to grasp and understand individuals' experiences and perspectives and make sense of the phenomenon based on their interpretations, an interpretivist approach was adopted (Bryman & Bell, 2011).

The study applied a combination of inductive and deductive approaches, known as an abductive approach, where the authors iteratively combined theory and empirical data throughout the study (Bell et al., 2022). This way, the study could utilize previous theories as a lens to understand data while remaining open to completely new findings. During the data collection phase, the approach shifted more toward being inductive, as the authors identified unexpected patterns and perspectives, making the study increasingly data-driven (Bryman & Bell, 2011). A more inductive approach enabled the authors to be more open-minded in the data collection and avoid potential risks of hypothesis bias, which may happen if the authors know too much of the literature during the early stages of data collection (Gioia et al., 2013).

3.1.2 An In-Depth Understanding through a Single-Case Study

This study aims to gain an in-depth understanding of a complex phenomenon, and by studying it from different perspectives, potential relationships and patterns on how ambidexterity presents itself at various levels of an organization can be identified. To achieve this, the authors found that a single-case study was appropriate. Even though a single-case study may limit generalizability, the

phenomenon can be explored with a holistic approach at a deeper level (Yin, 2009). It can, thus, provide a deep understanding with rich descriptions of the phenomenon (Darke et al., 1998) based on the authors' investigation of a real-life environment. As the environment and resources available are significant factors in the study, a single-case study is also suitable as it encompasses the context in which the individuals act and the conditions they base their reflections and perspectives on (Bryman & Bell, 2011).

An Introduction to the Case Organization and Location

The authors got the opportunity to investigate Hand in Hand, an NGO that focuses on job creation through entrepreneurship and mainly targets women and youth (Hand in Hand International, 2022). Hand in Hand is a global network with regional operations in Afghanistan, East Africa, India, and Zimbabwe, as well as offices providing fundraising and support in Sweden, the UK, and the US. The organization is a typical example of an NGO operating in fast-growing, dynamic countries that need to adapt to their environments and innovate in order to keep making an impact. It is, therefore, a representative and appropriate case for this single-case study (Yin, 2009). This study is limited to the organization's operations in Nairobi, Kenya and Stockholm, Sweden. Kenya is a fast-growing economy that is experiencing several environmental challenges. This creates a dynamic environment for Hand in Hand to operate in, which makes the country a suitable location to study.

In addition, interviews with the external actors UN Women and SIDA were conducted for triangulation purposes. SIDA is a Swedish humanitarian aid organization active in Kenya (Sida, 2023) and UN Women is actively working with women and youth in Kenya (UN Women Africa, 2023). Both organizations provided external perspectives on the environmental factors present in Kenya and the environment's impact on people living in poverty and NGOs active in the country.

3.2. Data Collection through Interviews and Observations

3.2.1. Interview Sample

For the data collection of the study, the authors followed a purposive sampling method where the interviewed participants were selected based on their relevance and variance in terms of positions in, and relationships to, the organization (Bryman & Bell, 2011). As the study was done on an organizational level, the authors wanted a diverse, distributed set of participants across the organization, including a hierarchical distribution. The selection process was done based on the following categories: (1) full-time employees at the Stockholm office involved in projects in Kenya, (2) full-time employees at the Nairobi office who are part of various stages of local project implementation processes, (3) full-time trainers located at the branch offices in Kenya who train the

beneficiaries, (4) beneficiaries of projects in Kenya, and (5) external actors working with development in Kenya. Figure 5 illustrates the different categories of participants and their relationship to each other, and Appendix 1 provides a more detailed overview of the interviews. By interviewing people from different levels at the local offices in Kenya and Sweden, the authors could gain a deep, 360° understanding of the NGO's actions and priorities.

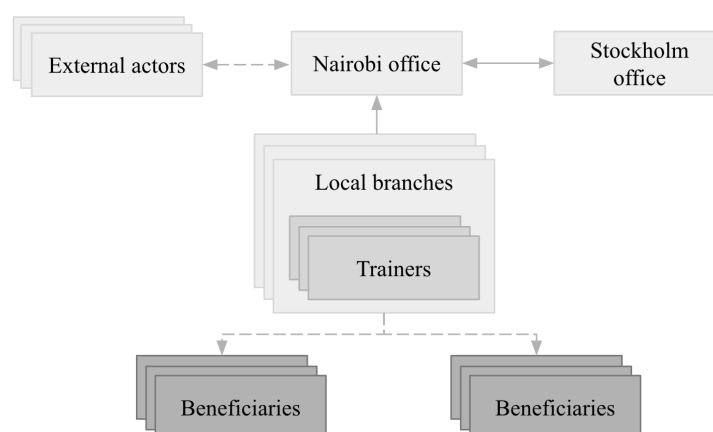


Figure 5: Illustration of the categories of participants interviewed for the study. The local branches report to the Nairobi office, which has collaborative relationships with external actors, and the Stockholm office. The trainers educate beneficiaries.

The case organization collaborated with the authors during the study, enabling them to interview employees and beneficiaries firsthand in both Stockholm and Nairobi. The authors directly contacted interviewees in Sweden to schedule interviews. The initial selection of participants in Kenya was made by a local program manager, which was logistically more suitable as the authors were located in Sweden during parts of the scheduling process. The local manager had better access to the employees and beneficiaries and knew who was available, and had the most relevant experiences for the study. This approach, however, comes with the methodological limitation of potential internal selection biases and risks that the authors cannot control. For example, the selection of employees may have been biased toward people with a more positive view of innovation. Similarly, there is a risk that the entrepreneurs interviewed may not be a representative group of beneficiaries and may have been chosen to participate due to their success and positive attitude toward the training programs. The authors addressed this by having a transparent and proactive dialogue with the NGO to communicate the need and value of a high variation of participants and its impact on quality. They gave the manager detailed descriptions and criteria the participants needed to fulfill to be relevant for the study. Once in Kenya, the authors also used the snowball sampling method to complement the dataset as participants referred the authors to additional participants believed to be relevant to the study (Bell et al., 2022).

A total of 27 interviews were conducted; with 15 employees at Hand in Hand, ten beneficiaries, and two external actors. Additionally, five observations were conducted; two field observations of training sessions in Kenya and three internal meetings at branch offices in Kenya. The different actors and perspectives served the purpose of getting a 360° triangulation of the phenomenon. The total number of interviews and amount of interviews per category were not set from the beginning. The data collection process was, rather, based on theoretical saturation and continued until no new insights emerged (Glaser & Strauss, 1967). To confidently ensure that the study had reached saturation, the authors conducted three additional interviews and concluded that no additional new information had emerged.

3.2.2. A Flexible Interview Design and Process

The interviews were designed with open-ended questions according to a semi-structured approach to enable more flexibility and fully grasp the reflections and perspectives of the interviewees (Bryman & Bell, 2011). To avoid the risk of biases, a reflexive approach was used so that the interviewees could control their narrative and express themselves as they wished (Arsel, 2017). The interview guides were adapted as the authors gained more knowledge throughout the data collection process and based on the category of participants. This enabled capturing different perspectives within the organization and getting a deep understanding of the environments they were operating in. The authors used the guides as inspiration and remained responsive to the interviewees' questions to understand their perspectives fully. Consequently, the authors focused on staying alert to what the participants answered, asked follow-up questions, and noted non-verbal behavior such as body language and tone of voice (Rubin & Rubin, 2011).

Even though in-person interviews are more time and resource-consuming, they are advantageous to maximize the quality of data collected (Dialsingh, 2008). They enable the authors to observe non-verbal behavior, be more responsive throughout the interview, and build rapport and connection (Schober, 2018). The authors deemed it beneficial to travel to Kenya to conduct in-person interviews to collect the data in the participants' natural environment, enabling them to be more comfortable and natural in their answers. They, thus, traveled to Nairobi for three weeks to conduct interviews and observations. Many participants could not meet via video calls as they did not have the necessary equipment or high-quality internet access, making them inaccessible if the authors would not have met them physically. In total, 24 out of the 27 interviews and all observations were done in person, and the rest through video meetings. All interviews were conducted individually to fully capture each participant's perspective and reflections without the fear of being overheard (Bryman & Bell, 2011). Both authors were present during the interviews to avoid biases, and one author asked questions while the other took notes (Bryman & Bell, 2011). This ensured the conversation was natural while enabling

the note-taker to complement with follow-up questions. The authors alternated between note-taking and asking questions, and all interviews started with some brief small talk, an introduction of both authors, and a short background of the study. The interviewees then introduced themselves, their previous careers, and their roles today. This part of the interview was to warm up the participants and make them comfortable to answer the following questions in a relaxed and comfortable environment. Additionally, the background part of the interviews provided a more nuanced context of the participants' answers, which helped the authors to better understand how the interviewees think and resonate based on their background (Arsel, 2017).

The first interviews were conducted with employees at the Stockholm office. The authors reasoned that this would enable them to prepare and have as much information as possible before traveling to Kenya. The Kenyan participants would be more difficult to reach for potential complementary questions once the authors finished their visit, while the employees in Stockholm were easier to reach later on if deemed necessary.

Most interviews (25 out of 27) were done in English. Two participants were native Swedish speakers. To make the interviewees as comfortable as possible, these interviews were held in Swedish and relevant quotes were later translated into English to avoid the risk of misinterpretations during the translation process (Feldermann & Hiebl, 2020). This was deemed the most appropriate approach to enable the interviewees to speak as freely and relaxed as possible without unnecessary language barriers (Baumgartner, 2012). Some interview subjects in Kenya did not speak English or Swedish as their first language, which created risks for some of their reflections getting lost in translation or being misinterpreted, limiting the quality of the data collected. The authors did not have access to a translator due to resource constraints. Instead, they addressed this limitation by adjusting the interviews to simpler English and being patient and encouraging when the interviewees had difficulties expressing themselves. Additionally, the authors ensured they understood the interviewees' reflections by continuously confirming their interpretations of answers and asking follow-up questions throughout the interviews.

3.3. A Data Analysis with Qualitative Rigor

All interviews were transcribed within 48 hours to ensure that all relevant information was captured. The transcribed data was processed with inspiration from the Gioia methodology (Gioia et al., 2013) to ensure an analysis of qualitative rigor. This methodology is based on the grounded theory introduced by Glaser & Strauss (1967) and outlines that theory is based on empirical data. The systematic Gioia methodology codes qualitative data through 1st-order concepts and 2nd-order themes that form aggregate dimensions. In line with Gioia et al. (2013), the authors employed the

assumptions that (1) the world in the organizational study is socially constructed and (2) the people in the organizations are *knowledgeable agents* who can explain their experiences and thoughts. This puts extensive weight and value on the interviewees' interpretations and the authors ensured that their voices were represented in the data collection and analysis without imposing prior theories or explanations on their experiences. The authors reviewed the transcripts carefully, highlighting quotes and constructing 1st-order concepts. In the 2nd-order analysis, the authors treated *themselves* as knowledgeable agents and processed and labeled the new set of concepts and themes at a more abstract and theoretical level. Through this lens, the authors asked themselves if these themes can explain the phenomenon of exploring and exploiting in the study's context at a theoretical level. These themes were then, finally, distilled into aggregate dimensions. Figure 6 below is an example of the data structure constructed by the authors.

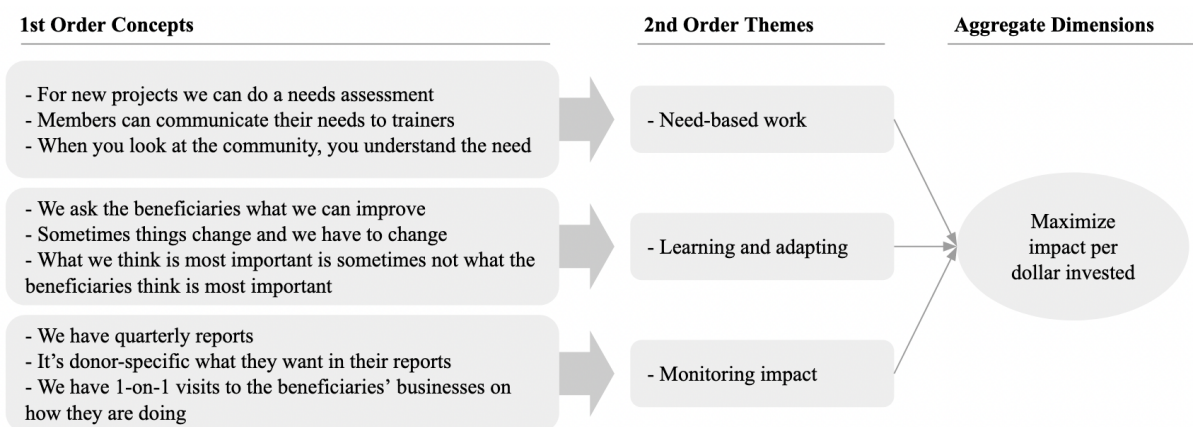


Figure 6: Example of the data analysis process

3.4. Ensuring a High Quality of the Study

In order to ensure trustworthiness throughout the study, the four criteria presented by Lincoln & Guba (1985) were considered in the process of data collection and analysis. These consist of credibility, transferability, dependability, and confirmability.

