

Ambidexterity, and then what?

*An exploration of tensions and mitigators to enable value capture within
the ambidextrous organization*

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Abstract

In the face of recent technological and industry turbulence, organizations and managers must carefully balance competing needs to achieve profitable growth over time. In particular, the service sector has experienced significant shifts due to trends of servitization, technological developments, and disruptions to business operations. When considering this changing industry climate, organizational ambidexterity, which stresses both the exploitation of current resources and business and the exploration of future business opportunities, is particularly relevant to both short- and long-term success. However, ambidexterity involves fundamental tensions between exploitation and exploration and has received criticism for its lack of clarity in highlighting enablers for overcoming these tensions and enabling value capture from ambidexterity efforts. Given this background, this study examines specific drivers of these tensions and mitigating factors through a qualitative, multiple case study of four service industry organizations, one organization undergoing servitization, and one innovation expert with extensive professional service experience. Moreover, this study emphasizes the value that ambidexterity provides to organizations, thus expanding the focus beyond the mere execution and balance of ambidexterity activities to also examine the relationships between these activities and organizations' business models, which enable organizational value capture. The study finds three categories of tensions between the activities themselves, finds tensions between different modes of organizing ambidexterity activities as organizations combine these in practice, and finds that exploratory initiatives might conflict with established business models, prompting needs for business model change. The findings of the study extend prior literature by exploring ambidexterity in a unique context, providing specificity to drivers and mitigators of ambidexterity tensions, and advancing discussions of value capture and relationships between ambidexterity activities and the business model.

Keywords: Organizational ambidexterity, Business models, Business model innovation, Service industry

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1. Introduction

“There is nothing permanent except change.” - Heraclitus (~500 BCE)

On the whole, life was quite different roughly 2500 years ago. However, even at that time, individuals recognized the change that drives society and requires adaptation to advance in the face of disruption. This change is especially relevant today, as trends such as the COVID-19 pandemic (Guzman et al., 2020), advancements in AI (artificial intelligence) (Berg et al., 2023; Morel, 2023), and soaring inflation leading to rising costs of capital (Mankins, 2023) have pushed organizations to come to terms with a new environmental context. Although theory has outlined different ways through which managers might adapt to changing environments (e.g. Burt et al., 2006), this change implies both short- and long-term adaptation, as organizations might need to take action and improve performance in the present while seeking new ventures to establish future success. This exploitation of existing business capabilities and exploration of new opportunities is the foundation of organizational ambidexterity, which requires balancing these activities even though they involve fundamentally different business logics and both compete for organizational resources (March, 1991; O'Reilly and Tushman, 2013).

In particular, the service sector illustrates ambidexterity's relevance due to changes holding strong short- and long-term implications. As one example, trends of servitization have introduced new competitors into the service landscape and induced changes in service models and offerings (Genzlinger et al., 2020). In addition, the COVID-19 pandemic's disruption of physical meetings (Lund et al., 2021) struck directly at service models that relied on in-person interactions while introducing and accelerating the role of digitalization for service organizations (LaBerge et al., 2020). In combination with AI advancements, which introduce efficiency gains such as task automation and might be necessary to long-run competitiveness (Brynjolfsson and McAfee, 2017), these digitalization trends are especially relevant for service organizations which rely on quick, accurate, and satisfactory interactions with or responses for customers. Lastly, these changes have also occurred in the context of widespread inflation which has increased the cost of financing new organizational initiatives (Mankins, 2023). Thus, we see competitive landscape changes, innovations holding both immediate efficiency gains and long-term implications, and resource constraints in taking on

new initiatives, positioning the service sector as a particularly interesting case to examine when studying ambidexterity.

Although ambidexterity is relevant for organizations responding to the aforementioned challenges, attempting to undertake exploitation and exploration is not an end in itself. Instead, ambidexterity activities are a means to greater performance gains (Chakma et al., 2021), which implies that the activities themselves must create value and organizations must be able to capture value from the activities. As previously mentioned, ambidexterity involves tensions that must be mitigated to successfully execute and create value from exploitative and exploratory activities (O'Reilly and Tushman, 2013), so these tensions and their mitigators serve as one focal point for this study. In addition, with the emphasis on performance gains and value capture, it is relevant to consider ambidexterity activities in the context of the organization's business model, as this is the organization's larger activity system which seeks to create and capture value for the organization (Zott et al., 2011). Given these dynamics, this study examines how organizations ultimately enable firm value from ambidexterity activities by addressing exploitation-exploration tensions and considering the role of the business model in the service context previously discussed.

1.1 Problematicization

Even though ambidexterity has been heavily researched, there has been less attention given to the function of senior leadership and management in mitigating the key ambidexterity activity tensions, and previous research has often been critiqued for being too abstract and lacking managerial implications (Andriopoulos and Lewis, 2009; O'Reilly and Tushman, 2013). Similarly, research has shown a lack of clarity regarding enablers that help organizations to mitigate exploitation-exploration tensions and also realize value from both pursuits (Chakma et al., 2021). Furthermore, we see difficulties for organizations in capturing the value from their exploratory activities, as recent developments in customer demands and technology might lead to opportunities that lack fit with organizations' current business models. As business models are notoriously difficult to change (Teece, 2010), this poses questions of how organizations should capture the value of new developments. Therefore, it is also necessary to consider the relationship of ambidexterity activities and outcomes to the business model, creating a more holistic approach to managerial implications for enabling ambidexterity value.

1.2 Purpose & research question

Thus, our purpose is to provide greater specificity to tensions within ambidexterity efforts and the actions that managers can take to create value by mitigating these tensions and capture value from that mitigation. Given this background and purpose, our research question is the following:

What are drivers of tensions that appear when organizations try to be ambidextrous? What actions can managers take to mitigate these tensions and enable value capture from ambidexterity activities?

To answer the research question, we conduct a qualitative study, interviewing representatives from four service companies, one product-oriented company introducing a service offering, and one academic expert in innovation processes with extensive experience in the professional service industry. Through this sample, the study draws on multiple perspectives and cases to use the differences between the organizations to capture a broader and more nuanced range of insights to answer the research question.

1.3 Delimitations

In terms of delimitations, the choice of a multiple case study was made to ensure that the study captured a broad picture of organizations' ambidexterity tensions and means of mitigating them in different contexts. Even though a single case study might yield richer and more detailed descriptions of a single firm, we saw it beneficial to study multiple organizations to extend the range of insights and provide points of comparison related to different ambidexterity modes. Second, only organizations with a service offering have been studied to provide a common point of comparability across the range of organizations. This includes both organizations traditionally operating in the service industry and product-centric organizations which have recently developed a service offering.

2. Theory

Given this background and research question, this study draws upon two theoretical fields. First, this study relies on organizational ambidexterity to investigate specific, underlying tensions that managers face when seeking to develop and expand new business offerings (O'Reilly and Tushman, 2013). Second, this study leverages business model innovation literature which helps to relate exploration and exploitation activities to organizations' more holistic activity systems that ultimately create and capture value (Chesbrough, 2010; Osterwalder and Pigneur, 2010; Teece, 2010). In the following chapter, we provide an overview of previous research and findings relevant to the research question (2.1) followed by the analytical framework based on the existing theory that we then apply to our research question (2.2).

2.1 Literature review

2.1.1 Organizational ambidexterity

To remain competitive over time, organizations must balance different activities and processes which might conflict with each other. Given the complexity and requirements of addressing competing needs, much attention has been given to the study of these within managerial academia (Birkinshaw and Gupta, 2013; Tarba et al., 2020). Organizational ambidexterity, describing the organizational balance between activities related to exploitation and exploration, has become a prominent theory describing how organizations undertake both activities to support long-term success (Chakma et al., 2021; O'Reilly and Tushman, 2013). Exploitation refers to the development and expansion of existing competences, technologies, and paradigms, and it is associated with positive and often measurable, predictable benefits (Chen, 2017). On the other hand, exploration is associated with the development of new alternatives and opportunities, the results of which can provide new opportunities for the business to grow, but are uncertain and risky by nature (March, 1991).

2.1.1.1 Theoretical background

In the English language, ambidexterity describes the ability to do two or more things well (Oxford English Dictionary, n.d.). While the term "ambidexterity" has been applied to different competing activities and tensions within organizations over time (Gibson and Birkinshaw, 2004; Guerrero, 2021), this study focuses on ambidexterity as organizations'

abilities to conduct both exploratory and exploitative activities, as minted by March in 1991. These two activities often compete for the same resources, creating the risk that one crowds out the other (Kauppila, 2010), which might lead to organizations losing their competitiveness over time (Tarba et al., 2020). Within this pursuit, organizations often face the problem of overemphasizing existing resource exploitation in pursuit of short-term gains, which can have negative effects on an organization's long-term competitiveness (March, 1991).

As organizational ambidexterity describes managers' abilities to address these two activities equally well, which is often difficult but important for organizational performance (Birkinshaw and Gupta, 2013), it is important to see ambidexterity as an ongoing reconciliation requiring consistent engagement and resources from the organization (Gibson and Birkinshaw, 2004). It was first conceptualized in 1976 by Duncan, when he described organizations establishing dual structures to manage different activities involving different timelines and managerial capabilities (Gibson and Birkinshaw, 2004). In 1996, Tushman and O'Reilly further explored Duncan's early discussions, describing how to manage both evolutionary and revolutionary change processes within organizations (Birkinshaw and Gupta, 2013; Tushman and O'Reilly, 1996). Here, the authors emphasized structural separation between exploitation and exploration and positioned the concept as crucial for firms' long-term survival (Tushman and O'Reilly, 1996). Organizational ambidexterity was later tied to organizations' environments, emphasizing that organizations should adapt the extent and use of ambidexterity to their strategies and environments (O'Reilly and Tushman, 2013; Uotila et al., 2009).

As ambidexterity has become an established field within research, it has been previously studied within different industrial and organizational contexts. For example, Groysberg and Lee (2009) studied ambidexterity within the professional service industry by examining top-performing employees, finding that employee motivation and nurturance is important to balance the two activities over time. Similarly, Marabelli et al. (2012) study ambidexterity within the banking industry, finding that banks handle the tensions between the two activities using both organizational design and individual factors. Furthermore, different organizational levels have also been explored, with Venugopal et al. (2017) examining the role of top management in an organization's ability to handle the tensions associated with ambidexterity, establishing their importance in balancing the competing needs in the organization. More

recently, Wirtz (2020) examined ambidexterity within the service industry regarding the impacts of AI and other forms of automation, finding that, even though digital tools might be problematic for organizations to incorporate, leaning into new digital capabilities is important for long-term success. Although ambidexterity has previously been studied within specific contexts, literature still calls for a need to continue to further nuance the complex mechanisms and structures that lie at ambidexterity's core (Chakma et al., 2021; Tarba et al., 2020).

2.1.1.2 Performance impact of ambidexterity

Organizational ambidexterity has been shown to boost organizational performance within managerial literature, although these gains depend on factors both within and beyond the organization (O'Reilly and Tushman, 2013). Within the firm, the extent of ambidexterity use is important, as over- or under-utilization of ambidexterity has been shown to detract from its ability to aid performance (Uotila et al., 2009). Furthermore, the use of ambidexterity is more beneficial with large resource pools often seen in larger companies compared to more limited resource bases in smaller companies (Cao et al., 2009; O'Reilly and Tushman, 2013). Organizations' external environments are also important to consider, as organizational ambidexterity has been shown to be more beneficial for organizations during times of heightened uncertainty (Jansen et al., 2009; Sidhu et al., 2004).

To consider how organizations might better see positive performance impacts from ambidexterity, previous studies have explored different organizational antecedents to balance ambidexterity activities. These studies have emphasized both behavioral aspects of top management teams (Venugopal et al. 2017) and also the ability of employees across the organization to devote time to the two activities (Guerrero, 2021). Furthermore, research has stressed structural elements relating to both the access and distribution of resources, outlining the ability of the organization to dedicate resources to exploratory activities (Chakma et al., 2021; Stoiber et al., 2023). Given this, the work towards balancing these two activities can be seen as relevant for the whole organization rather than being isolated to one organizational structure or group of individuals, indicating the requirements of a holistic evaluation.

2.1.1.3 Different modes of organizational ambidexterity

Over time, studies have shown that organizations handle the need to be ambidextrous in different ways, defining how and where exploitative and exploratory activities happen (Tarba

et al., 2020). Although the different forms lack clear consensus, three prominent modes of ambidexterity are present today: *Sequential*, *structural*, and *contextual* (O'Reilly and Tushman, 2013). Across these modes, organizations employ different means of handling the tensions between exploitation and exploration.

Sequential ambidexterity allows organizations to conduct both activities by shifting their structures and focus in response to environmental changes (Chen, 2017) to pursue either exploitation or exploration over time (O'Reilly and Tushman, 2013). With this approach, exploitation and exploration do not occur in parallel, and by focusing on either exploration or exploitation at different times, the organization is able to balance the two activities (Brown and Eisenhardt, 1997). However, this mode has been critiqued because the literature provides limited insights into how organizations achieve this oscillation and alter their structures between the two needs (Tarba et al., 2020). The view that organizations can shift their structures over time in response to external or internal changes was a core part of initial ambidexterity research, but further studies expanded on this to capture how firms might simultaneously pursue the two activities (Stoiber et al., 2023).

In contrast to sequential ambidexterity, *structural ambidexterity* allows organizations to simultaneously exploit and explore by dividing exploitative and exploratory activities across structurally separated, autonomous subunits (O'Reilly and Tushman, 2013). These subunits consist of people, structure, culture, and processes aligned with the subunit's exploitative or exploratory focus, but they are integrated through common strategy to ensure effective use of organizational capabilities (Stoiber et al., 2023). Conducting both activities at once within a given organization allows it to more quickly respond to rapid change, enhancing performance under conditions of uncertainty (Chen, 2017). However, it is important that the separate units are integrated through a common strategy and understanding of common values, as without proper inter-unit connection, the units risk losing the ability to leverage synergies, negatively impacting the ability to do both activities (Tushman and O'Reilly, 1996).

