

Challenges of Building an Ambidextrous Organization

*Swarup Kumar Dutta**

The broad predicament confronting managers and organizations is that in the short run they must constantly imbibe the world of evolutionary changes to increase the fit of strategy, structure and culture, while in the long run, managers may be required to destroy or disrupt the very fit that has made their organizations successful. The immediate translation of these phenomena for managers would mean continuously shifting between periods characterized by relative stability and incremental innovation, and part of their time grappling with revolutionary changes. These contrasting managerial demands are not easy to handle as it requires that managers periodically destroy what has been created in order to recreate or rebuild a new organization through renewal. This explains why managers need to be ambidextrous and should pursue both exploitation and exploration at the same time.

The senior level team in organizations should be adept at developing skills of mental balancing in terms of not only gazing forward in the horizon to prepare for breakthrough innovations that will define the future but also constantly looking backward attending to the products of the past.

Research has revealed that many successful and reputed organizations are way ahead than competition in continuously renewing their present market offerings; however, in offering breakthrough new products and services, these organizations stumble and fall. The failure to achieve breakthrough innovations while also making steady improvements to an existing business is so common yet so fascinating that it has become the management hotspot in terms

of what companies should do and they shouldn't do. As such, what should an organization do to solve this unique challenge? What are the challenges faced by established organizations in achieving breakthroughs when they attempt to pursue innovations that lie beyond their current products or markets? Do they succeed in achieving breakthroughs? Does their existing business suffer? What organizational and managerial structures do they use? What works and what doesn't?

Research done by Tushman & Reilly found that companies that have actually been quite successful at both exploiting the present and exploring the future share important characteristics. These companies have found a way to maintain organization separation of their traditional businesses and

* Assistant Professor, Strategy & Entrepreneurship Area, Institute of Management, Nirma University. The author can be reached at swarup@imnu.ac.in, swarup_dutta@hotmail.com