Credibility

It is critical that the findings accurately represent the realities described by the participants interviewed (Lincoln & Guba, 1985). The authors took additional measures to ensure the study's credibility by interviewing several participants from various hierarchical levels, different offices, and in two different countries to gain multiple perspectives of the phenomenon. Participants outside of the organization were also interviewed, including beneficiaries directly in contact with Hand in Hand, as well as external actors with connections to the NGO, enhancing the study's level of credibility. To

further triangulate the interviews, the authors made observations of two training sessions and three internal meetings in their data collection. Before finalizing and publishing the thesis, the authors also shared their findings and impressions with a representative of the organization as a simple form of respondent validation to further enhance credibility (Bryman & Bell, 2011).

Transferability

Because this is a qualitative study, its findings are more deep than broad, and limited to a specific context. This impacts the generalizability of the study. Therefore, the authors generated thick descriptions, giving the reader a nuanced understanding of the findings, including contextual factors (Geertz, 1973). To achieve this, the authors traveled to Kenya and conducted careful interviews and observations to gain a deep understanding of the cultural context in which the organization and interview participants acted. Data described with thick detail and interpreted within a cultural context enables the reader to gain a more detailed understanding of both the data and findings and, thus, can make a solid judgment of the study's level of transferability to other contexts (Lincoln & Guba, 1985).

Dependability

To ensure that the study and findings remain reliable, the authors thoroughly documented each stage of the study, including methodological choices, data collection, analysis, and results, to provide transparency. External peers examined the study before publication, acting as auditors, to ensure that procedures were followed properly (Bryman & Bell, 2011).

Confirmability

The confirmability of the study is critical to uphold the study's trustworthiness, and to ensure that biases do not influence the data used in the study. To address this, the authors engaged in reflexivity. They took active notes on their reflections and feelings during and after each interview and observation, maintaining a sense of awareness of their own biases (Bryman & Bell, 2011). The authors also attempted to describe their study in a detailed and transparent manner, explaining and motivating their methodological decisions throughout the process. During the interviews, the authors used open-ended questions to prevent the interviewees from being influenced by the interviewers' preconceptions (Arsel, 2017).

3.5 Ethical Considerations

The authors carefully considered ethical aspects throughout the research process. The interviewees were informed that they would remain anonymous in the study and were asked if they approved of being recorded during the interview for transcription purposes. The files were deleted after transcription. Participants signed an informed consent form, including information about the purpose

of the study, the use of data, and data privacy (Bryman & Bell, 2011). Considering that some of the participants in Kenya are financially vulnerable, the authors took extensive precautions to make them feel safe during the interviews and were especially transparent about the purpose of the research and clarified that they were students, independent from Hand in Hand. They emphasized that the participants' answers will not affect the organizations' funding possibilities nor the participants' current relationships with Hand in Hand.

4. Empirical Data

This section describes the empirical data of the study. First a detailed outline of Hand in Hand and the organization's processes has been described (4.1). Second, the internal challenges (4.2) and external challenges (4.3), as well as how Hand i Hand addresses them, have been outlined.

4.1. Hand in Hand's Ways of Working

4.1.1. Introduction to Hand in Hand

Hand in Hand's mission is alleviating poverty through job creation (Hand in Hand EA, 2021). The organization's core work consists of educating people living in poverty about entrepreneurship with the goal of empowering and helping them create micro-enterprises and build entrepreneurship skills to generate a sustainable income, grow their businesses, and create jobs for others in the community. Hand in Hand has a network of multiple offices around the world. However, for this study, only the activity in Stockholm, Sweden, and Nairobi, Kenya, have been involved.

The Stockholm Office

The Stockholm office has 20 employees and volunteers (2023), and it focuses on advisory, fundraising, and quality assurance. They collaborate with the Nairobi office in the starting phases of new projects and monitor and coordinate progress to ensure the donors' requirements are met. Some of the fundraising employees at the Stockholm office have an extra focus on innovation and identify innovative ideas and projects for Hand in Hand to experiment with. The Stockholm and Nairobi offices have no hierarchical relationship but are partners that collaborate toward the same goal.

The Nairobi Office

The Nairobi office is responsible for shaping and implementing projects and managing relationships with local donors and other external parties. The Kenyan organization employs 284 people (2022) across 24 branch offices located in 23 out of 47 counties in Kenya. Trainers are allocated based on the projects they are staffed on, and each trainer manages their groups of beneficiaries, also called members or entrepreneurs. Each project involves multiple groups of beneficiaries.

Donors and Other External Actors

Hand in Hand is dependent on donors to finance the projects in Kenya. They receive funding from e.g., institutions, private companies, and individuals. SIDA is an example of a government agency that funds Hand in Hand. Funding is usually earmarked toward specific projects, with a few exceptions. For example, a company can wish to sponsor a themed project where the beneficiaries learn about

human rights in addition to entrepreneurship or they can make a donation earmarked for beneficiaries in a specific village. Donors receive reports and impact updates regularly and have the possibility to make a field visit. This pressures Hand in Hand to monitor their resources, which is a part of their thorough implementation process introduced in section 4.1.3. The types of themes donors are interested in can shift over time, and Hand in Hand can get requests for projects in areas they do not have previous experience in. The organization also has an internal fund for financing issues unrelated to specific projects, such as providing beneficiaries in need with water tanks.

Hand in Hand is not working in isolation and has other key stakeholders besides donors, such as other actors in Kenya striving for the same impact, including other NGOs and the government. The organization partners with these external actors for technical expertise when launching new projects and educating their trainers.

“[Our main partners are] the government, other NGOs, and organizations affiliated with the government [...]. Sometimes we collaborate in the field, and we also discuss a number of things like where advocacy and lobbying are required. We also borrow technical support from them to train our groups in the field when necessary. (Nairobi office 5)

4.1.2. A Project-Based Organization

Hand in Hand strives to empower entrepreneurs to take their financial situation into their own hands by offering education and helping them start and develop their businesses. The organization’s work is mainly project-based with earmarked funding, and its education programs are categorized into core module projects and accelerator projects. A standard core module project is approximately eight months long, and according to interviews, the program follows a sequence of steps illustrated below in Figure 7. A more detailed explanation can be found in Appendix 2.

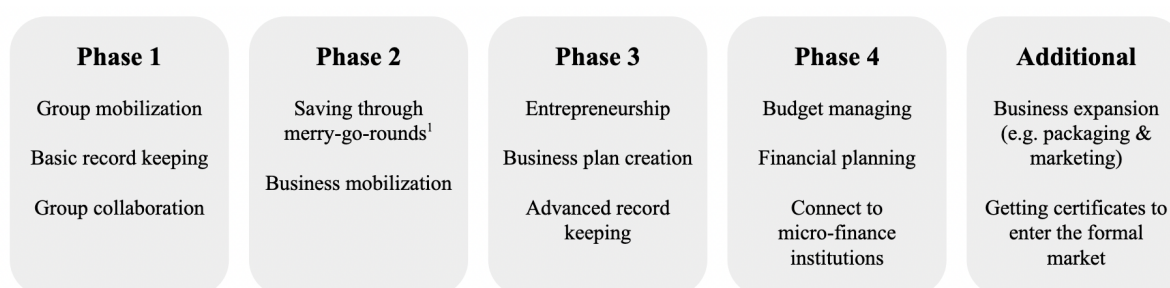


Figure 7: An overview of the different steps in a program.

¹A merry-go-round is when each member contributes a small sum every week and lends the collected money to a member of the group. At the next weekly meeting, the money is paid back, the money collection grows, and the next person borrows it.

In the accelerator programs, Hand in Hand invites entrepreneurs from previous projects to participate in more advanced continuation programs. The organization also has themed projects where they teach entrepreneurs about issues such as climate change, human rights, and digital solutions in addition to entrepreneurship.

4.1.3. A Thoroughly Standardized Implementation Process

When Hand in Hand implements a new project, they follow an implementation process. The idea is for this process to be standardized to utilize the same working methods and be resource efficient. The process can vary depending on the donor and project characteristics. However, the main phases are (1) need identification and idea generation, (2) proposal development and conceptualization, (3) inception and implementation, and (4) program progress and reporting. The monitoring and evaluation team (M&E) does follow-ups and reporting throughout the project and a final evaluation at the end of the project to report back to donors and gather learnings for future projects. An illustrative example of the implementation process is shown in Figure 8 below, and a more detailed description of the steps and actors involved will follow.

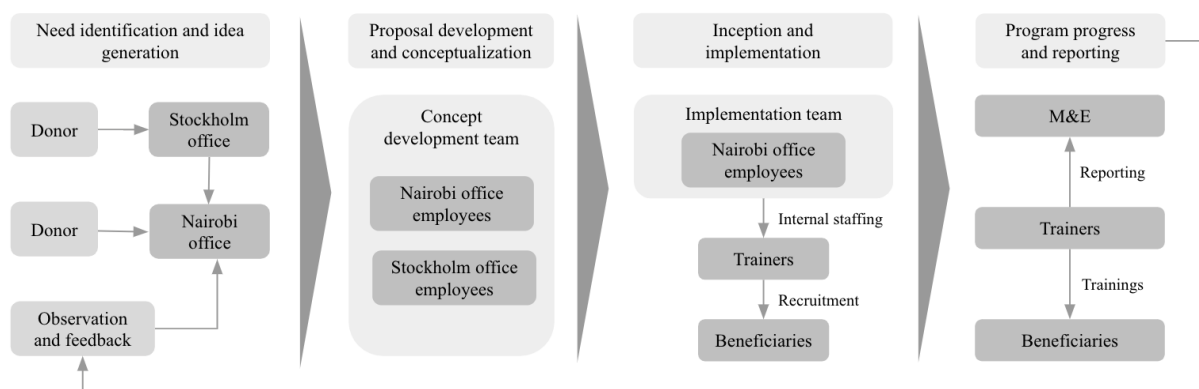


Figure 8: Illustration of the project implementation process and key stakeholders

Need Identification and Idea Generation

A need can be identified at any level of the organization, for instance, in the Stockholm office that is in contact with donors, in the Nairobi office that is in contact with local donors, or by the people working at the branches across Kenya who can identify needs or changed environmental conditions in the field. New projects can also emerge as a result of finished projects through which further needs have been identified.

“[Suggesting new ideas] goes both ways. Sometimes there will be a donor in Sweden or London that’s interested in starting a component, and sometimes we ask if they want to do [a project] with us.”

(Nairobi office 1)

If the area is new for Hand in Hand, a pre-study and assessment of need and feasibility are conducted through surveys, field visits, focus group discussions, and stakeholder discussions. An assessment is also made to see if there is enough internal capacity to conduct the project. These assessments require a lot of resources but are considered important to ensure the quality of new initiatives.

Proposal Development and Conceptualization

When a need is identified, a request for proposal is made, and the Nairobi office puts together a concept development team that forms a project suggestion. If the initiative comes from a donor in Sweden, the Stockholm office gives feedback and ensures that the proposal matches the donor's request. Usually, both the involved project managers in Nairobi and employees in Stockholm have extensive experience from previous projects, which enables utilizing earlier learnings when forming the request for proposal. The request for proposal is iterated until it satisfies the funder and fulfills the identified need. The donor's and field representatives' interests are not always completely aligned, which creates tension that needs to be solved through further collaboration across the offices.

"If the concept comes from [Kenya] and we know the donor here [in Sweden], we sit together to design the project. [...] We're not implementing the project. We're more quality assurance."

(Stockholm office 1)

Inception and Implementation

Once the concept is approved, the inception period starts and the project is handed over to the implementation team that decides who will be staffed on the project, where in Kenya it will be implemented, and the program plan. Employee turnover among trainers is mentioned as a challenge, meaning that it is common for newly recruited trainers to be onboarded at this stage. The team also sets the baseline for the final result evaluation that will be done at the end of the project.

Once the trainers are staffed on a project, they conduct a social mobilization to identify potential groups of beneficiaries they believe will benefit from the training program. The project managers visit the groups, explain Hand in Hand's expectations, understand the beneficiaries' expectations, and finally *flag off* the groups they deem appropriate for the project. Meanwhile, the trainers go through *training of trainers* to fully understand the modules that they shall teach the beneficiaries and to receive instructions on a relatively fixed program to ensure the quality and consistency of the training sessions provided. Finally, Hand in Hand informs the local communities about the project and invites local stakeholders to contribute. When everything is set the training begins.

