

Ambidexterity Responses to Security Risk Institutional Context

Ramirez, Jacobo; Vélez-Zapata, Claudia; Madero, Sergio

Document Version

Accepted author manuscript

Published in:

International Journal of Emerging Markets

DOI:

[10.1108/IJOEM-04-2019-0262](https://doi.org/10.1108/IJOEM-04-2019-0262)

Publication date:

2020

License

Unspecified

Citation for published version (APA):

Ramirez, J., Vélez-Zapata, C., & Madero, S. (2020). Ambidexterity Responses to Security Risk Institutional Context. *International Journal of Emerging Markets*, 16(3), 448-467. <https://doi.org/10.1108/IJOEM-04-2019-0262>

[Link to publication in CBS Research Portal](#)

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

If you believe that this document breaches copyright please contact us (research.lib@cbs.dk) providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 22. Apr. 2025



Ambidexterity responses to a conflicting institutional context

Author names: Jacobo Ramirez*, Claudia Patricia Velez-Zapata, and Sergio Madero

*Corresponding author:

Affiliations:

Jacobo Ramirez

Copenhagen Business School (CBS)

Department of Management, Society and Communication (MSC), Dalgas Have 15,

DK-2000 Frederiksberg, Denmark

E-mail: jara.msc@cbs.dk

Jacobo Ramirez is an Assistant Professor in Latin American Business Development at the Department of Management, Society and Communication (MSC), Copenhagen Business School (CBS). Jacobo Ramirez's research interests focus on the areas of HRM, leadership and organizational change in complex institutional environments (e.g. security risks, social unrest, displacement and fragile states). Through studying private sector, in particular Danish firms in the Global South, Jacobo has been able to design novel methodologies and strategies to study and propose HRM strategies to overcome institutional change. Jacobo's current research agenda focuses on the innovative HRM and organizational strategies in public and private organizations in Denmark and the Global South, where they aim to integrate an international workforce and to overcome security risk, respectively.

Claudia Vélez-Zapata

Universidad Pontificia Bolivariana,

Management Department, Circular 1 No. 70-01, Bloque 6 Oficina 202, 050031 Medellin,

Colombia

E-mail: claudiap.velez@upb.edu.co

Claudia Vélez-Zapata is Professor in School of Economy, Management and International Business at Universidad Pontificia Bolivariana in Medellín, Colombia. She studied her Ph.D. at CEU San Pablo, Madrid, Spain. Her research focuses on illegitimate environments and its organizational impacts.

Sergio Madero

Tecnológico de Monterrey, Campus Monterrey

Management and Leadership, Av. Eugenio Garza Sada 2501 sur, 64849 Monterrey

Mexico

E-mail: smadero@tec.mx

Sergio Madero is a Full time Professor at the School of Business in Tecnológico de Monterrey, campus Monterrey, México. Sergio Madero's research interests focus on the areas of HRM, Workplace environment, Attract and Retain talent (e.g. compensation management, career and first experience job). Current research agenda focuses on the innovative HRM, automation in HRM and humanistic management, mainly in Latin America context and risk at workplace environment.

Ambidexterity responses to a conflicting institutional context

Abstract

Purpose: This research aims to explore and analyze multinational enterprises (MNEs) and local firms' ambidexterity strategies to buffer against narcoterrorism impacts on their assets. The role of line managers (LMs), who have been deemed key players in the implementation of ambidextrous strategies, was investigated in detail.

Design/methodology/approach: This paper presents a qualitative study based on 58 semistructured interviews with key employees, i.e., firm directors, human resource (HR) managers, LMs and their subordinates, in Colombia and Mexico over a three-year period.

Findings: The 'culture of insecurity' that exists in Colombia and Mexico due to narcoterrorism and the lack of governmental enactment of coercive institutional pillars defines the common frames and patterns of the beliefs held by managers and employees working in such contexts. To ensure the survival of employees and firms in unsafe institutional contexts while managing normative pressures to compete worldwide, LMs, HR departments, and ultimately firms are forced to strategically exploit security measures and simultaneously implement innovative explorative strategies.

Originality/value: The findings suggest that ambidexterity strategies in unsafe institutional contexts represent an organizational advantage for competing worldwide while surviving in such contexts. This study contributes to the literature by linking ambidexterity and new institutionalism research in a robust framework with which to examine employment relationships in unsafe institutional contexts.

Keywords: new institutionalism, ambidexterity, line manager, Colombia, Mexico, narcoterrorism

Article classification

Research paper

Introduction

In regions where threats and criminal acts by nongovernmental armed groups occur regularly (Harvey *et al.*, 2019), organizations are driven to exploit their existing capabilities and strategies while simultaneously exploring new ideas to ensure employee survival (Duncan, 1976; Raisch and Birkinshaw, 2008). Organizational ambidexterity (Duncan, 1976) is important in Latin America's narcoterrorism context, where drug cartels shatter the rule of law and social order (e.g., Sutter *et al.*, 2013). Latin America has some of the most violent cities worldwide (Rosen *et al.*, 2016), and the cost of crime is amounting to US \$236,000 million, with 37% spent privately (i.e., by companies and individuals) (Rodríguez-Ortíz, 2017). The governments of Latin American countries considered emerging or "transition" economies (OECD, 2019) have implemented regulative and normative reforms. Reforms, such as opening economies to foreign direct investment (FDI) and investing in education (Trevino *et al.*, 2008), represent attempts to improve the macroeconomic situation of their country, improve the living standards, and reduce poverty (World Bank, 2018). However, large structural vulnerabilities, such as poverty and inequalities remain in Latin American economies under the organized crime and violence fueled by narcoterrorists (Control Risk, 2019; OECD, 2019).

This research aims to explore and discuss the responses of organizational actors (i.e., managers and employees) to narcoterroristic threats and attacks that surround them with regard to the following questions: 1) What organizational and Human Resource Management (HRM) strategies are in place to respond to security risk contexts characterized by organized crime and violence? and 2) What are Line Manager (LM) responses to such strategies? An explorative qualitative study was performed based on 58 semistructured interviews with key employees in Colombia and Mexico between 2014 and 2016. Our research was conducted at multinational

enterprises (MNEs) and local firms, such as *multilatinas*, which are Latina MNEs that have generated exceptional growth and have operations beyond their national borders (e.g., Cuervo-Cazurra, 2016). Colombia and Mexico were selected as the studied countries because they have recently transitioned their institutional contexts (North, 1990; Scott, 2014) through constitutional change and the promulgation of laws, regulations and norms to protect business and human rights (Consejería DDHH-Presidencia de la República, 2015), and they are currently classified as upper-middle-income countries (World Bank, 2018). However, Colombia still suffers the repercussions of the world's longest armed conflicts, which were responsible for over 220,000 deaths, mainly in the civil population (Caro, 2016; GMH, 2013; Grupo de Memoria Histórica, 2013; UNODC, 2016). Moreover, in Mexico, the “war on drugs” policy introduced in 2006 resulted in more than 200,000 violent deaths (Reeve, 2019).

We started our study based on a new institutionalism framework (DiMaggio and Powell, 1983; North, 1990; Peng *et al.*, 2018; Scott, 2014), which argues that organizations are shaped by the institutions within the economic, social, and cultural frameworks of their context (Trevino *et al.*, 2008). As our research advanced, we integrated the ambidexterity analogy, which is based on the human ability to use both hands alike, to discuss our research questions. The ambidexterity framework has been defined as both the ability to simultaneously exploit existing abilities and explore new capabilities and the ability to simultaneously fulfill two disparate or conflicting goals that are critical to a firm's long-range success (e.g., Caniëls and Veld, 2019; Luo and Rui, 2009; March, 1991; Patel *et al.*, 2013; Raisch and Birkinshaw, 2008). The literature concerning ambidexterity helped us to discuss new institutionalism theoretical frameworks of organizational, HRM, and LM ambidexterity strategies in the narcoterrorism context (DiMaggio and Powell, 1983; Duncan, 1976; Sutter *et al.*, 2013; Trevino *et al.*, 2008).