While sequential and structural ambidexterity rely on clear managerial steering to specify how and who should devote attention to exploitative or exploratory efforts, *contextual ambidexterity* focuses on the individuals within the company by allowing employees to devote attention between exploratory and exploitative activities themselves (Birkinshaw and Gupta, 2013; Guerrero, 2021). To enable this, organizations must encourage employees' own

initiatives, allowing them to use their own judgment and to develop ideas at all levels of the organization (Gibson and Birkinshaw, 2004). However, even though contextual ambidexterity allows for diverse ideas, its ability to spur larger shifts within technology and business models might be limited, as these decisions often need to be taken at high levels of the organization (Gilbert, 2005). Furthermore, contextual ambidexterity assumes that exploratory knowledge is present within the organization but often lacks clarity on what processes and structures organizations can use to capitalize on generated insights (O'Reilly and Tushman, 2013).

2.1.1.4 Multiple forms of ambidexterity at once

Literature often describes organizations' balance of exploitation and exploration through distinct modes of ambidexterity, but later studies have combined the modes to help provide more holistic solutions to the ambidexterity challenge (Raisch, 2008). As each outlined mode of ambidexterity has clear strengths and weaknesses (Stoiber et al., 2023), the combination of the different modes seeks to provide a more comprehensive view that mitigates those shortcomings (Chen, 2017). While some authors argue that firms should combine individuals and separate units in their work towards ambidexterity (Kauppila, 2010), other authors have proposed new frameworks and modes of ambidexterity. For example, dynamic ambidexterity argues that firms should utilize the three defined modes of ambidexterity at different levels of the organization, supporting structural ambidexterity at the corporate level, contextual ambidexterity at the business unit level, and sequential ambidexterity at the project level (Chen, 2017). Thus, although definitions of different modes of ambidexterity have emerged within theoretical discussions, they are not always treated as mutually exclusive.

2.1.1.5 Critique of ambidexterity literature

Since its inception, organizational ambidexterity has been conceptualized in different ways to capture organizations' work towards handling these diverging demands (Guerrero, 2021). However, this breadth in application also constitutes a significant critique of the theory. As emphasized by Birkinshaw and Gupta (2013), "If ambidexterity is everything, then perhaps it is also nothing" (p. 291), expressing the need for greater clarity in the applications of ambidexterity within research. Furthermore, it remains unclear how organizations and leadership should handle the demands imposed by exploration and exploitation activities (Chakma et al., 2021; Tarba et al., 2020). Even though there is a clear demand on managers to

act, the appropriate interfaces for these actions and identifying how different aspects of the business should be combined still remain unclear (O'Reilly and Tushman, 2013).

2.1.2 Business model innovation

Although ambidexterity activities have received much attention, these do not happen within a vacuum. Instead, organizations often systematically organize their activities (Massa and Tucci, 2014) to allow the firm to determine what it delivers to the market, which activities need to be in place to ensure the delivery, and how value can be captured from that market delivery (Osterwalder and Pigneur, 2010). The activities can be centered on the focal firm or transcend its boundaries, capturing how an organization interacts with other stakeholders in its environment to create and defend its position (Sorescu, 2017). Within this more systematic view, one sees that exploitation and exploration are key activities, but they relate to other activities and structures within the organization that either enable or inhibit its effects (Stoiber et al., 2023). Therefore, the following section discusses business model and business model innovation literature to explore how ambidexterity activities relate to the larger activity system and are commercialized.

2.1.2.1 Overview of business model literature

Over time, authors have conceptualized how organizations structure their activities in different ways, pointing out different ambitions and components of the business model (Wirtz et al., 2016). The diverging views on business models have left the research on business models scattered, with different streams of literature viewing it in different ways (Zott et al., 2011). A common formulation was presented by Magretta in 2002, where business models were described as the stories that explain how organizations work. However, the meaning of business models has also evolved over time to encompass more concepts and components (Sorescu, 2017). For example, the business model canvas, which has become a prevalent tool for breaking down business models, describes the business as consisting of nine different elements (Osterwalder and Pigneur, 2010).

Although the level of granularity varies across different conceptualizations, most authors agree that the business model contains three main components: The value proposition, the means of value delivery, and the forms of value capture (Osterwalder and Pigneur, 2010). Here, the value proposition involves what the organization offers to customers, such as a product or service (Sorescu, 2017). The means of value creation relate to the benefit

proposition for the customer, such as solving customer problems, which can relate both to services and products (Ng, 2014). Lastly, the means of value capture describes how the organization benefits from these activities, for example capturing value through revenue or taking market share (Pisano, 2019). Altogether, the business model reflects managers' views on what customers want, how and what customers are willing to pay for it, and how an organization should best meet these demands (Teece, 2010).

2.1.2.2 Business models and innovation

As organizations find effective ways of organizing themselves, their business models tend to become established and less prone to change (Teece, 2010). However, authors argue that the business model is an effective and necessary form of innovation, something that organizations should view as malleable to be able to develop new opportunities over time (Foss and Saebi, 2017). Literature argues that, in relation to innovation, the business model can play two roles: It can be the vehicle by which an organization delivers and capitalizes on innovation, or it can itself be subject of innovation, implying the creation of new opportunities by altering the organization's structure (Pisano, 2015; Zott et al., 2011). The latter, often described as business model innovation, implies the creation of new opportunities through changes in the activity structure itself (Massa and Tucci, 2014).

In general, business model innovation tends to be built upon changes to the organization's value proposition or means of value delivery or value capture, capturing broader means of change within an organization (Sorescu, 2017). To be able to alter the business model, literature has emphasized that organizations must develop different capabilities and take focused actions, often arguing for organizations to experiment and explore alternatives and new ways of working (Chesbrough, 2010). Furthermore, business model innovation places demands on organizations to be able to search for new opportunities (Björkdahl et al., 2022), which can, for example, lead to product-centric organizations implementing a service offering (Genzlinger et al., 2020).

2.1.2.3 Problematizing business model changes

Although business models can be vehicles for change, they can also inhibit change (Teece, 2010). Altering the business model means that organizations must battle conflicts with existing asset structures, measures of profitability, and activity systems (Chesbrough, 2010). However, the capability to alter the business model is important for organizations, as without

adequate change, organizations might be unable to capture the value inherent within their new developments, detracting from the value of engaging in these activities (Pisano, 2015).

Often, the problems with business model alterations stem from lower returns that new and emerging opportunities provide relative to those of the established business model (Christensen, 1997). In organizations that try to undertake business model innovation, the unit responsible for developing the new model needs resource support while also remaining autonomous, being able to freely explore new means of value creation (Sund et al., 2016). Striking this balance is often problematic for managers, who often tend to focus resources towards the established business model or enforce structure on new developments, impeding their ability to generate new opportunities or insights (Chesbrough, 2010).

2.1.3 Business models and ambidexterity

The two theoretical fields, business models and ambidexterity, have been explored within previous literature (Stobier et al., 2023), as research has jointly analyzed business models and ambidexterity by drawing upon the structure that ambidexterity literature provides. For example, Markides (2013) draws upon ambidexterity literature to examine how organizations might handle multiple business models within their organization at once, outlining that insights from ambidexterity literature can provide nuance when researching business models. Likewise, Khanagha et al. (2014) explore a business model transition to cloud services within an incumbent telecommunication firm, drawing on organizational ambidexterity literature to describe and analyze the large-scale transition. Altogether, ambidexterity has been seen to provide an effective lens to understanding the obstacles and possibilities inherent within business model transitions.

In recent times, the two areas have been explored in greater detail. By conducting a literature review, Stobier et al. (2023) outline that, even though findings from previous studies of business model adaptation and organizational ambidexterity show signs of being related, theory has often treated them as separate. Given this, Stoiber et al. (2023) explore how ambidexterity can allow incumbent firms to implement disruptive business models. Although research has discussed the potential of implementing disruptive business models and the problems that organizations might face when managing multiple business models in parallel, the actions leading to that situation and resource allocation between the two still remains unclear.

2.1.4 Research gap

Central to this study's research question are the tensions involved in undertaking ambidexterity as organizations explore new opportunities while protecting a profitable core business. Thus, we aim to extend the current theoretical discussion in a unique empirical context and determine more specific drivers of these tensions and the actions that mitigate them to help enable performance gains from undertaking ambidextrous activities.

However, focusing solely on these activities overlooks the fact that executing them successfully does not guarantee performance gains, particularly when considering exploratory activities. Organizations must be able to apply these activities within their larger activity systems, or business models, to create and capture value in the market. The structural changes within the service industry make this especially relevant, as new developments and customer demands pose challenges to previously established business models. Therefore, we draw on business model literature to help understand what organizations must consider to capture value after mitigating ambidexterity tensions, particularly if that leads to exploratory outcomes that are incongruent with their existing business models. We argue that, without this more holistic view, organizations might forgo the value of exploratory activities, impeding incentives for organizations to overcome the tendency for exploitation in the first place.

Thus, this study contributes to theory in two ways. First, we extend organizational ambidexterity literature by examining a unique empirical context, providing greater specificity to organizational tensions that inhibit ambidexterity, and outlining practical managerial implications for responding to those tensions. Second, we problematize the value capture from exploration and draw on business model literature to advance previous theoretical discussions while also providing managerial implications in this space. While we acknowledge that our use of business model literature is not exhaustive, we argue that insights regarding organizations' larger activity systems and their components help to better understand value capture from ambidexterity and provide value to the theoretical and practical discussion in answering our research question.

2.2 Analytical framework

Based on this study's research question, we synthesize an analytical framework drawing on both ambidexterity and business model literature. The following section first presents the concepts taken from the two theoretical fields when approaching this study (2.2.1), and then it presents the analytical framework used to help answer the research question (2.2.2).

2.2.1 Activities and the business model

From organizational ambidexterity, this study draws upon its classification of different activities (exploitation and exploration), the need to balance both, and the means through which organizations seek that balance. This is grounded both in ambidexterity's positive association with firm performance and its classification of different activities organizations need to undertake (March, 1991; Tarba et al., 2020). To better understand and nuance the discussion around value inhibitors and enablers for ambidexterity in the study, we draw upon the three general modes of ambidexterity - sequential, structural, and contextual (O'Reilly and Tushman, 2013) - while remaining open towards the finding that organizations can draw upon multiple forms at once (Chen, 2017; Raisch, 2008).

From business model literature, this study draws upon its more systematic view of activities in organizations, the different goals these activities are generally focused towards (Ng, 2014; Pisano, 2019; Sorescu, 2017; Teece, 2010), and the difficulties organizations face when trying to alter the organizational structure and systems (Chesbrough, 2010). Central to this is the need for activities within an organization to relate and contribute to three main aspects: The value proposition which outlines the organization's offering, the means of value delivery which details how that offering is delivered to customers, and the means of value capture which defines how offering and delivery translate into gains for the organization through commercialization.

2.2.2 Analytical framework

When discussing the two theories, one sees that ambidexterity activities occur within and relate to the larger activity system of the organization, which is important given the business model's role as the vehicle driving organizational value and this study's focus on organizational value from ambidexterity. Therefore, we aim to capture this and analyze our empirical findings with our analytical framework. To create clarity with these dimensions, the

two theories are visualized in the framework as layers within the organization. At the core of the visualization sits the activity layer, which relates to the organization's execution of exploitative and exploratory activities. Situated beyond the core is the business model layer, depicting the organization's more systematic grouping of activities which can broadly be segmented as value proposition, value delivery, and value capture. Ultimately, the exploration of these variables provides grounding for the study to explore the research question and provide both managerial and theoretical contributions.

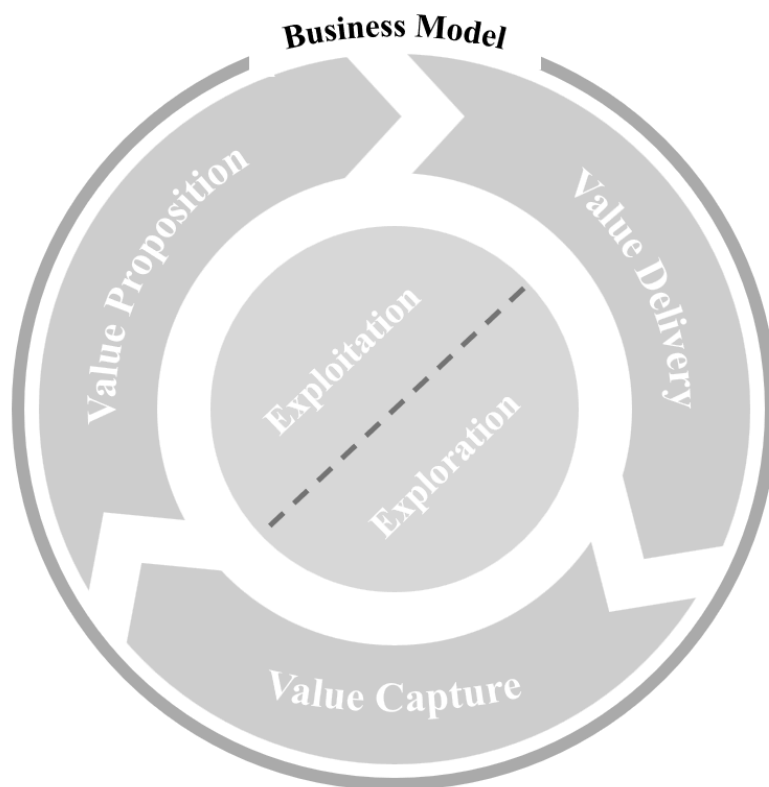


Figure 1. The study's initial analytical framework.

3. Methodology

As a strong study should involve a research procedure that is appropriate for the research question, we take this chapter to explain our research methodology. We first discuss our design of the methodology (3.1) in terms of the research philosophy, approach, choice, and strategy. We then explain our process for collecting and analyzing data (3.2) and conclude the section by examining the quality (3.3) and ethics (3.4) of our research.

3.1 Research design

To ensure that our study's approach is consistent, effective, and well-suited for our research question, we unify the research area and research methodology by structuring our methodological approach with the research onion put forth by Saunders et al. (2019) (Appendix 2).

3.1.1 Research philosophy

To first guide this study's methodology, we took an interpretivist philosophy that underpins our assumptions when establishing new insights. Investigating our research question involves seeking out and finding greater clarity within obstacles and enablers of value capture from organizational ambidexterity, and given this exploratory nature, we emphasize stakeholder context and perspectives to more richly understand and consider the factors influencing different accounts or outcomes. As interpretivism emphasizes seeking the viewpoints of a variety of stakeholders, supports analyses established from these participants' viewpoints, and seeks to understand reasons for social action and the processes whereby they occur (Bell et al., 2019), it is well-aligned with our own philosophy and supports our approach to the study.