The trainers are responsible for providing their member groups with knowledge. In addition, Hand in Hand sometimes pairs the beneficiaries with mentors, who are already successful entrepreneurs with similar businesses, to support the beneficiaries with hands-on advice based on learnings from their previous personal experiences. This is a resource-efficient source of expertise as mentors get paid very little or do it for free.

Program Progress and Reporting

Hand in Hand monitors the projects through regular reporting throughout the program and evaluations after every module. The donor is involved in defining what should be documented in the reports they receive. Meeting entrepreneurs in the fields is part of routine monitoring and is done by management at the Nairobi office, but sometimes also by the Stockholm office and donors. During the project, the implementation team discusses milestones and monitors if the project is on track. If external or internal challenges appear, Hand in Hand's monitoring and evaluation team addresses these primarily internally but involves external donors in the discussions if needed. If results are unexpected, the team gathers for reflection meetings to understand what may have caused the deviating results.

After each module, data is collected through questionnaires and focus groups with members and through key informant interviews with employees or external partners supporting the project. After a project is completed, the monitoring and evaluation team evaluates the impact and compares it with the baseline set during the conceptualization phase. Learnings from projects are taken into account in the conceptualization of future projects. When members finish the training and continue with their businesses independently, Hand in Hand also stays in contact with the entrepreneurs to continue monitoring the project's impact.

"We use evaluations of finished projects to identify the things we can improve in new projects."

(Stockholm office 1)

4.1.4. An Example of a Pilot Project: "Project Digital"

Hand in Hand is currently in the initial implementation phases of a pilot project, which this report will call "Project Digital" for anonymity purposes. Project Digital is an accelerator project that focuses on digitalization and teaches entrepreneurs about growing their businesses with the help of digital tools, such as social media. A detailed description of the project process below aims to illustrate how the organization experiments by testing and implementing pilot projects outside their expertise and comfort zone.

Need Identification and Idea Generation

The idea of Project Digital emerged because of three simultaneous forces; (1) feedback from a previous project, (2) COVID-19, and (3) a donor request. Firstly, in a previous project, the Nairobi office noticed that entrepreneurs who used their smartphones for digital marketing on platforms such as Facebook, WhatsApp, and Instagram performed significantly better compared to others participating in the same program who did not. These entrepreneurs reached more markets and a broader audience. Secondly, COVID-19 had a strong impact on stakeholders in Kenya and Sweden, which made employees realize that the digitalization of business is critical for future success. Third, the Stockholm office noticed an increased interest among donors that wanted to sponsor projects specifically focusing on the digitalization of businesses and found a suitable donor for Project Digital.

Proposal Development and Conceptualization

A request for proposal was made in accordance with the standard implementation process described above. The foundation for the project was based on a previous successful project, which provided a strong starting point. However, because the project involved many elements new to the organization, communication and collaboration between the Stockholm and Nairobi office was frequent. Nairobi provided a suggested concept and plan based on local needs, while Stockholm provided feedback and suggestions for adjustments to match the donor's wishes better.

Inception and Implementation

Once the concept was approved, the implementation team decided on the implementation plan and measuring objectives. Trainers were staffed and started to recruit groups of entrepreneurs, which the project managers flagged off. The Nairobi office recruited a local consultant on digitalization for the *training of trainers* so that the trainers could learn more about the new module.

"My plan is to get the organization to sign up to do a lot of short courses on [digitalization], and then we bring all this expertise together. We are also getting a digital consultant who will help with the training of trainers." (Nairobi office 1)

In the project, Hand in Hand aims to enable more entrepreneurs to learn about advertising on social media, but this involves increased costs connected to the internet and advertisements for the entrepreneurs. To participate in Project Digital, participants must have a mobile phone or computer. The employees expressed that it is difficult to demand this from people living in poverty, but considering that this is an accelerator project and the beneficiaries chosen for the program are already entrepreneurs from previous programs with profitable businesses who can lend money for buying a mobile phone, Hand in Hand decided that this was reasonable.

Program Progress and Reporting

As always, Hand in Hand monitors the pilot project throughout the process and will do a final evaluation when it is finished. If the results are positive, the organization plans to integrate the new module into the core accelerator program to enable more entrepreneurs to benefit from knowledge and skills in digital solutions. Thus, the project allows experimentation that might reveal successful ways to utilize digital components in Hand in Hand's programs in the future.

“We want to learn from [the pilot] and see if it's even possible for this to be applied in other projects going forward. [...] At the moment, the information on how technology works is not being collected systematically, so the best way to know that is by trial and error.” (Stockholm office 4)

The fact that Project Digital is a pilot within a fairly unknown area creates a demand for extensive research and entails a risk regarding expected results. While results for standard projects can be foreseen to a fairly large extent, this is more challenging for pilots. Because of this, it is more difficult for Hand in Hand to promise specific results to donors for innovative pilot projects, which can sometimes complicate finding interested donors.

“We can't make ourselves dependent on a donor that wants certain results because this kind of project requires that we develop a strategy, analyze where we are, take certain risks, and test things since we haven't done this before. [...] We can't start investing in an innovative solution in a new location and guarantee it will show results.” (Stockholm office 2)

4.2. Addressing Internal Challenges

The identified internal challenges that Hand in Hand is facing are financial and human resource constraints, lack of knowledge within the organization, reallocation of experienced employees, and challenges related to the distance and division of responsibilities between Sweden and Kenya.

The first identified challenge is *financial resource constraints*, which result from the dependency on funding from donors. Hand in Hand's donors control both the amount of money donated and in many cases also the focus of the projects that they finance. Donors receive reports on the achieved impact of projects they have financed. As many actors are recurring donors, good results in separate projects are crucial for Hand in Hand to receive continued funding.

“[A donor might say] ‘this is what you should work with, we want reports’. Donors have clear requirements. Not many say ‘here you have 7 million, we trust you’.” (Stockholm office 2)

Staff time is another key challenge because regular operations and project implementations are human resources heavy. Needs assessment is a component that requires significant resources without necessarily contributing to project results as regular operations do. These resources are not always available, constraining the capacity to launch new, innovative projects that require thorough preparatory research. The challenge of time constraints is especially significant for new focus areas and concepts, as they are more time-consuming than running familiar standard projects.

In the case of specific projects with new focus areas, such as digitalization currently, another internal factor to consider is the absence of *specific knowledge within the organization*. Employees are experienced in tasks such as educating entrepreneurs or managing projects but not necessarily in the technical components of projects. *Reallocation of experienced employees* is also a challenge as new employees need more training. This is solved by including experienced team members in projects and complementing with new recruits and external partners that provide expertise in areas new to Hand in Hand, thus, enabling the organization to explore new ground. However, hiring new employees or consultants also requires money and time, which is often scarce.

“We’ll be hiring a consultant who has digital knowledge. [Digital is a new area] that [the Nairobi office] is not on top of, so it’s better to have someone with that skill and take them on board as a consultant.” (Stockholm office 1)

With Hand in Hand being a global organization, there are also some challenges related to the *distance and division of responsibilities* between Kenya and Sweden. Some challenges include understanding and agreeing on the most crucial needs in Kenya, which risks are worth taking and daring to be completely honest regarding challenges. The latter is affected by the fact that the Stockholm office is a critical link between the Nairobi office and part of the funding. The Stockholm office addresses this challenge by attempting to create a safe and open atmosphere between office locations and communicating that failure is accepted, especially when implementing innovative projects that include testing.

“There can sometimes be fear about being upfront about what the real challenges are because [the Stockholm office] sits on the money and speaks to donors. If [the local offices] say that something went completely wrong, they might think that they will not get more funding.” (Stockholm office 2)

4.3. Addressing External Challenges

The identified external challenges that Hand in Hand is impacted by can be categorized into structural, ecological, and technological forces, which will be described below.

4.3.1. Structural Forces

Poverty and lack of access to financing are two major issues in Kenya, which are at the core of Hand in Hand's work. Poverty has multifaceted effects on the country and its people. An unstable and dynamic economic environment with high inflation and population growth, and fluctuating markets, make the environment a challenging one to operate in. Many trainers mention that entrepreneurs often ask them for money and initially do not understand the benefits of education.

Some additional challenges are *criminality, business informality, middlemen, and waste*. Criminality is a consequence that arises from poverty, which creates challenges, such as safety hazards for the trainers. The NGO manages this by having a local person accompany the trainer to and from the training sessions. Due to the informality of small businesses and the inability of entrepreneurs to access markets, middlemen sometimes buy products at a very low price leaving low profits to entrepreneurs, and then sell them expensively at the markets. Hand in Hand addresses this by helping entrepreneurs get market certificates after training sessions. In Program Digital, they are also experimenting with teaching entrepreneurs about digital tools that can help them skip the middlemen and sell their products directly to end customers at a fair market price. Waste management is another issue in Nairobi, and Hand in Hand is currently addressing it with a themed project on the topic. The project teaches women to create a business by selling waste products, which is a way to use the standard project structure and adapt it to address a significant problem in the local environment.

“How can we create wealth from waste? There are a lot of opportunities in waste management. We’ve created 2000 jobs by establishing recycling centers, and through this, they can recycle plastic so we can still make something out of it.” (Trainer 2)

Further, a representative from SIDA raised *corruption* as one of the most critical challenges in Kenya. The issue ties into an unequal society governed by politics that maintain inequalities.

“People don’t mention it but it is very very important and it’s a bad thing: corruption. Corruption is quite rampant in Kenya. Especially when it infiltrates the government [...]. It exists at all levels, from the top to communities.” (SIDA)

Another category of structural challenges is those connected to *cultural heritage and human rights*. Cultural heritage can sometimes be harmful, keeping women from reaching an equal position in society and forcing them to go through events such as child marriages or female genital mutilation. Sometimes men also claim land from women despite this being illegal. Women, especially in rural areas, often completely lack education about human rights.

"The issue of gender-based violence is quite prevalent here, and we are seeing new trends of the triple threat in (1) high gender-based violence rates, (2) HIV, and (3) teenage pregnancy." (UN Women)

Hand in Hand currently addresses this issue by conducting a themed project on human rights issues. They reach the most vulnerable women by identifying and contacting influential community stakeholders, such as chiefs and elders, who act as champions after going through the Hand in Hand's education program.

Various *political challenges* were also prominent in many interviews. Elections in Kenya often lead to instability and security issues, which leads to difficulties for trainers to reach beneficiaries. This is difficult for Hand in Hand to control, but they plan around it. There are also issues resulting from global politics that affect Kenya and the entrepreneurs whom Hand in Hand works with. For example, the Russian war on Ukraine has impacted Kenya's supply of cooking oil. To address this, Hand in Hand is experimenting with a themed project training entrepreneurs to make a business out of sunflower oil. In addition to addressing the shortage of imports, this innovative project is also more climate resilient and contributes to biodiversity. Another example of a project connected to biodiversity and sustainability is one where Hand in Hand is training entrepreneurs to make honey through beekeeping. Ecological forces impacting Hand in Hand and climate-resilient solutions and initiatives connected to them are described in more detail in the section below.

4.3.2. Ecological Forces

Especially during the past few years, *drought and climate change* have become some of the most prominent external challenges, mentioned by more than half of the interviewees and on all organizational levels. Extremely dry weather conditions directly impact lives, especially in rural areas where agriculture depends entirely on natural rain. Drought also results in people migrating in search of water, impacting Hand in Hand's training programs when members leave.

"We have poverty issues and for now it is mainly because of the drought [...]. The current drought pushes the resources to the extreme, where the animals also start dying [...]. More than 2 million animals have already died during this prolonged drought." (SIDA)

As a response to the issue of climate change and drought, Hand in Hand encourages entrepreneurs to diversify their businesses or shift into areas that are better suited for the changing environment. Two examples of climate-resilient businesses mentioned above are oil production from sunflowers, which requires less water than traditional methods, and beekeeping. The organization also teaches entrepreneurs about agricultural techniques, provides loans for water tanks, and advocates for the government to contribute by digging dams.

"We were taught that when things change, you need to quit and think further. [Our trainer] told us, if this happens, just quit, and think of another thing." (Beneficiary 7)

To address the issue of climate change, which makes the environment less predictable, Hand in Hand has also started to involve donors more in discussions and problem-solving. The risk that expected results deviate due to unexpected climate shocks has increased, and reporting targets are also being adjusted.

