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The Role of Management Practices in Fostering Organizational Ambidexterity

Case Study in Consumer Goods Industry

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ABSTRACT:
The operational environment of organizations changes continuously due to increased competition, accelerated development cycles, and changes in consumer behavior. To stay competitive and relevant, organizations must be capable of responding to rapidly changing requirements in the short and long-term. The concept of organizational ambidexterity approaches this by emphasizing that organizations need to find a balance between exploitation and exploration to achieve and maintain their competitive advantage. Although the academic literature widely agrees that organizational ambidexterity is beneficial for organizations, there exists only limited literature that studies how ambidexterity can be supported and developed with concrete management practices. This study focuses on identifying what types of management practices middle and top managers utilize to support and develop ambidexterity.

Drawing upon existing literature and theoretical frameworks, this study develops a comprehensive understanding of organizational ambidexterity. Ambidexterity literature provides a valuable lens to understand the complexity and underlying ideological constructs related to the exploitation-exploration paradox, which causes tensions in every organization. My literature review compiles literature on how to support and develop ambidexterity from the perspective of management practices.

My empirical analysis is carried out as a single case study. The research focuses on a Finnish consumer goods company and is based on nine semi-structured interviews of executives and middle managers. The qualitative interview data is analyzed by utilizing Gioia methodology and thematic analysis.

In this thesis, I find that that middle managers and executives face various tensions while balancing exploitative and explorative activities. Moreover, I find that management practices provide important mechanisms to manage tensions and conflicting interests. In this thesis, I establish a framework of four practice categories utilized by middle managers and executives to manage tensions between exploitative and explorative activities. The practice categories consist of three categories adapted from Zimmermann et al. (2018), including coordination, socialization, and system practices, and one additional category of cultural building practices identified based on the case company interviews. My findings indicate that practices not only support both exploitative and explorative activities simultaneously, but they also allow to make room especially for explorative activities. In addition, I recognize that middle managers have a central role in managing ambidexterity together with executives.

My thesis contributes to increase the understanding of the topic by focusing on concrete management practices. Consistent with the limited literature on this topic, I find that management practices have a central role in managing ambidexterity. However, it is important to understand that ambidexterity is a dynamic capability that also requires many other means than practices to form and develop.

KEYWORDS: Organizational ambidexterity, Exploitation, Exploration, Organizational paradox, Tensions, Management practices

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ABSTRAKTI:

Organisaatioiden toimintaympäristö muuttuu jatkuvasti lisääntyneen kilpailun, kehityssyklien kiihtymisen ja kuluttajakäyttäytymisen muutosten vuoksi. Pysyäkseen kilpailukykyisinä ja relevantteina organisaatioiden on kyettävä vastaamaan nopeasti muuttuviin vaatimuksiin sekä lyhyellä että pitkällä aikavälillä. Ambidekstrisyysteorian mukaan organisaatioiden on löydettävä tasopaino hyödyntävien (exploitation) ja tutkivien (exploration) toimintojen välillä säilyäkseen kilpailukykyisinä nyt ja tulevaisuudessa. Vaikka ambidekstrisyyden hyödyt tunnistetaan laajalti kirjallisuudessa, tutkijat ovat havainneet haasteelliseksi osoittaa, miten ambidekstrisyyttä voidaan tukea ja kehittää konkreettisten johtamiskäytänteiden avulla. Tämä tutkimus keskittyy tunnistamaan, millaisia johtamiskäytänteitä ylin ja keskijohto hyödyntää ambidekstrisyyden tukemisessa ja kehittämisessä eräässä suomalaisessa kulutustavaramarkkinoilla toimivassa yrityksessä.

Tämä tutkielma antaa kattavan käsityksen organisaation ambidekstrisyydestä kokoamalla yhteen kirjallisuutta ja teoreettisia viitekehyksiä. Ambidekstrisyyteen liittyvä kirjallisuus tarjoaa arvokkaan teoreettisen viitekehyksen ymmärtää innovaatioparadoksin moninaista luonnetta ja sen aiheuttamaa jännitteisyyttä, joiden hallitsemiseksi organisaatioissa joudutaan tasapainoilemaan jatkuvasti. Teoriaosuudessa paneudutaan ambidekstrisyyden johtamiseen erityisesti johtamiskäytänteiden näkökulmasta.

Tutkielman empiriaosuudessa tutkitaan suomalaista globaaleilla markkinoilla toimivaa kulutustavarayritystä hyödyntäen yksittäistapaustutkimuksen metodologiaa. Aineisto kerättiin yhdeksän puolistrukturoidun haastattelun avulla. Haastatteluissa haastateltiin sekä keskijohdon että ylimmän johdon edustajia. Laadullinen haastatteluaineisto analysoitiin käyttämällä Gioia-metodologiaa ja temaattista analyysiä.

Tuloksia analysoitaessa tunnistettiin, että ylimmän ja keskijohdon edustajat kohtaavat erilaisia jännitteitä tasapainoillessaan hyödyntävien ja tutkivien toimintojen välillä. Lisäksi havaittiin, että johtamiskäytänteet tarjoavat keinoja jännitteiden ja ristiriitaisten näkemysten hallintaan. Tässä tutkielmassa luodaan viitekehys, joka koostuu neljästä samantyyppisiä käytänteitä sisältävästä kategoriasta, joiden on tunnistettu tukevan ambidekstrisyyttä. Kategorioista kolme on johdettu Zimmermannin ja muiden (2018) viitekehyksessä esitellyistä käytänteistä, joita ovat koordinointi-, systeemi- ja sosiaalista kanssakäyntiä tukevat käytänteet. Neljäs kategoria, kulttuuria tukevat käytänteet, on tunnistettu haastatteluaineiston perusteella. Tulokseni osoittavat, että käytänteet tukevat sekä hyödyntämisen että tutkimisen toimintoja samanaikaisesti, mutta ne myös tekevät tilaa erityisesti tutkiville toiminnoille. Lisäksi löydökset osoittavat, että keskijohdolla on keskeinen rooli ambidekstrisyyden hallinnassa yhdessä ylimmän johdon kanssa.

Tutkielmani lisää ymmärrystä ambidekstrisyydestä keskittymällä konkreettisiin johtamiskäytänteisiin. Löydökseni siitä, että johtamiskäytänteillä on keskeinen rooli ambidekstrisyyden hallinnassa, on yhtenevä olemassa olevan vähäisen kirjallisuuden kanssa. On kuitenkin tärkeää ymmärtää, että ambidekstrisyys on dynaaminen kyvykkyys, joka vaatii muodostuakseen ja kehittyäkseen myös muita keinoja johtamiskäytänteiden lisäksi.

KEYWORDS: Organizational ambidexterity, Exploitation, Exploration, Organizational paradox, Tensions, Management practices

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1 Introduction

The operational environment of organizations changes continuously due to increased competition, accelerated development cycles, and change in consumer behavior (Kohli, 2023). To stay competitive and relevant, organizations must be capable of responding to rapidly changing requirements in the short and long-term (Park et al., 2020). However, this may cause instability and turbulence within organizations (Liu & Klanecky, 2024).

While technology, products, business models and clients' needs have changed, many core management issues and practices have remained relatively unchanged. Teece et al. (1997: 515) argued even before the turn of the millennium that "Winners in the global marketplace have been firms that can demonstrate timely responsiveness and rapid and flexible product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competencies." Reflecting this on today's management discussion it is clear that, first, these issues are still relevant and, second, business leaders and researchers are still trying to find answers on how to respond to this challenge.

One of the main purposes of organizational management is to achieve continued success of the organization. On one hand, managers must ensure organization's short-term profitability and competitiveness. On the other hand, they must ensure that the organization is able to react and adapt to changes to maintain competitiveness in the long-term (Turner et al., 2013). Consequently, to achieve and maintain competitive advantage, management needs to find a balance between exploitation and exploration (Birkinshaw & Raisch, 2008). According to O'Reilly and Tushman (2013), exploitation refers to organization's ability to utilize existing resources, capabilities, and market position efficiently and profitably, whereas exploration considers organization's long-term innovations, development, and competitiveness to ensure future growth. O'Reilly and Tushman (2013) refer to the balancing between exploitation and exploration by the term 'Organizational ambidexterity'.

O’Reilly and Tushman (2008) explain that organizational ambidexterity is a concept, of which aim is to find a balance between exploitative and explorative activities. However, it is a challenging task to support and develop ambidexterity successfully in an organization. These two elements, exploitation and exploration, form an organizational paradox, which creates tensions and conflicting interests in an organization. In a dynamic business environment, organizations cannot choose between exploitation or exploration if they want to ensure sustainable success both in short-term and in long-term (Lewis et al., 2014). Instead, they need to find a way to manage this paradox.

O'Reilly and Tushman (2008) argue that organizations need to build structures, competencies, systems, practices, and culture, which support and develop ambidexterity in the organization. For example, Schmidt and Rosenberg (2014) introduce Google’s a “70-20-10” approach, which enables individuals to allocate their working time between maintaining the current business (exploitation) and fostering innovations (exploration) within the same unit. It encourages employees to dedicate 70% of their time to their core responsibilities while also providing space (30%) for creativity and experimentation. The remaining 30 % is divided to two sections. About 20% of an employee's time is allocated to projects that are related to the core business but involve some level of exploration and innovation. The final 10% is dedicated to experimental and highly innovative projects which are about exploring completely new and radical ideas that could lead to transformative innovations (Schmidt & Rosenberg, 2014). For dedicated product development, Google has separate R&D units. In addition, while Google focuses on the core business, its parent company Alphabet engages in various moonshot projects such as self-driving cars, healthcare initiatives, and artificial intelligence.

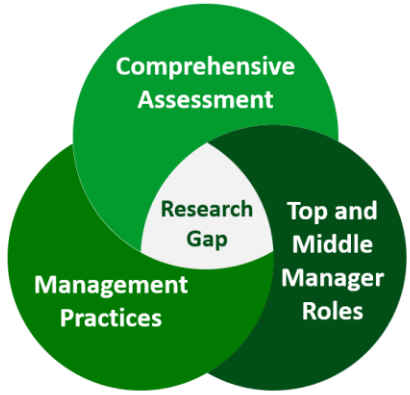
Researchers widely agree that it is beneficial for companies to pay attention to ambidexterity. They find that ambidexterity is positively related to business growth (He & Wong, 2004), business unit performance (Gibson ja Birkinshaw, 2004), and overall company performance (Lubatkin et al., 2006). A large body of the literature supports the belief that ambidextrous companies enjoy a sustainable competitive advantage and are successful (Cao et al., 2009; Gibson & Birkinshaw, 2004; He & Zhang, 2009; Gibson & Birkinshaw, 2004; Wong, 2004; Lubatkin et al., 2006; Raisch et al., 2009), especially in dynamic and uncertain technology-intensive markets (O'Reilly III & Tushman, 2013; Kiss, 2020). More specifically, ambidexterity plays a key role in companies' renewal and adaptation to changing business environment, which in turn is critical for companies to survive and thrive (Benner & Tushman, 2015). Sarkees and Hulland (2009) find that an ambidextrous way to operate has a positive effect on a company's market performance in various dimensions, including profits, customer satisfaction and introduction of new products and services.

Although, it is widely accepted that organizational ambidexterity is beneficial for organizations, ambidexterity is still a rather poorly known concept in real-life business world. Ambidexterity has been studied since the 1990s, but nevertheless practitioners haven't widely adopted its terminology or learnings. One possible explanation for this is that researchers have found it hard to show how ambidexterity can be supported and developed with concrete management practices (Turner et al., 2013). In this thesis I aim to fill this gap by studying a Finnish consumer goods company and demonstrating what kind of management practices company's middle and top managers utilize to support ambidexterity. In the following sections I first explain the research gap in more detail. Then, I introduce my research objectives and research questions. Thirdly, I describe how the rest of the thesis is structured.

1.1 Research Gap

Traditionally, organizational ambidexterity studies have taken a rather one-sided look at the topic restricting their view either on providing structural solutions (i.e., structural ambidexterity) or emphasizing individuals' ability to divide their working time between exploitative and explorative activities (i.e., contextual ambidexterity). However, in real-life business, these two approaches should not be separated, as instead of contradicting each other, they are in fact complementing each other. My view is supported by more recent literature, which argues that not approaching ambidexterity as a combination of structural and contextual ambidexterity, has led to an inability to identify concrete management practices to manage ambidexterity (Burges et al., 2015, Turner et al. 2013). A more comprehensive assessment can enable to fill this gap.

Figure 1. Research Gap.



Moreover, another gap in the ambidexterity literature is related to the fact that most of the literature has focused on the role of top management. Consequently, the role of middle management has received limited recognition in the studies, even though its role has been found to be important in other contexts of management literature (Burgess et al., 2015). In my thesis, I decided to interview also middle managers in addition to the top management to establish a broader view of different perspectives and dynamics of top and middle management in the development of ambidexterity.

In general, academic literature on the theory of ambidexterity has suffered from the inability to precisely define how ambidexterity can be managed in practice utilizing concrete management practices. This may be an inherent characteristic of ambidexterity, as it’s extremely complicated to establish general practical rules for varying circumstances. Nevertheless, academic literature is able to describe ambidexterity as a phenomenon and to identify what type of principles need to be taken into account, when trying to manage ambidexterity. For example, the literature notes that management needs to balance, instead of completely solve, the tensions created by ambidexterity accounting for the paradoxical nature of ambidexterity (Andriopoulos & Lewis, 2010, Mom et al., 2018). Overall, the literature has been able to identify what kind of management elements, principles, styles, and manager characteristics are required to support ambidexterity, but there’s a gap in research related to the actual management practices, routines and processes that need to be carried out to support ambidexterity.

In this thesis, I focus specifically on management practices that support ambidexterity. I follow a practice-based perspective suggested by Papachroni et al. (2015), which allows me to identify and understand tensions and conflicts that practitioners face in real-life situations and how they balance both explorative and exploitative activities on an organizational and individual level. By focusing on a case company operating in consumer goods industry, I'm able to draw conclusions on how to support and develop ambidexterity and how theory can be applied in real life through management practices. These findings on management practices may also help companies in other industries to identify and address tensions arising from managing ambidexterity.

1.2 Objectives and Research Questions

The purpose of this thesis is to study what type of management practices are used to support and develop ambidexterity in the case organization. This paper aims to understand what kind of role management practices have in managing organizational ambidexterity. To achieve this, my thesis aims to find answers on two research questions.

Managing ambidexterity is about how an organization balances between exploitative and explorative activities. These two dimensions form together an organizational paradox, which creates tensions when the dimensions are managed in parallel. Managers need to recognize what type of tensions exist in the organization to manage them effectively. Therefore, I answer first to the question: "What kind of tensions does pursuing ambidexterity cause in the case organization?"

In my second research question, I aim to identify management practices that may be utilized to manage the tensions identified in the first research question. Thus, my second research question is: ”What management practices do top and middle managers utilize to support and develop ambidexterity in the case organization?”.

1.3 Thesis Structure

This thesis consists of five chapters as illustrated in the Figure 2 below.

Figure 2. Thesis Structure.

Following the introduction chapter, in the second chapter I explain the theoretical background of organizational ambidexterity via a comprehensive literature review. The literature review starts by defining the concept of organizational ambidexterity. Then, I describe the nature of the organizational paradox of balancing exploitation and exploration. Finally, I present ways of managing ambidexterity setting the stage for my empirical research.

In the third chapter, I introduce the methodology and research design for conducting the study, encompassing both primary and secondary data collection methods. Additionally, I assess the reliability and validity of the study transparently in a trustworthiness table establishing a robust basis for reliable and credible outcomes.

In the fourth chapter, I present the empirical findings of the case study. I present the results for each research question in a graphical representation to ensure a coherent approach. Moreover, I summarize the findings at the end of each sub-chapter.

In the fifth chapter, I conclude the findings on the research questions. I reflect the findings on the existing literature and highlight what new results are discovered providing an overview of the contribution of this study. At the same time, I also note that there are limitations to this study. Finally, I discuss potential paths for future research in the field of ambidexterity.

2 Literature Review of Organizational Ambidexterity

Ambidexterity is a concept grounded in organizational theory that seeks to promote organization's sustainable success by striking a balance between exploration and exploitation (Tushman & O'Reilly, 1996; Gilbert, 2005; Raisch & Birkinshaw, 2008). According to O'Reilly and Tushman (2011: 6), ambidexterity is defined as a company's ability to simultaneously "exploit existing assets and positions in a profit-producing way" and "explore new technologies and markets" to ensure current and future viability. Correspondingly, Birkinshaw and Raisch (2008: 375) determine organizational ambidexterity as "an organization's ability to be aligned and efficient in its management of today's business demands while simultaneously being adaptive to changes in the environment". Consequently, ambidexterity requires an ability to configure and reconfigure existing resources and develop new ones to respond to further needs as illustrated in the Figure 3 below (O'Reilly and Tushman, 2011; Lubatkin et al., 2006; Carmeli & Halevi, 2009).

Figure 3. Ambidexterity as an Ability to Allocate Resources.

As demonstrated in Figure 3, resource allocation is a central part of ambidexterity. According to O'Reilly and Tushman (2011), ambidexterity is important from a strategic point of view since company's long-term success requires an ability to configure and reconfigure organizational resources and structure to seize existing and new opportunities and to adapt to new markets and technologies. Most of the researchers see ambidexterity as an ability. In essence, organizational ambidexterity represents the multifaceted ability of an organization to navigate the complexities of both the present and the future (Judge & Blocker, 2008). Organizational ambidexterity is about being agile, adaptable, and capable of embracing change while maintaining competitiveness in the current landscape (Teece et al., 1997; Andriopoulos & Lewis, 2010; O'Reilly and Tushman, 2011). Successful ambidexterity can lead to sustained innovation and growth, making it a crucial ability for organizations in today's dynamic business environment (Turner et al., 2013) as summarized in the Table 1 below.

Table 1. Summary of Definitions for Ambidexterity as an Ability.

Source	Ability
O'Reilly and Tushman, 2008	Ambidexterity is the ability to strike a balance between exploitation and exploration
O'Reilly and Tushman, 2011	One of the core elements of ambidexterity involves the organization's ability to reallocate its assets and competencies to address emerging opportunities and threats. In practical terms, this means that leaders within the organization need to make hard decisions to reconfigure resources in order to support exploratory endeavors.
Lubatkin et al., 2006; Carmeli & Halevi, 2009	Ambidexterity requires organizations to not only excel in their existing competencies, but also to develop new ones.
Turner et al., 2013	The key aspect of ambidexterity is the ability to handle knowledge effectively. This includes using and refining existing knowledge and generating new knowledge to address identified gaps or deficiencies.
Nemanich et al., 2007	Incremental and radical learning is a relevant part of ambidexterity
Mom et al., 2007	Ambidexterity involves the capacity to explore new market opportunities while efficiently exploiting existing ones.
Judge & Blocker, 2008	Ability to capitalize on current success while also preparing for future opportunities and threats
Patel et al., 2013	Ambidexterity is the capacity to strike a balance between short-term profitability and long-term sustainability

O'Reilly and Tushman (2008) state that ambidexterity can be seen as a dynamic capability that enables the organization to achieve and maintain a competitive advantage now and in the future. Teece et al. (1997) define dynamic capabilities as the company's ability to reconfigure internal and external competencies to adapt to varying environments. According to O'Reilly and Tushman (2008), organizational capabilities are deeply rooted in an organization's structures, culture, senior leadership mindset, and daily operations as routines and processes. Existing capabilities reflect the organization's ability to compete in the current environment. Also, they emphasize that the challenge for senior leaders is to nurture and refine these capabilities while being ready to adapt them as contexts change.