Our findings suggest that organizational actors have developed strategies over the years to protect their employees and infrastructure based on shared cultural–cognitive knowledge (DiMaggio and Powell, 1983) of “traditional” security measures. LMs were found to be key partners (e.g., Purcell and Hutchinson, 2007) in the design and implementation of complementary exploitation–exploration HRM practices used to lead and manage blue collar employees. The development of exploitative–explorative policies and practices appears to be aligned with the LMs’ abilities, which means that in security risk contexts, it is not enough for LMs to be competent at their jobs; rather, to strategically design and implement ambidexterity strategies (Duncan, 1976; March, 1991), LMs must also be savvy of the local context (Michailova, 2011) to respond to the conflicting needs of subordinates in the narcoterrorism context. This study contributes to the new institutional framework (DiMaggio and Powell, 1983; Peng *et al.*, 2018) by extending our understanding on how normative and cultural-cognitive institutional pillars (Scott, 2014) are shaped by a ‘culture of insecurity’, in which governments fail to provide security to civil society and enforce the rule of law. The ‘culture of insecurity’ defines the common patterns of belief held by organizational actors to be in state of constant alert and rely on their peers and workplaces. In such contexts, ambidexterity responses to conflicting new institutionalism evolve to ensure the survival of organizational actors and workplaces.

We extend contextual ambidexterity, i.e., the actions of organizations that simultaneously demonstrate alignment and adaptability across an entire business unit (Havermans *et al.*, 2015), by highlighting the unusual ability of LMs in Colombia and Mexico to simultaneously fulfill two disparate or conflicting goals: performing according to global standards (Kostova and Roth, 2002) and safeguarding their subordinates from narcoterrorism impacts. The discussion of these concerns could serve as a learning platform for MNEs (e.g., Barnard *et al.*, 2017; Cuervo-

Cazurra, 2016) and managers working in more stable contexts by enabling them to devise ambidextrous strategies (March, 1991) for timely responses to incidents, such as terrorist attacks (e.g., Harvey *et al.*, 2019). The remainder of this paper is organized as follows. First, the theoretical background is presented, followed by the methodology and findings of the study. Then, a general discussion and the implications of the findings are presented with the aim of developing a dialogue regarding ambidexterity research and new institutionalism frameworks in relation to changing behaviors at the organizational, HRM, and LM levels in transitioning institutional contexts.

Theoretical background

New institutionalism

New institutionalism research (Peng *et al.*, 2018; Trevino *et al.*, 2008) embraces economic (North, 1990) and sociological institutionalism (DiMaggio and Powell, 1983; Scott, 2014). Economic institutionalism focuses on the quest for efficiency under the constraints of formal (laws, policies, and regulations) and informal (norms and customs) institutions (North, 1990).

Sociological institutionalism emphasizes the constraints of social institutions comprising cultural–cognitive, normative, and regulative institutional pillars, which, combined with associated activities and resources, provide stability and meaning to social life (Peng *et al.*, 2018; Scott, 2014; Trevino *et al.*, 2008). Table 1 presents and exemplifies the institutional pillars.

[Table 1 near here]

Scholars have developed indicators of cultural–cognitive elements to reveal shared attitudes and common values (e.g., Hofstede, 1984; House *et al.*, 2004) and rely on such constructs to study HRM policies and practices in emerging economies (e.g., Gomez and Sanchez, 2005). However, an understanding of the cultural–cognitive pillar in relation to uncertainties derived from narcoterrorism is lacking (e.g., Harvey *et al.*, 2019; Sutter *et al.*, 2013). Narcoterrorism-derived security risks reflect a key aspect of the current institutional context (Hiatt and Sine, 2014; Scott, 2014; Vreja, 2005) and are embodied in both the routine and organized actions of organizational actors (i.e., managers and employees). Scholars argue that ineffective coercive institutional pillars (North, 1990; Scott, 2014) (e.g., an incapacity to establish and operate on the basic principles of human rights and rule of law) might have negative economic and management consequences on firms (e.g., Bader and Schuster, 2015). In such conflicting contexts, firms might develop strategies to legitimize (DiMaggio and Powell, 1983) their actions and change the institutional conditions that might affect them. “Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate with some socially constructed system of norms, values, belief, and definitions” (Suchman, 1995, p. 574).

New institutionalism scholars tend to agree that organizations sharing the same context (Michailova, 2011) employ similar practices and thus become ‘isomorphic’ (Kostova and Roth, 2002, p. 215). Isomorphism is a constraining process that forces a unit to resemble other units experiencing the same institutional conditions (DiMaggio and Powell, 1983, p. 149). According to structuralists, isomorphism implies that organizations increasingly incorporate the professionalization and institutionalization of a given template (Heugens and Lander, 2009), which can provide firms both internal and external legitimacy (as judged by the members of the

organization and those outside the organization, respectively) (Pavlovich, 2016). However, the effect of isomorphic practices (Deephouse, 1996) on shaping HRM departments and LMs in the narcoterrorism context is poorly understood. These arguments are presented in the following section.

HRM and LMs in security risk contexts

Traditional institutional research concerning intensive manufacturing firms in emerging economies characterizes HRM policies as filling structural vulnerabilities, such as a lack of infrastructure (e.g., Gomez and Sanchez, 2005; OECD, 2019). HRM strategies commonly provide benefits to employees and their families, including transportation, private health insurance, hot meals, and scholarships (e.g., Gomez and Sanchez, 2005). Purcell and Hutchinson (2007, p. 5) suggest that LMs act as agents that deliver HRM practices within an organization and indicated that at the microlevel, the relationship between employees and their immediate LMs may influence not only HRM policies but also the atmosphere at work, either positively or negatively. Purcell and Hutchinson (2007) also suggest that a form of symbiotic relationship exists between LMs and HRM (p. 16).

HRM research proposes that the main enforcers of HRM policies on the floor tend to be LMs (Trullen *et al.*, 2016). As noted by Lubinski and Benbow (2000, p. 146), “to predict which environments an individual is likely to enter, work in, and thrive in, you must not only know what they can do (their abilities, capabilities), you must also know what they want (their interests, needs, or motives).” The performance of LMs in the narcoterrorism context may be related to the possession of certain innate abilities and soft skills, such as behavioral dispositions and emotional intelligence, to lead in such a context (e.g., Nijs *et al.*, 2014). As our research

evolved, our preliminary findings in 2014 suggested that employees have the ability to meet two conflicting pressures: job objectives and survival in the narcoterrorism context. Thus, we returned to the academic literature to further understand and explain our preliminary findings, and in this process, we re-discovered the ambidexterity framework (Duncan, 1976; March, 1991), which is discussed in the following section.

Prospective models of ambidexterity

Ambidexterity is the ability to simultaneously exploit and explore new capabilities and abilities (e.g., Luo and Tung, 2018). Hill and Birkinshaw (2014, p. 2) suggest that exploration involves “experimentation with new alternatives” and has returns that are “uncertain, distant, and often negative.” In contrast, exploitation is the “refinement and extension of existing competencies, technologies and paradigms” with returns that are “positive, proximate, and predictable” (March, 1991, p. 85). At the employee level, LMs might develop exploitative activities to make short-term improvements in efficiency and efficacy (Caniëls and Veld, 2019, p. 3; Gibson and Birkinshaw, 2004; Kang and Snell, 2009) based on their cultural–cognitive knowledge (DiMaggio and Powell, 1983; Trevino *et al.*, 2008) and skills.