"[Issues resulting from climate change] should be identified as a risk from the beginning of the project so that the donor may not expect us to report full targets when there is a drought or another climate disaster." (Nairobi office 5)

The global *COVID-19* pandemic was a shock with multifaceted and far-reaching effects. Firstly, the pandemic and governmental restrictions directly impacted many entrepreneurs' businesses. Secondly, it impacted Hand in Hand's ways of reaching entrepreneurs and reporting. During the pandemic, Hand in Hand needed to remain agile in collaboration with donors maintaining a proactive dialogue. *COVID-19* acted as a catalyst for innovations and the organization identified learnings for the future, which is one of the factors that led to the initiation of the pilot project Project Digital.

4.3.3. Technological Forces

Technological and digital development has been rapid during past years, and for instance, access to electricity and the internet has become much more widespread. However, *access to technology varies greatly* between regions and between rural and urban areas. The costs to buy smartphones and internet bundles are still high for many, leading to increased inequalities. The challenge concerning access to the internet and smartphones is still something that Hand in Hand is in the process of finding a solution to. One possible option could be for their internal fund, which currently finances items such as water tanks and irrigation systems, to finance digital tools as well. Another potential option is to partner with a telecommunications company.

In addition to access, lack of *digital literacy* and sometimes *negative attitudes*, even including fear of these new solutions, are barriers to technology adoption in some areas. Hand in Hand is trying to address this with its pilot project Project Digital. Despite some negative attitudes, most stakeholders are, however, optimistic and even excited about incorporating digital elements, such as the use of mobile phones and different platforms, into entrepreneurs' businesses. These positive attitudes apply to all levels of Hand in Hand, including beneficiaries, trainers, employees at branches and offices, and donors.

"The smartphone is the best. It's a computer with Internet, Google, WhatsApp groups and messages. Technology is very good. If we can afford it, all of us will be very glad." (Beneficiary 7)

Mobile money is a digital payment solution that has become well-established in Kenya. It works on any phone, not only smartphones. The service has enabled entrepreneurs to make safe and reliable transactions and do digital record-keeping. However, some entrepreneurs find the service a bit expensive. The risk of fraud is also prominent.

As a further possibility, Hand in Hand is in the early stages of investigating if they can include training on record keeping through digital platforms instead of on paper, as in the current standard module. The benefits of digital record keeping are that entrepreneurs can get loans more easily through mobile money after demonstrating reliable saving skills on the platform.

"We have worked with partners to see if we could introduce digitized record keeping. It has not worked so far but we are still looking for opportunities." (Nairobi 5)

There is also a relevant restricting technological force on the funding side. Interviews reveal that focusing on technology does not come naturally in the charity sector. Many consider it strange to focus on mobile phones before some of the most basic needs of beneficiaries have been met. Digital solutions can enable better market access and, thus, continuity for beneficiaries' businesses. However, this connection is not always clear for donors and NGO employees in developed countries far from where the impact is made.

5. Analysis

This section analyzes the empirical data using the theoretical framework presented in section 2.2, to answer the research question “How is focus allocated between exploitation and exploration in an NGO that operates in a dynamic environment, and what are the explanations for this particular allocation?”.

5.1. The NGO as a Part of an Open System

Hand in Hand is operating as a part of an open system where the organization’s environment plays a vital role. By analyzing the empirical findings using the open systems model as a structure, the NGO’s dependency on both inputs, feedback, and the environment is emphasized. Below is an illustration of how Hand in Hand relates to the open systems model (Figure 9), followed by an elaboration of each component.

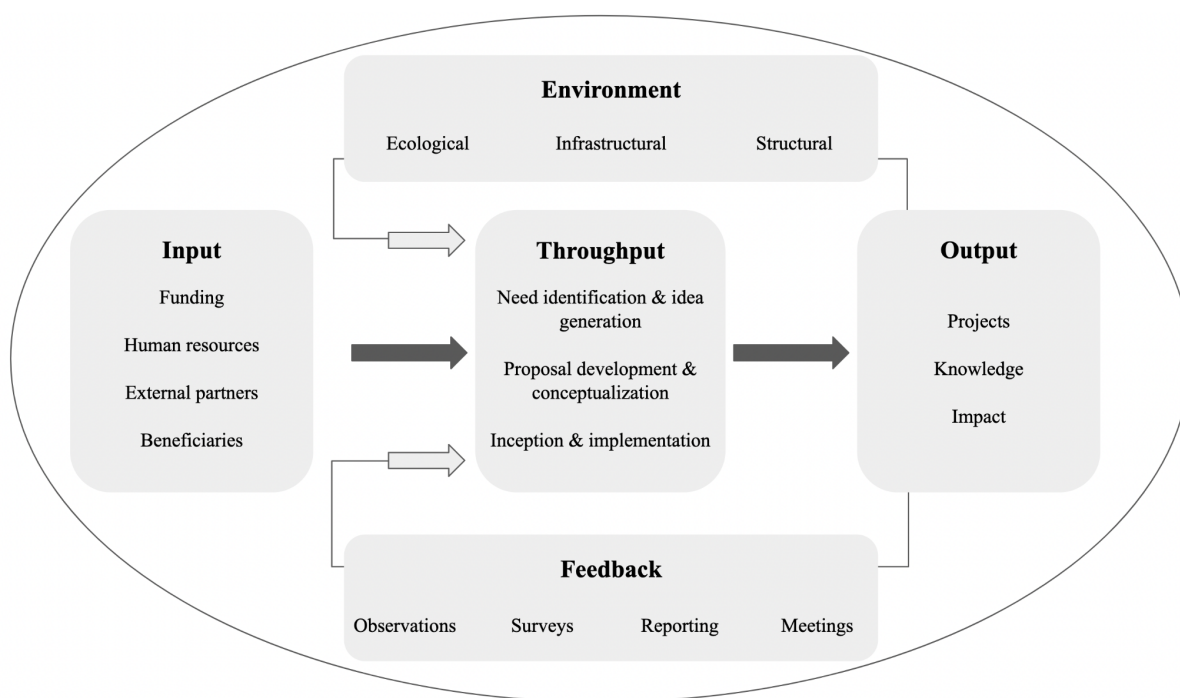


Figure 9: Hand in Hand as a part of the open systems model.

Input

The key inputs of the NGO are funding, human resources, external partners, and beneficiaries. The most prominent internal challenges are connected to constraints in the first two, namely *human* and *financial resources*. The third input, *external partners* such as government agencies, often contribute with their specific skills. By utilizing these actors for niche training, Hand in Hand can focus on their core activities rather than having trainers specialize in technical expertise for themed projects, making

operations more exploitative. External partners are, thus, a positive contributor rather than a constraint. The *beneficiaries* are also an input as they are the ones “transforming” when going through Hand in Hand’s training programs. Initially, they are people who live under the poverty line. After having received training, the aim is for them to become entrepreneurs capable of supporting themselves and their families. Empirical findings did not highlight them nor the external partners as restrictions impacting ambidexterity. Therefore, the remainder of this section will explore the challenges connected to funding and human resources in more detail.

Funding is the foundation of everything that Hand and Hand can do, as it finances the operations of the entire organization. The organization has several donors of various kinds, such as corporations, individuals, and government agencies. Operations are project-based and most funding is earmarked toward projects with specific themes. The funders monitor and evaluate the impact of their donations, which leads to the need for Hand in Hand to operate efficiently and prove that a clear impact has been made due to a specific donation. This pressure to use money ethically toward the determined social mission and close monitoring aligns with previous findings in the literature (Ebrahim, 2002; Khallouk & Robert, 2018).

Human resources is the second critical input factor as the work that Hand in Hand does requires a lot of manpower. Access to human resources in itself is important, and retention of employees who are trained in Hand in Hand’s modules and ways of working, and that have become acquainted with their entrepreneurs, is a valuable asset to the organization.

Throughput

Throughput refers to the organization’s operations and actions, in other words, where the inputs are “processed”. Hand in Hand’s operations are project-based, which means that the organization’s throughput consists of running projects and managing challenges through everyday operations. As throughput incorporates the operations themselves, this is also the component that captures the challenges of ambidexterity, which will be explored in detail in section 5.2.

Output

The aim of transforming inputs through specific actions and processes is to create meaningful outputs. Identified key outputs are the executed *projects* themselves as well as increased *knowledge* both among beneficiaries and within the organization, ultimately leading to an *impact*. This is an example of the distinct relationship that the NGO has with its environment, as the output in the form of projects and knowledge directly impacts targeted communities.

Environment

In terms of the environment, Hand in Hand must constantly manage various *ecological*, *technological*, and *structural* challenges while operating in a country that is developing quickly. Many challenges are of an unpredictable kind, making the environment dynamic, in line with Dess & Beard's (1984) definition. Considering that Hand in Hand has a tight connection to its environment in terms of input, throughput, and output and that the environment is dynamic, it is clear that the environment significantly impacts the organization and its capability and needs to innovate.

Feedback

The feedback component of the model is crucial for capturing information on how Hand in Hand uses knowledge about their outputs to relate to their external environment and subsequently learn which initiatives and processes to reinforce, which ones to change or renew, and to identify needs or gaps that could be filled with completely new initiatives. Hand in Hand works with feedback through various processes, including *observations* done by trainers in the field, *reporting* by several departments, *surveys* filled in by beneficiaries, and *meetings* where observations and improvement suggestions are brought up and discussed. The external and internal challenges listed above further pressure Hand in Hand to constantly evaluate and use feedback to ensure that continuous *exploitative* processes are effective. However, they also require the organization to dare *explore* new options as ways to respond to the changing environment in order to keep creating an impact.

5.2. Impact Maximization Through Ambidexterity

5.2.1. Why Ambidexterity?

NGOs aim to make as much of a positive impact as possible and are pressured to maximize impact per dollar invested. Since donations and human resources are scarce, they need to be utilized effectively. Innovation, which is often costly both in terms of time and financial resources, cannot receive too much attention. This setting creates a natural shift towards exploiting existing ways of working and running projects that have been proven successful, rather than focusing on exploring new opportunities. Simultaneously, ambidexterity theory outlines that any organization, and even more so one operating in a dynamic environment, such as Hand in Hand, needs to adapt and renew to stay relevant in an ever-changing environment.

5.2.2. Exploitative Actions

Exploitation is required for organizations to be resource efficient, enabling more impact per dollar invested. A project or initiative that is proven successful is popular among donors so that they can be sure that the money they invest will lead to a positive impact. The core modules of projects are Hand

in Hand's "business as usual" and expertise and do not require much preparation. They are therefore resource efficient and a clear example of exploitation.

The roles of feedback, monitoring, and evaluation are crucial in Hand in Hand's exploitative actions. These processes enable the organization to identify possible small, incremental improvements by adapting existing programs. For example, when criminality rose in the location of a project in a slum, Hand in Hand solved the problem by asking local entrepreneurs to accompany trainers to and from a training location to keep them safe. The organization also incrementally improves its current projects by adapting to the changing environments. For example, as drought has become more present, the trainers have taught entrepreneurs to diversify their businesses to lower the risks of shocks impacting their businesses.

The fact that Hand in Hand uses already successful entrepreneurs as mentors for their beneficiaries is another example of an exploitative action. Mentors get little, if any, salary, making this a highly resource-efficient way to transfer knowledge. However, the idea with mentorships is for beneficiaries to "copy and paste" successful working methods, meaning earlier knowledge is exploited without much questioning or room for innovation.

Overall, Hand in Hand's standard implementation process (see section 4.1.3) builds on the aim to maximize exploitation, which is very much in harmony to maximize the direct impact of especially project-specific donations that emphasize exploitation. Even if the identified need can originate from various parts of the organization, involving people from different teams in the proposal development and conceptualization phases enables utilizing previous experiences and knowledge to a maximum. The same applies to the implementation phase where program managers with experience from similar projects are in charge.

5.2.3. Explorative Actions

Hand in Hand shows signs of exploration in various ways. For instance, the Stockholm office has recruited fundraising employees who have a special innovative focus and are meant to explore how, for example, digitalization could benefit Hand in Hand's entrepreneurs through new initiatives. Similarly, a consultant with expertise in digitalization is currently being hired in Kenya. These roles enable increased innovation but also cost money, a scarce resource. The fact that ideas can be generated by donors, i.e., external actors, also allows for new, more revolutionary ideas to emerge, in contrast to ideas only being generated by feedback leading to iteration. Employee turnover can also positively affect innovation when people with fresh perspectives enter the organization from the outside.

Another explorative approach Hand in Hand engages in is the implementation of new pilot projects within areas that the organization initially lacks experience and internal expertise in. These can be developed based on e.g., donor requests, reactions to external challenges, or ideas from employees. For example, Hand in Hand launched a beekeeping project teaching beneficiaries to make honey as a reaction to unpredictable weather. This project has a similar structure as their standard projects but is an innovative solution to a critical challenge. Another example is Project Digital, which will be discussed in more detail below.