Duncan (1976) is the first researcher to use the expression "organizational ambidexterity". He states that an organization needs to both exploit and explore simultaneously, accepting the paradoxical nature of the concept. However, in contrast to Duncan's research, early studies of managing exploitative and explorative activities in organizations do not recognize its paradoxical nature. Instead, many scholars have argued that companies should make a strategic choice between exploration and exploitation, as achieving both simultaneously may not be feasible (Hannan & Freeman, 1977; Miller & Friesen, 1986; McGill et al., 1992).

In contrast to the earlier findings, recent literature argues that organizations do not need to make complete trade-offs between exploitation and exploration if they are able to adapt to the changing environment (Smith & Lewis, 2011). Consequently, as organizational ambidexterity research has evolved, many researchers have changed their perspective from trade-off "either/or" to paradoxical "both/and" thinking (Gresov & Drazin, 1997; Lewis, 2000).

In the section 2.1, I will introduce the theory of organizational paradox and how paradoxes establish the framework of organizational ambidexterity through the tensions caused by the paradox of exploitation and exploration and their dangerous extremes. In the section 2.2, I describe how to manage ambidexterity.

2.1 Theory of Organizational Paradox in the Context of Management

Simultaneous exploration and exploitation form a managerial paradox. Ambidexterity, as a concept, aims to address the tensions that emerge from the exploitation-exploration paradox (Andriopoulos & Lewis, 2010). Consequently, to understand the concept of ambidexterity and how it should be managed, one needs to understand how paradoxes work. Theory of paradoxes serves as a framework that can be used to understand the complexity and underlying ideological constructs in the theory of ambidexterity.

2.1.1 Definition of Organizational Paradox

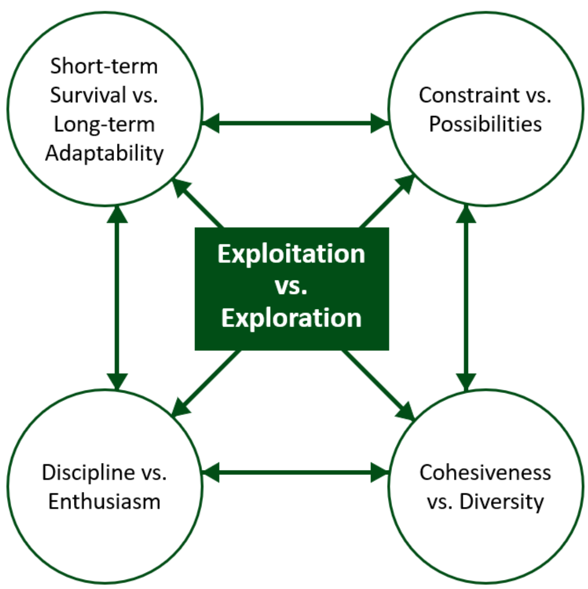
According to Lewis et al. (2014), the classical management literature is based on trade-offs between different options by seeking “either/or” solutions. Instead, paradox theory is based on identifying how paradoxes can be encountered in organizations. Theory of paradox assumes that organizations should be able to adopt “both/and” strategies (Lewis, 2000; Jay, 2013; Kohtamäki et al., 2020). This means that the primary objective in addressing paradoxes is to identify solutions that embrace both aspects of the opposing elements simultaneously leveraging their synergies (Lewis et al., 2014). Therefore, managing paradoxes is about achieving the desired balance between contradictory demands (Jay, 2013).

Putnam, Fairhurst, and Banghart (2016: 72) provide a comprehensive definition of paradoxes emphasizing their inherent irresolvability. According to their perspective, organizational paradoxes are complex contradictions. Paradoxes are continuous by nature, which creates scenarios where available choices appear mutually exclusive, thereby causing challenges in the decision-making (Putnam et al., 2016: 72). In a similar way, Lewis et al. (2014) characterize paradoxes as a set of contradictory, yet interconnected elements. When examined separately, these elements seem logical but if they are assessed in parallel, they appear “irrational, inconsistent, or even absurd” (Lewis et al., 2014: 61) challenges.

It is essential to understand the difference between a paradox and a dilemma. Smith (2014) explains that a dilemma represents a challenge in which one can systematically evaluate the advantages and disadvantages, ultimately arriving at an "either/or" solution. A dilemma can be effectively resolved, whereas a paradox is something organizations must learn to live with because it does not have a straightforward solution (Smith, 2014). Kohtamäki et al. (2020) note that organizations often struggle with paradoxes because they attempt to resolve them, which can lead to the creation of new tensions. Instead, they propose that organizations should accept, appreciate, make sense of, and cope with these paradoxes over time.

Tensions are at the core of organizational paradoxes (Smith, 2014). According to Putnam et al. (2016) and Lewis et al. (2014), paradoxes create tensions, conflicting interests, and emotional turmoil, that managers should try to manage to cope with the paradox. Zimmermann et al. (2018) highlight that the tension between exploitation and exploration is a dynamic phenomenon that evolves over time. According to Andriopoulos and Lewis (2010), ambidexterity addresses tensions arising from the paradox between exploration and exploitation, which can be further segmented to other paradoxes including (i) short-term survival versus long-term adaptability, (ii) constraints versus possibilities, (iii) cohesiveness versus diversity, and (iv) discipline versus enthusiasm as demonstrated in the Figure 4 below. These tensions are addressed in detail in the section 4.1 as I identify what kind of tensions ambidexterity causes in the case organization.

Figure 4. Tensions Between Exploitation and Exploration.



2.1.2 Exploitation and Exploration

In the context of organizational ambidexterity, organizations must essentially make decisions between two types of activities to achieve sufficient balance: sticking with what is already working well and focusing on incremental improvements (exploitative activities) or trying out new things and aiming for radical innovations (explorative activities). This context serves as the foundation of ambidexterity theory. Therefore, it is crucial to understand what the exploitative and explorative activities mean and why organizations shouldn't just focus on one of them exclusively (O'Reilly & Tushman, 2008). The Figure 5 below lays out the key characteristics of exploitative and explorative activities and their pitfalls, the dangerous extremes.

Figure 5. Key Characteristics of Exploitation and Exploration Activities.

Managerial Paradox: Exploitation vs. Exploration

Exploitation

Key characteristics:
- Activities that enhance current viability and short-term goals
- Emphasis on incremental innovations
- Improving operational efficiency
- Refining existing products or services
- Upholding discipline, efficiency, and clear alignments

Dangerous extremes: Competency trap

Exploration

Key characteristics:
- Activities that enhance future viability and long-term competitive advantage
- Emphasis on radical innovations
- Recognizing emergent opportunities
- Investment in R&D and market research
- Encouraging experimentation, flexibility, and risk-taking to ensure long-term innovativeness

Dangerous extremes: Renewal trap

Exploitation, in the context of organizational ambidexterity, refers to organization's ability to utilize efficiently and profitably existing resources, capabilities, and market position (O'Reilly & Tushman, 2008). March (1990) observes that the concept of exploitation is linked to activities such as refinement, efficiency, selection, and implementation. In practice, exploitation activities can take many forms, such as streamlining operations by aiming excellence and certainty in the daily operations, expanding market share gradually, enhancing existing products or services, and reducing costs (March, 1991; Bodwell & Chermacle, 2010; O'Reilly & Tushman, 2008). Key objectives of exploitation activities include improving short-term efficiency and competitiveness, enhancing productivity, stability, and control, as well as reducing variance (March, 1991; Levinthal & March, 1993; Smith & Tushman, 2005).

Incremental innovation is a central part of exploitation activities. It entails the gradual enhancement and reinforcement of well-established organizational structures, methods, products, services, or processes while preserving their fundamental structure and core functionality (Forés & Camisón, 2016). This approach is characterized by a lower level of risk, and it gives organizations the opportunity to consistently refine and optimize their offerings through iterative improvements (Andriopoulos & Lewis, 2009; Forés & Camisón, 2016). However, it is noteworthy that incremental innovations do not typically culminate in groundbreaking advancements, capturing new markets, nor attaining first-mover advantage in emerging markets. An excessive focus on incremental innovation may potentially result in stagnation and overlooking transformative opportunities (Forés & Camisón, 2016).

Correspondingly in the context of ambidexterity, O'Reilly & Tushman (2008) note that exploration refers to organization's ability to innovate new technologies and search new opportunities, business models and markets. In addition, exploration demands an ability to configure and re-configure existing assets and resources to seize existing and emerging opportunities for future expansion (Helfat & Raubitschek, 2000; Holmqvist, 2004; March, 1991; Teece, 2006; O'Reilly & Tushman, 2008). March (1990) explains that exploration is about search, variation, experimentation, and discovery. Typically, exploration activities consist of research and development, market research, and collaboration with other organizations (March, 1990).

The purpose of exploration is to improve organization's adaptability (Gibson & Birkinshaw, 2004), flexibility (Park, 2020), and long-term innovation (Smith & Tushman, 2005). In addition, exploration enables organization’s development, competitiveness, and future growth (Levinthal & March, 1993; Bodwell & Chermacle, 2010). It allows organizations to adapt to changing market conditions, meet customer needs, and stay competitive (Bodwell & Chermacle, 2010). In the perspective of management, exploration requires risk-taking from managers and giving autonomy to employees (March, 1991).

Radical innovations represent a central part of explorative activities (O'Reilly & Tushman, 2004). As Forés and Camisón (2016) note, radical innovation is characterized by its potential to spark fundamental transformations in firm's products, processes, methodologies, technologies, and organizational structures. It can create new opportunities, establish new markets, and lead to long-term competitive advantage. However, it is important to acknowledge that the radical innovations inherently entail a higher level of risk and uncertainty (Andriopoulos & Lewis, 2009; Forés & Camisón, 2016). Moreover Teece (2007) notes that the execution of radical innovations demands a longer period and is more dependent on intangible assets and tacit knowledge.

Even though explorative activities may improve organization's knowledge base and enable opportunities to gain market share (Levinthal & March, 1993), it can lead to an endless cycle of search and unrewarding change (Volberda & Lewin, 2003). Therefore, an organization that solely concentrates on exploration without exploiting its existing knowledge will miss out on the potential returns from the current knowledge, thereby resulting in reduced profitability (Levinthal & March, 1993).

2.1.3 Dangerous Extremes

Dangerous extremes are relevant for all paradoxes. Andriopoulos and Lewis (2010) state that dangerous extremes can be thought as a tug of war between opposing forces, where one should not pull too much to one side to avoid dangerous extremes. While exploration is valuable, it can yield dysfunctional outcomes and even endanger the survival of some companies (Rojas-Córdova et al., 2023). A heightened sensitivity to short-term variations and local errors, an excessive responsiveness to passing trends and a continuous adjustment of routines and procedures, can result in the misallocation of resources (Volberda & Lewin, 2003). Volberda and Lewin (2003) note, this can lead to organizational chaos, causing a loss of identity and continuity over time. They state that overemphasizing exploration leads to a so-called renewal trap, which causes conflicts concerning authority, unclear delineation of responsibilities, inadequate controls, a lack of direction, and the absence of shared ideology. Alternatively, Levinthal and March (1993) have referred to this cycle as a failure trap, where an ongoing cycle of failure, search efforts, and change creates a vicious circle.

Most firms tend to exhibit an asymmetric preference for short-term exploitation activities (Volberda & Lewin, 2003). Research findings indicate that in the highly competitive business environments, an excessive emphasis on exploitation can lead to another dangerous extreme known as a competency trap (Levinthal & March, 1993). In competency trap, prior successes lead to retaining established practices and prioritizing exploitation at the expense of exploration (Leonard-Barton, 1992; O'Reilly & Tushman, 2008). While these assets may enhance short-term performance, they simultaneously reduce organizational flexibility and diminish long-term survival opportunities (Volberda & Lewin, 2003; Park, 2020). To avoid the competence trap, organizations must recognize the limitations of their existing competencies and actively seek new ideas, perspectives, and approaches by investing in exploration (Leonard-Barton, 1992).

Consequently, exploitative and explorative activities are both crucial for organizations, but organizations need to find an appropriate balance to avoid dangerous extremes. Overemphasizing either exploitation or exploration can lead to detrimental consequences, including stagnation, missed opportunities, or the development of core rigidities (Volberda & Lewin, 2003; Levinthal & March, 1993). Organizational ambidexterity theory accepts the paradoxical nature between exploitation and exploration and tries to balance tensions between them.

2.2 Managing Ambidexterity

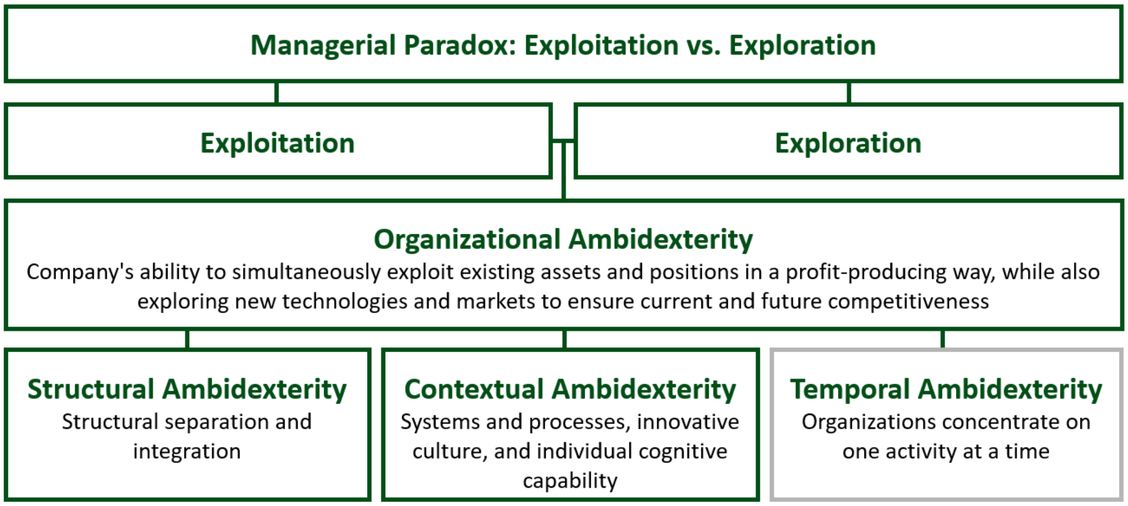
Managing ambidexterity requires management to be able to balance between conflicting demands (Patel et al., 2013). March (1991) states that exploitation and exploration are two fundamentally different learning activities and organizations need to find different manners, practices, structures, strategies, and contexts to allocate their attention and resources between exploitative and explorative activities. Typically, this setting leads to a competition for the limited resources within the organization (Levinthal & March 1993, March 1991). Birkinshaw and Raisch (2008) emphasize the need for organizations to reconcile internal tensions and conflicting demands in their operations to achieve ambidexterity.

Many studies within the ambidexterity literature find that while explorative and exploitative activities might compete for the same resources or need conflicting cognitive models, they have the potential to be complementary (Cao et al., 2009; Jansen et al., 2009; Smith & Lewis, 2011). According to Cao et al. (2009), knowledge, concepts, or understanding derived from exploratory endeavors can serve as valuable inputs for subsequent exploitative activities. In turn, exploitative activities allow a more profound understanding of alternative reconfigurations and stimulate to look for new external knowledge and resources. The ability of managers to foster these synergies within their organizations hinges on their capability and willingness to manage tensions between exploration and exploitation (Mom et al., 2009; Birkinshaw & Gupta, 2013; van Neerijnen and Tempelaar, 2021). This requires that they must take on multiple roles simultaneously and switch between short-term and long-term orientations (Birkinshaw & Gibson, 2004; Mom et al., 2009; Burgess et al. 2015).

Birkinshaw and Gibson (2004) propose that supporting ambidexterity requires a leadership style, where hard elements, such as discipline and stretch, are combined with soft elements, such as support and trust. Kauppila and Tempelaar (2016) support Birkinshaw's and Gibson's (2004) idea of combining hard and soft elements in manager's leadership style. They focus on individual level ambidexterity and collect survey data from 638 employees across 34 organizations in Finland. Results reveal that employees demonstrate a greater level of ambidexterity when their managers put into practice paradoxical leadership, which refers to the leadership style that couples strong managerial support with the high performance expectations (Kauppila & Tempelaar, 2016).

In organizational ambidexterity literature, ambidexterity has been divided theoretically into three types of ambidexterity, including structural, contextual, and temporal ambidexterity. Figure 6 below visualizes how these approaches form the overall concept of organizational ambidexterity that can be utilized to balance the managerial paradox of exploitation and exploration.

Figure 6. Approaches to Support Organizational Ambidexterity.



Generally, the purpose of these approaches is to reduce tensions between exploitation and exploration activities (Lavie et al., 2010). In the literature, structural and contextual ambidexterity have received more attention than temporal ambidexterity since they are better suited to respond to the needs of current business environment. According to Papachroni et al. (2015), in temporal ambidexterity, organizations seek to achieve a balance between exploitation and exploration through temporal dispersion. This means organizations aim for long and stable periods of exploitation interrupting with short periods of exploration, which often includes revolutionary changes (Devins & Kähr, 2010; Siggelkow & Levinthal, 2003). However, this assumption is vague in the present rapidly changing market environment (O'Reilly and Tushman, 2008; Papachroni et al., 2015). Therefore, in this thesis, I focus on the more suitable frameworks of structural and contextual ambidexterity.

In the following chapters, I take a closer look at the different perspectives of supporting ambidexterity. First, I introduce structural ambidexterity, which relies on different structural mechanisms to address competing demands (Adler et al., 1999; Tushman & O'Reilly, 1996). Second, I discuss contextual ambidexterity, which emphasizes that ambidexterity arises from the organizational context of a business unit (Gibson & Birkinshaw, 2004). Third, I focus on role of executives and middle managers. Finally, in the fourth section, I introduce management practices that have been found to concretely support ambidexterity.