3.1.2 Research approach

Next, for theory development, we took an abductive approach to support the Grounded Theory (GT) method. This also aligns with the interpretivist philosophy (Saunders et al., 2019), as we sought to make discoveries grounded in the perspectives of our participants to extend theory based on the literature previously discussed.

As abductive research often starts with a "surprise" (Saunders et al., 2019), we (the authors) had both noticed a phenomenon during personal experiences in industry which inspired this

research. Prior to this study, we had worked at organizations which suggested a focus on ambidexterity through their emphasis on both efficiency improvements in certain areas, such as product assembly or cost reduction, and shaping the evolution of their industries through technology or product leadership. However, we both noted factors in these organizations, such as sub-optimal dynamics between different departments and tensions between established and new business ventures, which seemed counterintuitive to ambidexterity outcomes and performance goals. This “surprise” thus prompted our goal to better understand tensions occurring within ambidexterity efforts and how organizations might overcome these to position themselves for both short- and long-term success.

In addition, the abductive approach in the context of GT combines inductive and deductive reasoning by building insights and potential concepts as data is collected which are then investigated with further data acquisition (Saunders et al., 2019). Thus, incorporating and cycling between both angles of reasoning allowed us to focus on the concepts and story told by the data, hone in on particular themes and evaluate those with further data collection, and remain open to new ideas, ensuring that the story emerged from the data.

3.1.3 Research choice

Next, we chose to approach this study with an exploratory, qualitative research design which supports the interpretivist philosophy by allowing us to explore the subjective perspectives of those who experience our phenomenon of interest in industry (Saunders et al., 2019). In addition, qualitative data helps to elaborate on and bring greater clarity to phenomena (Edmondson and McManus, 2007), which is particularly helpful as our research area is relatively vague in existing theory and less well-understood. An exploratory design also supported this focus, as this design is particularly helpful for more clarifying phenomena in research with greater precision, and it allowed us to use relatively open inquiries in semi-structured interviews that informed insights for subsequent data collection while remaining open to new ideas (Saunders et al., 2019). As we also chose a mono-method design, these semi-structured, in-depth interviews were the focal point for data collection and supported the study’s exploratory nature by allowing for natural changes or development in questions (Saunders et al., 2019).

3.1.4 Research strategy and time horizon

Lastly, for the research strategy, we used a multiple case study approach to expand the breadth of possible insights from a variety of contexts and perspectives, aligning with the study's interpretivist, exploratory nature and seeking theoretical saturation in terms of the tensions within ambidexterity efforts that might impede their outcomes (Saunders et al., 2019). In addition, multiple case companies provided different points of comparison, although we did not include them solely for the purpose of a comparative analysis. Their inclusion provided a more comprehensive picture of different scenarios and perspectives to inform a fuller analysis that isn't limited solely to inter-firm comparison. Lastly, as we examined each company at a particular point in time rather than studying developments over a period of time, we employed a cross-sectional study (Saunders et al., 2019).

3.2 Data collection and analysis

Next, our study incorporated three pre-study interviews and 19 main study interviews involving participants from five companies and one academic institution. The following sections describe our procedure for interview sampling, execution, and data processing.

3.2.1 Interview sample

3.2.1.1 Organizational sample and context

In alignment with GT, we used the theoretical sampling variant of purposive sampling to focus on achieving theoretical saturation (Saunders et al., 2019). From an organizational standpoint, we focused on service sector representatives due to industry trends of servitization and increased change for service-oriented companies (Genzlinger et al., 2020), suggesting that both current profitability and investigating new means of future success are particularly relevant.

As we sought to contribute to a more robust analysis by studying organizations with a variety of ambidexterity modes (i.e. sequential, structural, etc.), we first conducted pre-study interviews with two organizations to understand their modes of ambidexterity and ensure that these had sufficient differences. We then used personal industry experiences to identify additional organizations that expanded the range of ambidexterity modes incorporated into

the study, ensuring that we captured elements of each mode described by O'Reilly and Tushman (2013).

Ultimately, we conducted interviews with four companies with a primary service sector focus, one traditional manufacturer in the automotive industry that has experienced recent servitization pressures, and one academic institution represented by a participant with extensive experience in professional services and innovation processes. Although each organization operates with a service offering or service industry focus, they play within different service areas and offerings while undertaking different degrees of (re)evolutionary behaviors. Thus, to later engage in a better dialogue around the findings from these organizations, we now provide a brief overview of key contextual details for each organization.

Organization A is a large, global commercial vehicle manufacturer that has previously focused on diesel engine development, which remains a strong contributor to the organization's top line. However, changes in customer requirements and industry developments, particularly with preferences for more sustainable offerings, have challenged the organization to expand beyond its traditional manufacturing model to develop service-oriented and more eco-friendly offerings including a recent shift towards electric vehicle production. Given these changes in the midst of technological and industry evolution, organization A has established a new department to discover and commercialize opportunities beyond its core business to position itself for future success.

Organization B offers consultancy services specializing in community development and infrastructure solutions with a focus on engineering and urban design. The organization is owned by a private foundation which takes a particularly strong focus towards research, development, and solutions for genuine societal development. With this focus, the organization has established a formal department responsible for directing an innovation process to help the company evolve, which also aligns with customers seeking more creative, innovative project delivery.

Organization C offers on-site restaurant services for a variety of corporate, educational, healthcare, and other customers globally, although we focused on the Swedish division. The organization was particularly hard-hit by the COVID-19 pandemic and inflation in recent

years, and in combination with digitalization trends, those changes have required both cost efficiency improvements and investments in new offerings based on changing workplace eating habits.

Organization D, which offers a variety of home services with a particular focus on recurring home cleaning, was recently acquired by a private equity firm and is being integrated into a home services group with the vision of becoming a home service “one-stop shop” with future service and market expansion. Organization D does have a focus on transformation and digitalization and seeks to be an innovation leader in its industry, and due to its higher leadership and technological maturity relative to other businesses in the integration, many of the businesses are being integrated into its system. One key aspect of this integration is then consolidating the data of different businesses into a common technological platform to support new service opportunities.

Organization E is a consumer bank with a heavily decentralized operating model, meaning that the central functions of the bank seek to support relatively autonomous branch offices that deal directly with customers. The bank is relatively risk-averse in terms of consumer credit underwriting, regulatory compliance, and general organizational decisions, tending to seek a safer, secure position for its customers.

Organization F was represented by one interview participant with experience in both consulting services and academia with expertise in innovation competitions. While this participant currently focuses on academia, his service experience and observations from a host of organizations regarding exploratory innovation processes provided another comparison angle for the other organizations in this study.

3.2.1.2 Interviewee sample

Next, from an interviewee perspective, we again used a purposive sampling method to ensure the capture of both exploitative and exploratory perspectives, and when possible, leadership and operational perspectives to capture the steering and strategy behind ambidexterity activities and their implementation and effects “on the ground” (Saunders et al., 2019). This led to sampling criteria relating to: 1) position within the organization, 2) previous experience, and 3) which parts of the organization they most commonly worked within. First, we focused on sampling participants from executive leadership or department management

positions to ensure that we captured the way that ambidexterity activities were organized. For organization A, this was not possible; however, discussion with multiple employees representing both exploitative and exploratory perspectives provided rich insights into decision-making processes. For organization E, executive leadership was not available, but discussion with department leaders provided insights into the executive decision-making process. Second, following this initial stage, we sampled individuals from operational areas of the organizations often identified with the support of the initial interviewee. Ultimately, by purposely sampling from different organizations and levels within these organizations, the data collected captured the breadth needed to distinctly identify both tensions and enablers for the organizations. As our theoretical saturation focused on inhibitors and enablers of ambidexterity value, we continued to sample and requested follow-up or further interviews with organizations when necessary to confirm that saturation was being reached.

Organization	Participant	Date
<i>Organization A</i>	Participant B	2024-02-20
	Participant F	2024-03-01
	Participant J	2024-03-06
<i>Organization B</i>	Participant C	2024-02-26
	Participant I	2024-03-06
<i>Organization C</i>	Participant A	2024-02-07
	Participant A	2024-02-27
	Participant E	2024-02-29
	Participant A	2024-04-11
<i>Organization D</i>	Participant D	2024-02-13
	Participant D	2024-02-28
	Participant P	2024-03-14
	Participant Q	2024-03-14
	Participant S	2024-03-15
	Participant T	2024-03-15
	Participant D	2024-03-21
<i>Organization E</i>	Participant G	2024-03-05
	Participant N	2024-03-08
	Participant O	2024-03-14
	Participant U	2024-04-12
	Participant H	2024-05-03
<i>Organization F</i>	Participant M	2024-03-07

Table 1. Participants sorted by date and organization

3.2.2 Interview design

The primary data in this study consists of 19 semi-structured interviews lasting between 45 and 120 minutes. In alignment with the study's interpretivist philosophy and exploratory design, we conducted semi-structured interviews (Bell et al., 2019), and our interview guide consisted primarily of open-ended questions allowing the participants to elaborate on themes related to exploitative and exploratory activities within their organizations (Appendix 3). To ensure relevant questions while capturing novel insights, the interview guide's content was initially more open but was revised throughout the process based on data gathered to provide greater precision while remaining open to new themes (Bell et al., 2019).

Although we deemed it preferable to conduct the interviews in person, we conducted eight interviews in person (including three pre-study interviews) and 14 interviews digitally using Microsoft Teams to provide wider access to a range of stakeholders who were geographically dispersed or maintained tight schedules. Despite the risk of missing non-verbal cues (Bell et al., 2019), the use of videoconferencing software allowed the interviews to resemble face-to-face interactions while allowing the participants to speak from an environment of their choice (Irani, 2019). Both authors participated during the interviews, and to ensure effective data collection, one took responsibility for leading the interview while the other made notes of key points and asked follow-up questions. Following each interview, both authors together discussed the notes and findings.

3.2.3 Data processing

To process the interview data, all interviews were first transcribed within 48 hours and then uploaded to the digital platform Atlas.ti to begin creating a library of codes. Transcribing the findings continuously throughout the process follows recommendations from literature and allowed us to begin a constant process of coding and identifying key themes which informed elements of later data collection. We first coded the transcribed interviews separately to draw individual conclusions before interpreting the findings together and triangulating these conclusions (Bell et al., 2019). After finalizing the initial coding for all interviews, we then aggregated the data according to the framework presented by Gioia et al. (2013), which we chose due to its alignment with GT and its strong structure for organizing, aggregating, and identifying emergent themes from the key concepts captured in the interviews. However, in addition to the focus on interviewee quotations most relevant to our interview focus, we also

considered factors such as tone of voice and context to deem certain themes or topics less relevant than others.

Within this coding and aggregation process, we generated 16 first-order concepts to capture the participants' key topics and themes expressed during the interviews with the absence of a theoretical lens (Gioia et al., 2013). Following this stage, we collaborated to cluster these concepts into seven second-order themes (Gioia et al., 2013) which began to tell a story of enablers and obstacles associated with organizations' activities towards short- and long-term competitiveness. These enablers and obstacles then formed two aggregated dimensions affecting the value from pursuing ambidexterity activities. The visual representation of our data in terms of the Gioia et al. (2013) framework is presented in chapter 4.

3.3 Quality of research

Throughout the research process, special caution has been taken to ensure high levels of reliability and validity. However, given the differences between qualitative and quantitative research, we see that qualitative research should be evaluated using different criteria (Bell et al., 2019), and we ultimately focus on the trustworthiness of our method. To ensure a high level of trustworthiness, we draw upon Lincoln and Guba's (1985) four criteria of credibility, transferability, dependability, and conformability when evaluating our methodology.

3.3.1 Credibility

Credibility, which is comparable with internal validity for quantitative research, involves ensuring that study findings accurately represent the data collected (Bell et al., 2019). To ensure a high level of credibility, we took three actions: First, we conducted interviews until we stopped receiving new insights, indicating theoretical saturation. However, after that point, we conducted two following interviews to ensure that we had reached theoretical saturation. Second, we coded all empirical data recurrently and separately to ensure that we did not influence each other's perceptions of the data. Later, we compared our individual codes and integrated those into one set following discussion and comparison between the two versions. Third, we triangulated and nuanced the data during the gathering phase by drawing on multiple participants for each organization (with the exception of organization F, which was present in the study as a general comparison point due to the participant's long history in

the service industry and in innovation processes). Thus, triangulation occurred both through the rigorous coding method and by comparing different points of data against each other (Bell et al., 2019).

3.3.2 Transferability

Transferability, which is analogous to external validity in quantitative research, captures whether the findings can be applied to other contexts (Bell et al., 2019). Given the choice to conduct a qualitative study, we acknowledge that the transferability of the findings is limited, as the exploratory and qualitative nature is quite dependent on context. However, in line with recommendations outlined within literature, transferability was aided through providing rich descriptions of the finding, allowing the reader to judge the transferability of the findings (Geertz, 1973). This is done both in the methodology chapter, where the context of the studied organizations is described, and within the empirical findings chapter, where comprehensive descriptions of the events and tensions studied are provided.

3.3.3 Dependability

Similar to reliability within quantitative studies, dependability stresses the importance of keeping records for the research process and making them accessible (Bell et al., 2019). On one hand, we elaborate on the research process in detail in this section, and on the other hand, we kept detailed records of the tools used throughout our study. For example, we maintained our original interview guide and the modified versions based on the insights gathered during the interview process, and we maintained our complete interview transcriptions, our spreadsheet with raw interview quotations from our original coding, and the final assortment of quotations aggregated into our first order codes.

3.3.4 Conformability

Lastly, conformability, describing the author's actions to remain objective throughout the research process (Bell et al., 2019). First, we initially used factors such as activities, relationships, processes, and outcomes related to ambidexterity efforts to guide the structure of the interviews. However, we provided room for other factors raised by participants and evaluated these critically alongside our initial guiding factors to ensure that interview refinement was based on participants' insights and maintained the flexibility to evaluate new themes that might arise. In addition, during the interviews, we sought not to sway participants towards particular insights, but we instead sought to ensure that their perspectives and words

were their own. Second, to reduce the risk of biased data interpretations, we coded the interview transcripts separately and later compared and consolidated these codings through joint collaboration. Third, the findings were recurrently discussed with the thesis advisor, providing insights from a third-party in critical parts of the research process.