Traditional ambidexterity research proposes that contextual ambidexterity “is the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit” (Havermans *et al.*, 2015, p. 180). Nevertheless, the headquarters of a company typically exercises considerable control over its subsidiaries (Boussebaa and Morgan, 2014), such as by setting HRM budgets. Thus, to realize contextual ambidexterity, organizations need to focus on multiple levels, i.e., individual, group, and organizational, by allowing employees to partition their time and resources such that they can simultaneously manage conflicting demands

according to the local context and individual behaviors (Malik *et al.*, 2017), which is interpreted as being “aligned and efficient in [the] management of today’s business demands while simultaneously adaptive to changes in the environment” (Raisch and Birkinshaw, 2008, p. 375). By adopting this approach to discuss our research questions, we focused on contextual ambidexterity, i.e., the “behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit” (Havermans *et al.*, 2015, p. 180), and adaptability, i.e., the “capacity to reconfigure activities in the business unit quickly to meet changing demands in the task environment” (Gibson and Birkinshaw, 2004, p. 209).

Methodology

This research combines semistructured interviews, observations, and analyses of firms’ internal documents collected in Colombia and Mexico from 2014 to 2016. Fifty-eight semistructured interviews were conducted with employees at different organizational levels in ten companies (see Table 2). Semistructured interviews lasted an average of 80 minutes. All semistructured interviews listed in Table 2 were recorded and transcribed verbatim, and notes were taken during the field work. Confidentiality agreements specifying the use of the research outcomes for academic purposes were signed by the firms and informants. The semistructured interviews were conducted in the local language (Colombian and Mexican Spanish) in which the authors are native speakers. The quotes provided in this paper were translated to English by the authors verbatim and then corrected for readability.

[Table 2 near here]

Evolution of data collection

The qualitative research design was an interactive process that progressed from the general organizational and HRM strategies implemented by firms to the microstrategies developed by employees to safeguard themselves against the effects of narcoterrorism. The initial fieldwork was performed between August and September in 2014 under the broad objective to explore, understand, and interpret contextually bound employee micropractices (Alvesson and Deetz, 2000) in response to the direct and indirect impacts of narcoterrorism. The findings from 2014 revealed differentiation according to the interviewees' positions within their companies and the countries in which they lived (see Table 3).

[Table 3 near here]

Time played a key role in the findings; notably, the height of the conflicts in Colombia and Mexico occurred in the 1980s and 1990s and 2007–2012, respectively; the informants from Colombia appeared to present the external context as “something in the past” and avoided talking about it, whereas the informants from Mexico appeared to be in a “state of shock” and felt unsafe, causing them to show distrust. Overall, discussing the implications of narcoterrorism made the interviewees uncomfortable, particularly those in Colombia, and certain words, such as drug cartels, narcos, cocaine, and marijuana, were avoided by some interviewees. The informants' discomfort in discussing organized violence and crime was interpreted as a lack of trust in formal institutions (North, 1990), which is a historically significant aspect of the narcoterrorism context of this research. The sensitivity to the narcoterrorism context affected the disclosure of the exploration–exploitation practices used by either individuals or organizations; the informants asserted that the firms for which they work are not involved in narcoterrorism, and the managers stated, “We need to understand the impact of narcoterrorism and learn how to

make [our] firm operate in such a context.” While the informants appeared to not have any relations with narcoterrorism, they were impacted both directly and indirectly.

Following several rounds of discussion among the authors, it was agreed that the fieldwork should be redesigned and adapted to the specific context of the research (see Table 3). Thus, the data collection strategy was modified as presented in Appendix 1 for the continuation of our field work performed in October–December 2015 and October 2016.

Thematic analysis

During the first stage of the thematic analysis, all semistructured interviews were analyzed by separating the empirical material from the HR professional, LM, and subordinate data in Colombia and Mexico. Individual and organizational strategies aiming to buffer against the indirect and direct impacts of narcoterrorism were identified. This process was carried out by an author who was originally from Mexico but had lived abroad for more than 17 years, which enabled the transcripts to be probed for statements addressing context blindness (e.g., Michailova, 2011), i.e., the taken-for-granted consequences of security risks that might have been overlooked by the other coauthors (who live and work in Colombia and Mexico). An abductive analysis was performed in accordance with the themes that emerged from the empirical material (Miles and Huberman, 1994) using NVivo 11 (qualitative software). The transcripts from the semistructured interviews were used as the primary material for the analysis, and the field notes, observations and internal documents of firms were used to support and refine the interpretation of the emerging narratives and guide their integration into an overall framework.

The second stage of the thematic analysis involved identifying statements that referred to existing and novel strategies developed at the organizational, HRM, and LM levels. An interactive process was undertaken among the three authors to achieve consensus in naming the emerging topics and themes. In accordance with the narrative approach, the analytical interpretations and contextualization were developed by systematically organizing the empirical material (Alvesson and Deetz, 2000) into the following three initial themes: 1) narcoterrorism in Colombia and Mexico; 2) LMs' and their subordinates' experiences and struggles at work and outside work; and 3) HRM and organizational policies and practices that buffer against or respond to threats and attacks from narcoterrorists and/or other nongovernmental armed groups. To support the accuracy of the identified statements, the statements were validated by triangulating the empirical material. This process evolved by interacting between our data and extant theory. In our process, to theorize from the in-depth analysis in the security risk context, we triangulated our data in line with the abductive coding used in this study. A theoretically informed understanding of new institutional, LM, HRM, and ambidexterity theory and research was used during the thematic analysis and interpretation processes. The material was grouped into the following more abstract aggregated themes: conflicting coercive pillar, managing conflicting normative demands at organizational and HRM levels, and managing conflicting cultural-cognitive demands. This process helped us to propose the following overall aggregated theme: Ambidexterity responses to a conflicting institutionalism context (see Table 4).

[Table 4 near here]

Findings

Conflicting coercive pillar

The analysis of our data suggests that the institutional context of this research shapes the policies of MNEs and *multilatinas* to be 1) globally competitive and 2) understanding of the circumstances of local employees (see Table 4).

In Colombia and Mexico, it is common to observe army patrols assuming control of public places and read about security risk issues in local and international newspapers because assaults, crossfires in public (based on field notes). The direct impacts of such security risks on employees and firms include the destruction of infrastructure and the kidnapping or murder of employees; the indirect consequences include the loss of customers and disruptions to production and the supply chain (Álvarez and Rettberg, 2008; Durbin, 2013; INEGI, 2016; Rettberg, 2003). The interviewees reported various random and indirect violent attacks, including instances of being caught in crossfire between criminal gangs while waiting for public transport. A subordinate at a firm in Colombia described one attack as follows:

Once, [criminals] ripped off the uniform [of a colleague]... he [a colleague] was on a motorbike... and got scared... the LM called the plant manager...to rescue him.

(Subordinate, Colombia, firm MKK)

The above account is a specific example of the daily struggles and concerns of the subordinates and LMs interviewed. Collectively, the narratives provided an understanding of the reasons why LMs and their subordinates experience tension and fear. Tension and stress manifested from fear are heightened when travelling in the dark, and the LMs and subordinates in both Colombia and Mexico expressed concerns about “express kidnapping” (in which

kidnappers take the victim to an automated teller machine (ATM) to withdraw money and then release the victim), extortion, and assault on the street. The conflicting coercive context in our research suggests the evolution of ambidexterity strategies, which are presented in the following sections.

Ambidexterity responses to conflicting institutional context

Managing conflicting normative demands at organizational and HRM levels

The firms visited by the authors had the following two conflicting demands: 1) being globally competitive and meeting customers' demands and 2) addressing security risk threats and attacks. The investigated firms meet normative quality control standards, such as ISO 9001 (see Table 1). A HR manager elaborated the following:

Certifications are mostly carried out mainly for two issues: 1) ensure that the processes are aligned with an international benchmark and 2) that customers ensure that the various processes carried out in the company comply with international standards. (HR Manager, Mexico, firm XIU)

The managers interviewed had implemented shared strategies over the years in response to security risks. All visited firms had explicit written security and prevention procedures in relation to armed assaults and extortion calls that affected the workplace as well as robbery, express kidnapping, and threats outside the premises. These written procedures were normally supported by physical security measures, such as security cameras, protection on windows, metal entrance doors, and armed guards (from semistructured interviews and observations). This

research classifies these measures as exploitative strategies because they are standard practices in security risk contexts (Table 4).