2.2.1 Structural Ambidexterity

O’Reilly and Tushman (2008) explain that structural ambidexterity assumes that exploitation and exploration should be separated to structurally distinct units within an organization to address competing demands and resource constraints. Structural separation refers to a structure where certain sub-units of the organization focus on so-called standard activities (exploitation), while other units focus solely on innovation (exploration) (Tushman & O'Reilly, 1996). A typical example of structural separation is the separation of an R&D unit from other units. Structural ambidexterity assumes that by developing structural mechanisms, organizations are able to manage contradictory demands of exploitation and exploration more efficiently (Gibson and Birkinshaw, 2004).

Tushman and O’Reilly (1996) justify the need for structural separation by arguing that exploitation and exploration compete for the same scarce resources, which can lead to internal competition and hostility. Moreover, the needs and approaches of the units may be different or even contradictory. Papachroni et al. (2015) demonstrate that often exploiting units need to operate with tightly designed processes. They are also often more centralized and larger units. On the contrary, explorative units are often smaller and have looser processes. When units operate separately, it is possible to organize the activities of each unit according to their needs. Raisch and Birkinshaw (2008) find that appropriate processes, policies, and necessary guidelines need to be created according to the demands of the unit. Structural separation of units in itself is not enough, since the organization of units must account for the competencies, incentives, cultures, and systems that different units need to succeed (O’Reilly & Tushman, 2008).

While structural separation allows units to align their activities, effective integration and the role of the management have become key questions for managing tensions and maintaining organizational cohesion (Tushman & O'Reilly, 1996; Papachroni et al. 2015). O'Reilly and Tushman (2011) emphasize the role of the top management team in integrating together exploitative and explorative units. They argue that the role of senior management is to manage inter-unit tensions and keep the organization together. They state that top managers must ensure a clear vision and shared identity. Also, they need to assemble senior management teams that agree that both exploitative and explorative activities play a key role to achieve organization's sustainable success. Furthermore, the senior management teams must be able to manage resource allocation and conflicts to develop and support ambidexterity. (Tushman & O'Reilly, 2011.)

Also, Jansen et al. (2009) highlight the role of management in coordinating, managing, and facilitating structurally separate units and their conflicting demands. Lubatkin et al. (2006) add that facilitating cooperation, information exchange and joint decision making in organization allows to avoid low performance of the organization caused by structural segregation. In turn, Park et al. (2020) find that collaboration across business units plays a pivotal role in integration as well as in mitigating the tensions. They state that the cross-functional collaboration is almost always a necessary condition for ambidexterity. The cross-functional collaboration enables a wide array of expertise, fostering creativity, encouraging the expression of diverse viewpoints, and promoting the exchange of knowledge across various teams (Andriopoulos & Lewis, 2010). In addition, social interactions have been demonstrated to boost innovation in competitive environment (Andries & Czarnitzki, 2014). Overall, it can be concluded that it is common for different integration mechanisms that achieving a balance between exploitation and exploration requires collective and individual efforts (Birkinshaw & Gupta, 2013).

Papachroni et al. (2015) note that structural ambidexterity has been criticized for not exploiting the potential synergies between exploitation and exploration, but rather relying on a variety of inter-unit integration mechanisms. On the other hand, O'Reilly and Tushman (2008) argue that switching between exploitation and exploration cycles is difficult from managerial perspective, but stress that managing both simultaneously is even more complex. Nevertheless, structural ambidexterity offers only a rather one-sided view of managing ambidexterity, because it does not consider the role of individuals (Birkinshaw & Gibson, 2004). Contextual ambidexterity offers an alternative approach to promote capabilities that structural ambidexterity lacks to address.

2.2.2 Contextual Ambidexterity

Early on, researchers also became interested in the role of individuals in organizational ambidexterity. Birkinshaw and Gibson (2004) established the concept of "contextual ambidexterity", which is based on the idea that individuals should be provided with an appropriate organizational context that offers them an opportunity to decide how to allocate their time between exploitative and explorative activities. Birkinshaw and Gibson (2004: 209) define contextual ambidexterity as "the behavioral capacity to simultaneously demonstrate alignment (exploitation) and adaptability (exploration) across an entire business unit".

Birkinshaw and Gibson (2004) state that contextual ambidexterity arises in a business unit's organizational context that enables individuals to strike a favorable balance between conflicting demands. The term "context" in this topic relates to the systems, operational processes, and underlying beliefs that modify individual-level behaviors within the organization (Ghoshal & Bartlett, 1994). Management's role, as noted by Gibson and Birkinshaw (2004), is not only to create processes and systems for individuals to make these decisions independently in various situations, but also to create an environment which encourages to innovate.

Researchers emphasize that to enable contextual ambidexterity, managers need to create the supportive and innovative environment that values trust and encourages to bring up new ideas and to learn from mistakes (Simsek, 2009; Rosing et al., 2011; Stadler et al., 2013). According to Stadler et al. (2013), cultivating trust within the organizational context plays a crucial role, as it not only motivates individuals to actively seek new information, but also fosters knowledge sharing among colleagues. Particularly in explorative activities it is important that managers encourage innovation and the exploration of new ideas (Simsek, 2009), and motivate all individuals to autonomously assess how to most effectively allocate their time between the contrasting forces of exploitation and exploration (Birkinshaw & Gibson, 2004).

Researchers generally agree that autonomy enables individuals to proactively balance exploitation and exploration. Moreover, Rosing et al. (2011) underline that allowing room for independent thinking and action creates space for innovative ideas. Mom et al. (2018) suggest that autonomy can be enabled, for example, by increasing decision-making responsibility or by broadening the individual's job description, which gives individuals more freedom to experiment and experience different roles and tasks. Autonomy has been shown to enrich individuals' job description and increase their intrinsic motivation and individual agility (Mom et al., 2018; Kauppila & Tempelaar, 2016). Mom et al. (2018) note that autonomy not only facilitates innovation, but also helps individuals adapt to the dynamic demands of competitive environment, ultimately contributing to manage ambidexterity. Furthermore, Birkinshaw and Gupta (2013) point out that individuals should be given sufficient autonomy at all levels of the organization.

Since contextual ambidexterity relies on individual's proactiveness and capabilities, it places several demands on individuals, which has raised some criticism. Gibson and Birkinshaw (2004) argue that contextual ambidexterity necessitates individuals to identify opportunities and synergies beyond their expertise, take initiative, collaborate, and manage multiple roles concurrently. Papachroni et al. (2015) add the ability to identify and address challenges between exploitation and exploration to this list. They also note that there exists limited empirical evidence on how contextual ambidexterity and its associated requirements appear in practice. Moreover, O'Reilly and Tushman (2008) highlight that the studies on individual-level ambidexterity assume that individuals possess the capacity to understand these requirements and identify contextually relevant actions.

2.2.3 The Role of Executives and Middle Managers

Ambidexterity largely relies on managers' ability to manage contradictory requirements. For example, according to Mom et al. (2009), managers must possess the competence to resolve conflicts and continually renew their skills and knowledge. Additionally, Teece (2006) underlines that establishing and nurturing ambidexterity requires managers with cognitive and behavioral flexibility. Rosing et al. (2011) point out that managers have the power to create a mindset (cultural atmosphere) that considers exploration and exploitation as relevant aspects in each employee's role. When discussing managers' roles, there's no need to separate contextual and structural ambidexterity, as leaders should focus on managing ambidexterity as a whole (Jansen et al., 2009).

Top managers have a pivotal role in organizations' operations as they are key decision-makers and positioned at the top of the organizational hierarchy. The ambidexterity literature consistently underscores top managers' significance in mitigating paradoxical tensions by building structures, processes, and organizational context which support ambidexterity (March, 1991; Gibson and Birkinshaw, 2004; Smith & Tushman, 2005; Jansen et al., 2008; O'Reilly and Tushman, 2011; Mihalache et al. 2014; Knight & Cuganesan, 2020). The top management has been characterized to include the establishment of organizational direction, crafting of solutions to reconcile the tension between exploitation and exploration, and the guidance of the organizational execution of these solutions (Gibson & Birkinshaw, 2004; Smith & Tushman, 2005). Structural ambidexterity literature particularly highlights the role of top management, but also many individual-level ambidexterity studies have focused on investigating the cognitive characteristics of senior managers (Kiss et al. 2020).

O'Reilly and Tushman (2011) note that the execution of ambidextrous designs can be viewed as a complex top management task, demanding from the top management team a comprehensive array of strategic, structural, and operational decision-making processes supported by incentives. They find that the actions, behaviors, and design choices made by senior leaders constitute the dynamic capabilities that empower organizations to adapt, integrate, and reconfigure their organizational skills and resources to align with evolving environments, thus achieving the appropriate balance between exploitation and exploration. In the context of dynamic capabilities, Teece (2007: 146) observes that "dynamic capabilities primarily reside within the purview of the enterprise's top management team."

Zimmermann et al. (2018) and Burgess et al. (2015) point out that the role of top management is strongly emphasized even though ambidexterity literature has also proposed other organizational solutions. Burgess et al. (2015) highlight that generally in the management literature middle managers' role has been recognized to be significant, particularly in their contributions to shaping strategy, organizational learning, and change implementation. However, they find that there is still a lack of comprehensive research that investigates the roles of middle managers in the context of organizational ambidexterity. Recent literature has started to investigate more closely the impact of the operational level on ambidexterity (Burgess et al., 2015; Kauppila & Tempelaar, 2016; Zimmermann et al., 2018; Mom et al., 2018). Middle management has been identified to play a key role in promoting ambidexterity (Burgess et al., 2015).

Burgess et al. (2015) define middle managers as individuals, who have at least two levels of staff above and below them in the managerial hierarchy. Middle managers play a critical and multidimensional role in organization's daily operations. On one hand, their role is to harmonize the practical aspects of the daily operations, including the concerns and needs of frontline staff, and on the other hand, they are working with the strategic choices and priorities set by the top management (Burgess et al., 2015). In addition, Burgess et al. (2015) note that middle managers play a crucial role in cultivating and facilitating social connections. The development of appropriate social connections empowers middle managers to transcend professional silos, facilitating cooperation and utilization of information in practice. Moreover, cooperation helps resolve power differentials across different professional domains. These aspects have been recognized to promote ambidexterity (Birkinshaw & Gibson, 2004).

Middle managers are also recognized for their role as organizational connectors, boundary spanners, strategy implementors, and change managers in achieving ambidexterity (Taylor & Helfat, 2009; Wooldridge et al., 2008). Middle managers' position requires a holistic view and an ability to navigate in the complex organizational landscape by harmonizing routine and non-routine activities (Adler et al., 1999), administrative and entrepreneurial type of tasks (Probst et al., 2011), and short-term and long-term perspectives (O'Reilly & Tushman, 2013) to create synergies. Zimmermann et al. (2018) question ambidexterity literature's traditional view of frontline managers as implementors who follow top-down directives. Recent research suggests that frontline managers may also play a proactive role in initiating ambidextrous strategies, which emphasizes the autonomous strategic behavior of frontline managers and their involvement in both top-down implementation of activities and bottom-up experimentation and adaptation (Floydin & Lane, 2000; Zimmermann et al., 2018; Mom et al. 2018). Zimmermann et al. (2018) introduce that middle managers may utilize configuration practices, such as structural separation and integration, and internal and external cultural focus practices, to manage tensions and integrate both exploitative and explorative activities to organizational processes and systems.

As the theory of ambidexterity demonstrates, ambidexterity is a multidimensional concept. In accordance with Teece (2006), achieving ambidexterity requires a harmonious alignment of competencies, structures, and cultures which in turn requires various capabilities from the managers on both top and middle manager level.

2.2.4 Management Practices

As discussed previously, there is a limited amount of research focusing on concrete management practices that can be used to support ambidexterity. Ambidexterity research has studied practices, for example, in the context of top management's valuation practices (Knight & Cuganesan, 2020), HR practices (Mom et al., 2018), and IT outsourcing governance practices. Also, Zimmermann et al. (2018) study management practices that support and develop ambidexterity. In this chapter, first I define the term, "practice", and after that I discuss what type of management practices have been identified in the ambidexterity literature.

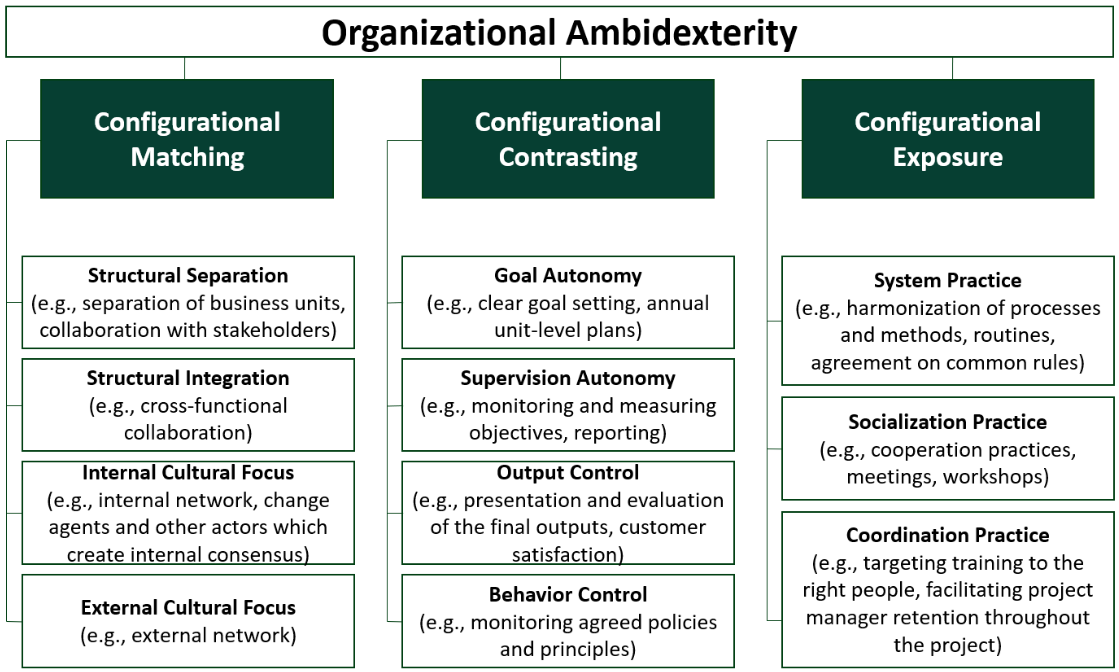
Jarzabkowski (2004) defines term "practice" through three points of view including recursiveness, adaptation, and social context. Firstly, she describes that practices are recurring and ordinary routine actions. Secondly, practices can be and must be adapted over time. Adaptation refers to changes of varying degrees – from gradual adaptation to radical changes. Moreover, practices are connected to the social context. Jarzabkowski (2004) notes that practices consist of the experiential knowledge within certain social context.

Some ambidexterity researchers argue that practices help managers manage tensions (Knight & Cuganesan, 2020; Turner et al. 2013; Cao et al. 2009). Instead of managers relying purely on a structural solution or individuals' capabilities to allocate time on exploitation and exploration, practices may be used to actively influence management of tensions on all levels of the organization (Knight & Cuganesan, 2020; Zimmermann et al., 2018).

Mom et al. (2018) state that it is beneficial to separate exploitative and explorative activities at the level of practices. Their findings indicate that exploitative practices and explorative practices should be handled separately especially in their planning phase. Firstly, this allows to ensure that both perspectives are considered in a comprehensive and balanced way. Secondly, it helps managers to understand that both activities need different practices instead of using similar cures for different issues. The idea of Mom et al. (2018) is not entirely new, as for example Birkinshaw and Gibson (2004) note in the context of contextual ambidexterity, that at the individual level exploitative and explorative activities should be separated temporally. It should be noted that this does not refer to temporal ambidexterity, as the distinction does not occur at the organizational level.

Zimmermann et al. (2018) approach ambidexterity comprehensively through practices. They prepare an inductive study, where they examine ten European corporate innovation initiatives that aim to carry out ambidextrous product or market development strategies, where product and market exploration and exploitation activities are balanced. They establish a framework of practices that frontline managers can utilize in managing tensions while implementing ambidextrous strategies. Their framework consists of three configurational practice categories including configurational matching, contrasting and exposure. Configurational matching and contrasting form the organizational context to pursue exploration and exploitation, whereas configurational exposure identifies the practices that allow to integrate explorative and exploitative tasks. In the Figure 7 below, I visualize Zimmermann's et al. (2018) framework of configurational practices which support organizational ambidexterity.

Figure 7. Framework of Configurational Practices which Support Organizational Ambidexterity (Adapted from Zimmermann et al., 2018).



In the framework configurational matching refers to the manager's actions to match the formal structure and informal culture of the initiative to achieve exploration and exploitation objectives. Instead, configurational contrasting means manager's efforts to monitor and supervise market-side innovation objectives using autonomous supervision, such as monitoring and measuring objectives, for integrated structures and behavior control, such as monitoring agreed policies and principles, for separate structures.

Finally, configurational exposure consists of practices that managers may use to integrate and manage tensions between explorative and exploitative functions (Zimmermann et al, 2018). These practices may be further separated to system, socialization and coordination practices following categories established by Van den Bosch et al. (1999). Based on their categorization, coordination practices include knowledge sharing related activities, such as internal knowledge management, external partnering, and internal training. In turn, socialization practices consist of tasks related to mutual understanding, such as establishing common goals, fostering social ties, and exposing people to different ways of working. Lastly, system practices include actions, such as matching roles and responsibilities, aligning decision guidelines, consolidating development processes, and setting joint milestones. (Zimmermann et al., 2018.)

Cao et al. (2013) identify partly similar practices to the practices identified by Zimmermann et al. (2018). They study practices that support ambidexterity in the context of IT outsourcing governance, with a focus on structural integration mechanisms. Their study employs a research framework that structurally separates IT services, aiming to understand how distinct structures can be integrated through practices. They identify practices related to the social integration, emphasizing communication and collaboration practices. Zimmermann et al. (2018) refer to these types of practices by the term "socialization practices". Cao et al. (2013) find that these practices help achieve mutual understanding and strengthen the relationship between the parties. Additionally, Cao et al. (2013) identify practices aimed at standardizing operations and strengthening various control mechanisms. Zimmermann et al. (2018) refer to these types of practices by the term "system practices". The findings of Cao et al. (2013) indicate that the practices, which are important for supporting and developing ambidexterity, include many traditional elements of management, such as goal setting, control, and communication.

Knight and Cuganesan (2020) focus on senior leadership team’s valuation practices finding that they are more like mechanisms that allow to manage tensions instead of solving them. This supports the fact that ambidexterity builds on managing exploitation and exploration paradox (Andriopoulos & Lewis, 2010). Moreover, Knight and Cuganesan’s (2020) findings align with Kohtamäki’s et al. (2020) view that organizations should accept and cope with paradoxes over time – not solve them. Knight and Cuganesan (2020) introduce three distinct sets of practices to manage tensions: framing, measuring, and ranking. These practices assist top management leaders to address tensions collaboratively, to raise disagreements in a constructive way, and to foster a harmonious balance between exploitation and exploration.

