



## **SIG 13 - SM - Strategic Management**

With our theme **Exploring the Future of Management: Facts, Fashion and Fado**, we invite you to participate in the debate about how to explore the future of management. We look forward to receiving your submissions.

### **ST13\_06 - Strategic Ambidexterity: The paradox of exploitation and exploration**

#### **Proponents:**

Lilla Hortovanyi, Corvinus University of Budapest; Henk Volberda, Erasmus University

#### **Short description:**

Research on strategic ambidexterity should provide a starting point for practitioners to adapt to the disruptive change induced by the fourth industrial revolution. By studying the contradictions between exploitation and exploration researchers could help them prepare. For example, Mom, van den Bosch, and Volberda (2007) found that top-down knowledge inflows are associated to exploitation; horizontal and bottom-up inflows are related to exploration. Others pointed out the trade-offs that are inherently present when organizations pursue both types of activities (Hortovanyi and Szabo, 2006).

We call for papers that address the organizational challenge of industry 4.0 into the debate on strategic ambidexterity.

#### **Long description:**

Around the world, companies need to act today to secure a leading position in tomorrow's complex industrial ecosystems. They need to adapt to the disruptive change induced by the fourth industrial revolution that puts traditional manufacturing and production methods obsolete.

A persistent theme in a variety of organizational literatures is that successful firms are ambidexterous – aligned and efficient in response of today's business demands while simultaneously explore the environment and adapt to the changing conditions (Raisch and Birkinshaw, 2008). While the first refers to the maximization of short-term gains, the latter refers to the maximization of future gains by seizing opportunities. More specifically, examples to exploration activities include developing different ways to fulfill customers' unmet needs, meeting new people beyond one's network, and engaging in efforts to invent a novel business model. In contrast, exploitation is associated with the business-as-usual kind of activities, strengthening bonds with existing customers and business contacts, and engaging in the daily maintenance activities.



Previous research have found that a well-balanced combination of these two types of activities (exploitation and exploration) is essential for the long-term survival the organization. For example, Mom, van den Bosch, and Volberda (2007) pointed out that top-down knowledge inflows from persons at higher hierarchical levels are positively related to exploitation. Conversely, horizontal and bottom-up knowledge inflows from peers and persons at lower hierarchical levels are positively related to exploration.

Nevertheless, scholars also pointed out the trade-offs and tensions that are inherently present when organizations pursue both types of activities at the same time. Studies on organizational knowledge sharing have found that interpersonal relationships play a critical role in transferring knowledge within the organization (Hortovanyi and Szabo, 2006). While positive relationships between employees facilitate the knowledge flow, the lack of such relationships, or even the presence of negative relationship could induce counterproductive behaviors resulting in blocking the transfer of knowledge.

The contradictions between exploitation and exploration should be studied in order to help practitioners prepare for the challenges of industry 4.0. Research on strategic ambidexterity should provide a starting point for them to identify strategies on how to organize assets and knowledge pools focused on efficiency, while gain better knowledge about markets, industries and customer preferences and focus on scalable learning.

We call for original research papers that address the various aspects (learning, design, innovation, growth etc.) of the organizational challenge of industry 4.0 into the debate on strategic ambidexterity.

#### **Keywords:**

Strategic Ambidexterity  
Innovation  
Strategic Renewal  
Organizational learning

#### **Publication Outlet:**

#### **For more information contact:**

Lilla Hortovanyi - [lilla.hortovanyi@uni-corvinus.hu](mailto:lilla.hortovanyi@uni-corvinus.hu)

#### **AUTHORS GUIDELINES**

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