3.4 Research ethics

Because our study involved organizational tensions that might inhibit performance gains, we saw this to be a potentially sensitive topic and anticipated potential hesitation in discussions with participants. Thus, we addressed potential ethical concerns by ensuring anonymity for participating individuals and organizations by assigning identifying labels to each party. Moreover, all participants provided their informed consent prior to participating in the study, and before audio-recording was started for each interview, the participants again confirmed their consent to being recorded (Saunders et al., 2019). Following the completion of this project, all data will be deleted.

4. Empirical findings

Having concluded the review of the study's methodology, we now discuss the main study's interview findings in the words of the participants. First, we visualize the results of 19 main study interviews through the framework provided by Gioia et al. (2013), which are aggregated into key dimensions of enablers, or factors strengthening the undertaking or outcomes of activity execution, and obstacles that affect the outcomes from organizing and seeking to balance ambidexterity activities. Then, we discuss these dimensions in the subsequent sections with their constituent secondary themes, examining key points corresponding to the first order concepts in the Gioia structure.

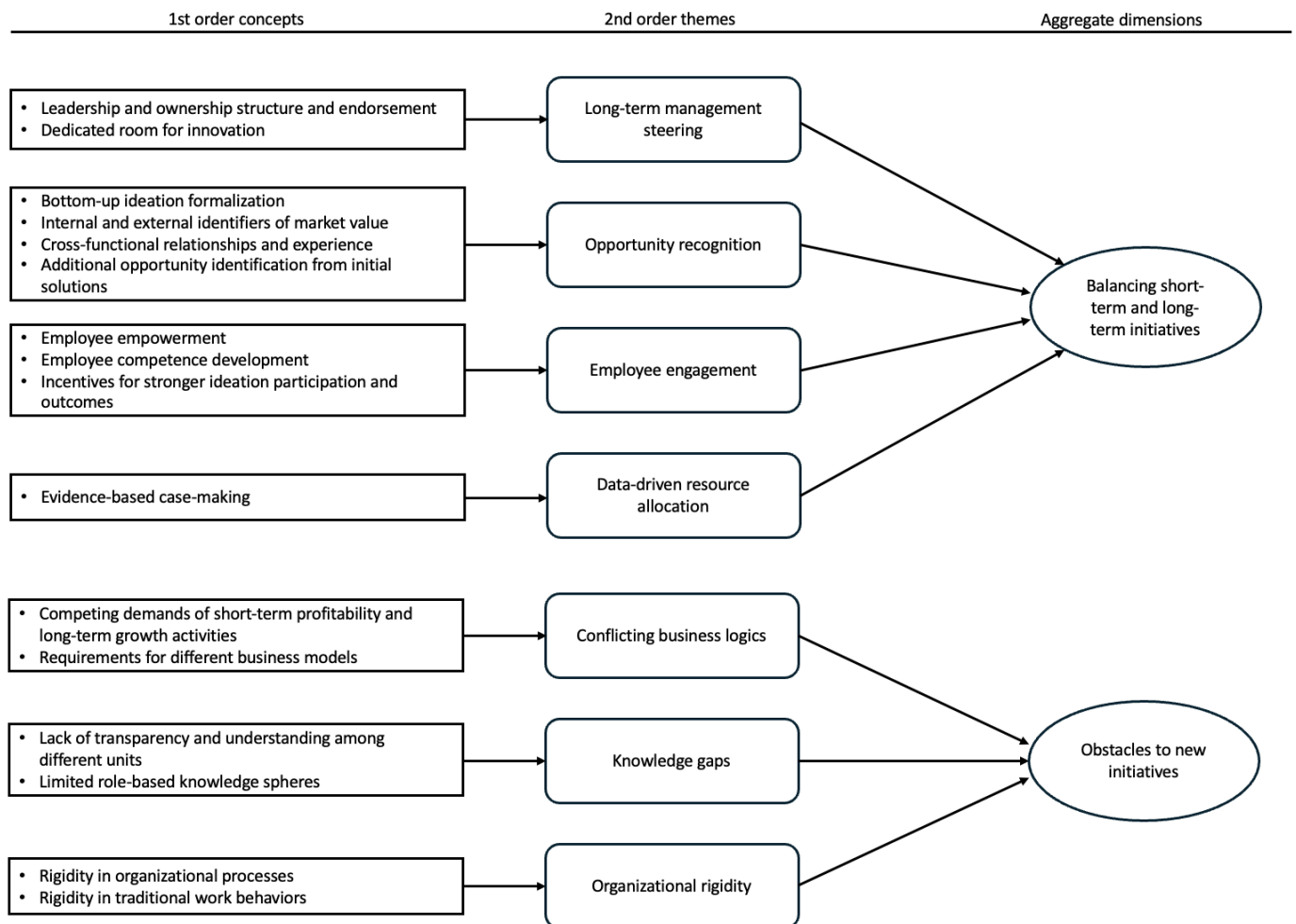


Figure 2. Structure of empirical findings

4.1 Enabling short- and long-term activity balance

Participants discussed several factors facilitating and improving outcomes from a balance between core business improvement activities and activities supporting future business evolution. First, amidst a tendency to prioritize short-term improvements over long-term initiatives, organizations provided strategic leadership steering to set organizational focus for long-term initiatives (4.1.1). After balancing the high-level focus and providing room to prevent the neglect of these initiatives, they then emphasized identifying both short- and long-term opportunities for the organization (4.1.2). Next, organizations engaged employees to contribute to opportunity recognition mechanisms (4.1.3), and lastly, after identifying potential short- and long-term opportunities, data-driven processes were taken that balanced resource allocation between them (4.1.4).

4.1.1 Long-term management steering

4.1.1.1 Leadership and ownership structure and endorsement

First, characteristics of organizational leadership and ownership steered focus towards long-term initiatives through their structure, endorsement, and communication. For example, organization B's foundation ownership saw innovation as key to advancing genuine societal development, and the organization's leadership communicated strategic focus areas to steer innovation towards key initiatives or issues.

"Our owner doesn't say that the most important thing is to earn as much money as you can...they want to be a part of...the development of society...when we share a profit...they reinvest that back into [company name], in innovation. It's from there we have built our innovation process." - Participant C (organization B)

"...when it comes to directing ideas, we have actually six different pinpointed focus areas...that we have sort of highlighted because we think that's areas where we will see a lot of transformation and change in the coming years." - Participant I (organization B)

Organization C also discussed similar leadership themes, as its group leadership shared insights with global offices to inspire evolution towards a stronger future position.

“...this is something that [company name] globally does on a regular basis...gathering this kind of information and insights across the globe to sort of fuel innovation and business development...ultimately sort of building a position as a thought leader in the market.” - Participant A (organization C)

In addition, organization D's private equity ownership also steered long-term evolution by orchestrating the organization's integration, although it stressed short-term profitability to a greater degree than organization B's ownership. This was emphasized by participant P, who also intentionally assumed a leadership position at the group level to better allocate resources from a strategic viewpoint.

“...if you have a venture capitalist, they usually say, oh, you have two years, you have to give us this certain increase in the money. We are not that kind of company. Of course our owners want to have an increase in value...But it's more a long game than a short winning.” - Participant P (organization D)

“...I have left that (organization D's leadership team) and am only in the leading team in the group instead, because I felt I need to take this step towards a more strategic view on how we should allocate our resources...” - Participant P (organization D)

4.1.1.2 Dedicated room for innovation

With this long-term leadership focus and endorsement, several organizations then discussed how designated departments or projects operationalized this steering towards new organizational opportunities. For example, as organizations A and B faced changing customer and technological trends, they established departments (separated from their core businesses) dedicated towards innovation or discovering new opportunities beyond the core business.

“The whole point of our department is to be the exploration arm of the business...we definitely have an investment thesis of exploring the businesses and technologies and innovations that are, you know, sort of seed stages today, but one day might be critical for the business model in, like...10 years.” - Participant J (organization A)

“...two years ago, we put a new department...that holds the innovation process...And we put it aside of the business...” - Participant C (organization B)

“...we develop new revenue streams as new digital products, more or less, which has a completely different business model than ordinary consulting that we do...our main mission is a business transformation, actually, learning and helping the company to learn to do business in more ways than we traditionally have done.” - Participant I (organization B)

Similarly, organizations D and F discussed distinct projects or processes in areas such as AI initiatives or innovation contests that protected and designated resources for innovation, even if they weren't held in isolated departments.

“...the AI initiatives are basically run by me...I created a separate project focusing on that...So that's a separate post in the budget. It's external resources that I have budgeted for. So I won't take the regular normal resources that are working with the horses, so to speak.” - Participant P (organization D)

“...once you start to plan a contest, it creates a separate bubble...which I think makes it deviate a little bit from the ordinary day to day business. So it creates a separate room for innovation.” - Participant M (organization F)

4.1.2 Opportunity recognition

Next, after ensuring that focus and room for developments for future growth in the organization, organizations took steps to pursue either these initiatives or improvements in core operations. The first step in balancing resources towards these areas was recognizing relevant development opportunities.

4.1.2.1 Bottom-up ideation formalization

When seeking opportunities for core business improvements or business evolution, organizations first discussed gathering employee ideas to leverage employee competences and creativity. First, organization B was unique in that its innovation process was employee-driven, as employees were steered by the organization's aforementioned focus areas but drove innovation concepts coming forth in the process. Although this process had a mission of business transformation as previously mentioned, it also helped to reinforce core business success by stimulating employee creativity extending to client projects.

“...we set up an innovation process...we said, come up with your ideas, send them into the innovation process...the best ideas there, we go to the foundation and ask them to invest.” - Participant C (organization B)

“So we actually started a very simple innovation process where we tried to sort of capture employee-driven innovation ideas...And the idea then was to sort of, if we listen to our employees...that would stimulate sort of more creative and innovative behavior also for our clients.” - Participant I (organization B)

Next, organizations C, D, and E also emphasized ideas from the bottom-up that might have short- or long-term implications. For example, organization D sought both grassroots innovation and efficiency or customer success initiatives by incorporating employee perspectives, while organizations C and E used employee perspectives in a more general ideation sense.

“...I call it the people's AI. It's the people who decide what the AI is and how we should use it...I want this grassroot innovation.” - Participant P (organization D)

“The only way we can identify the waste is by actually letting people tell us what the waste is. But say, here's somebody who listens to you and says, okay, what is not working in your process? Tell us...We have to get bottom up.” - Participant Q (organization D)

“...we have a lot of those ideas...I mean, new, great ideas. Why don't we do this? We would save a lot of money or we would earn a lot of money. Or this is not working, you need to fix it. I mean these kinds of ideas and issues very, very easily and fast come up to sort of the leadership level or the level just below.” - Participant A (organization C)

“...if you felt like something could be improved, then you could make a note of that in the system...they emphasized this quite highly...” - Participant U (organization E)

4.1.2.2 Internal and external identifiers of market value

Furthermore, to enable more valuable opportunity recognition outcomes, companies emphasized the importance of identifying market value in both core and future opportunities. Thus, to better identify opportunities with market value, most companies discussed internal

mechanisms of understanding market needs by 1) using insights from customer-facing employees and 2) bringing customers directly into internal processes to test idea value.

“You want the people in the operation, you want the people closest to the customer, usually they have the best understanding of what the customer wants or needs...” - Participant P (organization D)

“...there are...quite close examples when we have had a request from a branch network that we said, yeah, we can do that for this client...So that's another good thing, I think, between a strong branch network who actually knows the customer needs from their local market.” - Participant H (organization E)

“...have a proof of concept or a pilot project with them, like they get to try it out, see how it works...They get to do a minimum viable product and we see how it rolls with some clients, and if they like it, then maybe we could contract them or we just buy the whole thing.” - Participant J (organization A)

“And then we have a pre-launch stage, where we have full focus on reaching the clients and meeting clients to see if we actually get response and market traction and customer market fit...” - Participant I (organization B)

In addition, organization E discussed its use of insights from external market research groups to supplement its internally-based market knowledge.

“... I would also say, like SKI, the customer service, central customer services that could be Prospera...or you know, the big firms that compare customer satisfaction within the society. If you look at those, you can read what the client needs are or what they are expecting...” - Participant H (organization E)

4.1.2.3 Cross-functional relationships and experience

Next, cross-functional relationships and experience also enabled stronger opportunity recognition outcomes. For example, cross-functional collaboration strengthened future business opportunity recognition for organizations A and B by providing expertise from other areas that individuals driving or evaluating new opportunities might lack.

“I have no idea what a good algorithm is for a radar, LIDAR technology in an autonomous truck in 10 years...So then we have a very good collaboration with the horizon one and two guys over there...we get R&D to take a look at some technologies that we think are interesting and say like, yeah, this is good, this is bad. So sort of the tech due diligence is a collaboration with us and them.” - Participant J (organization A)

“We bring in what we call business coaches. And also we have a digital enablement team that sort of helps with the digital and tech side that is needed in the teams.” - Participant I (organization B)

Similarly, the perspectives and knowledge bridges provided through cross-functional collaboration improved core business solutions in client projects or helped to identify core business development opportunities, showing the ability to benefit both short- and long-term business objectives.

“I think that what we need to have is our internal project managers that understand both bridges and water...because the bridge engineer and the water engineer might never agree on the best solution...So then we have to have people that have been in those projects, have been in those discussions many times, that start to understand both sides of a problem.” - Participant C (organization B)

“...procurement can sort of identify substitutes from a price point of view, but then the menu planning team needs to go in and check the quality, check the application, does it actually work in the recipe?” - Participant A (organization C)

“...the product management teams have to take the decisions in terms of what to develop and they listen very much to the branch networks and the Län network, branch network.” - Participant H (organization E)

4.1.2.4 Additional opportunity identification from initial solutions

Finally, some organizations identified additional opportunities or benefits from certain developments to reinforce a short- and long-term opportunity balance. In some cases, this took the form of developments for longer-term initiatives that also produced immediate

business improvements, as seen when organization B was able to use innovation initiatives with new business models in a way that also improved efficiency for the core business.