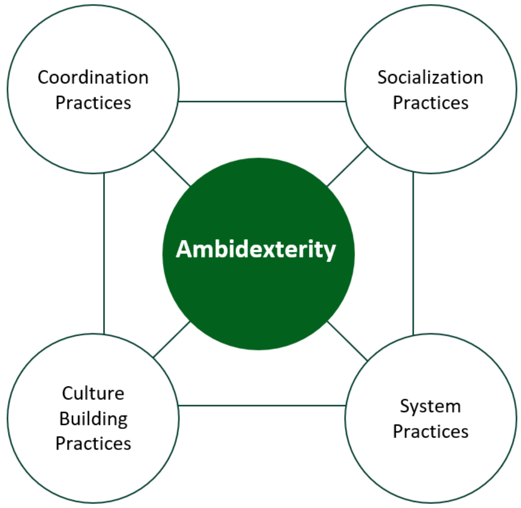
According to Knight and Cuganesan (2020) framing consists of practices, such as visioning opportunities and priorities, strategizing, and operationalizing priorities. They underline that framing practices empower senior leaders to express the diverse viewpoints within their units regarding exploration and exploitation, covering visionary, strategic, and operational considerations. In turn, measuring practices focus on metricizing, and organization and unit level calculations (Knight & Cuganesan, 2020). Knight's and Cuganesan's (2020) measurement practices are related to the quantification of the relative value of exploration versus exploitation and it depends on the preferred values of the unit. Zimmermann et al. (2018) find that measuring practices support ambidexterity. In turn, Knight and Cuganesan (2020) state that ranking practices are resource allocation decisions. They describe that ranking practices are utilized when top leadership teams transition from comparing differences to making integrated decisions on how to allocate organizational resources towards strategic goals (Knight & Cuganesan, 2020). These practices can be seen as a significant part of ambidexterity especially in the context of structural integration. As Tushman & O'Reilly, 2011 state, resource allocation plays a crucial role in achieving ambidexterity and those decisions shows in every level of organization. Top management team's resource allocation decisions affect how middle management can create organizational context that supports individuals' ability to dedicate resources between exploitative and explorative activities (Burges et al., 2015). To conclude, ranking practices support both tension management and ambidexterity development.

Even though there is only a limited body of literature that studies practices that support ambidexterity, these studies manage to account for multiple elements that have been identified to be relevant to support ambidexterity in the wider literature. The studies imply that practices may be utilized to establish structural integration through top management decisions (Knight & Cuganesan, 2020) and social integration (Cao et al., 2013; Zimmermann et al., 2018). From the perspective of contextual ambidexterity, practices may be used to create systems and processes, so that individuals are able to allocate their time between exploitative and explorative activities. Although systems and processes are often discussed in the literature, they are still rarely defined concretely. In addition, some studies find that practices can be used to foster togetherness and, in that way, create culture that supports ambidexterity (Cao et al., 2013; Zimmermann et al., 2018).

However, considering that contextual ambidexterity stresses the importance of organizational culture (Birkinshaw & Gibson, 2004; Birkinshaw & Raich, 2008), there has been surprisingly limited focus on practices that support culture. Zimmermann's et al. (2018) framework of configurational practices mentions the internal cultural focus at the level of configurational matching. This implies that creation of culture is seen mainly as a top management task. Also in their framework, behavioral control practices as part of the configuration contrasting refer to a setting where the management controls that people in the organization behave according to the culture. In turn, within the configurational exposure practices, socialization practices may be seen to foster culture via collaboration. However, culture supporting practices, that are proactively used to establish organization culture have been given less emphasis. Contextual ambidexterity field emphasizes that ambidexterity requires organizational culture that, for instance, promotes innovation, accepts mistakes, and enables autonomy for the individuals (Simsek, 2009; Rosing et al., 2011; Turner et al., 2013). In my view, these elements could be supported by utilizing a set of management practices.

In the empirical section of this thesis, I assess the findings of the case interviews through the lens of Zimmermann's et al. (2018) configurational exposure practices. However, I complement their framework with the fourth identified practice category, "culture building practices". Consequently, my framework can be illustrated as in the Figure 8 below, where ambidexterity is managed through four types of practices – coordination, socialization, system, and culture building practices.

Figure 8. Ambidexterity Supporting Practices Framework.



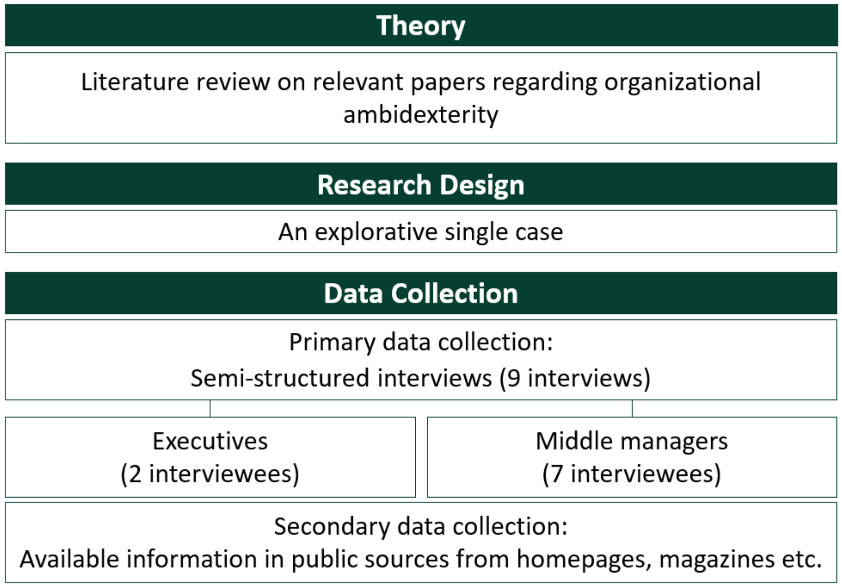
3 Methodology

This chapter introduces the methodological approach of this study to address the research questions set in the chapter 1. More specifically, the case selection process, a data collection method, and a research analysis are introduced. The research is based on nine semi-structured interviews of executives and middle managers to find out what kind of management practices are utilized in the case organization to support ambidexterity. At the end of this chapter, validity and reliability of the study are discussed.

3.1 Research Method and Design

This paper studies management practices that are used to achieve organizational ambidexterity through an empirical analysis of the case company manager interviews. The utilization of qualitative methods is advocated and recommended in the context of business research to effectively address the research questions (Eriksson & Kovalainen, 2015). According to Gillham (2000), qualitative research is characterized by its descriptive nature, emphasizing on the acquired findings and evidence that enables readers to understand the genuine significance of the experiences and phenomena. It deepens the understanding into ongoing processes, individuals' perspectives, and their actions. Figure 9 below summarizes the research design that I use in this qualitative study.

Figure 9. Research Design.



This study is based on a single case research design approach. Eisenhardt (1989) argues that a single case study typically encompasses a blend of data collection methods, including the examination of archives, conducting interviews, administering questionnaires, and making observations. The single case study focuses solely on one single unit, such as a company. Blackmon and Maylor (2005) notice that single case studies prove particularly advantageous, especially in the context of exploratory research endeavors. The design allows to explore and analyze the research object profoundly, and therefore it provides detailed insights and understanding of the topic. Furthermore, Blackmon and Maylor (2005) note a case study serves as an appropriate method when the researcher is investigating organizational phenomena that cannot be directly observed, especially when the researcher has limited or no control over the events under scrutiny during the research period.

Blackmon and Maylor (2005) point out that the inclusion of interviews demands careful planning and execution, with a focus on open-ended question types that delve into the “how” and “why” aspects. Additionally, the case studies can be effectively utilized for theory testing and theory development. The single case analysis focuses on the in-depth analysis of one single unit, for example an organization. This approach facilitates a comprehensive exploration of the specific case under research.

According to Hammersley (2012), the single case study research design has its limitations, particularly concerning data collection and result generalizability. In this approach, it's challenging to draw causal relationships, and the researcher's choices can impact the credibility of collecting fact-based data. Moreover, a small sample size can affect results and the ability to draw well-defined conclusions. In this research, these concerns are proactively addressed by utilizing transparent data collection and analysis processes. Furthermore, efforts have been made to ensure the robustness of the research results by conducting interviews with a quite diverse range of participants from different positions, units, and business areas, thereby enhancing the triangulation of the data sources and the validity of the findings. Interviews were conducted with two executives and seven middle managers.

Gillham (2000) notes that to successfully fulfill case study approach, data should be gathered from more than one source. To gather wider data set and to achieve deeper understanding of the case organization, the research design includes primary and secondary data sets. The primary data set consist of nine semi-structured interviews and secondary data supports primary data by giving wider understanding of the case company. The findings seek to explain the case organization's management practices in the context of organizational ambidexterity.

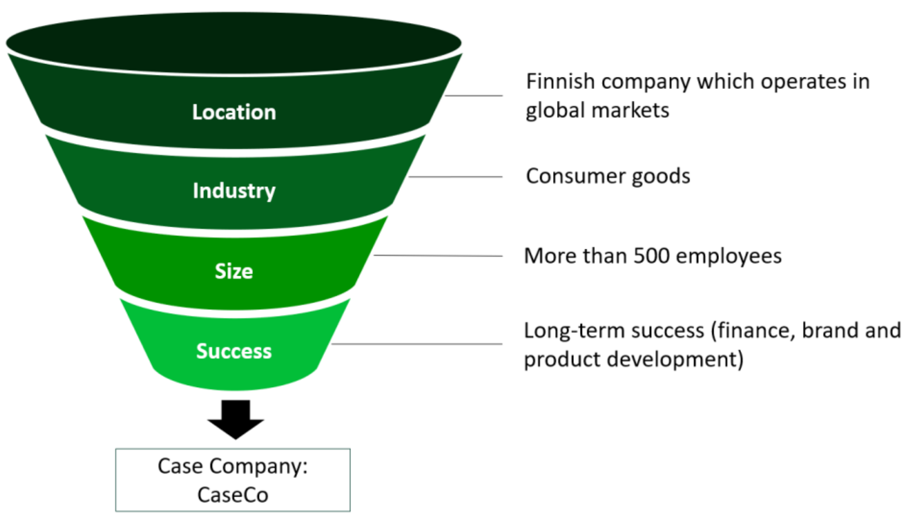
This study utilizes exploratory research method, which is a qualitative method. Exploratory research method emphasizes "why" and "how" questions rather than quantitative aspects. Exploratory research employs logical reasoning to develop hypotheses or ideas. According to Stebbins (2001), the primary objective of the exploratory research is to derive inductive generalizations about the studied subject. Waters (2007) suggests experimentation in science is not always theory driven, which supports the selection of an exploratory study.

3.2 Case Organization Selection Process

The careful selection of a case organization is deemed essential in academic research, especially when investigating complex phenomena in real-world settings (Eriksson & Kovalainen, 2015). Eriksson and Kovalainen (2015) argue that case studies are effective for generating comprehensive, contextually rich insights using diverse data sources. The case study research emphasizes diversity and complexity, avoiding overly simplistic designs. However, it's essential to clearly define the case boundaries, and researchers should be careful in defining the criteria for case selecting process.

In this research, the process of selecting a case company began with the consideration of the type of the company that would be suitable for a study concerning ambidexterity. The literature was carefully reviewed to identify aspects relevant to the study of ambidexterity. After that I set boundaries for the case selecting process including company's location, size, industry, and long-term success as summarized in the Figure 10 below.

Figure 10. Case Organization Selection Process.



Finland was chosen as the company's location to facilitate easier contact with potential case company. Global operations were seen to be beneficial because it could enrich the research. The second criterion states that the case company needs to have more than 500 employees. Larger companies were preferred due to their potential to offer a distinctive middle management level and structurally separated units. Moreover, interviewees' diversity enables a comprehensive examination of ambidexterity from various perspectives, considering different motivational factors.

The third criterion is the industry. The focus was narrowed down to the consumer goods sector. First, it is a field which is actively utilized in ambidexterity research (Jansen et al., 2008; O'Reilly and Tushman, 2008), and second, both incremental (i.e., to sustain current business operations) and radical innovation (i.e., to ensure future competitiveness) have central roles in this sector. The final selection criterion was the long-term success of the company, which was assumed to indicate the company's ability to act ambidextrously. Since the company has been successful in the long-term, it is likely that it has been able to exploit existing resources and invest on innovation to remain relevant in the industry. Financial performance, brand recognition, and product development over time were evaluated to assess potential companies' success. The information related to the success of the company was collected from publicly available sources. Through this process, the company was identified. The case company had demonstrated consistent financial success, strong brand recognition in Finland, and the history of innovative solutions and the incremental product development over time.

The research focuses on a Finnish consumer goods company, hereafter referred to as 'CaseCo' or 'Case company'. CaseCo has successfully navigated in the dynamic global consumer goods market, demonstrating adaptability and resilience over the several decades, and being a notable player in the consumer goods industry.

CaseCo has evolved its business model over the years, transitioning from primary production to end product manufacturing and from a brand house to a more retail-oriented player. At present, the company's brand portfolio encompasses several distinct brands, each specializing in consumer products. The company is organized into a few business areas. This study focuses on two specific business areas (representing a bit over 50 % of net sales), each associated with same two brands. These both brands operate within the same niche industry, and they have sustained their competitive positions over time, contributing a significant presence in both Finnish and global markets.

It is essential to note that CaseCo's identity has been intentionally anonymized in this research to preserve confidentiality and support ethical considerations. The selection of the case organization was driven by its relevance to research questions, aiming to gain insights into management practices for managing tensions and supporting ambidexterity in a dynamic environment. By adopting CaseCo as the case company, valuable insights are expected to contribute to the broader discourse on organizational ambidexterity from the perspective of management practices within the global consumer product sector.

3.3 Data Collection and Analysis

This chapter outlines the methodologies employed in the research, focusing on data collection and analysis. It presents an overview of the utilized methods, including data collection procedures and data analysis techniques. In addition, it describes the sources of primary data, comprising nine semi-structured interviews with executives and middle managers. Finally, the chapter discusses the gathering of secondary data from publicly available sources to complement and enrich the primary data.

3.3.1 Primary Data Collection

The primary data collection comprises three sub-sections: ethical and privacy principles, necessary preparatory actions for data collection, and the actual data collection process through semi-structured interviews. After the case selection process, an agreement was reached with the case organization on the ethical and privacy principles concerning the handling of information and the protection of the anonymity of the case organization and interviewees. At each preceding stage of the interview and at the beginning of the interview, it was emphasized that the interview would be recorded, responses would be anonymized, and strict confidentiality would be maintained. Moreover, it was clarified that the collected data would be used exclusively for the academic purposes of this research, and all personal data would be stored only for as long as necessary, after which it would be deleted. The verbal consent to accept these terms was provided by each interviewee.

Preparatory actions for the data collection included two stages. Firstly, I had a discussion with a HR representative of the CaseCo to identify potential interviewees. The target was to interview 3-5 executives and 5-10 middle managers, as considering two hierarchical levels in the research would allow for a broader range of perspectives. Furthermore, my aim was to select interviewees from the different organizational units. Following the selection process, nine 45-minute interviews were scheduled with two executives and seven middle managers between August 21st and September 11th, 2023.

Secondly, I prepared a coherent structure for the interview process. The interview questions were constructed following the theoretical foundations of the ambidexterity literature, and the questions were designed to support the research questions while also allowing space for the interviewees to express their unique perspectives. The interview questions were divided into three sections. The first part focused on understanding how people in the organization see ambidexterity. The next part identified how managers support ambidexterity by their actions, and the last part explored the dynamics between executives and middle managers. The questions presented to senior management were slightly modified from those given to middle management representatives. Questions directed towards executives examined considerations from the perspective of the entire organization, whereas those directed towards middle management placed emphasis on their team-specific viewpoints. This approach facilitated the understanding of the questions based on the interviewees' respective roles. The interview questions and pre-materials were sent to each interviewee a few days before their interview, giving them the opportunity to prepare for the interview. The interview questions are available in detail in Appendix 1.

The actual data collection process, carried out through semi-structured interviews, was conducted via Microsoft Teams calls. Since the views shared in the interview were treated with high level of confidentiality, it created a comfortable, open, and friendly atmosphere. The interview sessions started by repeating privacy considerations and asking a permission for recording the interview. Then both the interviewer and interviewee provided brief introductions of themselves. Following this, the interviewer provided a short introduction to the topic, offering clarity regarding the specific perspective from which management practices were to be examined. Thereafter, the conversation moved to the actual interview questions. The interviewer took notes during the interview and asked additional clarifying questions when needed. Five of the interviews were conducted in English, while four were conducted in Finnish.

3.3.2 Secondary Data Collection

Secondary data encompasses pre-existing data available for analysis (O'Gorman et al., 2014), including publicly accessible news, announcements, and executive interviews. Secondary data used in this study consists of publicly available documents from years 2021 to 2024. CaseCo publishes various documents related to company's financial status, strategy, ESG goals and cultural issues. I made extensive use of publicly available documents to assess the suitability of the organization for my research and to analyze whether there are signs of ambidexterity in the organization's operations. In addition, the company is a significant player in Finland, so I also found a comprehensive number of magazine articles related to the company. These deepened my understanding of the case organization's history and current operations, and how parties outside the company see the case organization.

3.3.3 Data Analysis

After the interviews, transcripts were produced based on the video recordings using the same language as in the interview. Transcripts were combined to one file and coded based on the theme of the discussion. Following this initial data coding, I was able to start analyzing the findings of the data.

The analysis in this thesis is divided into two main sections: Analysis 1, which utilizes the Gioia methodology to identify tensions caused by pursuing ambidexterity, and Analysis 2, which employs thematic analysis to categorize practices that support ambidexterity.

In the Analysis 1, I employed Gioia methodology (Gehman et al, 2017) to systematically analyze the qualitative data. First, I established first-order codes from the data. These first-order codes were then categorized to broader second-order codes. Finally, second-order codes were summarized to aggregate dimensions following the framework of tensions introduced by Andriopoulos and Lewis (2010).

In the Analysis 2, I conducted the thematic analysis to explore management practices that support organizational ambidexterity. First, I identified management practice themes from the raw data. Then, I named similar type of practices with similar titles and categorized practices to broader categories following the framework of ambidexterity supporting practices (adapted from Zimmermann et al., 2018). This method allowed for a flexible and nuanced examination of the data, uncovering underlying patterns and meanings within the dataset.

3.4 Reliability and Validity of the Study

In business and social sciences, research is traditionally evaluated based on reliability and validity. Reliability, as Kirk and Miller (1986) suggest, means that research consistently produces the same results upon replication. Validity measures the accuracy of research findings. Expanding the sample size, as noted by Litwin M. (1995), increases research reliability and reduces errors. In this study, I ensure primary data reliability through a well-structured interview process, including instant transcription, rigorous data analysis, and anonymity protection.