Project Digital as a Case Example of Explorative Action

Project Digital emerged from three simultaneous forces. (1) Environmentally, the COVID-19 pandemic was a catalyst that required the organization to adapt to operate despite health risks and government restrictions. (2) Donors specifically requested to contribute to a project related to technology or digitalization. (3) The feedback from a previous project suggested that Hand in Hand should include more digital elements in projects. These three aspects were then processed, resulting in a new project referred to as Project Digital to enhance knowledge among entrepreneurs further and teach Hand in Hand as an organization how digitalization can be incorporated. Figure 10 below illustrates the development of the pilot project.

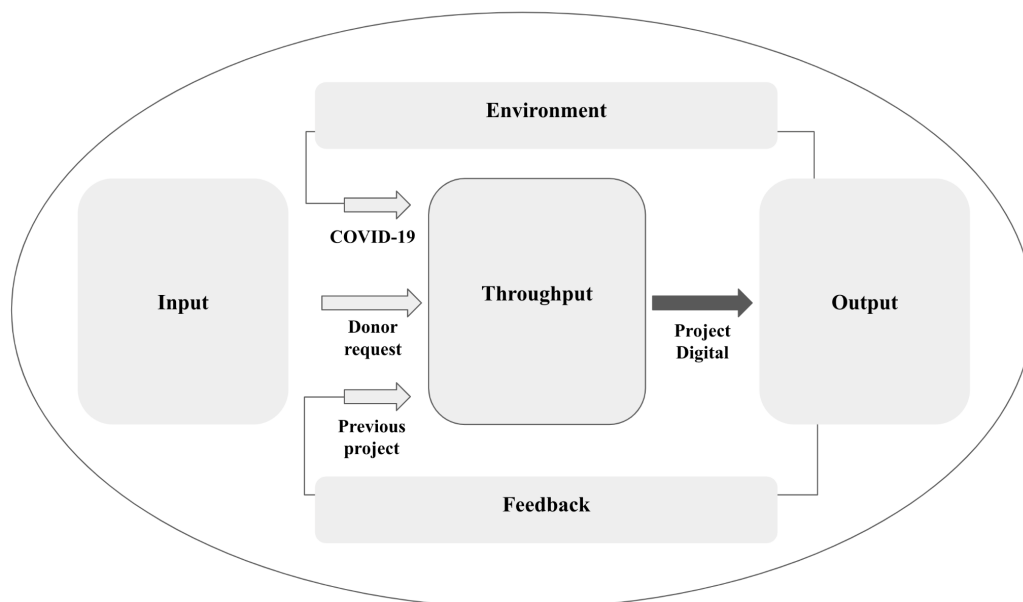


Figure 10: The emergence of Project Digital as a result of Hand in Hand operating as a part of an open system.

Project Digital was an explorative pilot due to several reasons. First, Hand in Hand did not have extensive previous knowledge or systematic research on how entrepreneurs might react to, and use, digital components in their businesses. This meant that the project required more preparations, new

competencies, as well as an increased dialogue between the different offices and donors on topics such as what to incorporate into the initiative, what to expect, and how to best measure its success. Second, the opportunity for digitalization was handled through an explicit “pilot project” not knowing what the results would be. The project aimed to enable learning and possibly reveal a new way of utilizing digital components in every standard project going forward. Investing in the integration of digital components was not done to maximize the direct impact on each dollar invested in accordance with the principles of exploitation, but rather to learn and experiment. Thus, Project Digital is a good example of a project with multiple explorative dimensions. This being said, digitalization is not necessarily a new concept for all organizations. However, it is new for Hand in Hand and its target group; the beneficiaries.

Is it Really Explorative?

One of the reasons for launching Project Digital was feedback from a previous project. Previously in the analysis, feedback was considered a tool for incremental improvement and categorized as an exploitative action as it usually leads to adjustments of standard projects by using previous project knowledge in the implementation process. This is also the case for the beekeeping example as the project structure remained similar to the organization's standard program. Nevertheless, both projects include clear explorative tendencies as they involve new expertise and require more resources and preparation. Additionally, positive results cannot be ensured to the same extent as for standard projects because the level of experience is lower in these projects.

5.2.4. Combining Exploration and Exploitation

To ensure the emergence of both exploitative and explorative actions, Hand in Hand has incorporated tendencies of structural, contextual, as well as sequential ambidexterity. As mentioned in the literature review, one reason for combining several forms is that organizations often face many different types of environments. This is the case as different parts of Hand in Hand's organization grapple with divergent challenges. This section explores the tendencies of the three types of ambidexterity Hand in Hand shows.

Tendencies of Structural Ambidexterity

Tendencies of structural ambidexterity, i.e., distinct organizational units dealing with either exploration or exploitation, are first and foremost enabled by the fact that Hand in Hand's work is project-based. Separated projects with different project teams function as their own organizational units where the aim of the project is scoped during the conceptualization phase; either a project can be exploitative and run largely by incorporating different standard modules and practices, or it can be used as a way to explore and pilot possible new ways of working. However, project-based operations

also entail pressure for each project to provide positive results and maximize impact per dollar invested. Essentially, Hand in Hand can be explorative but is highly dependent on funders. If they are to explore, they need to find funders that are willing to invest in their pilot projects and take the risk that these projects' results may not be positive. If they, however, manage to find a more steady flow of such donors, they have a high potential to be even more innovative and explorative.

Project Digital is an example that enables a high degree of exploration with explicit room for error. In this case, the project is used to test how digitalization could be incorporated into training programs, which may or may not be successful. This means that the project could either result in something innovative that will be incorporated throughout training programs going forward, or be deemed unnecessarily costly if it does not work out as intended. While this pilot project is ongoing, other standard projects can be run in parallel as "separate organizational units" in a resource-efficient way, enabling exploration and exploitation to happen simultaneously in different projects.

A second tendency of structural ambidexterity is the specific focus some of the fundraising employees have on innovation in Sweden, which suggests that they are responsible for driving innovation in the organization. This is an example of structural ambidexterity, and these people are, thus, able to push for innovative initiatives. At the same time, most other parts of the organizations are tilted towards exploitation through the iteration of existing projects and processes.

Third, as previously mentioned, ideas generated by donors enable a high degree of structural separation, enabling ambidexterity. Since donors are not directly involved in daily operations and challenges in the projects and the fields, they can freely generate innovative, even radical ideas, such as Project Digital. The fact that many donors are based in countries far away from Hand in Hand's main operations, for instance, Kenya, further amplifies this structural distance. It should, however, not be forgotten that this distance can also hinder innovation in some cases where donors do not understand some of the beneficiaries' needs, such as the need for mobile phones when picturing the lives of people living under the poverty line. This could potentially delimit the effectiveness of this form of structural ambidexterity.

Tendencies of Contextual Ambidexterity

Contextual ambidexterity refers to individuals combining both exploration and exploitation in a way that makes them coexist (Turner et al., 2013). To manage this, *individuals* need to be able to divide their focus and workload between exploitation and exploration (Birkinshaw & Gibson, 2004). In Hand in Hand's case, especially people involved in the proposal development and conceptualization phases must manage the challenge of ambidexterity contextually. They need to (1) find a good balance between approving and developing exploitative and explorative projects, and (2) include exploitative

and explorative elements in the projects that require both. For example, in the case of conceptualizing Project Digital, a decision was first made to invest time and money into exploring the opportunity of digitalization as a component. Secondly, a balance within the project was found concerning what core program modules to maintain to reduce risk and increase resource efficiency, and which new elements to incorporate.

Further, the role of the project managers is a great example of contextual ambidexterity. The same project manager would often simultaneously manage projects that follow standard procedures, being very exploitative, and others that are more explorative. This requires them to understand the different characteristics of the projects and allocate their focus to optimize ambidexterity. However, there are only a few project managers within the organizations, whereas the number of trainers with a more narrow job description is higher. Trainers are, thus, more oriented toward execution, which limits the possibilities for innovation through contextual ambidexterity.

Tendencies of Sequential Ambidexterity

Lastly, sequential ambidexterity constitutes exploitation and exploration as separate phases that are sequenced over time, leading to a natural cycle where the focus between the two alternates (O'Reilly & Tushman, 2013; Raisch & Birkinshaw, 2008; Rothaermel & Deeds, 2004). The constant change in environmental conditions is a reason why this alternation is needed. In the case of Hand in Hand, many factors in the environment and donor interests are shifting over time, leading to the need for some level of sequential ambidexterity in the organization. An example of this is the contribution of donor requests to the emergence of Project Digital. However, Hand in Hand has incorporated ambidexterity in its structures in a way that makes it constantly present, rather than something that is displayed as a cycle where exploration and exploitation alternate.

Final Words on Combining Exploration and Exploitation

Hand in Hand shows tendencies of all three types of ambidexterity, but structural and contextual ambidexterity are more prevalent compared to sequential. Despite all these tendencies, it is important to conclude that although the organization works hard to incorporate systems and structures that enable exploration, exploitation is still prioritized through Hand in Hand's standard implementation process and core modules, which constitute the majority of their operations. This verifies that innovating and finding the time and space to explore new solutions can still be a challenge for NGOs.

5.2.5. Explanatory Factors for Hand in Hand's Focus Allocation

The question about *why* the NGO allocates more focus towards exploitation but still manages to incorporate tendencies of exploration, can be summarized in the following reasons and is illustrated in Figure 11.

First, the *high dependency on resources in the form of donations* creates a strong shift toward exploitation. This is because it is in every donor's interest to contribute to a documented impact from their funds and see a tangible positive impact from their particular donation. With earmarked funds for specific projects, the best way to achieve this is to utilize concepts and ways of working that have been proven successful. This structure can in some instances hinder funding for innovation and limit the ability to experiment with something new because it entails larger risks and does not necessarily lead to a maximized impact per dollar invested in the same way as repeating a project that has previously been deemed successful.

A second force shifting the organization toward exploitation is *norms in the charity industry*. Focusing on innovative solutions, such as technology, is usually not seen as a natural choice when donating funds when not even some of the most basic human needs such as food and water have been met for beneficiaries. The connection between the two, through for instance technological gadgets offering marketplaces and, thus, higher incomes for people, is not always clear.

On the other hand, some forces enable and incentivize exploration. First, the *dynamic environment*, which has previously been described extensively, requires adaptation and innovation of different kinds. Secondly, a general *excitement to try new things* that is apparent on all levels of the organizations, reaching from donors to employees in Kenya and Sweden as well as beneficiaries, creates a push towards exploration and innovation. This is a counterforce to the strong forces resulting in exploitation.

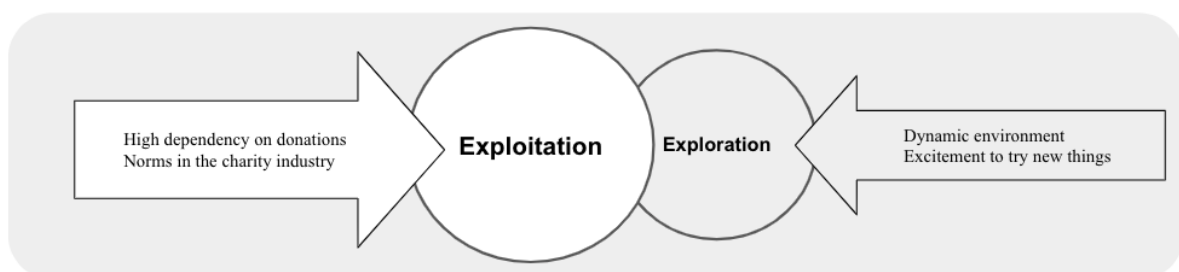


Figure 11: Illustration of the explanatory factors for allocation of focus between exploitation and exploration, resulting in ambidexterity, although with a significant shift toward exploitation.

5.2.6. Summary of Findings

In order to understand how the organization allocates focus between exploitation and exploration, Hand in Hand's activities focusing on the two have been analyzed. In addition, explanations for this allocation of focus have been presented. These findings are summarized below.

Concerning how the NGO was *exploitative*, activities connected to feedback, standardized processes, and the use of mentors to leverage existing knowledge were identified. Firstly, Hand in Hand's thorough feedback, monitoring, and evaluation processes, enable the identification of incremental improvement possibilities based on experiences both within the organization and in its environment. Secondly, the organization's standard implementation process is also developed to maximize exploitation by avoiding the need to reinvent the wheel in terms of processes, and including knowledgeable and experienced people in projects. Finally, the use of mentors is a way to transfer already accumulated existing knowledge to beneficiaries and is, thus, an example of exploitation.