“...If we see that we could package some part of our core business into a package service that we could automate...to be more efficient to deliver that package, then we could run that type of idea through the Innovation Department...some of those package services that we create are actually efficiency gains for the business in the core as well. But we want to have a package service with a business model attached to it.” - Participant I (organization B)

In other cases, when core business solutions were needed, they might be designed in a way that also supported the organization's long-term evolution. For example, organization D discussed how it designed its digital developments in a way that would support other businesses in its integration and grow towards its long-term vision.

“We will benefit them short-term from a [company name] perspective, but when we are designing them in the way we do, we know that we are also slowly building a more compatible one-stop-shop platform that's usable for other group companies as well...we definitely look into the more short-term financial gains or other benefits, but we know that it aligns with the group strategy more long-term as well.” - Participant D (organization D)

Lastly, organization E took the opportunity to also enhance the customer experience when undertaking digital developments that were initially required from changes in industry regulations.

“...We try to make the most of every development that we do in terms of regulation, to actually also apply to some extra customer experience or some benefits that the client could be happy with.” - Participant H (organization E)

4.1.3 Employee engagement

With certain mechanisms helping to recognize both core and future opportunities, several organizations then emphasized engaging employees to contribute to these processes, particularly to enable bottom-up ideation outcomes.

4.1.3.1 Employee empowerment

First, organizations emphasized employee empowerment for employees to feel equipped to consider potential changes and produce effective ideas while also feeling that ideation participation was worthwhile. To empower employees, organizations often stressed the need for employees to feel heard and encouraged to communicate opportunities that they recognized.

“I think the most important thing is the culture that people feel. That they can speak freely about these things, things that doesn't work, or opportunities that they see.” - Participant A (organization C)

“...everybody has to get an answer, quick as hell. So that they feel...what we do is at least thank you for your idea.” - Participant Q (organization D)

“I think that's actually very encouraged...now also I feel like that's the way with...the production manager for my department. So he always listens, and if you have something, he will always try to like, take it up with someone with the ability to decide within changes and everything like that. So I feel very heard...” - Participant N (organization E)

In addition, relative employee autonomy or freedom while pursuing certain initiatives also provided empowerment, although this was balanced by the management steering previously discussed.

“So we have the strategic directives...and then we look at that, but then we also have the autonomy on our own side because...you can't beat entrepreneurs knowing what could be the next best thing.” - Participant J (organization A)

“...we have an innovation strategy, six areas that are the most interesting for us...we try to steer the ideas towards those areas...But it don't have to be according to our strategy. If they come up with ideas that are super good that are somewhere else, as long as we can earn money, they still can go into the bid stage.” - Participant C (organization B)

“...the core ambition is to basically narrow the field of where they can innovate. So I will tell them, I want you to go to that position, but you decide how to get there. Like do you want to walk? Do you want to run? Do you want to ride a horse?” - Participant P (organization D)

4.1.3.2 Developing employee competence

Second, organizations discussed engaging employees by providing opportunities for personal competence development which also facilitated stronger innovation or ideation outcomes. For example, organization B provided business and innovation coaches to employees in its innovation process to help develop their business competence and conceptualize implementation or business value drivers in their proposals. In addition, organization D saw the importance of incorporating employees into AI initiatives to develop AI competence which would be needed in the future.

“So a lot of people are through this process and just getting these innovation coaches and especially business coaches, making them understand how important it is to have a client to actually deliver value and so on. That's a great learning process also for our employees.” - Participant C (organization B)

“So we actually educated a few of our internal engineers into innovation coaches and took help from external consultant companies to do that.” - Participant I (organization B)

“...we need to stay relevant for our employees. So we are not an employee where you stagnate. Like you need to be able to be a part of the future workforce that knows how to handle AI.” - Participant P (organization D)

4.1.3.3 Incentives for stronger ideation participation and outcomes

In addition to employee empowerment, some organizations discussed incentives to help drive ideation engagement and outcomes. First, these might be financial or rewards-based, as seen in organizations B and D, particularly due to the opportunity cost of time spent innovating or ideating that might otherwise be spent on core work. Rewards were also used to incentivize more valuable ideas from employees to improve the outcomes from ideation participation.

“...we have seen, of course, a great need for incentives...so of course, we have worked with sort of lump sums and bonuses, for example, for people that are reaching the launch stage...”
- Participant I (organization B)

“But what we do is, before we start the development stage, we actually talk to all the managers, and we try to create a kind of client and supplier relationship. So we say that we are your clients. You should be handling us as your client. We sort of finance your product. So we pay for that time to speak internally.” - Participant I (organization B)

“Submitting the right ideas...So if it's implemented, they get something...there was one lady...who sent in three or four things, small things, we all implemented them. So...she got a big award...” - Participant Q (organization D)

When elaborating on the motives facilitating innovation participation, organization F noted the value of softer incentives, which was echoed by organization B in terms of meaningful development opportunities or challenges.

“So fun, intellectual challenge, status, and reputation, but also...to solve the real use in it, or something that triggered a lot of people to believe the problem is really important.” - Participant M (organization F)

“So initially, they are really happy sort of just being able to get some kind of time, and both in financing and support, sort of developing what they really love to do. Because they are very technically-driven...So initially, that's more than usually enough, actually. They get a possibility to develop something they believe in. So that's quite a good incentive for many in the years, actually.” - Participant I (organization B)

4.1.4 Data-driven resource allocation

4.1.4.1 Evidence-based casemaking

Finally, after driving employee engagement in opportunity recognition, data-driven evaluation processes often facilitated resource allocation decisions to balance the pursuit of recognized opportunities. First, data collected through business cases was a common mechanism for evaluating resource allocation for potential opportunities.

“...if you really say that we should do this, then you build a business case. Then you kind of calculate how much this would give if we made this development. What would it bring? How much would that free up time for offices?” - Participant G (organization E)

“Now we've currently decided that the communication and planning are important based on the business cases we've seen when we've looked at the time spent on it.” - Participant S (organization D)

“It's still open for all ideas, but we also try to steer them. But when doing this...we always want to see they have the best business cases.” - Participant C (organization B)

Second, organization A used a designated process to collect and test data regarding assumptions underlying future possibilities to make decisions regarding resource allocation.

“As you can see, these are reasonable, but we don't know which of them are the right one. Then, you can take options and throw into Assumption Based Testing to see, do we get a positive result? And, where we get positive results, we allocate more resources.” - Participant B (organization A)

4.2 Obstacles to new initiatives

In addition to the enablers discussed, three key categories of obstacles emerged from the study that primarily hindered new initiatives beyond organizations' core businesses, discussed in the following sections.

4.2.1 Conflicting business logics

4.2.1.1 Competing demands of short-term profitability and long-term growth activities

At a fundamental level, pursuing both core business optimization and long-term evolution introduced activities with conflicting business logics that both demanded resources. In particular, profitability requirements could remove focus from innovation or evolution and instead emphasize short-term projects or traditional revenue streams.

“We see competing demands - how do you take risks or innovate while remaining profitable?” - Participant F (organization A)

“So you both want to have profit and you want to have growth, and that's...in a perfect world, right? So that's very difficult to achieve sometimes. And then in periods there is more focus on growth and in periods there is more focus on profit.” - Participant A (organization C)

“...if I say, okay...we need to be here in three years - and that includes different system integrations, different processes, etc. etc. - that takes a certain amount of resources. But here and now, we also have to increase and save profit here and now. So we also need to dedicate some kind of resources for that here and now. And those things might not necessarily be 100% aligned with the strategic goal within three years.” - Participant P (organization D)

4.2.1.2 Requirements for different business models

In addition to these competing activity demands, conflicting business logics also occurred as innovations or changes developed as part of long-term or more radical initiatives sometimes clashed with companies' existing business models.

“...certain ideas, they also need new twists on your business model or complete new lines of business...” - Participant M (organization F)

For example, a lack of market acceptance would impede organization A's electrification initiatives if using the company's traditional sales model, as higher product costs and technological viability uncertainties posed higher purchase risks to cash-strapped customers. Thus, the organization required a different business model for that initiative.

“...electrical vehicles need to be pushed out...but they are three times as expensive as a combustion engine, and the majority of our customers own 10 trucks or less...which means that it's extremely capital intensive for them to buy an electric truck, which means that there, we have a customer barrier to entry...Let's make it a pay-as-you-ride solution until we find enough economies of scale that the price decreases for electric vehicles that we can penetrate the market properly.” - Participant J (organization A)

Similarly, for organization B, certain innovations saving time on client projects would reduce earnings if incorporated with the organization's existing revenue model, which charged clients by project hours worked. Thus, the organization packaged these innovations into digital products integrated with client projects to recoup lost revenues from fewer hours billed.

"...we have a thing called [product name] that calculates flooding or high water...And we have done that, delivered that service for a long time to our clients. But it had to have been on an engineering basis that we collect a lot of data and then we start calculating ourselves. Now, collect the data, put it in [product name], press a button, and the answers come out...In Sweden...if we can deliver in 800 hours, then we get paid for 800 hours...in Sweden, it might be more difficult to use [product name] if you can't sell [product name] on the side as a fixed product." - Participant C (organization B)

In addition, organizations C and D discussed the difficulties of new business model requirements. Organization C noted how managing these came with risks and complexity, and it shifted its business model in phases depending on whether the company focused more on profit or growth at a given time. In addition, different logics complicated organization D's business integration, as a common platform less easily accommodated different businesses' needs.

"...as soon as you start to move into...new sectors in the market, new sort of target groups...then you start to sort of stretch your existing business model...there is a limit to how far you can stretch it before you need to invent a new one, and then as a company to sort of manage multiple business models, and you start to drive complexity and cost and risk and investments...And then it sort of goes in...periods or phases where you are sort of more risk averse, then you sort of take a step back and consolidate and focus on your core business. And then there are other phases where you are more sort of open to risk and more opportunistic and want to grow." - Participant A (organization C)

"And now we have different companies...So it differs quite much from what [company name] currently does and what our system currently supports." - Participant S (organization D)

4.2.2 Organizational rigidity

4.2.2.1 Rigidity in organizational processes

Next, companies often showed rigid or stiff processes that favored core business improvements or hindered new initiatives. For organizations A and D, this took the form of process hierarchy or bureaucracy which inhibited bottom-up information flows or inhibited a strategic resource allocation focus through more burdensome, granular oversight.

“Hierarchy is a barrier to being agile or being able to collect or act on information coming from the bottom up...the organization needs to be practically flat, not just flat in theory.” - Participant F (organization A)

“...I think this...forum should be more strategic, holistic...we need a business case for every small little change. It becomes very bureaucratic in how we want to make things work.” - Participant S (organization D)

“...we've come to realize that the, the changes we want to make there will definitely need to be adapted to the big group picture. And the existing form of that does not really, like, include that aspect. So we need to reconfigure or redesign that meeting.” - Participant D (organization D)

Organization A also saw another form of process rigidity as managerial measurement and mandate processes failed to evolve alongside a shift towards electrification initiatives, inhibiting practical steps supporting these campaigns at lower organizational levels.

“However, they often lack the mandate to drive sustainable change. These actors have a short turn-over time and are expected to generate revenue short term. This often drives them to sell what they have, in this case diesel vehicles, going against the initiative to sell more sustainable vehicles.” - Participant F (organization A)

“One can see that [company name] is still mostly stuck within the older ways, where traditional ways of measurement are used to try and drive new change.” - Participant F (organization A)

Lastly, organization F discussed a third form of process rigidity, where ideation processes lacked flexibility to allow for alternative directions after initial ideas were established.

“They had brought forward ideas and they had talked about it for several years. So it was very difficult to come in with a new idea in that already kind of very planned landscape of new innovations...” - Participant M (organization F)

4.2.2.2 Rigidity in traditional work behaviors

Next, rigidity in traditional work behaviors also inhibited a strategic growth emphasis with team or employee tendencies to reinforce or pursue established routines. For organization B, client-facing teams historically emphasized project delivery, and growth through innovation could be hindered as team managers better understood project delivery and focused on the project execution to which they were accustomed. In addition, this delivery focus could impede needs for growth that innovation created as the organization required higher sales volumes - not just project delivery - to carry innovation costs. For organization F, traditional responsibilities could seem more important than innovation and thus also inhibited innovation participation.

“I think most of our department managers wouldn't do anything about innovation because they don't understand maybe the full aspects or how to do it. They will continue to focus on what they have done always.” - Participant C (organization B)

“...we need to have a certain level of turnover on each innovation in order to sort of carry its cost and carry also the cost of increased marketing and sales to even continue increasing the turnover. And that behavior of a sort of continuous growth is something that the organization is not used to...when they are fully occupied, they don't sell anymore because then they need to deliver. So that means that you will never be able to grow that kind of model and the business volume to the right level...” - Participant I (organization B)

“When we arranged our Tech Challenge here last year, I thought some of the teachers in my own department would participate and create teams, but they didn't. This year we have one teacher team or researcher team. Uh so far, I guess they were not, they didn't see the point. Just another thing that added to their burden I guess.” - Participant M (organization F)

4.2.3 Knowledge gaps

4.2.3.1 Lack of transparency and understanding among different units

A final hindrance to new initiatives came through two levels of knowledge gaps within the studied organizations. First, knowledge gaps at the department level saw a lack of transparency and understanding between different units in the organization. For some organizations, transparency difficulties occurred with a lack of common language between departments that complicated strategic issue solutions, as this reduced clarity and understanding around key points.

“Yes, but it sometimes feels like they're speaking a different language. That they kind of have another - a different vocabulary...At the same time, if you kind of get an understanding, they are usually very helpful.” - Participant G (organization E)

“The more you know about the problem, the better you can create a solution for that problem, so that was a challenge at [company name], because the different departments wanted to talk about this in different ways.” - Participant M (organization F)

In addition, a lack of clear communication throughout the organization regarding strategic focus caused a lack of cohesion supporting long-term directives. For example, for organization A, this led to different departments pursuing similar solutions or remaining unaware of development insights or decisions existing elsewhere in the organization.

“Sometimes, different parts of the organization come up with the same ideas...Or, other parts of the organization are unaware of previous insights and / or decisions in regards to the development of certain technologies.” - Participant F (organization A)

4.2.3.2 Limited role-based knowledge spheres

Knowledge gaps also emerged at the individual level, as employees' knowledge spheres, or knowledge held from their specific roles and experiences, confined their view of organizational initiatives. For example, customer-facing employees might interact with only a small customer subset and thus have ideas that wouldn't serve a larger customer base.