Eriksson and Kovalainen (2015) argue that the traditional criteria like validity, reliability, and generalizability have evolved. Instead, they emphasize dependability, transferability, credibility, conformability, and conceptual qualities like coherence, consistency, plausibility, and usefulness. To illustrate my research's trustworthiness, I present below a trustworthiness Table 2 aligning with these modern criteria.

Table 2. Trustworthiness Table (Adapted from Eriksson and Kovalainen, 2015).

1.	**Pre-understanding**	The author has a good level of understanding of the topic through pre-readings and theory construction. In addition, the author has thoroughly familiarized herself with the company's operations before conducting the interviews, so she can be seen to have an adequate understanding of the operating logic of the target company. **Result:** Good understanding about the elaborated topics and ability to link with the theory, which enables to conduct good level of analysis.
2.	**Credibility**	Credibility is increased through the implementation of methodological rigor. Techniques such as triangulation of data sources (interviewees' diverse backgrounds, number of interviews, and secondary data), Gioia methodology and thematic coding support credibility. **Result:** Collection of 366 minutes of recorded interviews and methodologically accurate analysis is linked with the theory to build a good level of understanding of the complexity what management face in balancing between exploitative and explorative activities.
3.	**Transferability**	The consideration of transferability involves assessing the potential for generalizing the research findings beyond the specific case organization. The insights generated from the study are structured to be adaptable to analogous organizational settings in various geographical and industry contexts. The detailed methodological descriptions provided offer a basis for evaluating the applicability of the research in other scenarios. **Result:** Findings can be applied in other similar type of organizations.
4.	**Dependability**	Dependability is emphasized by ensuring that the data collection and analysis methods were conducted with consistency and reliability. **Result:** Throughout the study, careful documentation was maintained, and established analysis methods were followed.

5.	**Conformability**	Conformability is addressed by minimizing researcher bias and subjectivity. During data collection and analysis, an objective stance was maintained by using established research methodologies and linking gathered data to theory. **Result:** Research biases and subjective thoughts are minimized by following research ethical rules and a good understanding of the ambidexterity theory.
6.	**Integrity**	Integrity refers to how misinformation from the participants influences the interpretation. The semi-structured interviews were conducted collaboratively, maintaining a high level of confidentiality, and fostering a friendly atmosphere. The use of a relatively large sample size served to mitigate the potential influence of individual biases, personal motivational factors, and subjective opinions on the final analysis. **Result:** Comprehensive analysis of used management practices in the context of ambidexterity respecting integrity.
7.	**Utilization**	In this context utilization means, how relevant and beneficial findings are. The ambidexterity literature has not been able to establish precisely which management practices can support ambidexterity. The author has been able to articulate the different management practices which are used in CaseCo to support ambidexterity and to explain the tensions that the innovation paradox creates. **Result:** The study creates a structured understanding of the management practices that can be used to support ambidextrousness and the findings can be used in the future both in the case study company and in other similar type of organizations.

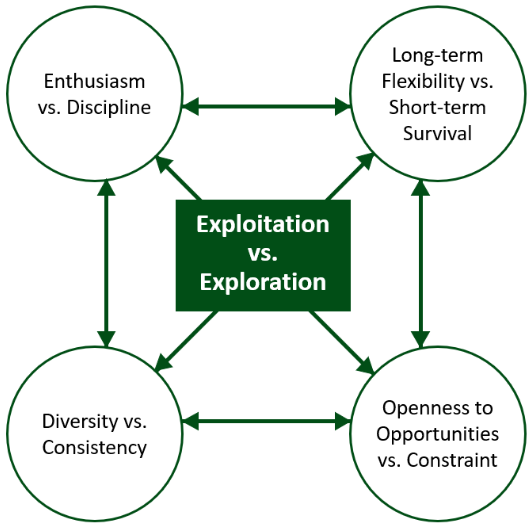
4 Findings

In this chapter, I introduce findings from nine semi-structured interviews. To ensure interviewees' anonymity, I refer to them using titles "executive" or "middle manager" or using pronouns "she/her". I start by presenting the findings on tensions through the framework of Andriopoulos and Lewis (2010) in the chapter 4.1. After that, I move to the section 4.2, where I identify concrete management practices that may be utilized to balance these tensions to support ambidexterity.

4.1 Q1 Findings: What Kind of Tensions Does Pursuing Ambidexterity Cause in the Case Organization?

In this chapter, I present the findings on tensions that arise from exploration and exploitation related paradoxes based on the case organization interviews. I follow the framework of Andriopoulos and Lewis (2010) who assess tensions caused by exploration and exploitation through four different paradoxes, (i) short-term survival versus long-term adaptability paradox, (ii) constraints versus possibilities paradox, (iii) cohesiveness versus diversity paradox, and (iv) discipline versus enthusiasm paradox. This framework allows to identify tensions occurring in managing exploration and exploitation.

Figure 11. The Framework of Tensions Between Exploration and Exploitation (Adapted from Andriopoulos and Lewis, 2010).



4.1.1 Short-term Survival vs. Long-term Adaptability

Andriopoulos and Lewis (2010) as well as many other researchers (March, 1991; Levinthal & March, 1993; Volberda & Lewin, 2003) argue that ambidexterity requires commitment to both short and long-term orientation. Short-term activities focus on exploiting, improving, deepening, and expanding existing products, technologies, and knowledge to meet current organizational needs. In turn, long-term activities seek to respond to the needs of potential new customers, changes in the preferences of existing customers and the long-term strategic needs of the organization. Long-term actions often involve the development and experimentation of new technologies, business processes and radical innovations, which require a particular risk-taking capacity by the firm (Andriopoulos and Lewis, 2010.)

Short and long-term orientation is the simplest way to understand ambidexterity, and therefore in the interviews we mostly discussed ambidexterity from this perspective. Based on the interviews, there is a consensus within the case organization that both short and long-term orientation are important. However, this creates tensions within the organization. Four out of nine interviewees argued that you can't be successful long-term if you're not successful in the short-term. Typically, this leads to a tension, which guides organizations to favor short-term targets instead of long-term activities. One of the interviewees emphasized that for example, if organization focuses only on short-term targets for two years and does not clearly structure its long-term goals, it becomes extremely hard to restart the innovation processes. The interviewee further noted that while the short-term activities ensure that organization remains financially stable in the current environment, it needs to also keep developing long-term innovations in the background, so that once the upturn in the economy kicks, the organization can quickly gain new markets.

In order for the company to build long-term adaptability, it also needs to manage tensions caused by the long-term goals' inherent characteristic of persistence. One of the interviewees noted that it can be very challenging to aim for long-term adaptability, because people want to get to long-term goals quickly. Therefore, interviewee emphasized that organization needs to build the infrastructure with short-term goals to succeed in the long-term goals. Consequently, long-term goals require persistence and discipline, which can contradict with people's natural habits.

As the ambidexterity literature shows, companies tend to focus more heavily on the short-term goals at the expense of long-term goals (Levinthal and March, 1993). I find that the CaseCo also struggles with this challenge. The interviewees highlight two main factors that lead to the reliance on short-term activities: (i) short-term financial stability and (ii) scarcity of resources which usually means lack of time.

The current global economic situation is challenging, which has led to a reduction in consumption. This also affects the CaseCo as it operates in the consumer goods industry. Therefore, the CaseCo has shifted focus on short-term activities which causes tensions. One of the interviewed middle managers describes that more challenging economic environment leads to a situation where current sales actions are emphasized, whereas investments must be justified exceptionally broadly. Therefore, investments that do not have an immediate kickback are not funded, which leads to underinvestment in the exploration activities. One of the interviewed executives confirms this finding and notes that it’s harder to arrange large-scale investments in this economic situation. However, she notes that in this situation short and long-term goals can be tried to be balanced by dividing long-term goals to multiple short-term goals that could give immediate returns.

Short-term financial targets create different tensions depending on the perspective from which they are looked at, since short- and long-term can mean different time periods to different people. For example, people working in the product development refer to long-term with a five-year period, whereas salespeople think two-year period to be long-term. This tension was highlighted by the product development middle managers, who noted that in listed companies the financial targets are usually set for too short-term (e.g., one or two-year goals), which creates tensions for developing long-term innovations.

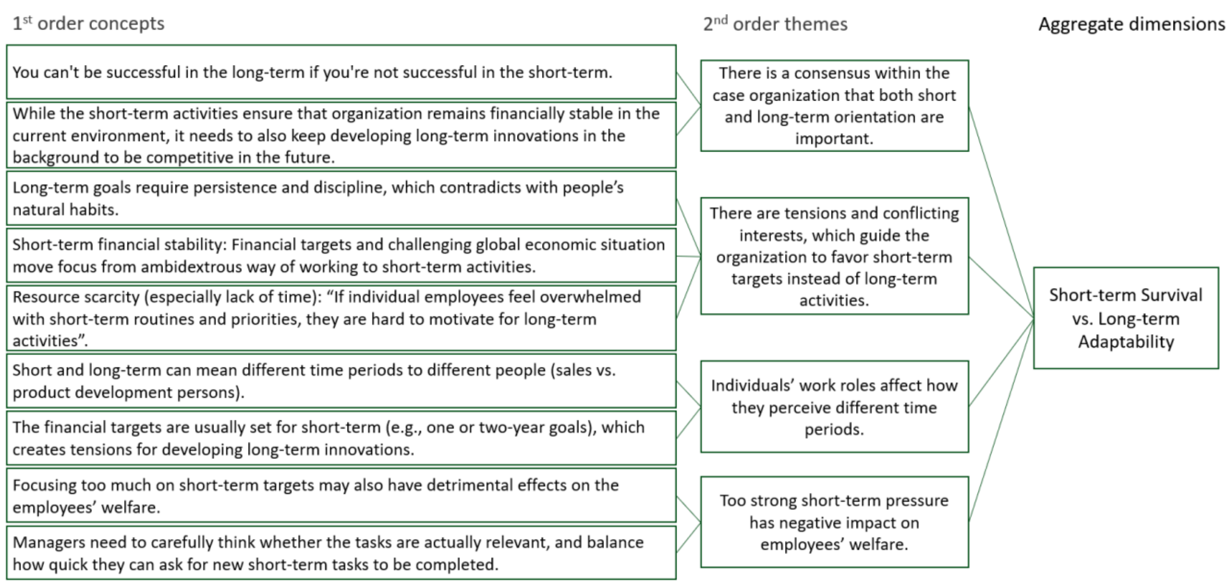
The second main factor, which leads to focusing too much on the short-term targets, is resource scarcity. More than half of the interviewees discussed that urgency of other tasks leads to the fact that there is no time to progress long-term goals. The interviewees said that exploitative tasks create such a large work load that individuals have no resources to focus on explorative activities. More precisely, one of the interviewees noted that “*if individual employees feel overwhelmed with short-term routines and priorities, they are hard to motivate for long-term activities*”. Another interviewee agreed that “*many feel that they don’t have time for long-term activities, since they have 500 other urgent tasks to do*”. Moreover, interviewees highlighted that putting out other fires takes almost always the priority over long-term activities.

> *“Top management has to understand what's the current reality, what are the current challenges and bottlenecks in the process that hold things up before you just blindly put a bunch of pressure on a team to do things way faster than they've ever done.”*

Focusing too much on short-term targets may also have a detrimental effect on the employees’ welfare. One of the interviewees referred to a situation where her team was pressured by too many short-term targets, which burned out several team members. She reminded, that managers need to carefully consider whether the tasks are actually relevant, and how quick they can ask for new short-term tasks to be completed. As demonstrated above, balancing between short-term and long-term orientation is a continuous process affected by many antecedents.

Figure 12 summarizes the findings regarding the short-term survival versus long-term adaptability paradox. Overall, there is a consensus within the case organization that both short and long-term orientation are important. Nevertheless, there are tensions and conflicting interests, which guide the organization to favor short-term targets instead of long-term activities. Interviewees note that too strong short-term pressure has a negative impact on employees' welfare. Moreover, I find that individuals' work roles affect how they perceive different time periods.

Figure 12. Summary of Tensions Caused by Short-term Survival vs. Long-term Adaptability Paradox.



4.1.2 Constraints vs. Possibilities

The second paradox that explains tensions between exploration and exploitation is called the constraints versus possibilities paradox (Andriopoulos & Lewis, 2010). In ambidexterity literature, researchers agree that exploitative and explorative activities require different conditions to be realized (March, 1991; Mom et al., 2019). From a managerial perspective, this is often a balancing act between how much individuals should be given opportunities to try something new, and on the other hand how much they should be constrained to be effective (Andriopoulos & Lewis, 2010).

Andriopoulos and Lewis (2010) point out that promoting emerging opportunities helps an organization think bigger and out of the box. Identifying opportunities enables an organization to expand into new markets, find breakthrough innovations and operate in a more agile way than its competitors. Seeing opportunities fuels creativity, helps challenge assumptions and stretch boundaries. Limited resources are often the factor that creates constraints in the organization. Structures, management actions, practices and decision-making can also create constraints. Constraints create a kind of frame within which the members of the organization should be able to operate.

Again, Andriopoulos and Lewis (2010) remind that the constraints-possibilities paradox must be seen in the context of dangerous extremes. Taken to extremes, opportunities can lead to oversized activities that do not deliver value to customers in the same proportion and thus lead to a waste of resources. In the other extreme, constraints can make an organization inflexible, and in the worst case, it becomes crippled.

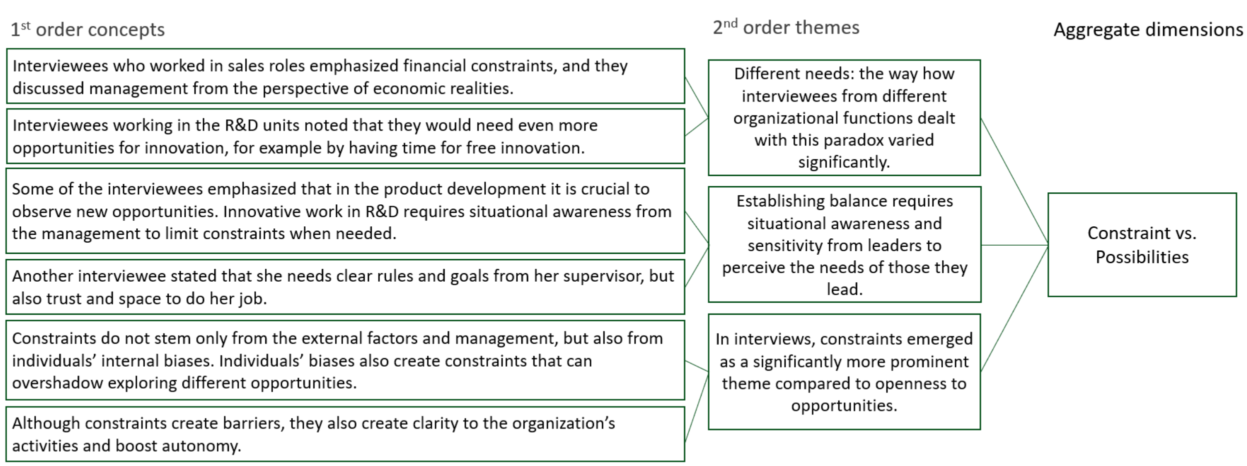
Interviewees recognized the tensions created by possibilities versus constraints paradox in their organization. However, the way how interviewees from different organizational functions dealt with this paradox varied significantly. For example, interviewees who worked in sales roles emphasized the financial constraints, and they discussed management from the perspective of economic realities. They noted that constraints established the framework within which employees could act autonomously. In turn, interviewees working in the R&D units noted that they would need even more opportunities for innovation, for example by having time for free innovation. They emphasized that in the product development it is crucial to observe new opportunities, which requires situational awareness from the management to limit constraints when needed.

Some of the interviewees noted that limited resources are also a factor that creates constraints negatively affecting the balance of explorative and exploitative tasks. Moreover, one of the interviewees brought up that individuals' biases also create constraints that can overshadow exploring different opportunities. Consequently, constraints do not stem only from the external factors and management, but also from individuals' internal biases.

Although constraints create barriers, they also create clarity to the organization's activities. One of the middle managers pointed out that her management style is based on trust. She believes that her subordinates are capable of making their own decisions between exploitative and exploratory activities and they are able to discuss whether the balance has been successful in terms of the financial figures to guide future focus. Another interviewee stated that she needs clear rules and goals from her supervisor, but also trust and space to do her job.

Figure 13 summarizes the findings regarding the constraints versus possibilities paradox. In general, the way how interviewees from different organizational functions dealt with this paradox varied significantly. In the interviews constraints emerged as a significantly more prominent theme compared to openness to opportunities. Interviewees pointed out that establishing balance requires situational awareness and sensitivity from leaders to perceive the needs of the ones they lead.

Figure 13. Summary of Tensions Caused by Constraints vs. Possibilities Paradox.



4.1.3 Cohesiveness vs. Diversity

The third paradox of the model presented by Andriopoulos and Lewis (2010) is the diversity versus cohesiveness paradox. In this context, diversity refers to the cooperation with team members from different units, while cohesiveness refers to the collaboration with members of one's own core team. Diverse team allows for a broad range of expertise. It enables creativity, the expression of opposing viewpoints and the sharing of knowledge between different teams. The weakness of diverse teams is that team members do not have full knowledge of the skills and abilities of their colleagues, and it is not the most effective way of working in terms of implementation. On the other hand, cohesiveness enables smooth teamwork in core teams, combining common understanding and appreciation, co-developed practices, and shared goals. However, while the generation of ideas is effective in core teams, it does not necessarily encourage new ways of thinking. Similarly, in this paradox, dangerous extremes can undermine team's functioning, thus missing out on the potential benefits of balancing.

The interviewees emphasized that especially explorative activities require collaboration between different teams and cross-functional collaboration was mentioned multiple times in all interviews, even though interview questions did not directly ask about it. However, once the interviewee touched on this topic, I further investigated it with additional questions.

Interviewees did not consider which tasks should be implemented within the core team and which should be assessed with other teams. Instead, interviewees highlighted the tension that arises when each team wants to protect its own resources while understanding at the same time that cooperation requires that each team makes an effort to cooperate. One middle management representative describes the tug of war between middle management as tensions that arise from sharing workload between teams when all teams are resource constrained. Middle managers understand that cross-functional collaboration is not about how to best protect their team, but instead it's about how to treat individuals in each team equally. However, since the short-term activities fill the daily workstreams, pressure increases, and team leaders prefer to protect their team members. The interviewee noted that in these situations it’s highly important to discuss directly how to relieve the burden together.