The NGO was simultaneously *explorative* by allocating an innovation focus to specific employees, exploring ideas from external actors, and through pilot projects. More specifically, they incorporated an explicit innovation focus in the responsibilities of specific employees at the Stockholm office and hired a consultant with digital expertise in Kenya, which enables an isolated focus on innovation. Secondly, allowing idea generation from donors who are not involved in daily operations, and regularly hiring new employees enables the emergence of new ideas that are unrelated to earlier experiences. Finally, Hand in Hand runs pilot projects with new focus areas in addition to their core module projects to test new ideas and, subsequently, improve going forward, which is a way to create conditions for ambidexterity.

How they achieved to be ambidextrous was by applying structural, contextual, and some sequential ambidexterity in their operations. *Structural ambidexterity* has been incorporated through project-based everyday operations, an explicit innovation focus in certain roles, and structurally separated idea generation. *Contextual ambidexterity* is displayed especially by employees working with proposal development and conceptualization and project managers who manage to alter between exploration and exploitation when making decisions. Finally, elements of *sequential ambidexterity* are required and incorporated due to the environment and donor interest shifting over time, which leads to shifting between exploitation and exploration as separate phases in some instances. These examples are incorporated as ways to increase exploration in an organization that allocates significantly more focus to exploitative actions than explorative ones.

This mapping and analysis of activities show that Hand in Hand is more exploitative than explorative in their operations. The reason *why* they are more exploitative is the high dependency on resources in the form of donations and norms in the charity industry. This being said, Hand in Hand still has explorative activities. This is because they operate in a dynamic environment and there is a general excitement to try new things in the organization.

6. Conclusion

This thesis aims to answer the following two-fold research question: “*How is focus allocated between exploitation and exploration in an NGO that operates in a dynamic environment, and what are the explanations for this particular allocation?*”. The goal of the study was to contribute to ambidexterity theory by applying it to the unique context of NGOs using a single-case study. To achieve this and emphasize the critical role that the NGO’s environment plays in the context, an open systems approach, and more specifically the open systems model, was utilized as a frame for the analysis. This approach allowed the study to encompass the framework’s components as a starting point when analyzing the organization’s ability to be ambidextrous.

To answer the first part of the research question about *how focus is allocated* the study found that Hand in Hand engages in both exploitation and exploration and is, thus, ambidextrous. However, the organization’s main focus is on exploitation. This result was found by identifying and analyzing the organization’s exploitative and explorative actions, shedding light on how resources are allocated between the two. Considering that the standard implementation process and core modules represent a majority of all operations, the study concludes that exploitation is more prominent, although many examples of explorative actions were also found.

The identified *explanations* for this particular allocation, the second part of the research question, have been illustrated in Figure 11 in section 5.2.5. In summary, the allocation can be explained by resource dependency, norms and attitudes, and a dynamic environment. Firstly, the organization is highly dependent on resources in the form of donations, and secondly, norms in the charity industry hinder innovation to some extent. As mentioned, the organization manages to incorporate several explorative actions despite this. The main identified forces driving exploration are, first, the very dynamic environment that Hand in Hand operates in, and secondly, the excitement for innovation among involved stakeholders on all levels. Together, these factors explain Hand in Hand’s allocation of focus between exploitation and exploration.

The academic contributions and practical implications of these findings, as well as the study’s limitations and suggestions for further research, will be discussed in the next section.

7. Discussion

7.1. Theoretical Contributions

The findings of this study contribute to the literature within (1) organizational ambidexterity, and (2) NGOs, and highlights the role of the environment. Previous research on ambidexterity is extensive, but this study applies the theory in a context that has previously received little attention. A great extent of current research has focused on private sector organizations whose resources, stakeholders, and incentives differ from those of NGOs. The study aimed to fill the research gap of applying ambidexterity theory to NGOs in dynamic environments.

This study concludes that Hand in Hand, an organization that operates in a dynamic environment, is ambidextrous, aligning with what existing literature deems important for performance (see section 2.1.1). Further, environmental dynamism has been concluded to be one of the main drivers of exploration, which is what Hand in Hand is displaying less of in its quest to be ambidextrous. In conclusion, the study contributes to the theory by strengthening these findings. Previous literature also suggests that ambidexterity is more effective in organizations with a lot of resources. However, the literature on NGOs (summarized in section 2.1.2), in turn, reveals that NGOs often operate in dynamic environments, but also that they often have scarce resources. The literature review, therefore, suggests that ambidexterity would provide a lot of value for NGOs, but also that achieving it could be difficult due to resource constraints. This study did not attempt to evaluate the effectiveness or value of ambidexterity for the NGO but rather analyze *how* it is incorporated and *why* the allocation of focus toward exploitation and exploration looks like it does. It does, however, contribute by indicating that ambidexterity can be achieved in the context of an NGO as well, although exploitation is more dominant.

Further, the study contributes to the theory of ambidexterity by applying it to a unique context and by outlining some ways in which structural, contextual, and sequential ambidexterity can be achieved in the context of an NGO. As many new studies have revealed, the three forms can be used in combination to incorporate various types of exploitative and explorative actions, which Hand in Hand is doing.

Research on NGOs is an area with only a limited number of studies within innovation. Specifically, the trade-off between exploitation and exploration that ambidexterity incorporates and that NGO managers must make in their work has previously been unexplored. These are areas that this study contributes to by using Hand in Hand as a case example..

Finally, one factor that the NGO needs to consider is its dynamic environment with which it is highly intertwined. To capture these additional perspectives, ambidexterity theory was applied through an open systems approach, specifically with the open systems model. This approach, viewing organizations as a part of their environments, is considered self-evident in academia today, which is why no direct contribution to open systems as a theoretical field was attempted. However, the framework allowed the authors to structurally consider external factors and emphasize the perspective that organizations operate in open systems. With this framework, the study could carefully incorporate how the environment and feedback influence the level of exploration and exploitation in the organization, as well as how the input of resources both hinders and enables the NGO to explore and exploit.

7.2. Managerial Implications

The findings of this study practically contribute to NGOs as their managers can use the insights as guidance for ways to incorporate ambidexterity in their organizations that operate in dynamic environments. This can enable more NGOs to innovate and make a greater social impact while remaining resource efficient. As there is limited research on innovation in NGOs, this study can give them more courage to experiment and explore despite having scarce, strictly controlled resources. In addition to presenting ways to incorporate ambidexterity in an NGO context, the study provides an understanding of what explanatory factors drive exploitation and exploration, respectively, which can help managers in NGOs understand the tension better and, thus, make more sound decisions.

Secondly, the NGO Hand in Hand was used as an example of an organization working in a dynamic environment and being highly impacted by its external environment. As essentially all organizations are impacted by their environments and several organizations work in dynamic environments, these organizations can also learn and be inspired by the findings of this study. Although the applicability of findings cannot be guaranteed for other organizations, many of the described ways to incorporate exploitative and explorative actions and the explanatory factors for allocation of focus can be considered in many organizations operating under similar conditions.

7.3. Limitations and Generalizability of the Study

As discussed in the literature review (2.1), NGOs differ from for-profit organizations. It is, therefore, crucial to note that this study aimed to apply ambidexterity theory on NGOs, specifically, and that applicability to other organizations may be limited. The special characteristics of NGOs outlined earlier imply limitations of the applicability of the study's findings to organizations in the public and private sectors. NGOs have different goals, priorities, and resources compared to other organizations.

They operate with distinct financial constraints by being dependent on donors to implement their day-to-day operations and projects. This leads to uncertainties and impacts the strategic investments and priorities they set for future development. NGOs also manage different stakeholders compared to private and public sector organizations as they work with vulnerable people and other actors, such as the government and other NGOs, in addition to their donors. The main goal of NGOs is to contribute to a positive social impact, which influences the managers' priorities of resource allocation and trade-offs between long-term and short-term impact compared to for-profit organizations. Considering that managers need to consider these factors when strategically combining exploitation and exploration, the differences limit the applicability of the findings to private and public sector organizations to some extent. Drawing conclusions for other organizations should, thus, be done cautiously.

This study includes additional limitations connected to the methodology and data collection that the reader should consider and be aware of. Firstly, the study was purely qualitative involving interviews with 27 participants and five observations. This limits the generalizability of the findings in comparison to studies that are quantitative and cover a greater sample size. Additionally, the research was a single-case study, meaning that the conclusions are based only on one NGO operating in a specific context. However, this approach enabled the study to gain a deep understanding of the phenomenon and the identified patterns concerning the NGO's approach to exploring and exploiting can provide valuable insights to organizations in similar contexts.

Finally, the studied external environment of the NGO was delimited to Kenya, a dynamic location that is developing at a fast rate while being exposed to several external challenges. The location is not representable to all dynamic environments, but other NGOs operating in locations with similar conditions can, thus, benefit from the findings.

7.4. Future Research

Although the theoretical field of ambidexterity has been extensively researched, it can be further strengthened by studies in a wider array of contexts, which is one of the main academic contributions of this study. This is, however, only one study in one specific context, meaning that there is most likely more to discover in different contexts, including organizations in the public sector and other organizations in the third sector. Additionally, a distinct quality of Hand in Hand is that it is project-based. All NGOs do not necessarily have a similar structure, which calls for future research on whether this factor impacts the findings to a large extent and if they apply to other NGOs as well. The same applies to NGOs operating in other environments, as Kenya differs from other countries and

environments that many NGOs operate in. Investigating patterns for similar organizations but in different contexts would therefore contribute to greater generalizability.

Furthermore, this study can be complemented with quantitative studies covering a greater sample size and region. This would enable a broader understanding of how managers in NGOs combine exploitation and exploration in various contexts, providing a deeper understanding and further insights that apply to a broader set of organizations and environments. This way, future research could further contribute to both the theoretical area of ambidexterity and NGOs in dynamic environments, as well as to practical takeaways for how NGOs can create an even greater impact.

Finally, this study finds that the case NGO displays several exploitative and explorative tendencies. The aim was, however, not to examine whether ambidexterity contributes to improved performance. As mentioned in the literature review, scholars largely agree that ambidexterity correlates with improved firm performance, but this has not been studied in the context of NGOs. Thus, a final interesting area for further research is whether or not, and to which extent, ambidexterity contributes to performance through increased positive social impact for NGOs.

References

- AbouAssi, K. (2013). Hands in the Pockets of Mercurial Donors: NGO Response to Shifting Funding Priorities. *Nonprofit and Voluntary Sector Quarterly*, 42(3), 584–602. Scopus.
<https://doi.org/10.1177/0899764012439629>
- Adler, P., Heckscher, C., & Grandy, J. (1999). Flexibility Versus Efficiency? A Case Study of Model Changeovers in the Toyota Production System. *Organization Science*, 10, 43–68.
<https://doi.org/10.1287/orsc.10.1.43>
- Arsel, Z. (2017). Asking Questions with Reflexive Focus: A Tutorial on Designing and Conducting Interviews. *Journal of Consumer Research*, 44(4), 939–948.
<https://doi.org/10.1093/jcr/ucx096>
- Auh, S., & Menguc, B. (2005). Balancing exploration and exploitation: The moderating role of competitive intensity. *Journal of Business Research*, 58(12), 1652–1661.
<https://doi.org/10.1016/j.jbusres.2004.11.007>
- Baumgartner, I. (2012). Handling Interpretation and Representation in Multilingual Research: A Meta-study of Pragmatic Issues Resulting from the Use of Multiple Languages in a Qualitative Information Systems Research Work. *The Qualitative Report*, 17(42), 1–21.
<https://doi.org/10.46743/2160-3715/2012.1717>
- Bell, E., Harley, B., & Bryman, A. (2022). *Business Research Methods* (6th ed.).
- Benkler, Y. (2006). *The Wealth of Networks: How Social Production Transforms Markets and Freedom Contract : Freedom in the Commons*. Yale University Press.
<http://ebookcentral.proquest.com/lib/hhss-ebooks/detail.action?docID=3419996>
- Benner, M. J., & Tushman, M. L. (2003). Exploitation, Exploration, and Process Management: The Productivity Dilemma Revisited. *Academy of Management Review*, 28(2), 238–256.
<https://doi.org/10.5465/AMR.2003.9416096>
- Bierly, P. E., & Daly, P. S. (2007). Alternative Knowledge Strategies, Competitive Environment, and Organizational Performance in Small Manufacturing Firms. *Entrepreneurship: Theory & Practice*, 31(4), 493–516. <https://doi.org/10.1111/j.1540-6520.2007.00185.x>

