

EXAMINING THE ROLE OF COVID-19 IN ACCELERATING ORGANIZATIONAL AMBIDEXTERITY IN BUSINESS ORGANIZATIONS

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ABSTRACT

The COVID-19 pandemic has presented extraordinary challenges to businesses worldwide recently, impacting various facets of organizational functioning, from economic and financial aspects to leadership, management, growth, employee relations, and more, as documented in recent research. This article focuses on the pandemic's role in expediting the adoption of organizational ambidexterity within global organizations. It considers the factors driving the adoption of organizational ambidexterity and the challenges faced by organizations in this endeavor, both in the pre-COVID and post-COVID scenarios. Additionally, this report highlights research gaps in this field for future exploration.

Keywords: Organizational Ambidexterity, COVID-19, Change Management, Innovation Strategies.

Introduction

The onset of the COVID-19 pandemic triggered a crisis in organizations, constraining their ability to conduct business as usual due to limitations on interactions with customers (Raghavan et al., 2021). To tackle these challenges, global organizations were compelled to embrace innovation and adopt new methods to enhance the quality and efficiency of their operations (Diab-Bahman and Al-Enzi, 2020). One approach that gained prominence, according to Lloyd-Smith (2020), was making organizations ambidextrous. This report explores the concept of organizational ambidexterity and its transformative impact on businesses, thereby leading to widespread adoption globally.

Definition of Organizational Ambidexterity

One of the oldest known definitions of organizational ambidexterity was put forward by Duncan (1976) according to whom it referred to "*the ability of organizations to design dual organizational structures, in turn facilitating the process of initiating the application of innovation stages*". This definition had emphasized the role of innovation and organizational restructuring that was considered extremely important during the 1970s and 1980s to bring about stability and business growth for organizations. This was mainly due to highly competitive and dynamic business environment that was transforming quickly across the globe to include latest worldwide trends in business (Duncan, 1976).

However, a more recent definition of organizational ambidexterity as put forward by Sun et al. (2018) is "*an indication of the ability of organizations to continue to operate successfully in light of rapid changes in technology and markets*". This definition points towards the importance of maintaining business continuity to meet the demands of the changes in market conditions and technological developments that have a direct impact on the business activities of the organizations (Sun et al., 2018).

Importance of Organizational Ambidexterity

Several prior research studies, as indicated Abuzaid (2016) and Baškarada et al. (2016), have explored the beneficial role played by organizational ambidexterity in the evolution of business organizations. A key contribution of this concept is its ability to facilitate organizational restructuring aligned with market needs, ultimately enhancing task efficiency within the market. Furthermore, it positively influences the capabilities of business organizations to enhance the quality of their products and services, thereby expanding their target markets. Additionally, it encourages organizations to engage

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in exploration and exploitation activities, which contribute positively to increased sales volume, while also equipping organizations to effectively address market challenges through a holistic approach (Baškarada et al., 2016).

Another significant contribution of organizational ambidexterity lies in its capacity to enhance the capabilities of human resources within organizations, fostering an innovative and creativity-oriented culture. This, in turn, enables organizations to effectively analyze opportunities presented by the market and navigate potential threats arising from the market environment and external factors (Ajdarovska and Attar, 2020). This contribution also extends to the establishment of a new business direction for organizations, involving the implementation of an effective learning and institutionalization scheme. This path has proven to be crucial in improving the skills of employees and managers, particularly highlighted by the COVID-19 pandemic, which highlighted the importance of continuous training and development across various organizational levels. In certain cases, this approach directly contributed to the adoption of new and disruptive innovations, yielding additional benefits for organizations (Raghavan et al., 2021).

Previous studies, such as those by O'Reilly and Tushman (2013), have demonstrated that organizational ambidexterity positively impacts organizational performance by enabling organizations to select appropriate technologies based on market conditions. Adopting this concept empowers business managers and leaders to consider various variables and outcomes with favorable implications for their organizations. This enables them to gather analytical data, providing insights into market trends, technological advancements, and other factors directly affecting organizational efficiency within the market. Suzuki (2018) highlights that the principles of organizational ambidexterity also call for ongoing evaluation of the external organizational environment. This involves the application of market research techniques and cost leadership strategies to identify the most suitable methodologies for conducting business operations while minimizing customer acquisition costs and operational expenses. In this context, the adoption of organizational ambidexterity clearly enhances financial performance, ensuring greater financial efficiency, improved survival prospects in a challenging market, and periodic adoption of innovation to drive business growth (Suzuki, 2018).

Lastly, the adoption of organizational ambidexterity also plays a crucial role in positioning organizations to seize available opportunities. This involves acquiring new customers, exploring horizontal and vertical integration, and expanding the scope of their business operations while proactively addressing potential threats (Sweis et al., 2020). Previous studies in this area have demonstrated that organizational ambidexterity brings forth new avenues for business growth and sustainability for international organizations. Consequently, its adoption is not merely advantageous but essential for organizations, given the dynamic nature of the global business landscape (Abuzaid, 2016).

Challenges Facing the Adoption of Organizational Ambidexterity

Organizational ambidexterity adoption has faced challenges in both pre-COVID and post-COVID scenarios.