In addition, interviewees also raised several other factors that may complicate cooperation. One of these factors is the size of the group of participants, which as it grows, makes it challenging to agree on schedules. Another challenge is the teams' commitment to cooperation. Although teams can be highly committed to cross-functional collaboration, often the problems and concerns of their own team are prioritized at the expense of collaboration. This can cause friction in cooperation and slow down the progress of the project. Furthermore, one of the interviewees pointed out that sometimes individuals may be so focused on their own team's activities that they don't notice to look at things more broadly.

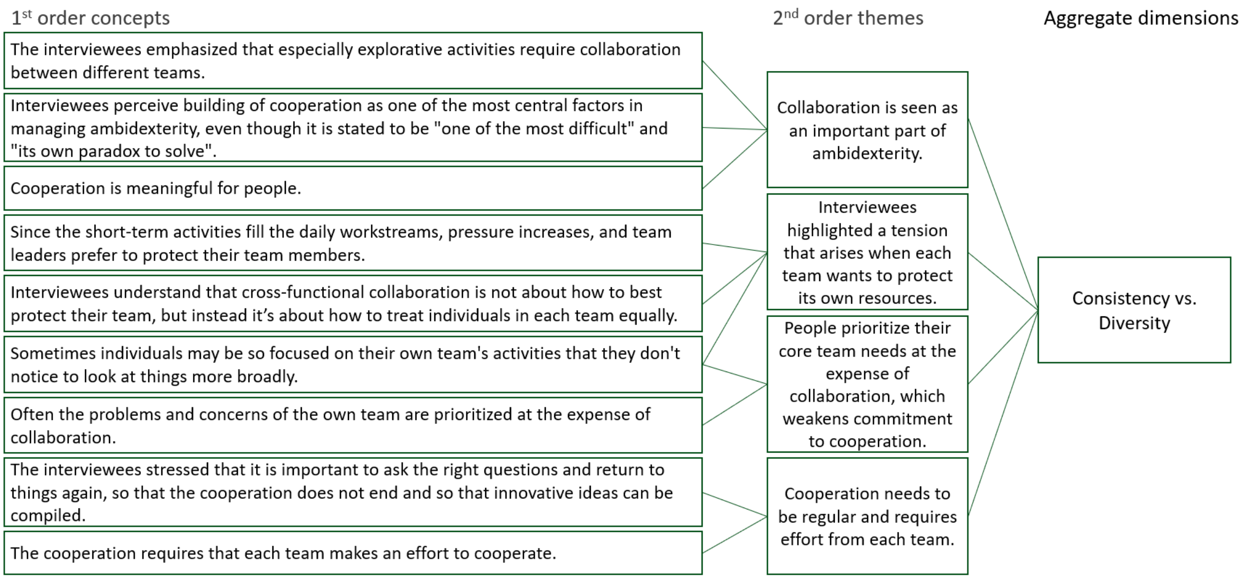
Interviewees perceive building of cooperation as one of the most central factors in managing ambidexterity, even though it is stated to be "*one of the most difficult*" and "*its own paradox to solve*". On the other hand, working together is also often perceived as meaningful, as one of the interviewees stated:

> *"Our employees enjoy because everybody comes together and has a seat at the table in pushing the business forward."*

Interviewees focused largely on perspectives related to cooperation, whereas the view on own team’s cohesiveness was less referred. My interpretation is that working with one's own team is self-evident to the interviewees, while prioritizing cooperation requires more effort. In every interview, it became clear between the lines that the work of one's own team is often prioritized before cooperation, and therefore attention should be paid to cooperation.

Figure 14 summarizes the findings regarding the cohesiveness versus diversity paradox. Overall, collaboration is seen as an important part of ambidexterity. Interviewees highlighted a tension that arises when each team wants to protect its own resources. Often, people prioritize their core team needs at the expense of collaboration, which weakens commitment to cooperation. Interviewees reminded that cooperation needs to be regular and it requires effort from each team.

Figure 14. Summary of Tensions Caused by Cohesiveness vs. Diversity Paradox.



4.1.4 Discipline vs. Enthusiasm

The fourth perspective through which the exploration and exploitation tension is examined is the enthusiasm versus discipline paradox. In the context of organizational ambidexterity innovation is a central topic. There is a constant pressure to innovate in organizations. On the one hand, individuals in organization should develop new products and concepts that meet customer needs, but on the other hand, the time, manpower, and budget for development is often very limited. Andriopoulos and Lewis (2010) describe that at the individual level this creates a conflict between enthusiasm and discipline. In the context of innovation, enthusiasm often supports intrinsic motivation, increases work satisfaction and commitment, and drives productivity and creativity. Discipline helps the individual to commit to given constraints, such as a given budget, objectives, and deadline. At its best, a successful balance of enthusiasm and discipline leverages the best of both perspectives and enables value-added innovation.

Enthusiasm and discipline alone do not support innovation. According to Andriopoulos and Lewis (2010) extreme enthusiasm for work feeds chaos. Individual creativity can then be seen as a compulsive activity, leading to inefficiency from an organizational perspective. Similarly, when taken too far, discipline leads to excessive standardization and inflexible structures that systematically prevent creativity and new ideas (Andriopoulos & Lewis, 2010).

The interviewees perceived enthusiasm and discipline as traits that ambidexterity requires to be realized. They recognized the benefits of both elements, but also described the dangers that could arise if either element was overemphasized. In particular, they outlined the paradoxical nature of these two elements.

The interviewees saw discipline as a necessity because the organization has internal and external pressure to deliver their promises on time. Financial goals and efficiency requirements also lead to disciplined operations. Disciplined action, however, requires that the individual knows what is expected of him and bears responsibility for her own tasks. If this is not the case, tensions may increase even more, as one of the interviewees described:

> *"Being specific for the employee for what their goals are is very important, and then having the leadership to be there to hold people accountable is very important. If other people aren't doing their jobs and not held accountable, it creates a pretty bad work environment quickly where everyone's like ok, we're all being asked to hit some tight timelines, but this one or two-person team keeps holding this back and we're missing everything because they're not being held."*

A middle manager working in the sales function described that in roles related to sales management, they work close to the customer interface, which means that there is a constant input of stimulus and pressure. Changes in demand and the economic situation, as well as the constant changes in customer preferences, create a tense environment full of demands that must be responded to. This amplifies the fact that balancing between exploitative and explorative activities is particularly challenging. Several interviewees emphasized that it is necessary to be able to focus disciplined on what is currently at hand.

When it comes to enthusiasm, it is perceived as a trait that is especially needed when exploring new ideas and innovations. Two of the interviewees also felt that the supervisor's work was easier, if even a part of the team was enthusiastic, for example, about the development of operations. Interviewees working in different roles brought up concrete examples and often linked enthusiasm to a motivated or passionate individual. When talking about enthusiasm, the interviewees pointed out that the management should handle the enthusiasm of individuals with a certain sensitivity and softness, so that people do not lose their motivation and creativity.

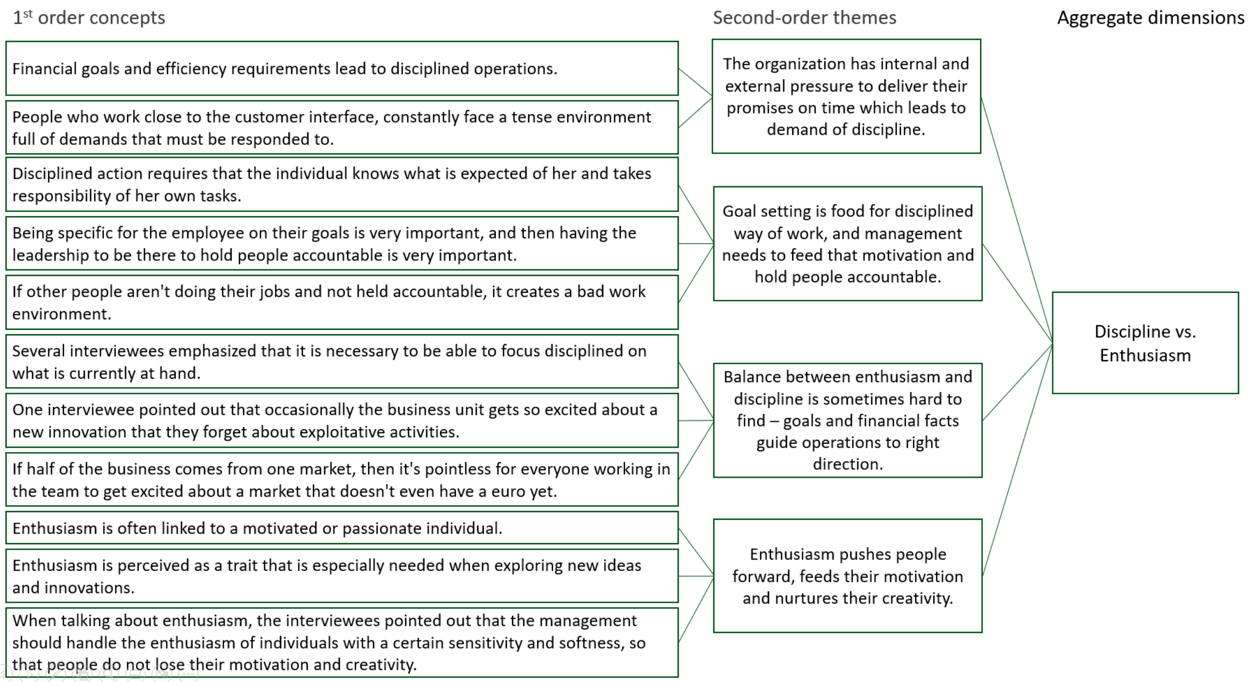
Another challenge in managing this paradox lies in the fact that different views of prioritizing may crush individual's enthusiasm and discipline. One of the middle managers noted that they occasionally face situations where top management encourages to innovate and are eager to hear employees' ideas, but when the innovation should be taken into action, management does not see it that important anymore and there might not be resources to develop it. The interviewee emphasized that in these types of situations clear communication is extremely important to control tensions.

However, it is a challenging task to balance discipline and enthusiasm. One of the middle management representatives pointed out that occasionally the business unit gets so excited about a new innovation that they forget about exploitative activities noting that: "*One needs to remember that they (new activities that do not produce) are expenses until they become investments. Investments mean that they will also become income at some point*". She continued that it is necessary to remember "*which market the business comes from. If half of the business comes from one market, then it's pointless for everyone working in the team to get excited about a market that doesn't even have a euro yet. Therefore, focusing is important so that resources are allocated correctly*."

Moreover, several interviewees referred to balancing discipline and enthusiasm when discussing internal development. The interviewees noted that in the past, especially at the organizational level, new development projects were easy to get excited about and a lot of them were started, but the problem was that the projects were not completed with discipline. Today, the organization has better managed to limit the number of projects and thus managed to get better results from them.

Figure 15 summarizes the findings regarding the discipline versus enthusiasm paradox. In general, the interviewees perceived enthusiasm and discipline as traits that are required to realize ambidexterity, but balance between them is sometimes hard to find. I find that the organization has internal and external pressure to deliver their promises on time which leads to demand of discipline. Interviewees noted that goal setting is food for disciplined way of work, and management needs to feed that motivation and hold people accountable. On the other hand, enthusiasm pushes people forward, feeds their motivation and nurtures their creativity. Based on the examples brought up by the interviewees, it can be concluded that discipline requires a certain kind of hardness. In turn, when talking about enthusiasm, the interviewees pointed out that the management should handle the enthusiasm of individuals with a certain sensitivity and softness. In parallel, these two elements seem contradictory, which is highly typical for paradoxes.

Figure 15. Summary of Tensions Caused by Discipline vs. Enthusiasm Paradox.



4.2 Q2 Findings: What Management Practices Top and Middle Managers Utilize to Support and Develop Ambidexterity in the Case Organization?

In this chapter, I discuss my findings on the second research question. I assess the findings on management practices through the lens of Zimmermann's et al. (2018) configurational exposure practices. I complement their framework with a fourth identified practice category, "culture building practices". Consequently, the framework consists of four types of practices – coordination, socialization, system, and culture building practices.

Table 3 below summarizes the findings on the practices that the CaseCo utilizes to support and foster ambidexterity. The findings indicate that both middle managers and executives utilize relatively similar practices to support ambidexterity. However, there are some differences. Middle managers utilize coordination practices more frequently. These practices help them view the big picture to maintain both exploitative and explorative activities. Moreover, many of these practices support them to concretize strategic targets and integrate them as part of the operations. In turn, executives assessed similar themes from the broader perspective of strategy and strategic choices. They did not discuss these topics as strongly from the perspective of practices.

Both middle managers and executives emphasized cross-functional collaboration between different units, and they introduced relatively similar practices. Regardless of the hierarchy level of the interviewee, they brought up similar type of culture building practices that support innovative actions. For example, learn and fail fast practice is a commonly used practice in the CaseCo and it was noted by almost all of the interviewees. In system practices category, routine meetings and one-to-one discussions practices were referred to by both middle managers and executives. In the following sections, I dive deeper to the findings on the coordination, socialization, system, and culture building practices.

Table 3. Response Counts of Different Practices.

	Middle Managers (N=7)	Executives (N=2)
COORDINATION PRACTICES		
Structural coordination		
75/25 approach	1	
Structural roles	1	
Smaller building blocks		1
Planning practices		
Timeline	3	
Roadmap	3	1
Functional strategies	2	1
SOCIALIZATION PRACTICES		
Meetings	5	2
Informal conversation opportunities	1	1
Special day	2	2
SYSTEM PRACTICES		
Routine meetings	7	2
One-to-one discussions	2	1
Clear Milestones	3	
Change Agents		1
CULTURE BUILDING PRACTICES		
Learn and fail fast	4	2
Allow room for one’s ideas	4	2
Encourage to innovate	3	1

4.2.1 Coordination Practices

Coordination practices consist of two dimensions. First of the dimensions is called structural coordination, which includes practices based on the idea of structural ambidexterity, in which explorative and exploitative activities are separated. In this context, practices are utilized to establish light structures within a unit to help manage tensions. The second dimension is called planning practices. Planning practices help team and individuals manage big picture and coordinate resources more efficiently. As interviewees stated, planning practices enable to allocate time especially for explorative activities. Next, I introduce findings on these practices in detail.

4.2.1.1 Structural Coordination

Based on the interviews CaseCo utilizes a set of practices to structure their activities to support balancing between contradictory demands. One of the interviewees explained that larger projects are split into smaller parts, so that gains can be realized quickly. Another interviewee highlighted that they managed to create a structure that supports ambidexterity by creating different roles for team members. In turn, third interviewee noted that their unit utilizes a 75-25 structure, where 75 % of targets are aimed for daily operations, while 25 % of targets focus on innovative activities. In the following paragraphs, I dive deeper to these practices.

SMALLER BUILDING BLOCKS

As described above, one of the interviewees discussed a practice where larger projects were split into smaller entities. The interviewee noted that previously the organization tended to plan massive change projects, but eventually these were not either implemented or their benefits were not fully realized. Dividing large projects to smaller sub-projects makes it easier to manage the full entity and benefits can be reach in the short-term via small sub-projects. The interviewee noted that, for example, pilot experiments may be used to test new ideas in an agile way.

Moreover, it is easier to get a funding for smaller projects in a financially constrained environment, as their benefits can be realized more quickly.

STRUCTURAL ROLES

One of the interviewees described that different roles allow to share resources for both exploitative and explorative activities. She had previously worked in a team within the CaseCo, where work assignments were divided in a way that one of the team members focused on exploring global markets assessing potential new markets for expansion and how to respond to emerging needs. In other words, her role was to focus solely on explorative activities, while the rest of the team put their efforts on exploitative activities on markets that were profitable at that time. This practice described by the interviewee is an important finding, since the discussion on this type of structural separation is limited in the ambidexterity literature. Often structural ambidexterity is discussed in the context of separating exploitative and explorative activities between units, but according to the interviewee structural separation could be also utilized through different structural roles within the core team.

75–25 APPROACH

One of the interviewees, who works as a middle manager in the R&D unit, explained that at the beginning of the year they set targets following the 75–25 approach. In this approach 75 % of targets are aimed for daily activities, whereas 25 % of targets focus on higher-level innovations. Progress of the targets is assessed twice a year and activities will be reorganized if there’s a need for change. In this way, managers in this unit can ensure that there are enough resources allocated to radical innovation and product development. This approach is somewhat similar to a 70-20-10 approach utilized by Google, where they allocate 70 % of resources to exploitative activities and 30 % to explorative activities.

4.2.1.2 Planning Practices

The case organization uses planning practices actively to manage the balancing of exploitative and explorative activities. The most commonly used tools or concepts for implementing planning practices involve roadmaps, timelines and functional strategies. The interviewees described that planning practices enable planning that allows the company to anticipate changes in its environment. Furthermore, planning practices bring different activities together and enable to structure resource needs. This allows managers to have an overview of the organizations processes.

Many of the interviewees brought up that especially long-term actions require sufficient allocation of time, which can be done in multiple ways. Some of the interviewees booked designated time in their calendars, a few of them kept a checklist to allocate effort also to long-term actions, and others noted the importance of events and meetings. One of the interviewees summed it up by saying that long-term actions require courage. This means courage to set aside time to promote long-term activities and courage to inform others that, for example, the team in charge will not participate in exploitative activities on a given day. She explained that one needs to be able to occasionally prioritize long-term actions over short-term exploitative actions to create long-term progress. On the other hand, one of the interviewees noted that this is easier said than done as it's a constant battle and constant push and pull between allocation of resources on short-term and long-term activities. However, she agreed that the leaders in the organization need to understand where the organization should head, what are the actions required for the target, and allocate sufficient resources to support this target. All in all, based on the interviews managers' role is highly important in balancing long-term and short-term actions.

The interviewees emphasized that planning practices should be dynamic. Business environment changes quickly, so when planning practices are implemented, one should take into account that plans can be adjusted and changed, as noted by one of the interviewees. When the interviewees described different methods, several of them mentioned that the planning practices were created in such a way that they could be updated, for example, on a quarterly basis, which allows the plan to roll forward. In general, planning practices help the management see further and coordinate the planned activities. Next, I will shortly introduce the most common planning practices in the case organization.

TIMELINE

Three of the interviewees highlighted that they utilize timelines when implementing planning practices. First, timeline forces an individual to think about when a certain task is to be completed allowing the plans to be linked to the concrete level. It may also be used to visualize the order in which things are to be implemented, and at the same time it shows that both exploitative and explorative activities will be taken into account in the operation. The third benefit raised by the interviewees was related to urgent tasks that need to be prioritized over the normal course of activities. If there exists a clear timeline, one can quickly return to it and pick up where she was left when moving back from the more urgent ad hoc tasks. In addition, interviewees also noted that timelines are useful as they keep in mind long-term targets even though people and teams may change.