However, other firms exhibited a more sophisticated “explorative” approach while implementing strategies in response to security risks. For example, one firm in Colombia created a “new” organizational unit for “asset protection.” The manager explained,

Asset protection is the equivalent of integral security, covering the physical security and safekeeping of all the firm’s assets, tangible and intangible. It is the relationship between traditional protection and safety; it is simply the terms that are different across cultures, [for example] between Mexicans and Colombians. [Asset protection] is the installation of security, security of assets... [We] are looking to differentiate it from industrial safety and occupational health. (Security Manager, Colombia, firm FMA)

The exploration of “new” organizational units seems to have created new “marketing” features, such as valet calendars, key-holders, stickers, etc., to reinforce “actions to avoid theft” from the distribution fleet. A security manager interviewed in Colombia further explained,

We have developed a training program for our drivers and personnel in charge of product distribution in order to reinforce training, “which is given constantly” to reinforce for employees all these “security risk prevention promotions” [key rings, posters, etc.] (Security Manager, Colombia, firm FMA).

A common pattern emerged in relation to information sharing at the managerial organizational level. The top management level seems cautious when disseminating sensitive security risk information to employees. A subordinate elaborated the following:

I am not sure, but I believe that [the managers] do not say anything about [security risks] to avoid alarming us... maybe they are working on adding better safety measures to provide more safety... (Subordinate, Mexico, firm EDE)

However, LMs and HR managers prepare general “common knowledge” regarding security prevention measures and disseminate the advice to employees. Posters and TV screens informing employees about preventative security measures are displayed in common areas, such as cafeterias and locker rooms (from observations). These dissemination strategies are complemented by explicit security practices, such as restricting employees from leaving the firm in uniform or requiring all external visitors to be accompanied by an employee. These measures can be classified as organizational exploration strategies in the given context.

According to the firms’ internal documents and webpages, all firms had HRM departments and complied with national labor laws (e.g., all employees had written employment contracts). The following HRM exploitation strategies are typically taken-for-granted HRM practices: Non-monetary compensation, such as private transportation for employees to workplaces, flexible timetables, global positioning systems (GPS) in company cars, life insurance, and emergency mobile phones, which are benefits expected by local employees and directors in Colombia and Mexico (from semistructured interviews with HR managers).

The visited firms have redesigned their recruitment and selection processes by implementing strict limitations regarding the candidates during the initial screening, such as excluding candidates with tattoos or relatives in prison (apparently, these features are perceived to indicate links to gangs). In relation to training and development, it was noted that the firms in both countries established security prevention programs and post-trauma sessions for not only the employees but also their families. Nevertheless, only two firms (one Colombian and one

Mexican) tailored security manuals to foreign managers traveling to Latin America. As an HR manager explained,

Yes. We have a regulation and a manual that [the firm] gives to employees in order to travel as safely as possible. [The manual] states, for example, to avoid phone calls in public places, particularly to avoid talking business on the street. If you're going to meetings, dress discreetly, do not bring fancy watches or jewelry and do not bring things that appeal [to gangs]. (HR Manager, Mexico, firm XIU)

We suggest these initiatives as explorative HRM-related practices. It was found that HRM managers in Colombia face conflicting demands from the firm's headquarters in supporting exploitative–explorative HRM practices, whereas European-based firms do not commonly provide such measures. The specific constraints faced by MNE subsidiaries in Colombia included 1) keeping costs low and 2) investing in benefits and services to attempt to buffer/diminish the impacts of organized crime and violence. Managing conflicting normative demands at organizational and HRM levels appears to be discretionally executed by LMs. These findings are presented below.

Managing conflicting cultural-cognitive demands

The semistructured interviews indicated that local employees are embedded in the local security risk context. A LM elaborated the following:

I am a 35-year-old Colombian who grew up in an armed-conflict country... Therefore, when I hear about violent assaults or death...it is sad, but to some extent, it is normal... I survived; so, I believe that I know how to do it. (LM, Colombia, firm SCH)

The above quotation illustrates an exploitation strategy, such as being alert, which appears to be “innate” for local (Colombian and Mexican) employees. Insecurity and risk are accepted as factors that cannot be changed (from semistructured interviews). Thus, LMs in dangerous contexts make discretionary decisions to protect employees and build trust. For example, LMs drive their subordinates directly home after dark in company vehicles or pay for a “secure taxi” (a registered taxi firm) or Uber to take them (transcripts). These are examples of the explorative ability of LMs based on their developed knowledge of the security context.

The shared social reality of LMs and their subordinates led to the development of cultural–cognitive strategies to cope with security risks; for example, while arranging security procedures to enter one of the firms, two authors observed how four blue collar employees traveled together by taxi. In the firm, a LM explained this observation as follows:

Yes, it is common for our blue-collar employees to share taxis to travel to their homes in order to avoid taking public transportation. (Security Manager, Colombia, firm FMA)

The findings suggest that local employees innately develop behaviors that help them survive in security risk contexts. Both the LMs and subordinates interviewed appeared to “know” this strategy, preferring to not expose themselves to the dangers of taking unknown taxis. As a LM explained,

I simply do not trust taxis... we [women] are a target in certain sectors of the city. I always take an Uber as it has very advanced technology tracking the driver and my trip. (LM, Colombia, firm SCH)

Discretion was also observed regarding the information that LMs disseminated to employees about the direct and indirect impacts of organized crime and violence. Two patterns were identified in relation to information sharing. LMs in manufacturing firms seemed less

concerned about sharing security measures with their subordinates. As one subordinate in Colombia commented, “they do not have any additional information.” Another subordinate in Mexico commented,

Well, we have not had any security warnings... “Well, we got some brochures [flyers], attended a course...” And then, one thinks [LMs] do not have any other facts [to share].
(Subordinate, Mexico, firm MTA)

The informants stated that violence and crime are “common” in Colombia and Mexico and that these countries seem to have an embedded “culture of insecurity.” Nevertheless, LMs in manufacturing firms do not seem to consider sharing violence and crime-related issues relevant; such LMs are more concerned about performing the work than security risk issues external to the firm. A subordinate in Mexico explained the following:

In fact, it is not the case... [the LM] does not speak about insecurity [violence and crime] issues here at work... it is clear that work safety [work-related safety measures] is important to the [firm’s external] environment, but [he] does not speak about insecurity.
(Subordinate, Mexico, firm NMK)

It seems that LMs use their capabilities to discretely inform or avoid informing subordinates of security contingencies and execute strategic decisions to manage conflicting organizational and HRM demands.

Our findings suggest that expatriates working at MNE headquarters, where the budgets of subsidiaries are typically approved, have difficulty understanding the impacts of security risks on local employees (from semistructured interviews). A Colombian LM working for a Swiss-based firm provided the following comment:

No, [the managing directors] do not know about any of this. Perhaps it may be our own mistake because we [LMs] do not communicate [violence and crime incidents] up to senior managers. Perhaps the HR department is not aware because we [LMs] keep all this information [about violence and crime toward employees] to ourselves. (LM, Colombia, firm SCH)

The field study suggested that expatriates in Colombia and Mexico develop a misunderstanding of the local security risks; for example, such expatriates seem to avoid the contingencies used by local employees, such as taking public transportation. A Colombian employee noted that while local employees “deal” with danger and risk (transcripts), it might be a challenge for expatriates working in Colombia and Mexico. As a LM explained,

When we perform an audit [that an expatriate will join], we try to develop protected sites. We are not going to put expatriates at risk [by taking them to dangerous areas] where we [local employees] need to go... If I suggest it, my colleagues would say: “How on earth did it occur to you to take [an expatriate] to Robledo [considered by employees to be a high risk area]?... It is horrible; it is dangerous.” ...and then, [the expatriates] leave [Colombia] with the feeling that this country is OK and that we are not doing too badly. (LM, Colombia, firm SCH)

The preceding quotation suggests that different understandings of the local context occur. This disparity seems to have implications for approving explorative HRM strategies to protect employees in Colombia and Mexico. These arguments are discussed in the following section.