- Birkinshaw, J., & Gibson, C. (2004). Building Ambidexterity Into an Organization. *MIT Sloan Management Review*, 45(4), 47–55.
- Birkinshaw, J., & Gupta, K. (2013). Clarifying the Distinctive Contribution of Ambidexterity to the Field of Organization Studies. *Academy of Management Perspectives*, 27(4), 287–298.
- Birkinshaw, J., Zimmermann, A., & Raisch, S. (2016). How Do Firms Adapt to Discontinuous Change? *California Management Review*, 58(4), 36–58.
<https://doi.org/10.1525/cmr.2016.58.4.36>
- Blank, S. (2013). Why the Lean Start-Up Changes Everything. *Harvard Business Review*, 91(5), 63–72.
- Boumgarden, P., Nickerson, J., & Zenger, T. R. (2012). Sailing into the Wind: Exploring the Relationships Among Ambidexterity, Vacillation, and Organizational Performance. *Strategic Management Journal*, 33(6), 587–610.
- Brown, S. L., & Eisenhardt, K. M. (1997). The Art of Continuous Change: Linking Complexity Theory and Time-Paced Evolution in Relentlessly Shifting Organizations. *Administrative Science Quarterly*, 42(1), 1–34. <https://doi.org/10.2307/2393807>
- Bryman, A., & Bell, E. (2011). *Business Research Methods 3ed*. Oxford University Press.
- Cao, Q., Gedajlovic, E., & Zhang, H. (2009). Unpacking Organizational Ambidexterity: Dimensions, Contingencies, and Synergistic Effects. *Organization Science*, 20(4), 781–796.
<https://doi.org/10.1287/orsc.1090.0426>
- Chen, & Katila. (2008). Rival interpretations of balancing exploration and exploitation: Simultaneous or sequential. In *Handbook of technology and innovation management I* (Scott, S., pp. 197–214). New York: Wiley.
- Chen, Y. (2017). Dynamic ambidexterity: How innovators manage exploration and exploitation. *Business Horizons*, 60(3), 385–394. <https://doi.org/10.1016/j.bushor.2017.01.001>
- Christensen, C. M., & Overdorf, M. (2000). Meeting the Challenge of Disruptive Change. (Cover story). *Harvard Business Review*, 78(2), 66–76.
- Clark, J. (1991). *Democratising Development: The Role of Voluntary Organisations*. London: Earthscan.

- Daft, R. L. (1994). *Management*. Fort Worth: The Dryden Press, Harcourt Brace College Publishers.
- Darke, P., Shanks, G., & Broadbent, M. (1998). Successfully completing case study research: Combining rigour, relevance and pragmatism. *Information Systems Journal*, 8(4), 273–289.
<https://doi.org/10.1046/j.1365-2575.1998.00040.x>
- de Graaf, M. (1987). Context, Constraint or Control? Zimbabwean NGOs and Their Environment. *Development Policy Review*, 5(3), 277–301.
<https://doi.org/10.1111/j.1467-7679.1987.tb00468.x>
- Dess, G. G., & Beard, D. W. (1984). Dimensions of Organizational Task Environments. *Administrative Science Quarterly*, 29, 52–73.
- Dialsingh, I. (2008). *Encyclopedia of Survey Research Methods*. Sage Publications, Inc.
<https://doi.org/10.4135/9781412963947>
- Duncan, R. B. (1976). *The Ambidextrous Organization: Designing Dual Structures for Innovation* (Vol. 1). The Management of Organization.
- Ebben, J. J., & Johnson, A. C. (2005). Efficiency, Flexibility, or Both? Evidence Linking Strategy to Performance in Small Firms. *Strategic Management Journal*, 26(13), 1249–1259.
- Ebrahim, A. (2002). Information Struggles: The Role of Information in the Reproduction of NGO-Funder Relationships. *Nonprofit and Voluntary Sector Quarterly*, 31(1), 84–114.
<https://doi.org/10.1177/0899764002311004>
- Ebrahim, A. (2003). Accountability In Practice: Mechanisms for NGOs. *World Development*, 31(5), 813–829. [https://doi.org/10.1016/S0305-750X\(03\)00014-7](https://doi.org/10.1016/S0305-750X(03)00014-7)
- Edmondson, A. C., & Mcmanus, S. E. (2007). Methodological fit in management field research. *Academy of Management Review*, 32(4), 1246–1264.
<https://doi.org/10.5465/amr.2007.26586086>
- Elbers, W. (2017). David Lewis: Non-Governmental Organizations, Management and Development, 3rd edn. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 28(5), 2314–2316. <https://doi.org/10.1007/s11266-015-9672-1>
- Elrha. (2023). Humanitarian Innovation Fund. *Elrha*. <https://www.elrha.org/programme/hif/>
- Feldermann, S. K., & Hiebl, M. R. W. (2020). Using quotations from non-English interviews in

- accounting research. *Qualitative Research in Accounting & Management*, 17(2), 229–262.
<https://doi.org/10.1108/QRAM-08-2018-0059>
- Fowler, A., & Malunga, C. (Eds.). (2020). *NGO Management: The Earthscan Companion*. Routledge.
<https://doi.org/10.4324/9781849775427>
- Fyvie, C., & Ager, A. (1999). NGOs and Innovation: Organizational Characteristics and Constraints in Development Assistance Work in The Gambia. *World Development*, 27(8), 1383–1395.
[https://doi.org/10.1016/S0305-750X\(99\)00062-5](https://doi.org/10.1016/S0305-750X(99)00062-5)
- Geertz, C. (1973). Thick Description: Towards an Interpretive Theory of Culture. In C. Geertz (Ed.), *The Interpretation of Cultures*. Basic Books.
- Gilbert, C. G. (2005). Unbundling the Structure of Inertia: Resource versus Routine Rigidity. *The Academy of Management Journal*, 48(5), 741–763.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, 16(1), 15–31.
<https://doi.org/10.1177/1094428112452151>
- Glaser, B., & Strauss, A. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Aldine.
- Goll, I., & Rasheed, A. A. (2004). The Moderating Effect of Environmental Munificence and Dynamism on the Relationship Between Discretionary Social Responsibility and Firm Performance. *Journal of Business Ethics*, 49(1), 41–54.
<https://doi.org/10.1023/B:BUSI.0000013862.14941.4e>
- Goossen, M. C., Bazzazian, N., & Phelps, C. (2012). Consistently Capricious: The Performance Effects of Simultaneous and Sequential Ambidexterity. *Academy of Management Proceedings*, 2012(1), 16311. <https://doi.org/10.5465/AMBPP.2012.16311abstract>
- Guerrero, M. (2021). Ambidexterity and Entrepreneurship Studies: A Literature Review and Research Agenda. *Foundations and Trends® in Entrepreneurship*, 17(5–6), 436–650.
<https://doi.org/10.1561/03000000097>
- Hand in Hand EA. (2021). *Homepaage | Hand in Hand EA*. Hand in Hand EA.
<https://handinhand-ea.org/>

- Hand in Hand International*. (2022, September 29). Hand in Hand International | Fight Poverty With Jobs. <https://www.handinhandinternational.org/about-us/>
- Harris, A., Bennett, N., & Preedy, M. (1997). *Organizational Effectiveness And Improvement In Education*. Open University Press.
- He, Z., & Wong, P. (2004). Exploration vs. Exploitation: An Empirical Test of the Ambidexterity Hypothesis. *Organization Science*, 15, 481–494. <https://doi.org/10.1287/orsc.1040.0078>
- Hill, S. A., & Birkinshaw, J. (2014). Ambidexterity and Survival in Corporate Venture Units. *Journal of Management*, 40(7), 1899–1931. <https://doi.org/10.1177/0149206312445925>
- Hinings, B., & Greenwood, R. (2017). The Opening Up of Organization Theory: Open Systems, Contingency Theory, and Organizational Design. In A. Wilkinson, S. J. Armstrong, & M. Lounsbury (Eds.), *The Oxford Handbook of Management* (p. 0). Oxford University Press. <https://doi.org/10.1093/oxfordhb/9780198708612.013.7>
- Jansen, J. J. P., Van Den Bosch, F. a. J., & Volberda, H. W. (2005). Managing Potential and Realized Absorptive Capacity: How Do Organizational Antecedents Matter? *Academy of Management Journal*, 48(6), 999–1015. <https://doi.org/10.5465/AMJ.2005.19573106>
- Jansen, J. J. P., Vera, D., & Crossan, M. (2009). Strategic leadership for exploration and exploitation: The moderating role of environmental dynamism. *The Leadership Quarterly*, 20(1), 5–18. <https://doi.org/10.1016/j.leaqua.2008.11.008>
- Katila, R., & Ahuja, G. (2002). Something Old, Something New: A Longitudinal Study of Search Behavior and New Product Introduction. *The Academy of Management Journal*, 45(6), 1183–1194. <https://doi.org/10.2307/3069433>
- Katz, D., & Kahn, R. L. (1966). *The social psychology of organizations*. Wiley.
- Kauppila, O.-P. (2010). Creating ambidexterity by integrating and balancing structurally separate interorganizational partnerships. *Strategic Organization*, 8(4), 283–312.
- Khallouk, M., & Robert, M. (2018). Obstacles to management innovation in nonprofit organizations: The case of an international nongovernmental organization. *Journal of Innovation Economics & Management*, 25(1), 183–210. <https://doi.org/10.3917/jie.pr1.0020>
- Knutsen, W. L., & Brock, K. L. (2014). Introductory Essay: From a Closed System to an Open

- System: A Parallel Critical Review of the Intellectual Trajectories of Publicness and Nonprofitness. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(5), 1113–1131. <https://doi.org/10.1007/s11266-014-9498-2>
- Langton, S. (1987). Envoi: Developing Nonprofit Theory. *Journal of Voluntary Action Research*, 16(1–2), 134–148. <https://doi.org/10.1177/089976408701600111>
- Laplume, A. O., & Dass, P. (2012). Exploration and Exploitation Approaches for Various Stages of Firm Growth through Diversification. *Academy of Management Proceedings*, 2012(1), 11420. <https://doi.org/10.5465/AMBPP.2012.11420abstract>
- Lawrence, P. R., & Lorsch, J. W. (1967a). Differentiation and Integration in Complex Organizations. *Administrative Science Quarterly*, 12(1), 1–47. <https://doi.org/10.2307/2391211>
- Lawrence, P. R., & Lorsch, J. W. (1967b). *Organization and environment: Managing differentiation and integration*. .
- Lewis, D. (2001). *The Management of Non-Governmental Development Organizations: An Introduction*. Routledge. <https://doi.org/10.4324/9780203002162>
- Lewis, D. (2007). *The management of non-governmental development organizations* (2nd ed.). London: Routledge.
- Lewis, D. (2010). Nongovernmental Organizations, Definition and History. In H. K. Anheier & S. Toepler (Eds.), *International Encyclopedia of Civil Society* (pp. 1056–1062). Springer US. https://doi.org/10.1007/978-0-387-93996-4_3
- Lewis, D. (2014). *Non-Governmental Organizations, Management and Development* (3rd ed.). Routledge. <https://doi.org/10.4324/9780203591185>
- Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic Inquiry*. SAGE Publications Inc. <https://us.sagepub.com/en-us/nam/naturalistic-inquiry/book842>
- Lubatkin, M. H., Simsek, Z., Yan Ling, & Veiga, J. F. (2006). Ambidexterity and Performance in Small- to Medium-Sized Firms: The Pivotal Role of Top Management Team Behavioral Integration. *Journal of Management*, 32(5), 646–672. <https://doi.org/10.1177/0149206306290712>
- March, J. G. (1991). Exploration and Exploitation in Organizational Learning. *Organization Science*,

- 2(1), 71–87. <https://doi.org/10.1287/orsc.2.1.71>
- Markides, C., & Charitou, C. D. (2004). Competing with Dual Business Models: A Contingency Approach. *The Academy of Management Executive (1993-2005)*, 18(3), 22–36.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, 83(2).
<https://www.journals.uchicago.edu/doi/abs/10.1086/226550>
- Mintzberg, H. (1979). *The Structuring of Organizations: A Synthesis of the Research*. Englewood Cliffs NJ: Prentice Hall.
- Mitchell, G. E. (2014). Strategic Responses to Resource Dependence Among Transnational NGOs Registered in the United States. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(1), 67–91. <https://doi.org/10.1007/s11266-012-9329-2>
- Mitlin, D. (2022). NGOs as Change Agents: Being and Doing Change. In *The Routledge Handbook of Social Change*. Routledge.
- Nickerson, J. A., & Zenger, T. R. (2002). Being Efficiently Fickle: A Dynamic Theory of Organizational Choice. *Organization Science*, 13(5), 547–566.
<https://doi.org/10.1287/orsc.13.5.547.7815>
- Nosella, A., Cantarello, S., & Filippini, R. (2012). The intellectual structure of organizational ambidexterity: A bibliographic investigation into the state of the art. *Strategic Organization*, 10(4), 450–465.
- O'Dwyer, B. (2007). The nature of NGO accountability: Motives, mechanisms and practice. In *Sustainability Accounting and Accountability*. Routledge.
- O'Reilly, C. A., Harrell, J. B., & Tushman, M. L. (2009). Organizational Ambidexterity: IBM AND EMERGING BUSINESS OPPORTUNITIES. *California Management Review*, 51(4), 75–99.
<https://doi.org/10.2307/41166506>
- O'Reilly, C. A., & Tushman, M. L. (2004). The Ambidextrous Organization. *Harvard Business Review*, 82(4), 74–81.
- O'Reilly, C. A., & Tushman, M. L. (2008). Ambidexterity as a dynamic capability: Resolving the innovator's dilemma. *Research in Organizational Behavior*, 28, 185–206.