One of the interviewees used timelines in planning and monitoring the activities of the team she was managing. Another interviewee, in turn, said that in her team each team member maintains their personal timeline, which shows what they will do in the next one to three years. The timeline is updated quarterly, so that it remains up-to-date and that the view on three years from now exists on some level. More specifically, she emphasized the need for planning for future, so that they can start acting right away:

> *"so that we can see if there are things in the future that should be started today, we need that timeline. Because you won't be able to do something that lasts 3 years and will be ready in 3 years if you don't start it today.”*

ROADMAP

Interviewees considered roadmaps useful mainly for their ability to allow prioritization and making decisions on focus points. Roadmaps are also useful in viewing the big picture and structuring future developments to anticipate changes. Thirdly, interviewees pointed out that roadmaps also serve as a tool to bring people together from different units, and it can be used to discuss what is working, what is not working and what the team or organization should do in the future to develop. While roadmaps support planning practices, they can also support socialization practices that are discussed in the next chapter.

In total, five out of nine interviewees brought up roadmap work. Especially those who worked in the U.S. used roadmap method a lot. Some middle manager level employees felt that using the tool is more like a top management level's tool to plan activities, but some middle managers also used the tool to plan their own team's activities. Some of the interviewees used the roadmap tool to plan tasks or projects that require long-term work. On the other hand, some took advantage of the tool by setting both exploitative and explorative activities on the roadmap to manage the overall picture.

FUNCTIONAL STRATEGIES

Three interviewees highlighted different strategies and annual planning that can be used to strengthen ambidexterity. Some referred to these with the term "annual plans" and some referred to them with the word "strategy". In both methods, the planning focused on the activities of the own team in the medium term. A middle manager working in product development explained that they have a senior management representative who prepares an innovation strategy for the next two to three years, which then serves as an important guiding tool in their operations. After the innovation strategy is in place, one needs to find a suitable balance between incremental product development (exploitative activities) and innovation projects (explorative activities).

4.2.2 Socialization Practices

Interviewees raised cross-functional collaboration as one of the main themes in supporting ambidexterity and they emphasized socialization practices to create and manage collaboration. Interviewees emphasized that especially explorative activities require collaboration to succeed, and they identified multiple ways to implement socialization practices. The relevant practices consisted of meetings, informal conversation opportunities, and special day concepts including workshops, sprint days, and gatherings of experts. Interviewees stated that socialization practices support collaboration, reduce silos, improve the flow of information, outline the overall picture, and create opportunities to focus especially on exploratory activities. Interviewees agreed that socialization practices allow to create time to focus on pre-defined themes, which is important in a hectic operating environment.

One of the interviewed executives emphasized that the role of managers is to enable opportunities for people to do cross-functional collaboration. She thinks that it’s the managers’ task to make decisions that support and enable collaboration and connect people together. She also notes that cross-functional collaboration allows teams to strive to the same direction. Teams must know what they should be focused on, but then focusing on that collaboratively. She states that it is highly important in a multinational organization, that teams find ways to collaborate with one another so that they don’t work in a vacuum or in silos. Next, I introduce in detail the socialization practices highlighted by the interviewees.

MEETINGS

Both meetings within the team and between representatives of different teams were considered as a central part of socialization practices. In this section, I discuss how meetings were seen to promote socialization practices. Later in the system practices section, I assess how routine meetings support ambidexterity.

The interviewees pointed out that with the help of meetings it is relatively easy to take into account both exploitative and exploratory aspects. One of the middle managers emphasized that cross-functional meetings have a central role in achieving ambidexterity because they "*drive people together to talk about what's working now, what's not working now and what do we need to do to be successful as we look in the short and long-term future*." The advantage of cross-functional meetings is also that they are a relatively easy way to bring people together from different teams and thus strengthen cross-functional collaboration. Another executive also pointed out that meetings that bring the whole personnel together are important opportunities to spark discussion, explain things more broadly and transparently, and help individuals grasp the bigger picture. The sharing of information and the possibility of sharing the workload were also raised as key benefits of meetings.

INFORMAL CONVERSATION OPPORTUNITIES

Two interviewees brought up practices related to informal discussions. The increase in remote work has led to a situation where the regular informal discussions that used to take place in the office have decreased. Another challenge is that the case organization operates globally around the world, which poses challenges especially among senior management. Although often informal discussions may be related to discussing daily issues, they may also lead to key innovation ideas.

Both interviewees noted that informal conversation practices should be developed, as they are currently not sufficient in the case organization. Another interviewee highlighted speed and agility as the strength of informal discussion practices:

> *"We can't only get things done when we have a meeting on the calendar to connect one-on-one. We have to be quick. We have to be able to talk to multiple different people in the organization and we have to be able to pick up the phone and have a quick conversation."*

SPECIAL DAY

Interviewees brought up several socialization events, which I named collectively "special day" practices. These concepts share the fact that they can all be seen as socialization practices and their purpose is to make individuals detach themselves from everyday life. As observed in the analysis of tensions in section 5.1, there are various tensions associated with ambidexterity, which create obstacles to focus on exploratory activities and think creatively.

In the case organization, the special day practices aim to enable time to focus especially on explorative activities, but they can also be used in a way that both perspectives, exploitative and explorative activities, are addressed. With the special day concept, it is relatively easy to bring people from cross-functional teams together, so that other urgent ad hoc tasks do not prevent collaboration as easily. In addition, special day enables a specific development target to be promoted in a short period of time. Two interviewees pointed out that special day practices should be held regularly and they should be integrated as part of the operations. The Table 4 below describes what kind of special day concepts the CaseCo has utilized.

Table 4. Examples of Special Day Concepts.

Workshops	Two interviewees discussed the importance of workshop work. One of these interviewees said that they had a three-day innovation workshop in which people from several different teams participated. The purpose was that all participants could bring up ideas and suggest how their company could speed up innovation. The workshop was successful and resulted in more than 200 ideas. Another interviewee talked about a two-phase workshop that brought together several different sales teams. In the first workshop, the participants had to think about answers to typical questions related to sales development and management and through that think about ideas on how sales could be developed. The workshop had a rule that the participants had to give up all the restrictions they normally face in everyday life. The participants had to record the ideas in Excel and evaluate numerically how difficult the idea in question is to implement and how potential the idea is. In the second workshop, the participants were given an Excel file in which the ideas from the first workshop had been collected. The participants had to define what the ideas would mean in euros for each customer. In addition, they had to define the year, when and how the idea would be implemented.
Sprint Day	One interviewee pointed out that she has used the sprint day concept with her own team. Idea of the sprint day is to choose a theme that the team desires to develop. One of the team members plans the day and divides the development stages into smaller sets of tasks. During the day, the same person assigns other team members tasks that they should develop. The goal is to get as far as possible in the development work during the day. She told an example where they had developed a simple software during the morning and in the afternoon, they had tested it in a real environment. The benefit of the sprint day is that the whole team works on a limited development target all day, which enables high level of concentration, rapid development work and the development of cooperation in the core team.

Gatherings of experts	One of the interviewees brought up an event where experts of the same professional group, who do not work with each other on a daily basis, but who play a completely similar role, gather together to share a snapshot of the current state of business and news about new product innovation and to establish new ideas for the business. The event lasts one to two days and is organized twice a day. The agenda of the event is designed in such a way that it contains both exploitative and explorative activities, which can be seen as supporting the promotion of organizational ambidexterity.

4.2.3 System Practices

The interviewees highlighted multiple practices that are utilized to systematically maintain balance between exploitative and explorative activities. For example, they mentioned routine meetings, one-to-one discussions, clear milestones and change agents. All of these practices share similar characteristics. First, they are routine like and repeated regularly. Second, they can be maintained as part of everyday operations with little effort. Several interviewees emphasized that when everyday life at workplace is busy, it is important that explorative activities can be supported with light practices. Next, I will present in detail what kind of system practices are utilized at the CaseCo.

ROUTINE MEETINGS

I already referred to "meetings" in the context of socialization practices. However, from the perspective of system practices, every interviewee mentioned some routine meetings that repeat regularly. One of the interviewees described that their routine meetings always have a section where current issues are discussed and another section where the focus is especially on long-term activities and thus it is possible to make progress in long-term matters as well. In general, the interviewees noted that routine meetings often function both as status checks and as channels for sharing information. In addition, challenges may be highlighted and solved right away in these meetings. Knowledge sharing, learning and the possibility to ask things were also raised as benefits of routine meetings.

ONE-TO-ONE DISCUSSIONS

Two of the interviewees brought up regular one-to-one discussions, where key personnel discuss and summarize what was the situation of the business before, what is it now and where to focus on in the future. This makes it possible to grasp the overall picture, so that individuals are better placed to act ambidextrously. Interviewees emphasized that it is important to have light practices which are easy to repeat. For instance, sometimes one-to-ones can be just quick phone calls.

CLEAR MILESTONES

Three interviewees pointed out that to support ambidexterity, it is important that the organization has process-like practices which have become routines due to their repetitive nature. One of the interviewees summed it up in the following way:

> *"We have different process to guide us and to work together with close function team and then those are normal routines for us. We have certain project, it's part of the free the front-end development. We have very clear to get the process from the gate zero to gate five that means we have each milestone has clear checking list for each area".*

Consequently, clear milestones, check lists for each milestone area, and systematic process progress can be considered important elements of these practices.

CHANGE AGENTS

One of the executives noted that they have a practice of using change agents. The members of change agent group aim to act as a link between management and staff. Their task is to talk with different representatives of the staff and ask for development ideas that the staff feels important. This method allows ideas to reach the management regularly and the management gets a better picture of how the operations should be developed. The benefit of change agents is that ideas come in a continuous stream, which in turn promotes innovation.

4.2.4 Culture Building Practices

Culture building practices are more abstract than other practices. This was evident in the interviews, as the interviewees found it hard to describe them. The interviewees often reflected through their own actions, how they as managers deal with situations where an employee admits a mistake or when an employee presents new ideas. Nevertheless, many interviewees managed to describe culture building practices that are repeated regularly in everyday business life and which involve concrete actions. Findings on culture building practices emphasize that these practices need to be repeated systematically and management needs to be able to listen to their employees and provide resources to implement their ideas.

LEARN AND FAIL FAST

The CaseCo has recently launched a culture supporting program at the group level with the theme of learn and fail fast. This program is aimed to build culture that allows mistakes. Instead of blaming for mistakes, the focus is on encouraging to admit mistakes and learn the reasons why the task failed and then move on. One of the interviewees noted that in case of mistakes she aims to communicate constructively, and lead by example admitting her own mistakes and handling them in a way that is kind and compassionate towards herself. Multiple interviewees agreed on the importance of this practice and emphasized that the practice should be firmly established as a part of the organization.

ALLOW ROOM FOR ONE’S IDEAS

Six of the interviewees discussed that as managers they should strive to act in such a way that they do not turn down the enthusiasm of those being managed when they propose new ideas. One of the interviewees emphasized the importance of listening and encouraging to bring up new ideas, while another interviewee stressed that individuals should be given a chance to explore and innovate even though they may not be able communicate the idea clearly right away, since sometimes people have a good idea in their heads, but they just can’t communicate it so that other people truly understand what the opportunity is. Moreover, she noted that allowing individuals to explore gives them a chance to learn new things and learn what they probably shouldn’t do, which can be highly useful in more time sensitive projects.

> *"Giving people the opportunity to follow their gut a bit and try some weird stuff, you learn a lot - sometimes about what you shouldn't do, which is very helpful because it keeps you from making mistakes on projects that are very time sensitive.“*

ENCOURAGE TO INNOVATE

Interviewees emphasize that managers need to create an organizational context for employees, where innovative actions are welcomed, and managers demonstrate their understanding by concrete actions that balancing between exploitation and exploration requires sensitivity and responsiveness from management. Four of the interviewees described various situations where managers managed to seize opportunities by being responsive in removing constraints and offering resources for new opportunities. One of the interviewees summarized that the key is that management is open to conversation and hears employees’ proposals allowing them to participate.

Moreover, interviewees described concrete practices that offer opportunities to boost innovative thinking. One of the interviewees, who works as a middle manager in the R&D unit, highlighted that they utilize multiple practices to encourage individuals to innovate. For instance, they encourage employees to take advantage of their own interests and offer the opportunity to test CaseCo’s products in their free time. Product development function also provides resources for employees to go to shops to find out what kind of products are available in the market and buy them for testing purposes. Moreover, employees have an opportunity to participate in industry fairs to learn about the latest trends in the industry. Finally, the product development function arranges events where CaseCo’s products are tested by industry professionals, which allows product developers to discuss product features with consumers who use CaseCo’s or competitor’s products in professional use.

5 Conclusion

The purpose of this thesis is to study what types of management practices are utilized to support and develop ambidexterity in the case organization. In this paper I aimed to understand what kind of role management practices have in managing organizational ambidexterity. To achieve this, I sought answers to two research questions: “What kind of tensions does pursuing ambidexterity cause in the case organization?” and “What management practices top and middle managers utilize to support and develop ambidexterity in the case organization?”.

In the introduction chapter, I identified three gaps in the ambidexterity research. First, most of the ambidexterity literature has focused on studying the role of top management in pursuing ambidexterity and the role of middle management has received limited recognition. Second, many studies focus only on one stream of ambidexterity theory such as structural ambidexterity (O’Reilly & Tushman, 2013) or contextual ambidexterity (Birkinshaw & Gibson, 2004), which has led to the lack of comprehensive assessment of ambidexterity. Third, in general, ambidexterity literature has suffered from the inability to precisely define how ambidexterity can be managed in practice with concrete management practices. There are only a few studies focusing on concrete management practices that support ambidexterity (Knight & Cuganesan, 2020; Mom et al., 2018; Cao et al., 2013; Zimmermann’s et al., 2018). In addition, many of the studies focus on specific niche areas, such as top management’s valuation practices (Knight & Cuganesan, 2020), HR practices (Mom et al., 2018), and IT outsourcing governance practices (Cao et al., 2013).

To respond to the first research gap, I decided to interview middle managers in addition to the top management to establish a complete view of different perspectives and dynamics of top and middle management in the development of ambidexterity. My findings indicate that, in fact, middle managers face many of the tensions caused by simultaneous management of exploitative and explorative activities. Consequently, they play an important and active role in identifying and managing tensions with different practices to support and develop ambidexterity. My findings align with Burgess et al. (2015), who find that middle management plays a key role in promoting ambidexterity. In addition, I find that middle managers and executives see tensions and utilize practices in a relatively similar way. However, executives put slightly more emphasis on financial aspects and practices related to broader decision making. Also, communicational issues and different views on prioritization cause tensions between middle managers and executives occasionally. These findings also support recent literature, that has started to investigate more closely the impact of the operational level on ambidexterity (Burgess et al., 2015; Kauppila & Tempelaar, 2016; Zimmermann et al., 2018; Mom et al., 2018).

As I introduced in the chapter 1.2, traditionally organizational ambidexterity studies have taken a rather one-sided look at the topic restricting their view either on providing structural solutions (i.e., structural ambidexterity) or emphasizing individuals' ability to divide their working time between exploitative and explorative activities (i.e., contextual ambidexterity). However, as Jansen et al. (2009) argue, managers should focus on managing ambidexterity as a whole. In this thesis, I assessed both structural ambidexterity and contextual ambidexterity to build a comprehensive view of practices that support ambidexterity. The comprehensive approach helps to understand in a more holistic way, what kind of role management practices have in managing organizational ambidexterity.

In this thesis, I establish a framework consisting of four practice categories. Through the framework, I identify what kind of practices middle managers and executives utilize in the CaseCo. I find that all of the ambidexterity supporting practices provide mechanisms to manage tensions and conflicting interests. Additionally, the finding that culture building practices have a central role in supporting ambidexterity is valuable, because in the ambidexterity literature culture building practices have received limited recognition. Based on the findings of my thesis, I conclude that management practices have a central role in managing ambidexterity. They help manage tensions and foster ambidexterity. However, it is important to understand that ambidexterity is a dynamic capability that also requires many other means than practices to form and develop.

5.1 Q1 Analysis: What Kind of Tensions Does Pursuing Ambidexterity Cause in the Case Organization?

Tensions are at the core of organizational paradoxes (Smith, 2014). According to Putnam et al. (2016) and Lewis et al. (2014), paradoxes create tensions, conflicting interests, and emotional turmoil, that managers should try to cope with the paradox. According to Andriopoulos and Lewis (2010), ambidexterity addresses tensions arising from the paradox between exploration and exploitation, which can be further segmented to other paradoxes including (i) short-term survival versus long-term adaptability, (ii) constraints versus possibilities, (iii) cohesiveness versus diversity, and (iv) discipline versus enthusiasm paradoxes. I utilize the framework of Andriopoulos and Lewis (2010) to identify tensions caused by simultaneous exploration and exploitation in the CaseCo. The framework can also be seen in a way that short-term survival, constraints, cohesiveness, and discipline support exploitative activities, whereas long-term adaptability, possibilities, diversity, and enthusiasm can be seen as factors that support explorative activities.

In the interviews, I did not explicitly address ambidexterity through the framework of Andriopoulos and Lewis (2010). Nevertheless, the interviewees highlighted tensions related to all paradoxes within this framework. Based on the interviews, both dimensions of each paradox were seen as crucial elements for ambidexterity. Interviewees noted that the paradoxes caused tensions within the organization. Particularly, when discussing the short-term survival versus long-term adaptability paradox, interviewees recognized that dimensions supporting exploitative short-term activities were emphasized in the CaseCo. In the case of the constraints versus possibilities and discipline versus enthusiasm paradoxes, the diverse needs of different units were brought up most prominently. Finally, for the cohesiveness versus diversity paradox, the interviewees emphasized the importance of cross-functional collaboration. They highlighted that collaborative efforts are often needed especially for explorative activities to realize.

After analyzing the interview findings, I identify three main factors causing tensions in the CaseCo. The first tension-inducing factor is that short-term goals and requirements create an atmosphere that supports better exploitative activities than explorative activities. The second factor is the scarcity of resources, which is particularly evident in the lack of time. The third factor involves different needs and perspectives of different units.

The first tension-inducing factor is that short-term goals and requirements create an atmosphere that supports better exploitative activities than explorative activities. As many of the interviewees argued: "one cannot be successful long-term if one is not successful in the short-term". When analyzing the short-term survival and long-term adaptability paradox, I identify that there are tensions and conflicting interests, which guide the organization to favor short-term targets instead of long-term activities. In interviews, managers brought up that challenging global economic situation, customers' high expectations, financial targets, and efficiency requirements lead to a situation where focus moves from ambidextrous way of working to favoring short-term activities. All of these aspects create an atmosphere which is optimal for exploitative activities. However, these aspects complicate explorative activities, and especially long-term innovation projects, which require several years to be completed. This dynamic creates tensions and emotional turmoil in the CaseCo.