Discussion

The aim of this study was to explore and discuss the strategies devised by organizational

actors in the narcoterrorism context. This study departed from the lens of the new institutionalism framework (DiMaggio and Powell, 1983; North, 1990; Scott, 2014), and as our fieldwork advanced, we then integrated the ambidexterity framework (Malik *et al.*, 2017; March, 1991; Patel *et al.*, 2013).

In Colombia and Mexico, the current security risks and consequences of narcoterrorism appear to have a “natural” or “normal” state. The state of “shock” observed in the informants renders them mindful of employees’ concerns derived from narcoterrorism (see Table 3). Although there are contextual differences (Michailova, 2011) between Colombia and Mexico in relation to narcoterrorism, in both countries, informants indicate disillusionment with the coercive pillar, which suggest the limited ability of their governments to fight narcoterrorism and its consequences. This study empirically contributes to the discussion of the new institutionalism framework in situations in which formal institutions fail (North, 1990) and governments cannot protect human lives. We presented rich empirical material on how security risks are experienced, interpreted, and ultimately managed by firms and employees. We contribute to the new institutionalism framework by suggesting that the structural vulnerabilities in emerging economies can be addressed by viewing MNEs and *multilatinas* as key institutional actors in improving employees’ well-being through ambidexterity strategies. We posit that employees and organizations rely on social institutional elements and normative and social-cognitive pillars instead of hoping for protection from the government (see Table 4). Extending beyond the cultural dimensions that scholars traditionally rely on to discuss management practices in emerging markets (Hofstede, 1984; House *et al.*, 2004), this study posits that security risk is a social reality in the narcoterrorism context in which ambidexterity strategies evolve.

Ambidexterity responses to the conflicting institutionalism context

Scholars argue that *multilatinas* already know “how to operate under violence and can more easily implement solutions, unlike firms from countries with little violence” (Cuervo-Cazurra, 2016, p. 1969). We extend such arguments (Barnard *et al.*, 2017; Cuervo-Cazurra, 2016) by showing that a ‘culture of insecurity’ emerged as a critical feature of the socio-cultural pillar (Scott, 2014). We posit that this ‘culture of insecurity’ is a complex problem that evolves from poverty, drug trafficking and inequalities within a context where public policies, namely, coercive pillars, cannot reverse structural vulnerabilities (OECD, 2019). The ‘culture of insecurity’ defines the common patterns of belief held by organizational actors to be in a state of constant alert and rely on their peers and workplaces to work and survive in such contexts.

Our first question was as follows: “What organizational and HRM strategies are in place to respond to security risk contexts characterized by organized crime and violence?” The firms investigated in this study were “aligned” and typically efficient in the management of modern demands (Gibson and Birkinshaw, 2004) as they complied with international standards in their fields of operation (see Table 1). The ability of firms to manage conflicting demands appears to rely on the exploration and exploitation of the normative institutional pillar (see Table 4). Certification helps companies maintain legitimacy in the eyes of the authorities that provide it (e.g., Scott, 2014). However, given the taken-for-granted context in this study characterized by the common sentiment that “nothing can be done”, the “be alert” strategy (TV, posters, etc.) should be interpreted as an explorative strategy to remind employees of the macro context in which they live and work. Our findings suggest that firms implement isomorphic ambidextrous organizational and HRM strategies to overcome security risk uncertainties (see Table 4), thus enabling them to survive while maintaining internal legitimacy in the eyes of their employees

(DiMaggio and Powell, 1983; Heugens and Lander, 2009; Pavlovich, 2016; Scott, 2014).

We also asked: “What are LM responses to such strategies?” HRM strategies send direct signals regarding a firm’s values, thus gaining trust and support in the firm at the macrolevel. However, at the microlevel, blue-collar employees often rely on LMs’ direct support in the event of an attack as LMs are embedded in the security risk context in a way that senior managers are not. This study identified the ambidextrous strategies devised by LMs and subordinates, which are considered actions at the microorganizational level. The discretion of LMs in enforcing HRM policies was highlighted during the fieldwork. It was discovered that LMs are typically understanding of employees’ fears in the event of attacks and have concern for their physical security. Absence or lateness were often overlooked when employees “feared” traveling to work, and flextime or changes in work schedules were implemented at the LMs’ discretion. Such strategies were used to motivate employees to retain their jobs and/or avoid absenteeism. We posit that LMs function as a liaison between their subordinates and HR managers to contextualize the security risks that they confront in an attempt to seek protection from their firms given the conflicting coercive pillar. LMs’ explorative strategies were based on trust, openness, participation, honesty, etc., which can be interpreted as a strategy implemented by managers to manipulate or “fight” the lack of trust in formal institutions and support members of society against the proliferation of organized crime and violence. Along with HR managers, LMs send signals through managerial practices that they care about employees and their families. This study presents concrete examples of the symbiotic relationship between LMs and subordinates (Purcell and Hutchinson, 2007). Extending Malik *et al.* (2017) argument that the different activities in which employees engage assist organizations in implementing ambidextrous strategies, this study suggests that this symbiotic relationship is key to exploring new and

exploiting existing actions to survive in security risk contexts. We posit that ambidexterity is a key factor through which LMs successfully design and implement tailored HRM strategies that might not reflect the intended organizational and departmental designs.

Contextual ambidexterity (Havermans *et al.*, 2015) is extended in this study by discussing the unusual ability of LMs in Colombia and Mexico to simultaneously fulfill two disparate or conflicting goals of performing up to global standards (Kostova and Roth, 2002) while also safeguarding their subordinates. LMs play an important role in coordinating collective ambidextrous strategies from the way their subordinates notice, categorize, and interpret (Trevino *et al.*, 2008) the security risks they have confronted over the years. Subordinate ambidexterity strategies are microactions performed to buffer security risks. The spontaneous or taken-for-granted actions of subordinates, such as “sharing taxis”, are in fact cultural–cognitive structures and value systems (DiMaggio and Powell, 1983; Scott, 2014) developed by subordinates in the given context. These findings reflect the power of internal (i.e., subordinates) and external (i.e., civil society) forces at local subsidiaries. The authors hope that this might encourage support from MNE headquarters to implement ambidextrous strategies at subsidiaries confronted with security risks, while helping firms maintain internal legitimacy (Suchman, 1995).

Managerial implications

The findings of this study suggest that it is not enough for LMs in security risk contexts to be competent at their jobs. Such LMs must also be savvy in the local context to strategically design contextual ambidexterity strategies. Managers could be inspired by the findings of this study, which may assist foreign firms operating in emerging markets that have undergone a

transition in their institutional context. Nevertheless, foreign firms could also capitalize from a bottom-up learning process. Learning from local employees could allow the design of explorative HRM and organizational policies and practices to help local and foreign firms compete internationally while simultaneously developing legitimacy (DiMaggio and Powell, 1983) among their local workforce. The implication for practitioners is that LMs cannot monopolize knowledge that might be critical for a firm's internal processes because such knowledge is also critical to the wellbeing of subordinates.

Malik *et al.* (2017) argued that coordination and resource allocation by senior managers are important for achieving ambidexterity. However, it might be relevant for MNEs to implement partitional ambidexterity (Malik *et al.*, 2017) and tailor HRM practices according to the local institutional context.