- <https://doi.org/10.1016/j.riob.2008.06.002>
- O'Reilly, C. A., & Tushman, M. L. (2011). Organizational Ambidexterity in Action: HOW MANAGERS EXPLORE AND EXPLOIT. *California Management Review*, 53(4), 5–22.
<https://doi.org/10.1525/cmr.2011.53.4.5>
- O'Reilly, C. A., & Tushman, M. L. (2013). Organizational Ambidexterity: Past, Present, and Future. *Academy of Management Perspectives*, 27(4), 324–338.
<https://doi.org/10.5465/amp.2013.0025>
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. New York : Harper & Row.
- Phene, A., Tallman, S., & Almeida, P. (2012). When Do Acquisitions Facilitate Technological Exploration and Exploitation? *Journal of Management*, 38(3), 753–783.
<https://doi.org/10.1177/0149206310369939>
- Posen, H. E., & Levinthal, D. A. (2012). Chasing a Moving Target: Exploitation and Exploration in Dynamic Environments. *Management Science*, 58(3), 587–601.
<https://doi.org/10.1287/mnsc.1110.1420>
- Raisch, S. (2008). Balanced Structures: Designing Organizations for Profitable Growth. *Long Range Planning*, 41(5), 483–508. <https://doi.org/10.1016/j.lrp.2008.06.004>
- Raisch, S., & Birkinshaw, J. (2008). Organizational Ambidexterity: Antecedents, Outcomes, and Moderators. *Journal of Management*, 34(3), 375–409.
<https://doi.org/10.1177/0149206308316058>
- Ramosaj, B., & Gentrif, B. (2014). Systems Theory and Systems Approach to Leadership. *ILIRIA International Review*, 1(1), 59–76.
- Rosenkopf, L., & Nerkar, A. (2001). Beyond Local Search: Boundary-Spanning, Exploration, and Impact in the Optical Disk Industry. *Strategic Management Journal*, 22(4), 287–306.
- Rothaermel, F. T., & Deeds, D. L. (2004). Exploration and Exploitation Alliances in Biotechnology: A System of New Product Development. *Strategic Management Journal (John Wiley & Sons, Inc.) - 1980 to 2009*, 25(3), 201–221. <https://doi.org/10.1002/smj.376>
- Rubin, H. J., & Rubin, I. S. (2011). *Qualitative Interviewing: The art of hearing data*. SAGE

- Publications Inc. <https://us.sagepub.com/en-us/nam/qualitative-interviewing/book234196>
- Sahley, C. (1995). Strengthening the Capacity of NGOs: Cases of Small Enterprise Development Agencies in Africa. *INTRAC NGO Management and Policy Series*, 164 p.
- Sarta, A., Durand, R., & Vergne, J.-P. (2021). Organizational Adaptation. *Journal of Management*, 47(1), 43–75. <https://doi.org/10.1177/0149206320929088>
- Schilke, O. (2014). On the contingent value of dynamic capabilities for competitive advantage: The nonlinear moderating effect of environmental dynamism. *Strategic Management Journal (John Wiley & Sons, Inc.)*, 35(2), 179–203. <https://doi.org/10.1002/smj.2099>
- Schober, M. F. (2018). The future of face-to-face interviewing. *Quality Assurance in Education*, 26(2), 290–302. <https://doi.org/10.1108/QAE-06-2017-0033>
- Schumpeter, J. A. (1934). *The theory of economic development*. Cambridge, MA: Harvard University Press.
- Sida. (2023). *Kenya*. Sida.
<https://www.sida.se/en/sidas-international-work/countries-and-regions/kenya>
- Sidhu, J. S., Volberda, H. W., & Commandeur, H. R. (2004). Exploring Exploration Orientation and its Determinants: Some Empirical Evidence. *Journal of Management Studies (Wiley-Blackwell)*, 41(6), 913–932. <https://doi.org/10.1111/j.1467-6486.2004.00460.x>
- Siggelkow, N., & Rivkin, J. W. (2005). Speed and Search: Designing Organizations for Turbulence and Complexity. *Organization Science*, 16(2), 101–122.
<https://doi.org/10.1287/orsc.1050.0116>
- Smith, W. K., Binns, A., & Tushman, M. L. (2010). Complex Business Models: Managing Strategic Paradoxes Simultaneously. *Long Range Planning*, 43(2), 448–461.
<https://doi.org/10.1016/j.lrp.2009.12.003>
- Smith, W. K., & Tushman, M. L. (2005). Managing Strategic Contradictions: A Top Management Model for Managing Innovation Streams. *Organization Science*, 16, 522–536.
<https://doi.org/10.1287/orsc.1050.0134>
- Tarba, S. Y., Jansen, J. J. P., Mom, T. J. M., Raisch, S., & Lawton, T. C. (2020). A microfoundational perspective of organizational ambidexterity: Critical review and research directions. *Long*

- Range Planning*, 53(6), 102048. <https://doi.org/10.1016/j.lrp.2020.102048>
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18(7), 509–533.
[https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7<509::AID-SMJ882>3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z)
- Tempelaar, M. P., & Van De Vrande, V. (2012). Dynamism, Munificence, Internal and External Exploration-Exploitation and Their Performance Effects. *Academy of Management Proceedings*, 2012(1), 16656. <https://doi.org/10.5465/ambpp.2012.16656abstract>
- Thompson, J. (1967). *Organizations in action: Social sciences bases of administrative theory*. New York: McGraw-Hill.
- Turner, N., Swart, J., & Maylor, H. (2013). Mechanisms for Managing Ambidexterity: A Review and Research Agenda. *International Journal of Management Reviews*, 15(3), 317–332.
<https://doi.org/10.1111/j.1468-2370.2012.00343.x>
- Tushman, M. L., & O'Reilly, C. A. (1996). Ambidextrous Organizations: Managing Evolutionary and Revolutionary Change. *California Management Review*, 38(4), 8–29.
<https://doi.org/10.2307/41165852>
- Tushman, M. L., & O'Reilly, C. A. (2002). *Winning through innovation: A practical guide to leading organizational change and renewal*. Harvard Business School Press.
- Tushman, M. L., & Romanelli, E. (1985). Organizational evolution: A metamorphosis model of convergence and reorientation. *Research in Organizational Behavior*, 7, 171–222.
- UN Women Africa. (2023). *Kenya*. UN Women – Africa.
<https://africa.unwomen.org/en/where-we-are/eastern-and-southern-africa/kenya>
- UNICEF. (2023). *About the Office of Innovation | UNICEF Office of Innovation*.
<https://www.unicef.org/innovation/about-us>
- Uotila, J., Maula, M., Keil, T., & Zahra, S. A. (2009). Exploration, exploitation, and financial performance: Analysis of S&P 500 corporations. *Strategic Management Journal (John Wiley & Sons, Inc.) - 1980 to 2009*, 30(2), 221–231. <https://doi.org/10.1002/smj.738>
- Von Bertalanffy, L. (1956). A Biologist Looks at Human Nature. *The Scientific Monthly*, 82(1), 33–41.

- Von Hippel, E. (2005). *Democratizing innovation*. Cambridge, Mass: MIT Press.
- Wang, H., & Li, J. (2008). Untangling the Effects of Overexploration and Overexploitation on Organizational Performance: The Moderating Role of Environmental Dynamism. *Journal of Management*, 34(5), 925–951. <https://doi.org/10.1177/0149206308321547>
- WIPO. (2022). *Global Innovation Index 2022, 15th Edition*. <https://doi.org/10.34667/tind.46596>
- World Bank. (1997). *Handbook on good practices for laws relating to non-governmental organizations* [Text/HTML]. The World Bank.
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/201351468332690971/Handbook-on-good-practices-for-laws-relating-to-non-governmental-organizations>
- World Bank. (2021). *GDP per capita (current US\$)—Kenya*. World Bank Open Data.
<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=KE>
- World Bank. (2022, November 30). *Poverty* [Text/HTML]. World Bank.
<https://www.worldbank.org/en/topic/poverty/overview>
- Yin, R. K. (2009). *Case Study Research: Design and Methods*. SAGE.
- Zhiang, L., Yang, H., & Demirkan, I. (2007). The Performance Consequences of Ambidexterity in Strategic Alliance Formations: Empirical Investigation and Computational Theorizing. *Management Science*, 53(10), 1645–1658.

Appendices

Appendix 1: Overview of Interviews and Observations

Interview date	Pseudonym	Location	Country	Type	Mode
2023-02-13	Stockholm office 1	Stockholm office	Sweden	Interview	Online
2023-02-14	Stockholm office 2	Stockholm office	Sweden	Interview	In person
2023-02-15	Stockholm office 3	Stockholm office	Sweden	Interview	In person
2023-02-22	Trainer 1	Branch	Kenya	Interview	In person
2023-02-22	Trainer 2	Branch	Kenya	Interview	In person
2023-02-22	Trainer 3	Branch	Kenya	Interview	In person
2023-02-22	Trainer 4	Branch	Kenya	Interview	In person
2023-02-22	Nairobi office 6	Nairobi office	Kenya	Interview	In person
2023-02-22	Observation 1	Branch	Kenya	Observation	In person
2023-02-23	Beneficiary 1	Field	Kenya	Interview	In person
2023-02-23	Beneficiary 2	Field	Kenya	Interview	In person
2023-02-23	Beneficiary 3	Field	Kenya	Interview	In person
2023-02-23	Beneficiary 4	Field	Kenya	Interview	In person
2023-02-23	Observation 5	Field	Kenya	Observation	In person
2023-02-27	Nairobi office 1	Nairobi office	Kenya	Interview	In person
2023-02-27	Nairobi office 2	Nairobi office	Kenya	Interview	In person
2023-02-27	Nairobi office 3	Nairobi office	Kenya	Interview	In person
2023-02-27	Nairobi office 4	Nairobi office	Kenya	Interview	In person
2023-02-27	UN Women	United Nations	Kenya	Interview	In person
2023-02-28	Nairobi office 5	Nairobi office	Kenya	Interview	Online
2023-02-28	SIDA	Swedish Embassy	Kenya	Interview	In person
2023-03-01	Trainer 5	Branch	Kenya	Interview	In person
2023-03-01	Beneficiary 10	Field	Kenya	Interview	In person
2023-03-01	Beneficiary 5	Field	Kenya	Interview	In person
2023-03-01	Beneficiary 6	Field	Kenya	Interview	In person
2023-03-01	Beneficiary 7	Field	Kenya	Interview	In person
2023-03-01	Beneficiary 8	Field	Kenya	Interview	In person
2023-03-01	Beneficiary 9	Field	Kenya	Interview	In person
2023-03-06	Observation 2	Branch	Kenya	Observation	In person
2023-03-06	Observation 3	Branch	Kenya	Observation	In person
2023-03-06	Observation 4	Field	Kenya	Observation	In person
2023-03-07	Stockholm office 4	Stockholm office	Sweden	Interview	Online

Appendix 2: Overview of Core Module Program

- 1) *The first step* focuses on group mobilization and the trainers educate the members on basic record keeping, group collaboration and, if necessary, math and writing.
- 2) *The second step* concerns savings and business mobilization. The members start a collective savings process called merry-go-rounds. This is when each member contributes a small sum every week and lends the collected money to a member in the group. At the next weekly meeting, the money is paid back, the money collection grows and the next person borrows it.
- 3) *The third step* is entrepreneurship. The members start their own businesses, learn how to create a business plan and keep more advanced records.
- 4) *The fourth step* involves how to manage a budget, avoid overborrowing, and financial planning. The trainers can now link the members to micro-finance institutions.

Additional steps include business expansion through e.g. packaging and marketing, and helping the entrepreneurs to get certificates to enter the formal market. The project structure and length vary for each project.