My findings on preference for short-term activities align with the academic literature. For example, Volberda and Lewin (2003) note that most firms tend to exhibit an asymmetric preference for short-term exploitation activities. It is common for companies to fund long-term innovation projects with immediate wins from exploitative activities in the current business. In addition, public listed companies' operations require that financial targets are met during the financial year, which drives operational activity to favor activities that allow to realize profits in the given financial year. However, from a strategic viewpoint this might in the worst-case scenario lead to a competency trap, which in itself is a risk for organization's survival in a highly competitive business environment. As existing literature explains, competency trap leads to retaining established practices and prioritizing exploitation at the expense of exploration (Leonard-Barton, 1992; O'Reilly & Tushman, 2008), simultaneously reducing organizational flexibility and long-term survival opportunities (Volberda & Lewin, 2003; Park, 2020). My findings do not suggest that the CaseCo is heading to a competency trap. However, dangerous extremes are important to keep in mind when prioritizing between exploitative and explorative activities.

In the CaseCo the second tension-inducing factor is scarcity of resources, which is particularly evident in the lack of time. Scarcity of resources causes conflicts and tensions in the CaseCo, making it difficult to achieve the appropriate balance between explorative and exploitative activities. Interviewees stated that exploitative tasks often overwhelm individuals, leaving them with insufficient resources for explorative activities. Also, immediate concerns consistently take precedence over long-term activities, emphasizing the challenge of resource allocation. In the discussion of cross-functional collaboration, a dimension that was seen as an important element for supporting ambidexterity, competition for resources became particularly pronounced. Interviewees defined three typical situations where competition for scarce resources has a negative impact on collaboration. Firstly, people prioritize their core team needs at the expense of collaboration, which weakens commitment to the cooperation. Secondly, situations where different teams need to share the workload, while being already overloaded, lead to conflicts and team leaders prefer to protect their team members. Thirdly, sometimes individuals are so focused on their own team's activities that they don't notice to look at things more broadly.

The challenge of scarce resources is widely acknowledged in the ambidexterity literature. Tushman and O’Reilly (1996) argue that exploitation and exploration compete for the same scarce resources, which can lead to internal competition and hostility. Especially, structural ambidexterity aims to address this challenge by dividing exploitative and explorative activities to different units. Ambidexterity literature also finds that the role of resource allocation is central in balancing exploitative and explorative activities (see e.g., O'Reilly & Tushman, 2011; Lubatkin et al., 2006; Carmeli & Halevi, 2009).

As the third tension-inducing factor interviewees highlighted that different needs and perspectives of different units induce tensions. Based on the interviews, I find that the needs and perspectives of persons working in sales function were on some occasions largely different from the needs and perspectives of persons working in the R&D units. For example, I find that individuals' work roles affect how they perceive different time periods. This means that the meaning of long-term and short-term time period is different for salespeople and R&D people. In addition, the way how interviewees from different organizational functions dealt with the constraints and possibilities paradox varied significantly, showing how different needs they have. Interviewees who worked in sales roles accepted the financial constraints and emphasized that the constraints establish the framework within which employees could act autonomously. In turn, interviewees working in the R&D units noted that they would need even more opportunities for innovation, for example, by having time for free innovation. Moreover, different interests, goals, and resource needs affect tensions in cooperation situations.

Ambidexterity researchers underlines the need for distinct management, structures, and culture for exploitative and explorative units (March, 1991; O'Reilly & Tushman, 2008). As March (1991) states, exploitation and exploration are two fundamentally different learning activities and therefore organizations need to find different strategies to allocate their attention and resources between exploitative and explorative activities. Several studies within the ambidexterity literature find that, while explorative and exploitative activities might compete for the same resources or require conflicting cognitive models, they have the potential to be complementary (Cao et al., 2009; Jansen et al., 2009; Smith & Lewis, 2011). The ability of managers to foster these synergies within their organizations requires them to take on multiple roles simultaneously and switch between short-term and long-term orientations (Birkinshaw & Gibson, 2004; Mom et al., 2009; Burgess et al. 2015). As literature shows, the third tension-inducing factor is a natural and well-recognized aspect in balancing between exploitative and explorative activities.

Not surprisingly, navigating the pursuit of innovative actions alongside the drive to optimize current efficiency frequently places ambidextrous managers in the middle of the tensions inherent in simultaneously managing both objectives. As Smith (2014) state, tensions are at the core of organizational paradoxes. The findings of my thesis comprehensively describe what kind of tensions middle managers and executives face while balancing exploitative and explorative activities.

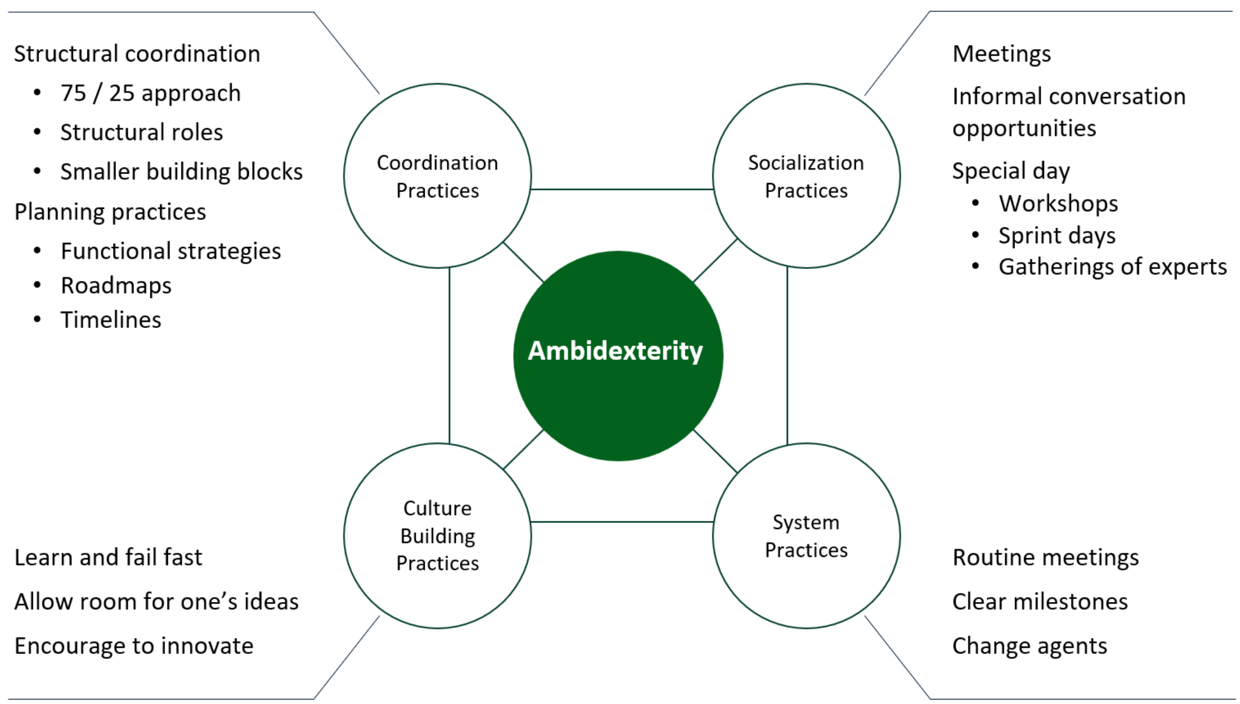
These findings are consistent with the existing academic literature. As Zimmermann et al. (2018) highlight, tensions between exploitation and exploration are a dynamic phenomenon that evolves over time. Therefore, one needs to keep in mind that the tensions that were brought up in the interviews, are likely the ones with which the interviewees struggled in the CaseCo at the time of the interview. However, the dynamics related to tensions may evolve over time.

5.2 Q2 Analysis: What Management Practices Top and Middle Managers Utilize to Support and Develop Ambidexterity in the Case Organization?

Putnam et al. (2016) and Lewis et al. (2014) explain that paradoxes create tensions, conflicting interests, and emotional turmoil, that managers should try to manage to cope with the paradox. Some ambidexterity researchers argue that practices help managers manage tensions (Knight & Cuganesan, 2020; Turner et al. 2013; Cao et al. 2009). Instead of managers relying purely on a structural solution or individuals' capabilities to allocate time on exploitation and exploration, practices may be used to actively influence management of tensions on all levels of the organization (Knight & Cuganesan, 2020; Zimmermann et al., 2018). Still, there is only a limited body of literature focusing on concrete management practices that can be used to support ambidexterity, as explained in the literature review section 2.2.4.

I assess the findings of the interviews through the framework of ambidexterity supporting practices, which consists of four practice categories. Three of the four categories are based on Zimmermann's et al. (2018) configurational exposure practices. I have complemented their framework with a fourth identified practice category, "culture building practices". Consequently, four practice categories in the framework are coordination practices, socialization practices, systems practices, and culture building practices. Based on my study's primary data, the case organization interviews, I identified practices for each practice category. My findings indicate that practices, which CaseCo's top and middle managers utilize to support and develop ambidexterity, consist mainly of coordination and socialization practices, but culture building, and systems practices were also considered important. Figure 16 below summarizes the main management practices identified for each practice category.

Figure 16. Ambidexterity Supporting Practices.



Overall, interviewees emphasized management practices related to coordination and socialization practices. Coordination practices, such as structural coordination and planning practices, were seen to support management of larger entities and resource allocation. In addition, they can be used to preemptively manage tensions. In turn, socialization practices, such as meetings, special day concepts, and informal conversation opportunities, were used to support collaboration, reduce silos, improve the flow of information, outline the overall picture, and create opportunities to focus especially on exploratory activities. Interviewees agreed that socialization practices allow to create time to focus on pre-defined themes, which is important in hectic operating environment.

My findings indicate that culture building practices and system practices were considered important by the interviewees, even though they received less attention in the interviews. The interviewees noted that the management needs to support employees to aim for explorative activities by using practices that support the desired innovation culture. Culture building practices were utilized to support cultural environment. Based on the interviews, in the CaseCo culture building practices include management practices that, for example, encourage to innovate, allow mistakes, and accept new ideas and allocate resources to implement them. However, interviewees found it difficult to describe what these culture building practices would be concretely, as they were mostly abstract behavioral related practices. In turn, system practices were deemed valuable for their simplicity and ease of implementation. They are routine actions or practices which are repeated systematically, allowing to maintain balance between explorative and exploitative activities as part of daily operations. However, interviewees noted that even though these practices are easy to implement, it is still challenging to maintain them in a systematic and disciplined way.

The framework of ambidexterity supporting practices allowed to identify and categorize practices that are utilized in the CaseCo. My findings indicate that the framework I established, provides a holistic view on how to support and develop organizational ambidexterity with practices. The framework accounts comprehensively for the elements that have been found important in the ambidexterity literature. For example, from the structural ambidexterity point of view, the framework offers solutions to structural integration. As Tushman & O'Reilly (2011) and Jansen et al. (2009) highlight, the role of management in coordinating, managing, and facilitating structurally separate units and their conflicting demands is central. The framework also identifies practices that support contextual ambidexterity. As Birkinshaw and Gibson (2004) argue, management's role is on one hand to create processes and systems for individuals to make these decisions independently in various situations, and on the other hand to build an environment which encourages to innovate. My findings indicate that practices play a key role in creating organizational contexts that combine both of these aspects.

Some of the practices I identify, support both exploitative and explorative activities simultaneously, but many of the practices support especially explorative activities. Mom et al. (2018) state that it is beneficial to separate exploitative and explorative activities at the level of practices. On one hand, this allows to ensure that both perspectives are considered in a comprehensive and balanced way, and on the other hand it helps understand that both activities need different practices instead of using similar cures for different issues.

Table 5. Management Practices that Mitigate Tension-inducing Factors.

The Most Centric Tension-inducing Factors in CaseCo

Ambidexterity Supporting Practices	Atmosphere that favors exploitative activities over explorative activities	Scarcity of resources, which is particularly evident in the lack of time	Different needs and perspectives of different units
Coordination practices	Coordination practices, such as structural coordination and planning practices, were seen to support management of larger entities and resource allocation. In addition, they can be used to preemptively manage tensions.		
Socialization practices	Socialization practices were utilized to support collaboration, reduce silos, improve the flow of information, outline the overall picture, and create opportunities to focus especially on exploratory activities.		
System practices	System practices are valuable for their simplicity and ease of implementation. They are routine actions or practices which are repeated systematically, allowing to maintain balance between explorative and exploitative activities as part of daily operations.		
Culture building practices	Culture building practices were utilized to support cultural environment. They include management practices that, for example, encourage to innovate, allow mistakes, and accept new ideas and allocate resources to implement them.		

In the above Table 5, I summarize the most central tension-inducing factors recognized in the Q1 analysis and combine them with ambidexterity supporting management practices identified in the Q2 analysis. My findings support Knight and Cuganesan's (2020) idea that practices are more like mechanisms that allow to manage tensions instead of solving them. All of the ambidexterity supporting practices provide mechanisms to manage tensions and conflicting interests in CaseCo. In addition, the finding that culture building practices have a central role in supporting ambidexterity is important. In the previous literature culture building practices have received limited recognition, even though ambidexterity literature recognizes the importance of culture in pursuing ambidexterity.

Based on the findings of my thesis, I conclude that management practices have a central role in managing ambidexterity. They help manage tensions and foster ambidexterity. However, it is important to understand that ambidexterity is a dynamic capability that also requires many other means than practices to form and develop. As presented in the literature, individuals' cognitive capabilities (Kauppila & Tempelaar, 2016), organizational structures (O'Reilly & Tushman, 2013), contextual systems and processes (Birkinshaw & Gibson, 2004), and innovative organizational culture (Simsek, 2009; Rosing et al., 2011; Stadler et al., 2013) are factors that have a significant impact on the formation of ambidexterity. I find that practices can support these factors and bind them into functioning entities.

5.3 Theoretical Implications

In general, academic literature on the theory of ambidexterity has suffered from the inability to precisely define how ambidexterity can be managed with concrete practices. My thesis contributes to the existing literature in three ways. First, my research compiles practices that have been shown to support and promote ambidexterity. This creates a valuable contribution to the literature, as to my understanding, there does not exist comprehensive literature that compiles ambidexterity supporting practices.

The second contribution is that my research identifies four dimensions that establish a framework of how to support ambidexterity through management practices. This framework is useful for both organization management and future research in understanding how ambidexterity can be supported in a concrete way. My study also confirms Zimmermann's et al. (2018) view on coordination, system, and socialization practices and complements it with a valuable finding that culture building practices can be also considered as a central dimension in supporting ambidexterity. Third, my findings indicate that practices not only support both exploitative and explorative activities simultaneously, but they also allow to make room especially for explorative activities, which are easily overshadowed by exploitative activities in everyday life.

5.4 Managerial Implications

Ambidexterity literature describes and theorizes the paradoxical phenomenon comprehensively, and therefore it would be important that the subject was better known in the business field. Currently, ambidexterity theory is not well known in organizations. A good example of this is that none of the interviewees were previously familiar with the concept of organizational ambidexterity. However, when I defined the term in the interviews, each interviewee immediately noted that the described phenomenon was familiar to them, and that they are working with this paradox on a daily basis. In my view, the awareness of ambidexterity theory should be increased, so that organizations could manage ambidexterity in a more organized way and that organizations could include ambidexterity as part of their business strategy.

My thesis contributes to raise the understanding of the topic by focusing on concrete management practices. I concretize how ambidexterity is supported with practices as part of operational activities. Furthermore, by identifying the tensions associated with pursuing ambidexterity, I am able to highlight the challenges that managers need to face while balancing between exploitative and explorative activities.

Furthermore, the framework I establish, provides a useful tool for managers to support ambidexterity in their organizations. Specifically, it allows to identify practices that are beneficial for ambidexterity. For example, organizations can utilize this framework at the unit-level to analyze whether the units use practices that support ambidexterity and whether there are areas in the units that should be supported more strongly with ambidexterity supporting practices.

5.5 Limitations and Future Research

The research was conducted with qualitative methods, which means that the results lack statistical generalization. Moreover, a moderate sample size can affect results and the ability to draw well-defined conclusions. It must also be considered that the researcher is an external person of the organization, which may impact interviewees' willingness to disclose information in interview situations, even though the responses and the CaseCo were anonymized.

Although my thesis has contributed to some of the gaps of organizational ambidexterity literature, there remains a need for additional empirical work in this field. One potential line for future research could include for instance a multi-case study, where the research would focus on studying different practices used in each three hierarchy levels of executives, middle managers, and operational staff. The study could be replicated in multiple organizations to draw more generalized findings on management practices that support ambidexterity.

Moreover, organizational ambidexterity literature is limited in the context of board members’ role in supporting ambidexterity. In Finland, the board of a company is a separate function that has an important task of guiding the organization from a strategic management point of view. It would be interesting to study how professional board members see ambidexterity and how they try to promote it with their own actions.

Finally, ambidexterity literature could be expanded to the direction of measuring organization’s ambidexterity level. Creating an ambidexterity maturity assessment would help organizations’ management and board members to understand where they stand in terms of ambidexterity, measure it, and improve organization’s ability to balance between exploration and exploitation activities, ultimately leading to enhanced competitiveness and long-term success.

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Appendices

Appendix 1. Interview Questions

Questions for Middle Managers

1. Can you describe situations where you have managed your team to effectively maintain its current operations while also exploring new opportunities or innovations? What were the key factors behind the success?
2. What are the main factors, which make it challenging to balance short-term and long-term activities in an appropriate way in your current role?
3. How do you ensure that explorative activities are not overshadowed by exploitative activities? Could you give some practical examples?
4. How do you encourage your team to learn from both successes and failures, and bring new ideas and innovations while still focusing on efficient daily operations?
5. Do you have some specific processes, routines or leadership actions which ensure the balance between short-term and long-term activities in your team?
6. Does your (or your team's) objectives and KPI:s reflect ambidexterity (=balancing between daily operations and long-term development)?
7. How do you communicate your team's resource needs to top management? What kind of support or challenges have you encountered in securing resources for both exploitation and exploration efforts?
8. Do you feel you get enough support from senior management for your own work?
9. Is there a long-term commitment to objectives and defined processes in your organization?
10. In your experience, what are the three most important things management needs to focus on or push for to promote ambidexterity?

Questions for Executives

1. Can you describe situations where CaseCo has managed to effectively maintain its current operations while also exploring new opportunities or innovations? What were the key factors behind the success?
2. What are the main factors, which make it challenging to balance short-term and long-term activities in an appropriate way in your current role?
3. How do you encourage employees to learn from both successes and failures, and bring new ideas and innovations while still focusing on efficient daily operations? How well are these means working?
4. In the executive team, do you have some specific processes, routines or alignments which ensure a desired balance between short-term and long-term activities?
5. You have separate R&D units. How are their activities integrated into other units?
6. How do executives support middle managers to find balance between exploitation and exploration? Does there exist some mechanisms or support structures?
7. Is there a long-term commitment to objectives and defined processes in middle management level?
8. In your experience, what are the three most important things management needs to focus on or push for to promote ambidexterity?