Limitations and future research

This study is based on fieldwork performed at MNEs and *multilatinas* operating in Medellin and Monterrey. Therefore, caution must be exercised when generalizing the results to other transition economies and beyond. In addition, as the focus of this study was firm strategies to survive in security risk contexts, their performances were not considered, although this aspect could support the exploitative strategies implemented for external legitimacy. However, scholars may be inspired by these results to analyze mainstream theory and research (such as firm performance) by recognizing LMs as key players in developing ambidextrous HRM strategies at the microlevel (e.g., Malik *et al.*, 2017; Trullen *et al.*, 2016). Future works should extend beyond traditional institutional assumptions while studying MNEs in emerging economies. The novel ambidexterity strategies implemented by LMs within this sample suggest movement away from

the ethnocentric approach in which HRM policies and practices are typically spread from headquarters to subsidiaries (Boussebaa and Morgan, 2014; Patel *et al.*, 2018). Future research might analyze the influence of LMs on lobbying for the implementation of policies and practices with the help of HRM. Although Colombia and Mexico's governments fight against narcoterrorism, their efforts appear to be insufficient to fully capture the impact of narcoterrorism on organizations and employee mental health, such as stress, paranoia, anxiety, etc. Mental health is an emerging concern that LM and HR managers are facing. Future research might further explore ambidexterity strategies to mitigate and address employee security, including material as well as emotional security. HRM appears to move into a cross-sectional area that will work hand in hand with occupational risk managers, specifically occupational health and safety and LMs.

Conclusions

The unpredictability of security risks suggests that a deep understanding of the context is required. The link between ambidexterity and new institutionalism research seems to function as a robust framework with which to study work employment relationships. All visited firms juggle competing, complex, and occasionally contradictory agendas (e.g., how to address international competition and local violence and crime). Although the narcoterrorism context could be considered an extreme example, the concept of ambidexterity furthers the perception and explanation of how firms can remain internationally competitive, such as through the exploration of strategies to build trust and loyalty in their employees.

References

- Álvarez, S. and Rettberg, A. (2008), "Cuantificando los efectos económicos del conflicto: una exploración de los costos y los estudios sobre los costos del conflicto armado Colombiano [Quantifying the economic effects of the conflict: an exploration of costs and cost studies of the Colombian armed conflict]", *Colombia Internacional*, Vol. 67, pp. 14-37.
- Alvesson, M. and Deetz, S. (2000), *Doing Critical Management Research*, SAGE Publications, London, UK.
- Bader, B. and Schuster, T. (2015), "Expatriate social networks in terrorism-endangered countries: an empirical analysis in Afghanistan, India, Pakistan, and Saudi Arabia", *Journal of International Management*, Vol. 21 No. 1, pp. 63-77.
- Barnard, H., Cuervo-Cazurra, A. and Manning, S. (2017), "Africa business research as a laboratory for theory-building: extreme conditions, new phenomena, and alternative paradigms of social relationships", *Management and Organization Review*, Vol. 13, pp. 467-495.
- Boussebaa, M. and Morgan, G. (2014), "Pushing the frontiers of critical international business studies: the multinational as a neo-imperial space", *Critical Perspectives on International Business*, Vol. 10 No. 1/2, pp. 96-100.
- Caniëls, M.C.J. and Veld, M. (2019), "Employee ambidexterity, high performance work systems and innovative work behaviour: how much balance do we need?", *The International Journal of Human Resource Management*, Vol. 30 No. 4, pp. 565-585.

- Caro, C.J.V. (2016), "Colombia armed conflict: arms for peace", *Forbes Opinion*, available at: <http://www.forbes.com/sites/realspin/2016/09/19/colombian-armed-conflict-arms-for-peace/#3209cb0428f0> (accessed 17 March 2016).
- Consejería DDHH-Presidencia de la República. (2015), "Colombia avanza derechos humanos y empresa. Plan de acción de derechos humanos y empresa", Bogotá, Colombia", available at: https://www.ohchr.org/Documents/Issues/Business/NationalPlans/PNA_Colombia_9dic.pdf (accessed 9 December 2019).
- Control Risk. (2019), "Risk map 2019", available at: <https://www.controlrisks.com/> (accessed 28 June 2019).
- Cuervo-Cazurra, A. (2016), "Multilatinas as sources of new research insights: the learning and escape drivers of international expansion", *Journal of Business Research*, Vol. 69 No. 6, pp. 1963-1972.
- Deephouse, D.L. (1996), "Does isomorphism legitimate?", *The Academy of Management Journal*, Vol. 39 No. 4, pp. 1024-1039.
- Dimaggio, P.J. and Powell, W.W. (1983), "The iron cage revisited: institutional isomorphism and collective rationality in organizational fields", *American Sociological Review*, Vol. 48 No. 2, pp. 147-160.
- Duncan, R.B. (1976), "The ambidextrous organization: designing dual structures for innovation", in Kilmann, R.H., Pondy, L.R. & Slevin, D. (Eds.), *The Management of Organization Design: Strategies and Implementation*, North Holland, New York, NY, pp. 167-188.
- Durbin, K.J. (2013), "International narco-terrorism and non-state actors: the drug cartel global threat", *Global Security Studies*, Vol. 4 No. 1, pp. 16-30.

- Gibson, C.B. and Birkinshaw, J. (2004), "The antecedents, consequences, and mediating role of organizational ambidexterity", *Academy of Management Journal*, Vol. 47 No. 2, pp. 209-226.
- GMH. (2013), *¡BASTA YA! Colombia: Memorias de Guerra y Dignidad [ENOUGH! Colombia: Memories of War and Dignity]*, Imprenta Nacional, Bogotá.
- Gomez, C. and Sanchez, J.I. (2005), "HR's strategic role within MNCs: helping build social capital in Latin America", *The International Journal of Human Resource Management*, Vol. 16 No. 12, pp. 2189-2200.
- Grupo De Memoria Histórica. (2013), *¡Basta ya! Colombia: Memorias de Guerra y Dignidad [Enough Already! Colombia: Memories of War and Dignity]*, Imprenta Nacional, Bogotá.
- Harvey, M., Dabic, M., Kiessling, T., Maley, J. and Moeller, M. (2019), "Engaging in duty of care: towards a terrorism preparedness plan", *The International Journal of Human Resource Management*, pp. 1-26. doi:10.1080/09585192.2017.1298651
- Havermans, L.A., Den Hartog, D.N., Keegan, A. and Uhl-Bien, M. (2015), "Exploring the role of leadership in enabling contextual ambidexterity", *Human Resource Management*, Vol. 54 No. S1, pp. s179-s200.
- Heugens, P.P.M.A.R. and Lander, M.W. (2009), "Structure! agency! (and other quarrels): a meta-analysis of institutional theories of organization", *The Academy of Management Journal*, Vol. 52 No. 1, pp. 61-85.
- Hiatt, S.R. and Sine, W.D. (2014), "Clear and present danger: planning and new venture survival amid political and civil violence", *Strategic Management Journal*, Vol. 35 No. 5, pp. 773-785.