“At the same time, individual offices find it difficult to know what to develop because they see such a small number of customers. And if you look at all the bank's services, there is quite a wide range, which means that you may not get this case more than every two years.” - Participant G (organization E)

In addition, limited knowledge spheres sometimes confined employee perspectives in ideation processes, as employees might focus too narrowly on their own expertise or experiences and lack perspectives for implementation, business value considerations, or outside-the-box solutions, as seen in organizations B and D.

“...there are backsides with it, having the employee-driven process. And one example is that we see that of course the engineers, they meet engineers maybe on the other side as well, on the client side, which means that the ideas might be a bit too engineering.” - Participant I (organization B)

“...we need to explain this to the client. Upfront payment or payment over 20 years. And that's not an engineering skill. So that we need to learn them...To understand more of the economic aspect or other aspects.” - Participant C (organization B)

“...the people closest to the customer, usually they have the best understanding of what the customer wants or needs, but they are still...stuck in their sphere of knowledge. It's like that old quote from I think Henry Ford, that if you ask the people, they want faster horses...they don't understand or know about the car, so they will always scream about faster horses.” - Participant P (organization D)

“...it's not a lack of ideas that is a problem. It's the lack of implementation specifications that is the challenge.” - Participant P (organization D)

5. Analysis

Now, we have explained factors helping organizations in the study to balance core and long-term business activities and factors that hindered new initiatives and short- and long-term balance. Next, we answer the research question by examining the relationships between these factors and applying a theoretical lens. As capturing value from ambidexterity should involve the successful execution of exploitative and exploratory activities, we first evaluate the inner layer of the analytical framework, analyzing how three drivers of different tensions detracted from the balance between or outcomes of these activities and explaining how these were mitigated to improve activity-level outcomes (5.1). Then, we expand beyond the execution of these activities to examine their place in organizations' holistic activity systems - the business model – through the outer layer of the analytical framework to understand tensions at the business model level that require mitigation to enable performance gains from ambidexterity (5.2). Finally, given the insights of the study, we present a revision to the initial analytical framework that we argue is necessary for organizations to account for when enabling value from ambidexterity (5.3).

5.1 Mitigating tensions within ambidexterity pursuits

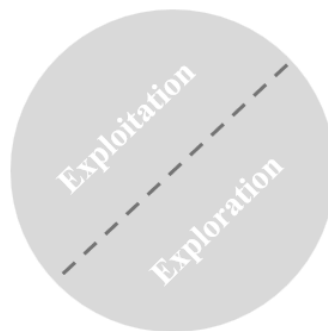


Figure 3. Ambidexterity activity layer within the analytical framework

5.1.1 Competing short-term and long-term demands

Summary

Competing short- and long-term demands between exploitative and exploratory activities drove a fundamental tension within ambidexterity pursuits. As outlined in theory, this involved the conflicting nature of these activities and their requirements and competition for organizational resources, and it tended to inhibit exploratory efforts as organizations often favored exploitation with its more immediate, visible benefits (March, 1991; O'Reilly and Tushman, 2013). To mitigate this and help to rebalance ambidexterity activities, organizations 1) dedicated room for exploration through designated departments or processes, 2) enabled this room for and general focus towards exploration through ownership and leadership steering, 3) engaged employees to participate in exploratory processes through empowerment and incentives, and 4) designed or applied solutions in a way that contributed to both exploitation and exploration.

First, a key tension within ambidexterity efforts detracted from exploratory activity execution, as both exploitative and exploration required and competed for resources from a limited asset pool. Organizations' exploitative activities often involved process efficiency gains, current profitability improvements, or existing service delivery or opportunity improvements, while their exploratory activities often involved expansion or investments in future business services, technologies, markets, or product innovations. Between the two, organizations often favored exploitation with its more immediate, visible benefits. For example, organizations A and D discussed the difficulty of taking risks and innovating while needing to also maintain current profitability, organization D discussed how a resource allocation process tended to focus on shorter-term initiatives but would be improved with a longer-term view, and organization B remarked on the challenge of innovating when consultants were booked with client projects to be able to bill more short-term customer hours. This is also the key tension within organizational ambidexterity theory as outlined by multiple authors (March, 1991; O'Reilly and Tushman, 2013). In light of this tension, several enablers helped to establish more balanced ambidexterity activities by ensuring the execution of exploratory activities or the mutual reinforcement of both exploitation and exploration.

Ensuring exploratory activity execution

At a practical level, dedicated exploration room for innovation or opportunity search ensured the pursuit of long-term, exploratory business opportunities. For some with larger resource endowments, such as organizations A and B, this came through designated innovation or exploration departments which operated separately from the core business, modeling a higher degree of structural ambidexterity (Stoiber et al., 2023). Similarly, even if some companies lacked exploratory units completely separated from the core business, they might create separate projects with resources devoted towards innovation, as seen with organization D.

These designated exploration resources were also enabled by higher-level steering through organizational leadership and ownership characteristics. From an ownership perspective, ownership structure and vision facilitated varying degrees of exploration dedication, as organization B's foundation ownership enabled the strongest exploration focus by reinvesting profits internally into its innovation department. Organization D's private equity ownership also supported longer-term resources through its evolutionary integration goals for the organization but demanded stronger short-term returns, while organization E's risk-averse ownership principles discouraged radical changes, driving the smallest exploration focus. From a leadership perspective, organization C's insight-sharing from group leadership, as well as organization D's leadership repositioning to the group level, also provided a strategic view to steer resource allocation to align with longer-term goals.

Companies further mitigated the tendency to prioritize exploitation at the employee level by nudging individuals to contribute to the structures and processes designated for exploration through employee empowerment and incentives, encouraging a degree of contextual ambidexterity (Gibson and Birkinshaw, 2004). For example, organization D encouraged exploration participation by empowering employees with greater responsibility and solution development freedom for innovation initiatives within boundaries set by management. Organizations D and E also emphasized the importance of employees feeling heard to prevent apathy and encourage participation towards exploratory ideation processes. Lastly, organization B discussed financial rewards to participate in its innovation process to mitigate the opportunity cost of innovation, which sacrificed existing client project delivery.

Enabling ambidexterity through opportunism

Lastly, some companies mitigated dominant exploitation tendencies by applying certain initiatives or solutions to other opportunities in a way that enabled simultaneous exploitation and exploration efforts. For example, in the context of its integration, which enabled future service offerings, organization D sought to design shorter-term developments in a way that supported its long-term integration goals and could facilitate integration capabilities by being applied to other group businesses. Organization B also reinforced an exploitation-exploration balance by applying certain innovations that had new business models to efficiency gains in its core business. Lastly, organization E developed system changes required by regulatory changes in a way that altered and improved the digital customer experience, further building capabilities to remain successful with customers' changing digital preferences.

5.1.2 Limited knowledge spheres

Summary

Limited knowledge spheres drove a tension between exploitation and exploration in the fact that these knowledge spheres contributed to more specific exploitation opportunities while reducing exploratory ideation or search outcomes by diminishing the effects of employee competence. This reflected issues seen with contextual ambidexterity variants while also highlighting issues that could affect exploration outcomes within structural ambidexterity. From a contextual standpoint within employee ideation mechanisms, organizations mitigated this by 1) directly helping or incentivizing employees to expand their own knowledge spheres and 2) supplementing employee knowledge with knowledge from customers or external institutions. From a structural standpoint within exploration search processes, organizations mitigated this by using cross-functional efforts to create bridges to knowledge spheres in other departments for employees in exploratory units.

Expanding knowledge spheres in ideation processes

Next, limited knowledge spheres drove tensions in exploratory ideation processes driven by operational employees, as employees' lack of knowledge better suited for exploratory outcomes interfered with employee competence. In the study, organizations often used mechanisms to formalize and evaluate employee ideas to leverage employee creativity and insights, and as discussed by organizations D and E, this seemed to work well from an

exploitative standpoint to identify operational process improvements or efficiency gains. However, as seen with organizations B, D, and E, exploratory ideation processes were hindered by employees' limited knowledge spheres. These were better suited for exploiting employees' core areas of expertise and inhibited more exploratory ideas that expanded beyond those core areas to involve wider innovations, customer bases, or implementation requirements.

Here, critiques of contextual ambidexterity provide insights into this issue, as organizations introduced elements of contextual ambidexterity by bringing operational employees into their exploratory structures. In theory, contextual ambidexterity allows for diverse but smaller or less transformative ideas and is better suited for incremental opportunities, aligning with the problems from limited knowledge spheres seen in the study and indicating a need to provide knowledge transfer for stronger exploratory outcomes (Birkinshaw and Gupta, 2013; Chen, 2017; Gilbert, 2005).

In response, organizations in the study discussed two angles of knowledge transfer to mitigate these effects and improve exploratory ideation processes. First, organizations such as B and D focused internally on the ideation process by helping or encouraging employees to widen their own knowledge spheres through business and innovation coaching or rewards only for implemented ideas. Furthermore, in later stages of the ideation process, organizations such as B and E engaged in customer collaboration to test the market value of ideas prior to commercialization. Second, organizations such as A, B, and E also supplemented these perspectives by introducing external market insights from market research institutions.

Bridging limited knowledge spheres through cross-functional efforts

In addition, from a structural ambidexterity standpoint, organization A noted the difficulties that limited knowledge spheres caused in identifying potential opportunities for the business. Organization A saw a clear case of structural ambidexterity with its exploratory business unit which employed only individuals dedicated to future business ventures (O'Reilly and Tushman, 2013), but our participant from that department noted that he lacked the knowledge to judge certain aspects of potential prospects, such as technological characteristics.

However, as the participant emphasized strong relationships with other functions so they could help him better understand possible risks or potential in opportunities when needed,

cross-functional collaboration improved structural exploration outcomes by creating bridges between knowledge spheres to better identify and evaluate opportunities. Thus, although organization A took a stronger structural ambidexterity approach, cross-functional relationships provided the exploration unit access to the diverse perspectives enabled by contextual ambidexterity when needed.

5.1.3 Organizational rigidity

Summary

Organizational rigidity drove a tension within ambidexterity activities by maintaining a general focus on traditional work responsibilities at the team or employee level when organizations introduced elements of contextual ambidexterity. This ultimately skewed efforts towards exploitation or core work priorities rather than exploration initiatives. To mitigate this, organizations focused on employee engagement and incentives for ideation participation to help nudge individuals towards exploratory activities when they were given the choice between exploitation and exploration.

Rigidity in traditional work behaviors

First, organizational rigidity in traditional work behaviors advanced the tendency to focus on exploitation or general core work responsibilities rather than supporting exploration efforts or tasks supporting exploratory outcomes. For example, organization B discussed the tendency to focus on traditional service delivery due to its familiarity and payoffs, while organization F noted how employees might not participate in exploratory processes due to lower perceived value compared to their traditional, existing responsibilities. As these examples brought employees into exploratory processes, they highlight an additional tension involved with contextual ambidexterity, as employees in these cases tended to focus on exploitation when given the choice between exploitation and exploration without further direction. This again reflects the tendency to exploit rather than explore (March, 1991), but this time at the employee level.

Therefore, employee engagement and making these opportunities worth their efforts to employees encouraged the support of exploratory initiatives amidst inclinations towards traditional responsibilities. Similar to previous tensions, organization B mitigated this by

financially alleviating the opportunity cost for teams of foregoing traditional service delivery in favor of innovation participation, and it also provided meaningful development opportunities that would attract employees, a sentiment echoed by organization F. Similarly, organization D also provided financial incentives and greater autonomy when appropriate to encourage employees to participate in new initiatives rather than purely focusing on core work.

5.2 Mitigating business model tensions to capture the value from ambidexterity

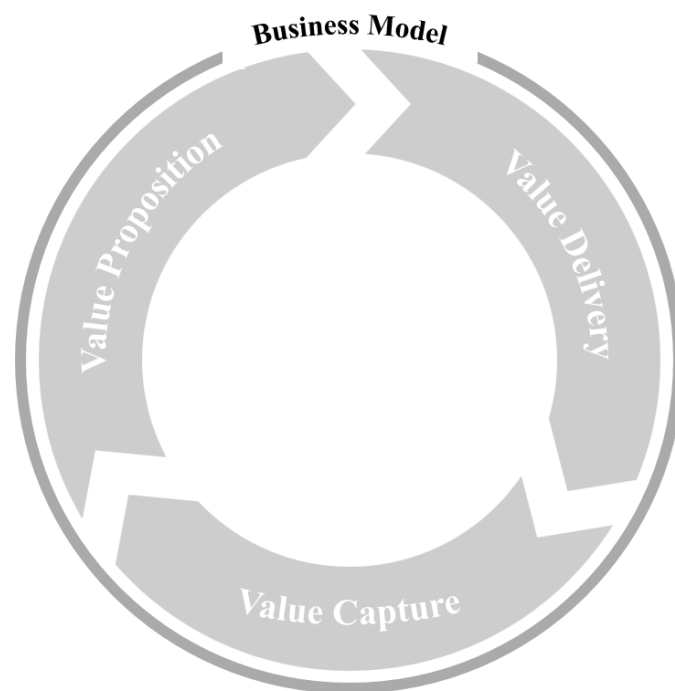


Figure 4. Business model layer of the analytical framework

5.2.1 Requirements for business model adaptation

Although the above discussion shows how enablers improved the balance and outcomes of exploitation and exploration to make undertaking both activities more valuable, a key finding showed that the mere execution of these activities did not necessarily lead to performance gains. At times, innovations or exploratory developments conflicted with companies' existing business models, demonstrating a key tension between the core and outer layers in the analytical framework if these developments were incorporated without changes within the organization's larger activity system. Thus, tensions with the existing business model sometimes required business model adaptations to capture the value and performance gains

from exploratory activities, as seen with organization A's servitized, usage-based revenue model for electric products and organization B's incorporation of its flooding calculation innovation into a digital product to compensate for lost revenues from fewer hours billed during client projects.

