# Organizational Ambidexterity: Welcome to paradox city

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**Organizational Ambidexterity: Welcome to paradox city**

**Abstract**

Purpose: The paper introduces the concept of Organizational Ambidexterity and offers some implications for HR practitioners.

Design/methodology/approach: This paper is a developed viewpoint constructed using other literature on Organizational Ambidexterity.

Findings: This paper offers a unique perspective to HR practitioners which embraces a paradoxical stance that combines *exploitative* and *explorative* dimensions.

Originality/value: Organizational Ambidexterity is growing and developing within the literature. This paper seeks to offer access to this complex perspective to provoke thought and potential action.

Viewpoint

**Keywords:** Organizational Ambidexterity, human resource management, recruitment

We are often seeking simple solutions to complex problems. Yet, will this simplicity lead to a dynamic that is competitive enough?

Here, you will be introduced to a concept that embraces complexity and considers a unique perspective that may consider you to revisit current human resource management (HRM) practices.

To introduce a contextual setting, consider the organizational cliché of whether to 'stick or twist' (i.e. whether to consolidate or speculate). But what if you could (and should) do both?

**What is Organizational Ambidexterity?**

In essence, Organizational Ambidexterity involves two polar opposites: *exploitation* versus *exploration*.

On the one hand, exploitative approaches focus upon existing customers and/or markets. George Ritzer's theory of McDonaldization offers a comparable metaphor here where there is a distinct focus on efficiency, calculability, predictability and control. There is a general focus on what is *known* to the organization. Strategically, this could be loosely aligned with common low-cost approaches.

On the other hand, explorative approaches focus on more creative and innovative aspects. This can include new knowledge, experimentation, flexibility and divergent thinking. Strategically, this could be loosely aligned with the maximization of unique selling points, i.e. differentiation.

The strategic aspects are drawn out as Michael Porter is often quoted in the literature as saying an organization must embrace one approach or the other, either low cost or differentiation. However, Organizational Ambidexterity is a concept that embraces both exploitative and explorative approaches at the same time, which could be construed as 'paradoxically in tandem'. This means considering aspects of the business that will embrace efficiency *and* flexibility, stability *and* adaptation, and so on.

**Embrace the paradox**

Can we seriously consider a paradoxical outlook like the one above? There is a growing body of literature that not only says 'yes', but indicates we need to consider such approaches for both short-term survival and sustained success.

There are numerous examples of businesses achieving success through the simultaneous adoption of exploitative and explorative approaches. For example, there are Chinese emerging market companies (Xiaomi, Phantom, Geak and Tencent) that are mastering the art of high quality and low cost. Do we need to make sure we do not fall any further behind this trend? Arguably, very fitting Western examples include both Netflix and Amazon (including Amazon Prime for the following example). These organizations have creatively developed and mastered ways of offering quality (through enhanced technology, e.g. streaming HD) at low costs (subscription rates that allow members to maximise value through hundreds of

available products, rather than encouraging the traditional single purchase). Netflix and Amazon are also at the forefront of continuously developing and enhancing approaches to remain competitive – Blockbuster is perhaps one of the most noticeable organizational victims in this regard.

Furthermore, there are arguments that we actually tackle paradoxical elements on a day-to-day basis within the workplace. For example, an HR manager often has to consider budget versus staff development potential, or discipline versus empowerment. We know business is complex, but perhaps we should be doing more to embrace the realities we face.

**HRM implications**

For HR practitioners, the first aspect to consider is the perspective – Organizational Ambidexterity allows us to embrace the reality of our day-to-day activities which are often populated with decisions that pull us in different directions. This then helps to reconsider our approaches as we seek solutions to problems or design decisions that contemplate exploitative and explorative aspects. If we are not bound by one way or another, this may allow us to postulate and consider challenges in different ways.

As an extended example, we can consider recruitment and selection. If we wish to embrace Organizational Ambidexterity, it is likely we may need to recruit leaders with appropriate skills and abilities. However, this will need to go beyond traditional conventions of recruitment and selection. Here are 3 examples to consider the concept in practice:

1. **The mixed leadership approach:** We actively seek managers who are able to deliver leadership in terms of exploitation and exploration. Although potentially ideal for a situation, this is perhaps the hardest leader to find or develop.
2. **Recruiting different leadership styles:** We actively seek to recruit a balanced range of leaders that emphasize exploitation or exploration. There are of course challenges relating to how these leaders work collaboratively.
3. **Different department, different approach:** Different departments have different strategic focuses. For example, research and development may favour an explorative leader to achieve innovation goals, whereas a finance department may favour an exploitative leader to achieve low cost goals.

Thus, by no means is embracing Organizational Ambidexterity considered simple. Indeed, it can be seen in the example above why recruitment and selection might be such an important underpinning aspect of applying Organizational Ambidexterity in the first place. It also begins to highlight how change would potentially need to be driven by HRM practices.

The purpose of this article is to encourage a different perspective and potentially a different line of thinking within organizations. This concept is growing and developing in academic circles, but little has been done to offer it towards HR practitioners. Hopefully, this introduction to Organizational Ambidexterity can stimulate thought and potential action. This concept has been presented in fairly simplistic terms and it

is suggested to read around the subject in more depth to fully appreciate its standing.

**Suggested further reading**

Smith, S.M. (2016), "Management and organization – the 21$^{st}$ century global and international context", in Stokes, P., Moore, N., Smith, S., Rowland, C. and Scott, P. (Ed.), *Organizational Management: Approaches and Solutions*, London: Kogan Page, pp. 1-26.

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