



## ORGANISATIONAL AMBIDEXTERITY AND ITS VITAL COMPONENTS-A CONCEPTUAL RESEARCH

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Organisational ambidexterity refers to the ability of the organisation to simultaneously pursue exploitation and exploration of competences in a business unit (Gibson and Birkinshaw 2004).

### **Exploitation and exploration-Two Vital Components of Ambidexterity**

Exploitation or alignment is the coherence among all patterns of activities in the business unit and exploration or adaptability is the capacity to reconfigure activities in the business unit quickly to meet changing demands (Gibson and Birkinshaw, 2004). Organizations always prefer exploitation to exploration since the returns to exploitation is more certain, the gestation period is less than the exploration phase (Levinthal & March 1993; March, 1991). Future exploitation initiatives are made proficient because of the experience and success in past exploitation activities (Lant & Mezias, 1992; Rosenkopf & Nerkar, 2001). Leonard-Barton (1992) commented that it is because of this reason that the firms choose to preserve a status quo, exhibit convergence, and widen highly specialised competences. This in turn makes the organizations rigid. The survival of an organization heavily depends on its ability to manage the exploitation and exploration. The organization's present viability is enhanced by involving in sufficient exploitation. They also ensure future viability by involving in adequate exploration (Levinthal & March, 1993). To be precise, for the firms to be innovative they have to address the needs of exploitation and exploration (Wang and Rafiq, 2012) since the long term survival and competitiveness of hi-tech firms are dependent on their ability to innovate. Thus it reiterates that ambidexterity is the heart of innovation (Simsek, 2009). Correspondingly, literatures have come to a consensus that successful firms are ambidextrous. These organizations manage today's demands by aligned and efficiency. They are also adaptable to the uncertainties in the business scenario (Duncan, 1976; Gibson & Birkinshaw, 2004; He & Wong, 2004; Tushman & O'Reilly, 1996).

### **Linkage between Ambidexterity and Innovation**

Tushman and O'Reilly (2004) reported that the success of organizations in the long run depend on different kinds of innovation strategies. They made an effort to compare different types of innovations. They argued that the organization must consistently pursue *incremental innovation* which means small improvements in their existing products and operations that lead them to operate more efficiently and deliver even greater value to customers. An automaker, for example, may frequently pull a basic engine design to increase horsepower, enhance fuel efficiency, or improve reliability. According to them, companies also have to make *architectural innovations*, applying technological or process advances to fundamentally change some components or elements of their businesses. By capitalizing on the data communication capabilities of the internet, for instance, a bank can perhaps shift its customer-service call centre to a low labour-cost country like India. Finally, businesses need to come up with discontinuous or *radical innovation* advances like digital photography that profoundly alter the basis for competition in an industry, often rendering old products or ways of working obsolete.

Previous researchers studied the linkage between ambidexterity- exploitation and exploration, and innovation, in particular, the product innovation. It was proved that ambidexterity which is the simultaneous perusal of exploitation and exploration enhanced product innovation in organisations. Specifically, exploration was found to be enhancing radical innovation and exploitation was proved to enhance incremental innovation (Atuahene Gima, 2005).

According to Combee (2010) radical innovation required a gamut of extremely new knowledge and deep interaction between the employees. March (1991) called this phase as 'exploration' phase and defined exploration as the search and use of new knowledge for the organizations. On the other hand, incremental innovation doesn't require cognizance of new knowledge. From all the secondary data like employee manuals and accessible databases, organizations make use of the knowledge necessary for innovation. He further explained exploitation as the search and use of already existing knowledge.

Exploitation and exploration in the present research study takes into account competences which include skills, abilities and knowledge. Wang and Rafiq (2012) precisely distinguished between competence exploitation and competence exploration and how it is linked to product innovation. The former pertains to the enhancement and upgradation of the current skills and competences for improving existing innovation activities and the latter confers to exploring the new skills and competences entirely new to the organizations to enhance future innovations.

### **Inherent Incompatibility Of Exploitation And Exploration**

March (1991) argued that both the activities- exploitation and exploration were very pertinent for any organization but they were highly incompatible. Both are important because, focusing too much on exploration to the rejection of exploitation may lead an organization to a novel product but without the ability to further exploit this product. On the contrary, focusing too



much on exploitation, fully barring exploration, may eventually leave the organization with an established product but without a market to sell. Benner and Tushman (2003) argued that exploitation and exploration are mutually reinforcing.

Gupta et al (1986) emphasised the reasons for the inherent incompatibility of exploitation and exploration and explained that the focus on exploration leads to failure which in turn causes a chain of failures because the organization tends to search for even newer ideas and knowledge which may result in further exploration. On the other hand, they argued that exploitation leads to early success, which reinforces further exploitation along the same path.

March (1991) and Gupta et al (1986) speculated that exploration often acts as a harbinger for further exploration and exploitation, the forerunner for more exploitation. Furthermore, the procedures needed for exploration are extremely different from those for exploitation which make difficulty in simultaneous pursuit ambidexterity. Exploitation often flourishes on commitment and exploration on thoughtfulness.

### Conclusion

The paper highlights the importance of organisational ambidexterity and the components of ambidexterity in the organisations.

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