

AMBIDEXTERITY IN SBUs: TMT BEHAVIORAL INTEGRATION AND ENVIRONMENTAL DYNAMISM

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This study seeks to advance previous research by linking top management team (TMT) processes to organizational ambidexterity, and highlights the importance of environmental dynamism as a boundary condition on the effectiveness of TMTs in promoting balance between exploratory and exploitative learning. The findings from multiple respondents (245 TMT members, including the CEO of the SBUs, and 883 employees) in 101 small-sized strategic business units (SBUs) with a defined product line indicate that TMT behavioral integration helps build ambidexterity, but that the influence of TMT behavioral integration on ambidexterity is stronger when the task environment is characterized by a high level of dynamism. These findings contribute to a better understanding of the conditions under which behaviorally integrated TMTs are able to pursue an ambidextrous orientation in relatively small-sized units. © 2015 Wiley Periodicals, Inc.

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Introduction

esearchers have directed considerable attention to the foundations of organizational ambidexterity. Ambidexterity refers to an individual's ability to use both hands with equal skill, and acts as a "metaphor" to describe competent organizations (Tushman & O'Reilly, 1996, 1997, 2004) that are capable of balancing and mastering differing strategic orientations such as exploration and exploitation. The existence of organizational paradoxes, contradictions, and conflicts is crucial to keeping a system viable (Thompson, 1967, p. 7). An organization's competitive edge largely depends on its capacity to adapt to changes and create fit with the task environment. In increasingly turbulent

environments that generate multiple and inconsistent contextual demands (W. K. Smith & Tushman, 2005; Tushman & O'Reilly, 1997), building capacities to successfully confront intensifying paradoxes and effectively manage different strategic orientations is a major managerial challenge.

In an attempt to explore how organizations build capacities to master conflicting strategic orientations, researchers have examined various sources of ambidexterity. For example, scholars have pointed to the importance of creating separate structures for those activities involving exploration and those involving exploitation (i.e., structural ambidexterity) (Benner & Tushman, 2003; Tushman & O'Reilly, 1997). Researchers have also noted that creating a context that encourages members to make their own judgments as to

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