This finding clearly aligns with theory asserting that business models could inhibit the realization of ambidexterity outcomes (Stoiber et al., 2023) and that business model adaptation capabilities are important to being able to capture value from exploratory initiatives (Chesbrough, 2010; Pisano, 2015). Furthermore, it illustrates how the different actions within organizational ambidexterity relate to the business model. Actions related to exploitation as outlined by ambidexterity can be seen as more in line with firms' established business models, as they tend to involve exploitation of given structures and resources. On the other hand, exploration might be conducted beyond the established business model as organizations try to find new opportunities. The relationship between the activities and the business model points to the need for organizations to account for business model malleability when emphasizing exploratory activities, as it can be necessary to operationalize and commercialize new ventures.

The need to consider the business model's impact on exploratory outcomes also has implications for the content and focus of exploratory activities. As business models describe how organizations create, deliver, and capture value (Osterwalder and Pigneur, 2010), these three value dimensions serve as considerations for exploratory activities. In the study, several examples of innovations focused on value creation and delivery rather than value capture, as organization A's electric products created and delivered environmental and branding value to customers, and organization B's flooding calculation product delivered value in a new way. Thus, in these cases, changes solely to value creation and delivery activities caused an incongruence with value capture mechanisms, indicating conflict between the inner and outer layers in terms of the analytical framework which inhibited performance gains until business models were adapted or created.

5.2.2 Ambidexterity modes and adaptations to the business model

Even though business model innovation can be problematic in itself (Teece, 2010), the study finds that some modes of ambidexterity can provide some alleviation for organizations trying to account for the business model layer in relation to exploratory activities. This can be seen

both through aspects of timing, ensuring that organizations undertake initiatives at a time when the business model can stretch to fit them, and also structure, ensuring that parts of the organization have the mandate and resources to adapt the business model.

The temporal separation of exploitative and exploratory activities associated with sequential ambidexterity demonstrated benefits for organization C, which illustrated sequential ambidexterity by cycling between periods of exploratory growth and periods of profitability and exploitation focus (O'Reilly and Tushman, 2013). Here, these exploratory periods were also characterized by a greater tolerance for risk and willingness and capabilities for business model expansion. Thus, organization C focused on exploration only during periods where it had the capability to also adapt its business model, mitigating potential issues of developing exploratory initiatives at a time when it could not adapt the business model to accommodate those.

In addition, structure helped to account for the business model layer in organizations A and B, which demonstrated aspects of structural ambidexterity with their new business or innovation departments. When developing exploratory initiatives, these organizations had the structures that could focus on business model changes required to accommodate those initiatives without waiting for the organization to shift focus to a more exploratory standpoint that would be experienced in a sequential organization. Furthermore, a structurally separated unit provided clear ownership of developments and new business models within the organization, allowing for the consideration of business model changes when new ideas required them.

5.2.3 Process rigidity and business model operationalization

Next, organization A highlights a final tension seen after business model adaptation occurs which stems from organizational rigidity in processes. Up to this point, we have seen how certain enablers help to overcome tensions when pursuing ambidexterity activities to facilitate stronger activity balance and outcomes, and we have seen that organizations must also consider potential business model adaptations to capture value from exploratory initiatives. However, organization A illustrated that, even if the organization creates a new business model for an exploratory initiative, organizational rigidity might prevent lower levels of the organization from prioritizing that effort in areas such as sales or service delivery. Thus, although a business model supports the initiative, the organization might still

capture less value from its exploratory effort as individuals remain aligned towards the previous business model or operations.

In this case, organization A demonstrated rigidity in organizational measurement and mandate processes which misaligned middle manager mandates and evaluation measurements with new initiatives, effectively disincentivizing the support of exploratory business lines. Because lower-level managers and employees continued to receive short mandates and were evaluated by traditional measurements, they focused on traditional business opportunities that more likely garnered quicker and assured revenues, as the payoffs from taking practical steps towards exploratory initiatives such as electrification were slower to realize and more risky. Thus, this misalignment skewed operational efforts towards traditional business. In this case, the organization had the dedicated room for exploration, recognized the opportunity, allocated resources to pursue the opportunity, and had the business model to commercialize it. However, lower levels of the organization did not contribute to that line of business because they did not receive the right evaluation measurements or mandates to incentivize it. Here, we see that the ambidexterity challenge - balancing an emphasis on the core business with an emphasis on the future of the organization - returns at the business model level, as organizations must choose how to balance their different business lines.

In this case, an organization might still choose to prioritize its traditional business lines, especially if an exploratory venture has not yet garnered sufficient market traction. However, this example suggests that upper management must be able to break organizational rigidity and change processes to effectively steer efforts to support exploratory business lines in some cases. In addition, we see the relevance of the empirical enablers within this business model layer in balancing the prioritization of different business lines when they have been established. For example, the organization might use processes to gather data regarding trends or prospects relevant to each business line, recognize opportunities based on that data, and then steer the organization (or certain departments) towards one particular line. However, as shown by organization A, effective steering might require the ability to break organizational rigidity to capture the value from an exploratory business line.

5.3 The organization of ambidexterity activities

When approaching this study, there was a clear need to evaluate tensions at the ambidexterity activity level, and there was an expectation of also evaluating the business model level. Thus, our initial analytical framework (see Figure 1) considered both tensions between ambidexterity activities of exploitation and exploration and tensions between ambidexterity activities and other organizational activities related to the business model. The prior two sections have now discussed tensions at both levels of the framework and their main takeaways in terms of value capture.

However, when analyzing the empirical findings, we saw that ambidexterity tensions also appeared due to organizations' tendencies to combine multiple modes of ambidexterity rather than relying on a single method to organize exploitative and exploratory activities, relating to previous research outlining organizations' combinations of these modes (Raisch, 2008). In the study, the most common blend of ambidexterity modes across organizations involved a combination of structural and contextual factors, aligning with prior theory asserting that organizations more likely incorporate both structural and contextual elements in practice (Kauppila, 2010). For example, organizations B and D were strong examples that used structural elements of defined units or resources devoted to exploratory activities while incorporating contextual ambidexterity by including employees in ideation processes, or in organization B's case, driving ideas from start to finish in innovation processes.

Therefore, as the original analytical framework focused on tensions between exploitation and exploration themselves and between ambidexterity (primarily exploration) activities and other activities in the existing business model, we see the need to incorporate a new level into the analytical framework between the existing layers. This new layer of the framework focuses on the ambidexterity mode, or the way that organizations arrange the execution of ambidexterity activities (O'Reilly and Tushman, 2013), thus fitting in the framework at a higher level than the tensions between exploitation and exploration themselves and at a lower level than the relationship between ambidexterity activities and the existing business model. Based on this finding, we now update the analytical framework as illustrated below with the addition highlighted in blue, and we discuss relationships seen within the combination of ambidexterity modes and their effects on organizations in the study.

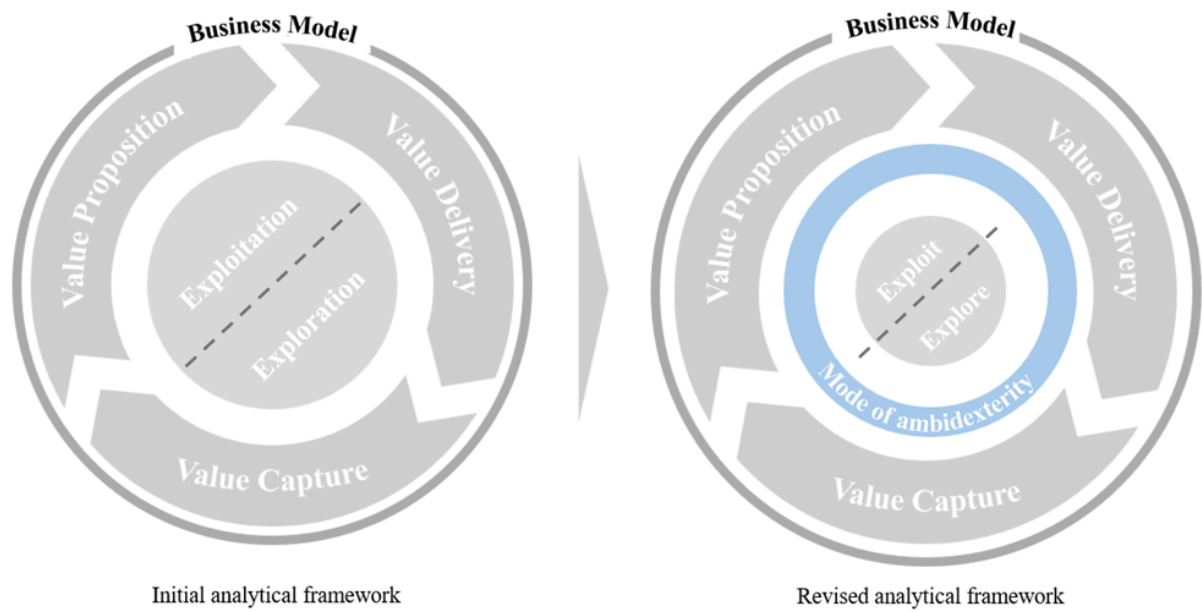


Figure 5. Update to analytical framework

5.3.1 The introduction of knowledge gaps and requirements for employee engagement

As previously discussed, some key obstacles to balancing exploratory and exploitative activities were limited role-based knowledge spheres and rigidity in traditional work behaviors. Although these were issues at the individual employee level, these obstacles were experienced by organizations which did have structural ambidexterity mechanisms, such as organization B's innovation process, which should ideally mitigate these issues through distinct focus on exploration. However, organizations sought to leverage insights from their employees and either drove these structures with employees who might balance exploitative and exploratory tasks or otherwise incorporated regular employees into those processes, incorporating contextual ambidexterity into their exploratory structures.

Thus, organizations also introduced the knowledge gaps held by operational employees and needed to incentivize and engage employees to facilitate exploratory process outcomes. The introduction of knowledge gaps also highlights a weakness with contextual ambidexterity's assumption that exploratory knowledge is present in the organization (O'Reilly and Tushman, 2013), as organizations needed to further upskill their employees to expand their knowledge spheres or use cross-functional collaboration to bridge different knowledge spheres. As organizations tended to combine elements from multiple ambidexterity modes in the study, this points to tensions that organizations might need to consider and manage when

approaching ambidexterity with a combination of modes while underscoring the need to revise the initial analytical framework as previously discussed.

Interestingly, as organizations often encountered these issues due to their intent to leverage a wider employee base in opportunity evaluation, which led to contextual ambidexterity incorporation, organization A showed how organizations might achieve similar benefits without introducing the knowledge gaps described above. Here, organization A brought operational employees into contact with exploratory structures only in specific scenarios and for specific reasons through cross-functional collaboration, helping to actually mitigate operational knowledge gaps held by exploratory employees. However, this also occurred in the context of potential opportunities that were already identified by the exploratory unit and required wider knowledge to better evaluate; it did not introduce contextual ambidexterity's knowledge and idea diversity into the initial phases of the opportunity recognition process.

5.3.2 Mitigating contextual ambidexterity critiques through structural elements

Next, although the combination of contextual and structural ambidexterity elements introduced tensions as noted above, there were certain benefits that appeared from this combination. In particular, this mix helped to mitigate certain theoretical critiques of contextual ambidexterity. As contextual ambidexterity has been critiqued for its ambiguity regarding processes or structures for effectively capitalizing on employee ideas (O'Reilly and Tushman, 2013), structural components provided a benefit for contextual elements in this study by providing a means of gathering and utilizing employee insights, such as organization B's innovation process, organization D's AI projects, and other empirical examples seeking to formalize bottom-up insights from employees within ideation processes, as discussed in section 4.1.2.1.

Based on these findings and those in 5.3.1, we see a need to move away from a clear division of ambidexterity modes in theory, pushing back on the simplistic division as outlined by O'Reilly and Tushman (2013) and advancing the discussion by authors such as Raisch (2008) and Chen (2017) who discuss the combinations of these modes. In addition, as previously discussed, we find that a revision to the analytical framework is necessary to answer the research question. Tendencies to draw on multiple modes of ambidexterity points out a new, but related, layer of tensions between the two existing layers in the framework that organizations must consider to effectively manage valuable ambidexterity outcomes. As

previously illustrated, the framework now shows that value from ambidexterity pursuits requires focus on 1) the exploitative and exploratory activities themselves and their potential tensions, 2) the applied modes of those activities and potential tensions between them that affect activity execution and outcomes, and 3) the relationship of these activities and their organizing modes to the larger activity system of the business model.

6. Conclusion & discussion

In the beginning of this report, we discussed how organizations within the service industry find themselves coming to terms with a new context warranting responses that involve driving and capturing the value from activities that balance short- and long-term competitiveness. Given this discussion, the study's research question was the following:

What are drivers of tensions that appear when organizations try to be ambidextrous? What actions can managers take to mitigate these tensions and enable value capture from ambidexterity activities?

We now answer the research question by showing the drivers of tensions seen in the study at each level of the analytical framework, explaining how organizations mitigated these tensions to enable more valuable ambidexterity activities, and describing how organizations captured value from these activities (6.1). Then, we discuss the study's larger implications in relation to theory (6.2) and outline the study's limitations and future research directions (6.3).

6.1 Key findings: Answering the research question

6.1.1 Tensions in the lens of the analytical framework

First, the research question sought to understand specific drivers of tensions within ambidexterity efforts. At the ambidexterity activity level, three main drivers of tensions inhibited valuable ambidexterity outcomes by reinforcing organizational tendencies to focus on exploitative efforts. First, conflicting business logics, describing the fundamental competition between short- and long-term demands within ambidexterity, saw organizations emphasize short-term business success at the expense of future business ventures. Second, knowledge gaps of limited employee knowledge spheres drove ambidexterity tensions, as these specific knowledge areas provided stronger exploitation opportunities but undercut the effects of employee competence in exploratory ideation and search processes, inhibiting those exploratory outcomes. Third, organizational rigidity in traditional work behaviors created a tendency for employees and teams to emphasize short-term efforts or core work when given the choice between exploitative and exploratory activities.

Next, at the level of the ambidexterity mode, or the way in which ambidexterity activities are organized, tensions occurred as organizations tended to combine different ambidexterity modes, which introduced elements detracting from certain advantages of a particular mode. The most common combination seen in this study was the mix of structural and contextual ambidexterity methods, and this reduced the effectiveness of some structural elements by introducing a greater degree of knowledge gaps and requiring greater employee engagement and incentivization by management to see stronger exploratory outcomes.