- Hill, S.A. and Birkinshaw, J. (2014), "Ambidexterity and survival in corporate venture units", *Journal of Management*, Vol. 40 No. 7, pp. 1899-1931.
- Hofstede, G. (1984), *Culture's Consequences: International Differences in Work-Related Values. International Differences in Work-Related Values*, Sage, Beverly Hills, CA.
- House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W. and Gupta, V. (2004), *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, Sage publications, London, UK.
- INEGI. (2016), *Encuesta Nacional de Victimización y Percepción Sobre Seguridad Pública (ENVIPE) [National Survey of Victimization and Perceptions of Public Safety]*, Instituto Nacional de Estadística y Geografía, Mexico.
- Kang, S.-C. and Snell, S.A. (2009), "Intellectual capital architectures and ambidextrous learning: a framework for human resource management", *Journal of Management Studies*, Vol. 46 No. 1, pp. 65-92.
- Kostova, T. and Roth, K. (2002), "Adoption of an organizational practice by subsidiaries of multinational corporations: institutional and relational effects", *The Academy of Management Journal*, Vol. 45 No. 1, pp. 215-233.
- Lubinski, D. and Benbow, C.P. (2000), "States of excellence", *American Psychologist*, Vol. 55 No. 1, pp. 137-150.
- Luo, Y. and Rui, H. (2009), "An ambidexterity perspective toward multinational enterprises from emerging economies", *Academy of Management Perspectives*, Vol. 23 No. 4, pp. 49-70.
- Malik, A., Sinha, P., Pereira, V. and Rowley, C. (2017), "Implementing global-local strategies in a post-GFC era: creating an ambidextrous context through strategic choice and HRM", *Journal of Business Research*, doi:10.1016/j.jbusres.2017.09.052.

- March, J.G. (1991), "Exploration and exploitation in organizational learning", *Organization Science*, Vol. 2 No. 1, pp. 71-87.
- Michailova, S. (2011), "Contextualizing in international business research: why do we need more of it and how can we be better at it?", *Scandinavian Journal of Management*, Vol. 27 No. 1, pp. 129-139.
- Miles, M.B. and Huberman, A.M. (1994), *Qualitative Data Analysis: An Expanded Sourcebook*, Sage, Thousand Oaks, CA.
- Nijs, S., Gallardo-Gallardo, E., Dries, N. and Sels, L. (2014), "A multidisciplinary review into the definition, operationalization, and measurement of talent", *Journal of World Business*, Vol. 49 No. 2, pp. 180-191.
- North, D.C. (1990), *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, Cambridge, UK.
- OECD. (2019), *Latin America Economic Outlook 2019 Development in Transition*, OECD, Paris, France.
- Paauwe, J. and Boselie, P. (2003), "Challenging 'strategic HRM' and the relevance of the institutional setting", *Human Resource Management Journal*, Vol. 13 No. 3, pp. 56-70.
- Patel, P., Sinha, P., Bhanugopan, R., Boyle, B. and Bray, M. (2018), "The transfer of HRM practices from emerging Indian IT MNEs to their subsidiaries in Australia: the MNE diamond model", *Journal of Business Research*, Vol. 93 No. pp. 268-279.
- Patel, P.C., Messersmith, J.G. and Lepak, D.P. (2013), "Walking the tightrope: an assessment of the relationship between high-performance work systems and organizational ambidexterity", *Academy of Management Journal*, Vol. 56 No. 5, pp. 1420-1442.

- Pavlovich, K. (2016), "A qualitative case study of MNE legitimacy: the Fonterra-Sanlu IJV corporate milk scandal in China", *International Journal of Emerging Markets*, Vol. 11 No. 1, pp. 42-56.
- Peng, M.W., Nguyen, H.W., Wang, J.C., Hasenhüttl, M. and Shay, J. (2018), "Bringing institutions into strategy teaching", *Academy of Management Learning & Education*, Vol. 17 No. 3, pp. 259-278.
- Purcell, J. and Hutchinson, S. (2007), "Front-line managers as agents in the HRM-performance causal chain: theory, analysis and evidence", *Human Resource Management Journal*, Vol. 17 No. 1, pp. 3-20.
- Raisch, S. and Birkinshaw, J. (2008), "Organizational ambidexterity: antecedents, outcomes, and moderators", *Journal of Management*, Vol. 34 No. 3, pp. 375-409.
- Reeve, S. (2019), "The surprising way this Mexican state is fighting the cartels", *The Americas*, *BBC*, available at:
<https://www.youtube.com/watch?v=qU8HnR25lUI&fbclid=IwAR1YZJLt-biDaBOVmuq5M50j5YgCxz1mP6xqJXRSZpYxGzAK1bNkfYBtj9I> (accessed 2 December 2019).
- Rettberg, A. (2003), "Administrando la adversidad: respuestas empresariales al conflicto Colombiano [Managing adversity: business responses to the Colombian conflict]", *Colombia International*, Vol. 55, pp. 37-54.
- Rodríguez-Ortíz, A.M. (2017), "Prefacio. en: los costos del crimen y de la violencia: nueva evidencia y hallazgos en América Latina y el Caribe. Banco interamericano de desarrollo. División de capacidad institucional del estado. III. Serie. IDB-MG-510, [Preface. In: the costs of crime and violence: new evidence and findings in Latin America and the

- Caribbean. Inter-American development bank. Division of institutional capacity of the State. III. Series. IDB-MG-510]", available at:
<https://publications.iadb.org/publications/spanish/document/Los-costos-del-crimen-y-de-la-violencia-Nueva-evidencia-y-hallazgos-en-Am%C3%A9rica-Latina-y-el-Caribe.pdf>
 (accessed 28 June 2019).
- Rosen, A., Bender, J. and Macias, A. (2016), "The 50 most violent cities in the world", *Business Insider, Military & Defense*, available at: <http://www.businessinsider.com/most-violent-cities-in-the-world-2016-1?r=US&IR=T&IR=T> (accessed 17 March 2017).
- Scott, W.R. (2014), *Institutions and Organizations. Ideas, Interests, and Identities*, Sage, Los Angeles, CA.
- Suchman, M.C. (1995), "Managing legitimacy: strategic and institutional approaches", *The Academy of Management Review*, Vol. 20 No. 3, pp. 571-610.
- Sutter, C.J., Webb, J.W., Kistruck, G.M. and Bailey, A.V.G. (2013), "Entrepreneurs' responses to semi-formal illegitimate institutional arrangements", *Journal of Business Venturing*, Vol. 28 No. 6, pp. 743-758.
- Trevino, L.J., Thomas, D.E. and Cullen, J. (2008), "The three pillars of institutional theory and FDI in Latin America: an institutionalization process", *International Business Review*, Vol. 17 No. 1, pp. 118-133.
- Trullen, J., Stirpe, L., Bonache, J. and Valverde, M. (2016), "The HR department's contribution to line managers' effective implementation of HR practices", *Human Resource Management Journal*, Vol. 26 No. 4, pp. 449-470.
- UNODC. (2016), "Colombia", available at:
<https://www.unodc.org/colombia/index.html?ref=menutop> (accessed 17 March 2016).

Vreja, L.O. (2005), "Narcoterrorism in Southeastern Europe", *Connections*, Vol. 4 No. 1, pp. 91-102.

World Bank. (2018), "World bank: country and lending groups", available at:

<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups> (accessed 18 July 2019)

Appendix 1

Protocol Interview 2014

General information

Organization: _____ Position in the organization: _____

Title: _____ Name: _____

Part I: Perception of the environment of insecurity and its relation to the activities of the company.

1. Do you think that the insecure environment (due drug cartels) has affected the work environment?
2. Do you think that the insecure environment affects the fulfillment of your work?
3. Due to the context of insecurity, have you ever felt at risk in the performance of your work?

PART II: Impact of organized crime and violence

1. Has violence taken place against the company, assets and/or its employees?
2. In relation to the background of insecurity, do you consider that you have any type of obligation and/or responsibility towards the company?
3. Do you consider that the company has some type of obligation and/or responsibility towards you?

Considering the insecure environment (due drug cartels):

1. What do you think are the main concerns of managers of the company? What do you think about these concerns?

2. Do you consider that the company's executives have information about it? Do they share this information with you?
3. Do you think the company demands more than you could give the company?

PART III: Actions and responses of the organization in the context of insecurity

With respect to actions or policies.

