AMBIDEXTROUS ORGANIZATIONS

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Organizational Ambidexterity

My name is Ambidexter. I signifie one
That with both hands finely can play.
-    (Preston, T. (1569), 150) as cited by (Tempelaar, 2010)
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The concept of ambidexterity dates back to 1976 when Bob Duncan published his article, "The ambidextrous organisation: designing dual structures for innovation". It was popularised by Tushman and O'Reilly in1996 and has been widely researched by several researchers. The origin of the word can be traced back to the Latin word *ambos* which means "both" and *dexter* which means "right" (as opposed to left) thus making ambidexterity 'right on both sides'(Simsek, 2009). The term "ambidextrous" is synonymous to "as being able to use both hands equally at the same time" (Cambridge online dictionary) as cited by Simsek (2009). Thus the term in a very broad sense enumerates the ability to pursue two activities which are mutually opposing in character.

Organizational ambidexterity is a metaphor referring to a firm's ability to both exploit existing competences and explore new competences. Renowned researchers perceive organizational ambidexterity in multifarious ways. Duncan (1976) observed ambidexterity in a differentiation perspective where exploitation and exploration of activities are carried out in two separate structural units meant for the same and highlighted the significance of these two separate structures to pursue the strategy and mission of business. Invariably, this dual organizational structure followed two dissimilar perspectives towards innovation- one to start or develop innovative activities or exploring innovation and the other to deploy innovative activities or exploiting innovation. He observed ambidexterity as a sequential phenomenon in which the organization focuses on exploitation and exploration one at a time or sequentially.

Simsek (2009) defined ambidexterity in three different perspectives behavioural, structural and realised. Behavioural dimension assumes and proposes that ambidexterity could be meaningfully pursued in a single business unit level while structural perspective goes to a higher level of organizational abstraction as in the case of multi units or a diversified company. Realised perspective describes a state of the organization in which high levels of exploitation and exploration have been actually achieved. He further examined previous definitions on organizational ambidexterity from a theoretical and empirical perspective.

Tushman & O'Reilly (1996) defined ambidexterity as the capacity of an organization to deal with both incremental and continuous improvements called evolutionary changes and radical and discontinuous changes called revolutionary changes at the same time. They further pointed out that ambidexterity is a solution to overcome the dilemma of the "paradox of success" wherein the firm has a proclivity to its current stature and strategies resisting any kind of changes, thus making the adaptation and further growth bleak. The research highlights certain commonalities that all ambidextrous organizations appear to have namely distinct organizational structure, robust tight-loose group culture, common values across the organization and ambidextrous top managers who assimilate different units and values across the organization. They argued that ambidexterity is the "ability to simultaneously pursue both incremental and discontinuous innovation and change" called for organizational architectures that host "multiple contradictory structures, processes and cultures within the same firm" as cited by Venkatraman, Lee, & Iyer (2007).

According to Gibson and Birkinshaw (2004), "Organizational ambidexterity refers to an organisation's ability to perform two different things at the same time". They demonstrated ambidexterity as the capability of the company wherein both long-period development of products, markets, and technologies called adaptability, and short-period profitability and coordination called alignment are pursued. Their study went ahead of the structural dimension which talked about the dual structures and explained ambidexterity in terms of contextual and architectural dimensions as a result of their comprehensive survey. The study was carried out in 10 multinational companies. They also argued that for an organization to be ambidextrous, members of the organization should behave ambidextrously. They further explained four characteristics of ambidextrous individuals/ employees. The four characteristics are initiation and alertness to opportunities beyond their own jobs, cooperation and collaboration with other members of the organisation, multitasking and brokering skills to build internal linkages. They believed that for materialising ambidexterity, organizational context should be managed and prepared by the top managers.

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Incidentally, they made out four types of organizational context in terms of two aspects – performance management and social support. The four types of organization contexts are high performance context, low performance context, country club context and burnout context. Their study showed that an ambidextrous context is bolstered when both aspects of performance management and social support are high which ensures high performance context.

Ambidextrous Organization

The Roman god Janus had two sets of eyes—one pair focusing on what lay behind, the other on what lay ahead (Tushman and O'Reilly, 2004). Todays managers and professionals who represent the organization in the light of competition have to have this capability of managing what is here and now with a focus on futurity. They should be able to manage the existing opportunities at present and at the same time explore new opportunities for the future. In an abstract sense this is what is called ambidexterity. When this concept of ambidexterity is pursued in organizations it is called organizational ambidexterity. Ambidexterity refers to the ability of the organization to simultaneously pursue exploitation and exploration of various activities (Tushman and O'Reilly, 2004). It could be of competence, strategies, structure or even processes (Gibson and Birkinshaw, 2004; Duncan, 1976).

The managers must balance the incongruous structures, skills and cultures like good conjurors, to effectively encounter other organizations, as cited by P. Barrett (1997). The organizations need to confront the two dilemma associated with this. They have to progressively react to the changes in their marketing business scenario in the short run to ensure they survive as the fittest competitor. But in the long run, they may have to abandon the approach, policy or product that has made their organization effective.