Lastly, at the business model level, a tension between exploratory initiatives and the organization's business model occurred which inhibited value capture of the initiatives, as these initiatives often involved changes in value creation or delivery that were incongruent with the existing business model's means of value capture. However, even if a new means of value capture was considered and a new business model was created for that specific initiative, organizational rigidity might lead to processes or evaluation measurements that continued to favor traditional business lines, preventing prioritization of and higher value derived from the exploratory business line in practice.

6.1.2 Enabling ambidexterity value

Next, leaders and managers in the organizations took several steps to mitigate the above tensions. Based on the actions seen in the study, managers and leadership can address conflicting business logics by 1) steering organizational focus through the endorsement of long-term pursuits and providing strategic focus areas, and 2) dedicating designated departments, processes, or initiatives providing room to address exploration. In addition, they can 3) stimulate employee participation in exploratory processes through engagement, empowerment, and incentives, and they can 4) seek to find applications of certain solutions that would contribute both to exploitation and exploration. Ultimately, these actions focus on better balancing exploitation and exploration activities when organizations tend to focus on exploitation.

To address limited employee knowledge spheres based on the study, managers can 1) provide resources or incentives to help employees directly expand their own knowledge spheres to provide more valuable ideas in exploratory processes, and they can 2) supplement employee knowledge with direct insights from customers or external institutions when considering certain ideas, needs or priorities to address, and the market value of potential ideas. In

addition, they can 3) leverage cross-functional collaboration to connect employees or teams with different knowledge spheres to help ensure that expertise in the appropriate areas is accounted for when conducting exploratory activities. These actions help to ensure stronger opportunity ideation, recognition, and evaluation outcomes within exploratory processes after they have received their focus and steering from management.

To address organizational rigidity in traditional work behaviors, managers can also focus on engaging and incentivizing employees to help nudge them towards exploratory activities when given the choice between exploitation and exploration. Similarly to the first tension, these actions also focus on ensuring that both exploitation and exploration receive appropriate tension to be able to create more ambidextrous outcomes.

When combining elements of structural and contextual ambidexterity, managers can address the knowledge gaps and needs for employee engagement that are introduced by contextual processes through the mitigators described in the above paragraphs. However, this combination also showed benefits for each ambidexterity mode that managers can leverage. For example, managers might utilize designated channels or processes, drawing from the exploratory structures provided in structural ambidexterity, to ensure that employee ideas are effectively gathered and evaluated if implementing contextual ambidexterity. In addition, after using structural units to identify potential exploratory opportunities, managers might leverage the diverse and specialized knowledge available in contextual ambidexterity through cross-functional collaboration with those exploratory units to provide additional information that might be required to better evaluate those opportunities.

Lastly, when considering the potential conflict between business models and exploratory initiatives, organizations must have the ability to change or create new business models to capture value from exploratory activities. To be able to innovate and alter their business models, we saw that organizations must consider all three elements of value capture when defining new opportunities while also ensuring that they can change the business model if necessary. As seen in the study, organizations might ensure this by aligning the timing of business model changes with exploratory initiatives or by having designated resources on hand that can consider business model changes when needed. In addition, organizations must consider changes to internal processes, such as mandates and evaluation measurements, that might be necessary to effectively support new business models throughout the organization.

6.2 Discussion & implications

Having answered the research question, we now discuss these findings in light of the larger picture of ambidexterity and business model literature. At the core of organizational ambidexterity is the balance of competing demands of exploitation and exploration. However, that is not the sole competing demand we see, as we see a tension between generalization and nuance within the literature. As conceptualizations of ambidexterity often use a broad brush to paint a relatively simplistic picture of how organizations function and how competing needs can be accommodated, this helps to more easily grasp the essence of the concept, but it lacks the granularity for more concrete managerial implications. Therefore, we see the need for empirical approaches that capture in greater detail the challenges that organizations and managers face to nuance the picture and continue advancing insights from the theory, which we have sought to achieve through this study.

This study's findings contribute to previous theoretical discussions regarding organizational ambidexterity, providing empirical insights regarding tensions that organizations face within the studied context and mitigators of those tensions. While we acknowledge that our findings emerged from a specific context and are not the final answer to the discussion regarding the balance and outcomes of exploitation and exploration, our study extends the discussion by analyzing the problem empirically within a new context and emphasizing ambidexterity as a means for organizational value. By undertaking this study, we see that further work is still needed to uncover greater potential of ambidexterity literature. As demonstrated by authors such as Groysberg and Lee (2009), Marabelli et al. (2012), Venugopal et al. (2017) and Wirtz (2020), ambidexterity theory is progressing in specific contexts, but we see value in continuing to empirically study ambidexterity to allow for context- and industry-specific insights to emerge.

Furthermore, as we problematize ambidexterity's role in driving value for the organization, our study extends the discussion regarding ambidexterity's relationship within organizations' business models. By applying the business model lens, we emphasize that ambidexterity is not an end goal for organizations themselves and must be undertaken with considerations for organizations' activity systems as a whole, indicating that a focus purely on balancing and enabling exploitation and exploration is insufficient. We therefore see strong potential in

recent theoretical discussions aiming to combine the two fields (Khanagha et al., 2014; Markides, 2013; Stoiber et al., 2023), which we see can provide more actionable insights for managers and researchers alike. However, as with ambidexterity, this must be done with caution, as oversimplifying organizational issues can dilute the value in undertaking these studies.

6.3 Limitations & future research

6.3.1 Limitations

Organizational ambidexterity and business model innovation represent established and broad fields of literature. Even though we have gone to great effort to ensure accurate representation of the two fields, we acknowledge that limitations in terms of focus and concepts in relation to previous research had to be made. However, our findings, as with any study, are subject to limitations.

On one hand, we call out limitations in our application of theory in the study. First, organizational ambidexterity is an extensive field, and we recognize simplicity in the way that we applied ambidexterity to our analytical framework with a focus on exploitative and exploratory activities. In addition, as we focused primarily on three dimensions of value captured within business model literature, we also see that we applied business model theory with a more general lens. As other pieces of business model theory describe business models with greater granularity (e.g. Business model canvas as presented by Osterwalder and Pigneur, 2010), applying those elements might see more specific relationships between ambidexterity activities and business model effects.

On the other hand, we also acknowledge limitations in the scope of our study itself. For example, we captured insights to varying degrees of depth with different organizations based on the access to participants that we received, so some empirical insights might be more robust than others. In addition, we were unable to attain interviews with executive leadership from some organizations and therefore lacked those top management perspectives, although we sought to capture decision-making processes with other participants and triangulated the findings among them.

6.3.2 Future research

First, the study of ambidexterity can benefit from continued research in a wider range of specific contexts. Although we focus on context in this study, we have also acknowledged limitations in the scope. We therefore call for future research to expand the scope of detail in case studies and continue to seek a range of specific contexts for research to better understand inhibitors and enablers of value from ambidexterity pursuits.

Second, we see a need for future research investigating combinations of different ambidexterity modes. Chen (2017) argues that a combination of all three is ideal to mitigate the tensions that come with pursuing ambidexterity activities, but her argument is primarily based on theoretical insights. In contrast, our study primarily saw a mix of structural and contextual elements, which is also noted by Kauppila (2010). Thus, to move further away from previous simplicity in academic views of organizational ambidexterity modes and gain clarity regarding the means and effects of organizing ambidexterity activities in industry, we call for future research studying the combination of ambidexterity modes.

Third, we call for future research to move away from an isolated analysis of ambidexterity activities and instead continue adding the business model lens in greater specificity, for example building on the literature review as conducted by Stoiber et al. (2023). By applying business model consideration in greater detail to ambidexterity studies, we see that more specific relationships between ambidexterity activities and a greater range of business model drivers can be identified and thus accounted for by managers when seeking to capitalize on exploratory initiatives.

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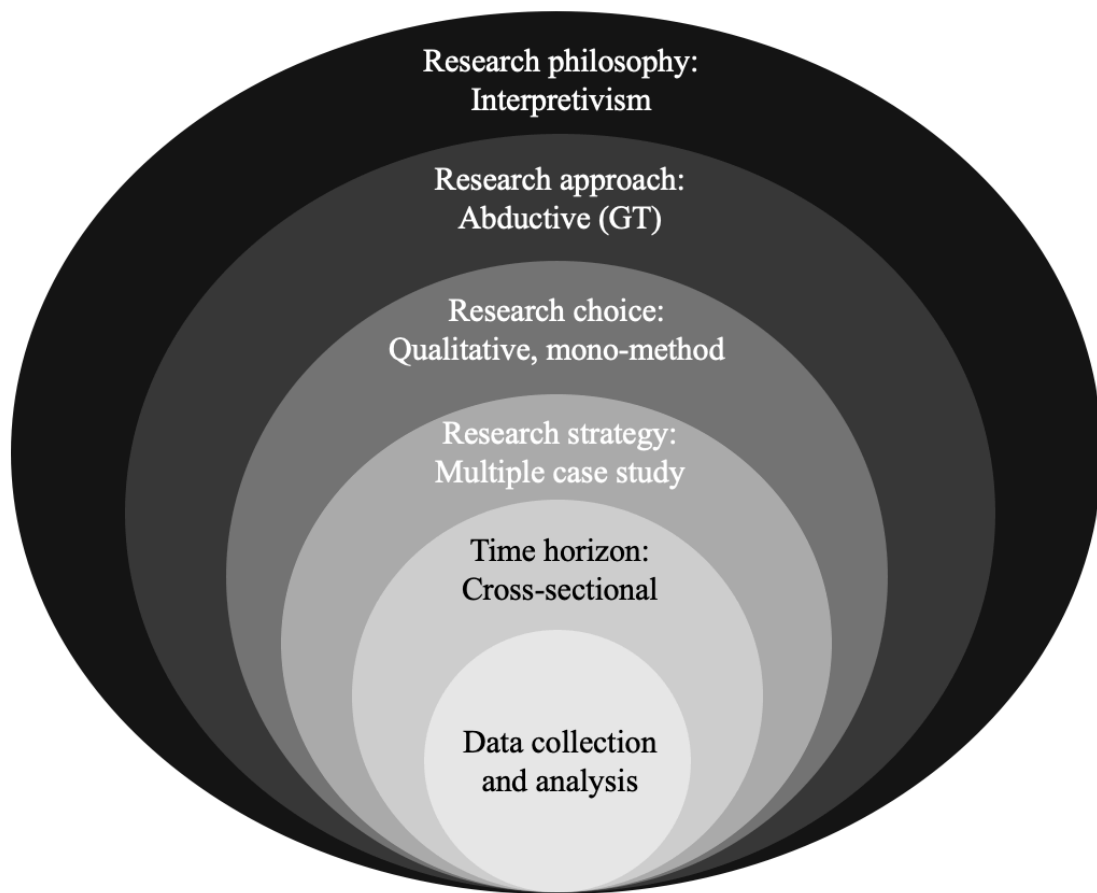
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8. Appendix

Appendix 1. Interview table sorted by organization

Organization	Participant	Date	Method	Length (min)
Organization A	Participant J	2024-03-06	Teams	60
Organization A	Participant B	2024-02-20	Teams	50
Organization A	Participant F	2024-03-01	In person	60
Organization B	Participant C	2024-02-26	In person	120
Organization B	Participant I	2024-03-06	Teams	60
Organization C	Participant A	2024-02-07	In person	90
Organization C	Participant A	2024-02-27	In person	60
Organization C	Participant E	2024-02-29	Teams	60
Organization C	Participant A	2024-04-11	Teams	30
Organization D	Participant D	2024-02-13	Teams	30
Organization D	Participant D	2024-02-28	In person	50
Organization D	Participant P	2024-03-14	Teams	60
Organization D	Participant Q	2024-03-14	Teams	60
Organization D	Participant S	2024-03-15	Teams	60
Organization D	Participant T	2024-03-15	Teams	50
Organization D	Participant D	2024-03-21	In person	30
Organization E	Participant G	2024-03-05	In person	60
Organization E	Participant O	2024-03-14	Teams	45
Organization E	Participant H	2024-05-03	In person	60
Organization E	Participant N	2024-03-08	Teams	45
Organization E	Participant U	2024-04-12	Teams	30
Organization F	Participant M	2024-03-07	Teams	60

Appendix 2: Research onion (based on Saunders et al., 2019)



Appendix 3: Initial interview guide

Initial semi-structured interview guide

Note: All questions were not always asked, but they provided a basis for the discussion

Prior to interview: Confirm consent to audio recording; assure anonymity of companies and participants

Role and responsibilities

- Can you elaborate on your role and the primary focus of your department? What goals do you work towards?
- Are you able to focus on activities outside of your regular, daily tasks?

Background / recent events

- What are the current priorities or focus areas for the organization?
- Can you describe the impacts from recent changes in your organization's external environment and how those have affected change for the organization?
- Have the focus and goals of your organization changed in recent times?
 - If so, in what way? What consequences do you think this will have?

Regarding short-term gains

- What are the key short-term priorities for the organization?
- How do you approach short-term business success? Are there efficiency improvements, customer success initiatives, etc. that are current priorities?
- How are these initiatives identified and then carried out? Who plays a role in these processes?

Regarding new opportunities

- What is the organization's long-term vision? Do you have particular long-term focus areas? If so, how are these communicated?
- How does your organization approach the development of new opportunities? Do you collaborate or have a role within potential processes in this area?
- How do you prioritize and balance short- vs. long-term opportunities?
- Do you need to provide certain structures or incentives for long-term initiatives?
- What kinds of issues do you see arise when you undertake new initiatives?
- What happens if there are different interpretations of future scenarios or opportunities?
- What pieces of information are particularly important to helping build a case for a new initiative or addressing new situations? What information are you gathering, and where are you getting it from?

Business model

- How would you describe the business model of your organization?
- What are the key elements of the business model according to you?
- Can you mention an example of when the organization has changed its way of doing business? What led up to this?

Departments and relationships

- How do you collaborate or communicate with others in the organization? Who do you typically collaborate and communicate with?
- What kind of autonomy do you see certain roles and departments having in their work?
- What kinds of relationships and communication channels do you have with leadership and with other departments?
- What kind of culture do you see regarding individual creativity and autonomy?