1. Do you know about any type of specific policy, programs or actions that the organization implements or has implemented?
2. In relation to the previous question:
 - a. What is your opinion about the policy or actions?
 - b. Do you trust this policy or specific action?
 - c. Have you contributed any ideas or participated in these decisions?
 - d. Does your family know about any of these plans or programs?
3. In general terms, how do you think the conflict between a lack of security and social problems has affected your life?
4. In general terms, how do you think this conflict has affected your coworkers?

Redesigned protocol in 2015

General information

Organization: _____ Position in the organization: _____

Title: _____ Name: _____

Interview:

1. Please describe your daily routines while at work.

2. Could you elaborate on the implications of living and working in [Medellin or Monterrey].
3. Could you please describe your daily routines to protect yourself and family members?
4. Could you describe the actions developed in your workplace to protect the organizations' assets (including employees)?
 - a. What are your reactions to such actions.
5. Could you describe the actions developed by your immediate superior to protect you and your coworkers?
 - a. What are your reactions to such actions?

Table 1. Institutional pillars

Institutional Pillar	Definition	Basic of Legitimacy
Coercive	Describes how organizations uphold the expected behavior of the society in which they function, and any deviations from the expected behavior are legally sanctioned (DiMaggio and Powell, 1983).	<i>Rules and Sanctions:</i> Legally sanctioned (Scott, 2014). Example: Labor Law
Normative	Refers to the relationship between management policies and employee backgrounds in terms of formal education, job experience, and professional networks (Paauwe and Boselie, 2003).	<i>Prescriptions and obligations:</i> Morally governed (Scott, 2014). Examples: <ul style="list-style-type: none"> ● Organizational codes of conduct and norms. ● International standards (e.g., International Organization for Standardization (ISO))
Cultural–cognitive	Shared beliefs, knowledge, behaviors and interpretative processes among individuals that constitute the nature of social reality and create the frames through which meaning is made (Scott, 2014; Trevino <i>et al.</i> , 2008)	<i>Conceptual frames:</i> Comprehensive, recognizable, culturally supported (Scott, 2014). Examples: <ul style="list-style-type: none"> ● Morning greetings in Colombia and Mexico: handshake, cheek-kissing ● Avoid discussing politics and religion at the same time in Mexico.

Table 2: Sample

Firm Acronym/Origin	Data Sources	Location of Semistructured Interviews	Industry	Market	Number of employees	Years of Operation	Certification
ADI/Colombian	1 Semistructured interview with HR Manager 6 Semistructured interviews: HR Assistant, LM* and 4 subordinates†	Medellin	Manufacturing	Domestic & International	135	18	ISO 9001 ^a
CTO/Colombian	2 Semistructured interviews with CEO and member of the board 2 Semistructured interviews with supervisors 3 Semistructured interviews: 3 subordinates	Medellin	Transportation services	Domestic	141	28	Bureau Veritas-UNE-EN 13816 ^b ISO 9001 ^a
MEA/Colombian	1 Semistructured interview with HR Manager 5 Semistructured interviews: LM and 4 subordinates	Medellin	Food services	Domestic	191	47	ISO 14001 ^c
SCH/Subsidiary of a Swiss MNC	2 Semistructured interview with HR Manager 5 Semistructured interviews: LM and 4 subordinates	Medellin	Manufacturing	Domestic	660	44	ISO 14001 ^c
FMA/Subsidiary of a Mexican MNC	2 Semistructured interviews: HR Manager and Security Manager	Medellin	Manufacturing	Domestic	550	26	ISO 9001 ^a ISO 22000 ^d
MTA/Mexican	1 Semistructured interview with HR Manager 7 Semistructured interviews: LM and 6 subordinates	Monterrey	Personnel outsourcing, security and asset protection services	Domestic	800	36	ISO 9001 ^a
XIU/Mexican	6 Semistructured interviews: LM-1 and 2 subordinates, LM-2 and 2 subordinates	Monterrey	Manufacturing	International: subsidiaries in 3 countries	1,804	63	ISO 14001 ^b
NMK/Subsidiary of a USA MNC	1 Semistructured interview with HR Manager 6 Semistructured interviews: LM-	Monterrey	Manufacturing	International: subsidiaries in 16 countries	7,880	40	ISO 9001 ^a

	1 and 1 subordinate, LM-2 and 3 subordinates						
EGS/Mexican	1 Semistructured interview with HR Manager 7 Semistructured interviews: LM-1 and 2 subordinates, LM-2 and 3 subordinates	Monterrey	Education— Training Services	Regional: subsidiaries in 3 Latin American countries	176 in Monterrey, 12,000 companywide	76	Organization sector: AACSB ^e AMBA ^f EQUIS ^g
EDE/Mexican	4 Semistructured interviews: LM and 3 subordinates	Monterrey	Manufacturing and industrial services for the management of hazardous and non- hazardous waste	Domestic	400	29	ISO 9001 ^a

*LM—line manager. †Employees subordinate to the line manager.

^a ISO 9001 is a set of standards on quality and quality management, established by the International Organization for Standardization. They can be applied in any type of organization or activity oriented to the production of goods or services.

^b The UNE-EN 13816 Standard is aimed at road passenger transport operators regardless of their modality and allows determining the conditions under which this service is provided from the traveler's perspective.

^c The ISO 14000 series of standards is a set of standards that covers aspects of the environment, products and organizations, highlighting ISO 14001, is an international environmental management standard

^d ISO 22000 sets out the requirements for a food safety management system. ISO 22000 maps out what an organization needs to do to demonstrate its ability to control food safety hazards in order to ensure that food is safe.

^e The Association to Advance Collegiate Schools of Business, also known as AACSB International, is an American professional organization.

^f The Association of MBAs is a global organization which focuses primarily on international business school accreditation and membership AMBA

^g EQUIS, is the most comprehensive institutional accreditation system for business and management school.

Table 3. Initial fieldwork codes developed in 2014

Country/ Position	HR Professional	LM	Subordinate
Colombia	“[Uncomfortable] talking about crime and violence.”	“Psychological impacts.”	“It [violence and crime] is part of our life.”
Mexico	“Distrust”; “our employees are worried and distracted.”	“Our subordinates are afraid” and “in shock.”	Talk about violence and crime in the third person.

Table 4. Findings

Ambidexterity responses to the conflicting institutionalism context		
Conflicting Coercive Pillar	<ul style="list-style-type: none"> • There are laws and regulations in Colombia and Mexico to protect and guarantee basic principles of human rights, i.e., liberty, peace, and physical security, in addition to labor laws. • The institutional context found in Colombia and Mexico suggests that governments fail to provide personal security to civil society and enforce the rule of law. 	
	Ambidexterity Responses	
	Exploitation Strategies	Exploration Strategies
Managing conflicting normative demands at organizational and HRM levels—<i>Normative Pillar</i>	<ul style="list-style-type: none"> • ORG[†]: Investment in GPS* for the company's transportation fleet • ORG: Installation of video surveillance systems • ORG: Private transportation for employees • ORG: Private security guards 	<ul style="list-style-type: none"> • ORG: Changing the logistics of the firm's fleet regarding the delivery products and services; no firm logo • ORG: Blocking phone calls from unknown numbers • ORG: Locking the firm's front door • ORG: Requesting identification to enter the firm • HRM[‡]: Re-designing interview protocol • HRM: Conducting in-depth research on candidates' background information • HRM: Hiring according to employees' home address • HRM: Self-defense and precaution training programs • HRM: Crisis counseling assistance • HRM: Integration and social interaction training programs
Managing conflicting cultural-cognitive demands—<i>Cognitive Pillar</i>	<ul style="list-style-type: none"> • LM[§]: Schedules adapted according to external risk factors • LM: Illegal payments to crime organizations 	<ul style="list-style-type: none"> • LM: Avoiding sharing common knowledge on security risk • LM: Transportation to dangerous areas • LM: Home visits

*GPS—Global positioning systems. [†]ORG—Organizational. [‡]HRM—Human resource management. [§]LM—Line manager.