They have their new exploratory units separate from the conventional exploitative ones permitting diverse processes, structures and cultures. But they have a tightly integrated senior team which is one of the pertinent characters of ambidextrous organizations which particularly pursue structural ambidexterity. These are ambidextrous organizations which allow executives to pursue radical or disruptive innovation while pursuing incremental innovation. Units pursuing exploitation have mechanistic structures, tightly coupled systems, path dependence, routinization, control, bureaucracy, stable market and technologies while the explorative units have organic structures, loosely coupled systems, path breaking, improvisation, autonomy, emerging market and technologies (N. Turner, Swart, & Maylor, 2013). Organizational ambidexterity is viewed as the emerging research paradigm in organizational theory as cited by Simsek et al (2009).
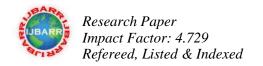
J.J.P. Jansen (2005) reported on how ambidextrous organizations obtain success. These organizations achieve success through radical and evolutionary change by being creative and sustaining advantages. They are also responsive and efficient which adopts flexibility and stability or exploratory and exploitative innovations. These organizations overcome all the obstacles by reconciling mutually opposing demands from internal and external business environments. They also successfully coordinate and balance exploration of new opportunities and exploitation of existing opportunities and recourses (Volberda & Lewin, 2003). For example,multinational organizations like KFC, Pizza Hut, and Hardee's were able to achieve both innovation and stability in organization (Bradach, 1997).

Additionally, Tushman and O'Reilly (1996) observed the mantra of success of Hewlett-Packard, Johnson & Johnson, and Asea Brown Boveri (ABB). These organizations could gain success by focussing on incremental innovation in mature market segments. They focussed on adopting radical innovation in emerging market segments. Even though these three organizations belong to different industries, they are to revamp themselves through simultaneously exploiting existing competences and exploring new competences to be successful and innovative. Tushman and O'Reilly (2004) also gave evidence of two organisations- Kodak and Boeing which failed miserably because it could not accommodate the market changes.

"*Ambidextrous organizations are complex organizational forms composed of multiple internally inconsistent architectures that are collectively capable of operating simultaneously for short-term efficiency as well aslong-term innovation*" as cited by J.J.P. Jansen (2005). Like a magician who juggles several balls at the same time, organizations need to simultaneously compete on numerous markets and products (Tushman & O'Reilly, 1996).

Tushman and O'Reilly (2004) attempted to suggest organizational features of ambidextrous organizations on the basis of their study on two organizations, USA Today and Ciba Vision. They emphasised that ambidextrous organizations simultaneously pursue exploitation and exploration of conflicting activities without extensively increasing costs of coordination.

The ambidextrous organizations also have a clear and compelling vision that is persistently communicated by the senior team, incentive systems with common bonus programs based on the overall performance, job-rotation of senior executives

which are a part of structural ambidexterity and consistent renewal through the creation of breakthrough products, services, and processes without destroying or hampering their conventional businesses.

Developing an ambidextrous organization is not easy because of the paradoxical nature of balancing and synchronizing exploitation and exploration. Another feature of ambidextrous organization is the behavioural capacity of the individual employees to simultaneously balance theexploitation and exploration which is referred to as contextual ambidexterity (Gibson & Birkinshaw, 2004; Tushman & O'Reilly, 1996).

Conventional and Contemporary Perspectives on Ambidexterity

The concept of ambidexterity broadly refers to the organization's ability to execute contradictory and often competing acts at the same time. The conventional view is that the organizations perform these acts in a competing manner. These competing acts could be 'exploitative and explorative learning, alignment and adaptability, incremental and discontinuous innovation, exploitative and exploratory knowledge sharing, pro- profit and pro-growth strategies, search and stability & flexibility and efficiency as cited by Simsek et al (2009).

According to March (1991), these two acts are considered as bi-polar construct having exploitation or alignment and exploration or adaption lying on the two extreme ends of the continuum. This places an inherently conflicting demand both on resource management and managerial actions on the firm. Precisely, he claims that too much focus on either of these two constructs is detrimental. He explains that when the organizations focus more on exploitation excluding exploration this leads to a situation called 'competency (success)' traps, inertia and obsolescence and these organizations get trapped in 'suboptimal stable equilibria'. When the organization focuses more on exploration excluding exploitation this leads to 'failure' trap in which organization gains no returns from its knowledge as cited by Simsek et al (2009). Too much of exploration causes an organization to have 'too many underdeveloped new ideas and too little distinctive competences (March, 1991). It is in this context that Simsek (2009) opined that organizations need to make a trade off between the two activities. He speculates that both these activities actually strive for scarce resources and attention and that maintaining an optimal mix of both is in fact very challenging.

The ease or difficulty with which an organization simultaneously pursues exploitation and exploration depends on whether these two activities are treated as mutually opposing or mutually reinforcing aspects of decision and action (Gupta et al, 2006). Hence a trade off between these two activities is inevitable and ambidexterity is the management of these trade offs (Lavie and Rosenkopf, 2006). Infact, Levinthal and March (1993) wrote that a balance between the 'exploitation of old certainties' and 'exploration of new avenues' is inevitable.

Recent literatures have in fact stressed the fact that organizations tend to be successful when they maintain a high level of both exploitation and exploration and when managers and employees think ambidextrously. Recent research claims that two activities have to be fully and simultaneously pursued to weed of competition and to have long continued existence. In fact these are seen as 'orthogonal activities that positively interact' (Uotila et al, 2009).
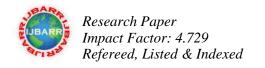
Even if it is competing perspective or contemporary perspective, ambidexterity has two predominant facets which are exploitation and exploration (Tushman and O'Reilly, 2004) or alignment and adaptability (Gibson and Birkinshaw, 2004). Exploitation is synonymous to alignment and exploration is synonymous to exploration (Simsek et al, 2009). Considering the various perspectives on ambidexterity, it is understood that the two vital components of ambidextrous organizations are exploitation and exploration.

Conclusion

The literature review on ambidextrous organization throws light on the importance of ambidexterity and various components of ambidexterity. All organizations need to be ambidextrous if they need to survive in the long run. Otherwise they will perish in no time.

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