



Managerial ambidexterity and the cultural toolkit in project delivery

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Abstract

Research has established that ambidextrous organizations can successfully outperform their non-ambidextrous counterparts through exploitative and exploratory activities. However, there remains a scarcity of research on how managers orchestrate ambidexterity at the operational level, particularly in project delivery. Drawing on 55 qualitative interviews with middle managers on two engineering projects, we examine how managerial ambidexterity is enacted at the project level. We find that middle managers enable their own exploitative, exploratory and ambidextrous behaviors by invoking a repertoire of values selected from their organization's cultural toolkit, which serve as cultural resources for action. We discuss how the cultural toolkit perspective can inform the relationship between managerial actions in day-to-day operations and organizational ambidexterity. Implications for theory and practice are presented.

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1. Introduction

March (1991) suggests that central to organizational survival is the ability to *exploit* current capabilities and assets in a profitable way, and simultaneously *explore* new technologies, markets, and customers to capture existing as well as new opportunities. An ambidextrous approach, therefore, requires harmonization and reconciliation of these two opposing activities (Pelleggrinelli et al., 2015; Turner et al., 2015). The importance of ambidexterity is particularly pertinent to high technology organizations that are confronted with the dual demands of exploring new products/processes while simultaneously exploiting existing products/processes (Chandrasekaran et al., 2012). Wang and Rafiq (2014) argue

that such firms operate in dynamic environments and are often left with no choice but to consolidate existing businesses while simultaneously finding new opportunities. Balancing the conflicting demands of explore and exploit, then, becomes more relevant in high technology organizations that are unable to temporally separate the search for new markets and processes from their existing markets and processes.

Since extant research on organizational ambidexterity has typically focused on the macro level (Turner and Lee-Kelley, 2012), there is limited conceptual and empirical investigation of exploration and exploitation at the level of the manager (Raisch and Birkinshaw, 2008). At this level, Mom et al. (2007, 2009) describe exploration activities as searching, discovering, creating and experimenting with new opportunities, and exploitation activities as selecting, implementing, improving and refining existing certainties. While there is a growing recognition of the managerial role in driving ambidexterity, most studies target senior managers on the assumption that

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these individuals are in a position to direct the necessary balancing act between disparate organizational activities (e.g. O'Reilly and Tushman, 2004). Yet it is middle managers who must reconcile the practicalities of day to day operations and the concerns and needs of frontline staff, with the strategic choices and priorities set by senior management (Burgess et al., 2015). Therefore, there are growing calls for in-depth investigations of managers' exploration and exploitation activities (Mom et al., 2007; Nosella et al., 2012; Gupta et al., 2006; Raisch and Birkinshaw, 2008) and “to investigate how ambidexterity really emerges from the context” (Nosella et al., 2012: 460).

In this paper, drawing on concepts from the scholarship on organizational culture, we seek to explain *how* ambidexterity is enacted by managers within projects, as called for by Eriksson (2013) and Turner et al. (2015, 2016). The project context is an apt setting for explaining how ambidexterity emerges, given that “projects represent a prominent organizational form within which both exploitation and exploration occur and are therefore highly suitable as a context for study” (Turner et al., 2016; 201). This context is also well-aligned with calls for ambidexterity studies to incorporate the role of culture at multiple levels (e.g. Junni et al., 2015). Moreover, we seek to further explore the relationships between the activities of managers and organizational ambidexterity, as called for by Burgess et al. (2015) and Turner et al. (2016).

The paper is structured as follows: first, a review of the ambidexterity literature is presented. Next, the theoretical relationship between organizational culture and ambidexterity is reviewed, before elaborating on the cultural nuances that might exist at the project level. The research setting is then introduced and research methods presented. The findings are followed by a discussion of their theoretical and practical implications and the development of a set of propositions.

2. Ambidexterity

Traditionally, exploration and exploitation are seen to be in conflict (Duncan, 1976) and can be reconciled through structural differentiation or an ambidextrous structure (Simsek et al., 2009). Here separate divisions of the firm utilize different rules, norms, and incentives for competing explorative or exploitative endeavours: “exploration is associated with organic structures, loosely coupled systems, path breaking, improvisation, autonomy and chaos, and emerging markets and technologies” while “exploitation is associated with mechanistic structures, tightly coupled systems, path dependence, routinization, control and bureaucracy, and stable markets and technologies” (He and Wong, 2004: 481). Dual architectures then separate strategic and structural supports into dedicated units, which individually address only one side (e.g. the radical end of incremental-radical innovation) of the ambidexterity thesis (Andriopoulos and Lewis, 2010). This structural separation of organizational tasks into different units is suggested to help ambidextrous organizations address paradoxical demands (Gilbert, 2005). Underlying this view of ambidexterity is the implicit assumption that exploitation (i.e.

incremental outcomes) and exploration (i.e. radical outcomes) are analytical opposites.¹

In contrast, the behavioral approach described as harmonic (Simsek et al., 2009) or contextual (Gibson and Birkinshaw, 2004) ambidexterity considers exploration and exploitation as complementary. This view proposes that a single business unit may be a meaningful level at which to examine ambidexterity (Simsek, 2009) where individual managers balance exploit and explore simultaneously. Since managers must think and act ambidextrously, conceptually harmonic ambidexterity must be intertwined in on-going operating and strategic activities (Simsek et al., 2009), highlighting the relevance of the project context. The behavioral stream of ambidexterity research recognizes that, provided with a favourable context, individuals are indirectly pushed towards organizing their working time so as to integrate both exploration and exploitation in the course of their daily tasks (Gibson and Birkinshaw, 2004). This stream of research has focused on the behavioral mechanisms that enable organizations to address competing demands in the same unit (Raisch et al., 2009) and is typically grounded in the literature on organizational context and culture. The advantage of harmonic ambidexterity over traditional structural differentiation lies in the avoidance of coordination costs incurred by structurally separating activities (Simsek et al., 2009) and is suggested as a necessity for firms that operate in highly competitive and dynamic environments (Wang and Rafiq, 2014).

The contextual approach to ambidexterity also opens up the possibility that incremental exploitative actions may cumulatively and over time generate radical innovation outcomes (Revellino and Mouritsen, 2015). As Henderson and Clark (1990) have observed, even incremental innovations may result in radical consequences for firms' competitiveness. Thus, the contextual perspective of ambidexterity, which emphasizes complementarity and a continuum view of exploitation (incremental outcomes) and exploration (radical outcomes) is better positioned to explain seemingly contrasting outcomes within a project rather than the structural perspective, which is based on the logic of mutual exclusivity. Indeed as Cardinal (2001) emphasizes, though it is commonly accepted that incremental and radical innovation should be managed differently—the logic that the structural ambidexterity perspective adheres to—input and output controls at the project level drive may both forms of innovation, in line with studies of contextual ambidexterity (e.g. Gibson and Birkinshaw, 2004).

2.1. Ambidexterity: activities versus outcomes

Studies that have examined structural or behavioral approaches typically fall under one of two schools of ambidexterity research: activity or outcome (please see Appendix A for an illustrative list). Research that examines the joint pursuit or achievement of seemingly opposing activities within an organizational setting falls under what we refer to as the ‘activities’ school of thought, i.e. the orchestration of

¹ We thank Reviewer 2 for this insight

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