- **Challenges before COVID-19**

Studies conducted by Suzuki (2018) and Obeidat et al. (2019) have highlighted various obstacles that organizations encountered in the pre-COVID-19 era, primarily arising from internal organizational factors that hindered the adoption of organizational ambidexterity. Among these challenges, a notable issue was the absence of a proper change management framework and a lack of initiatives from top management to embrace these new changes. These authors identified these factors as significant obstacles to the adoption of organizational ambidexterity. Additionally, a significant hurdle was the lack of innovation initiatives within the organization. Innovation is a critical driver for adopting an ambidextrous approach in contemporary business organizations. The absence of innovation and creativity among the organization's management and staff can have negative effects on its growth, making it a persistent challenge for organizations (Chen and Liu, 2018).

Furthermore, Schnellbaecher et al. (2015) recognized the lack of alignment between the organization's objectives and the objectives of its employees as a significant barrier to achieving organizational ambidexterity. These authors asserted that it is the responsibility of the organization's top management to strategically position employees within the organization to ensure their positive contribution to the organization's ultimate goals and objectives. The absence of initiatives in this regard can result in misalignment between the leadership's direction for the company and the initiatives adopted by the employees, presenting a substantial short-term and long-term impediment to the organization's business development (Schnellbaecher et al., 2015).

- **Challenges Post COVID-19**

Organizations encountered certain challenges in the aftermath of COVID-19 when attempting to embrace organizational ambidexterity. A primary challenge emerged from the limited time and space available for organizations to implement progressive changes within their operations to adapt to the new business environment. The onset of COVID-19 compelled organizations to implement disruptive changes without fully considering the short-term and long-term consequences of these alterations. Consequently, some of the changes made to their business operations were perceived as irreversible and led to unintended adverse consequences for both the organizations and their clients (Raghavan et al., 2021).

Another challenge, as identified by Lloyd-Smith (2020), was the erosion of organizations' resilience capabilities due to the impact of COVID-19. This forced organizations into a challenging phase characterized by uncertainty and instability in their overall business operations. The pandemic compelled business organizations to undergo restructuring and divestment of certain departments and units, thus prompting a shift from a proactive approach to a more defensive stance in their business strategies, rather than focusing on growth and development.

The Impact of COVID-19 on the Adoption of Organizational Ambidexterity

Alam (2020) and Diab-Bahman & Al-Enzi (2020) had presented in a recent study that covid-19 has been a major driver for organizational change over the past few years. These studies had taken into account certain significant changes on the day-to-day management and organizational related aspects and issues among various global companies. The findings of these authors had shown that covid-19 had a negative impact on organizational communication, flow of information, crisis handling, and the problem solving capabilities of the leadership and employees within the organization. It also played a major role of being a barrier to developing employee employer relations while at the same time bringing down the capabilities of the organization in being able to resolve their current and upcoming challenges (Alam, 2020).

Diab-Bahman and Al-Enzi (2020) had also stated in their research that covid-19 had forced the organizations indirectly to adopt a non-productive working environment in the form of remote working technologies which many business organizations were not at all ready to adopt at the time. Other studies conducted on adopting remote working technologies in business organizations by Cascio and Montealegre (2016) have indicated that such technologies need to be adopted in a gradual manner and sudden adoption of any drastic methodology can have negative implications on the day to day task performance on part of the employees, along with a negative impact on the control and coordination function of the managers within the organizations.

Furthermore, studies conducted in the recent past have also linked the concepts of organizational ambidexterity with that of the impact brought about by covid-19 on global business organizations. One such study was conducted by Woolliscroft (2020) who had described that the covid-19 pandemic had deeply impacted the amount of innovation adopted by organizations and the type of innovation strategies taken into account by them as well. In particular organizations had to shift their strategy completely towards adopting sustainable innovation rather than breakthrough innovation so as to ensure their survival and success in the highly turbulent and unstable global business market brought about by the covid-19 pandemic. Organizations were forced to completely take a new and different view when it comes to their business growth strategies, exploring new ideas, and adopting existing technologies as a result of covid-19 due to which their existing innovation strategies were deeply impacted (Woolliscroft, 2020).

Future Scope of Adoption of Organizational Ambidexterity

Numerous studies conducted over recent decades have primarily concentrated on examining the application and influence of organizational ambidexterity in the context of diverse global business organizations in the future. Within this context, a fundamental question arises regarding the future trajectory of organizational ambidexterity and its implications for organizations.

Recent research on organizational ambidexterity suggests that one of the potential directions for this concept in the future lies in broadening its definition to include various innovative constructs that can be applied to a wide array of business organizations. These future definitions may place emphasis on existing concepts such as organizational capabilities, innovation, exploration, exploitation, knowledge sharing, and other elements associated with organizational ambidexterity (O'Reilly and Tushman, 2013). Given the anticipated expansion of business scope for organizations in the future due to factors within the global business environment and heightened competition, it becomes increasingly apparent that

organizational ambidexterity must probe into more intricate aspects that hold significant relevance for organizations' future success (Woollicroft, 2020). Specifically, O'Reilly and Tushman (2013) underscore the importance of future definitions of organizational ambidexterity incorporating dynamic capabilities of organizations. This entails a comprehensive reengineering and reconfiguration of both internal and external competencies and resources to align business activities with the evolving demands of the international market landscape.

Identification of Research Gap

The preceding discussion primarily centered on the impact of COVID-19 in highlighting various aspects related to organizational ambidexterity. These aspects incorporate continuous innovation, the adoption of structural, technological, and cultural changes, among other transformations that organizations had to directly or indirectly embrace to expand their foothold in the challenging global business arena (Obeidat et al., 2019). However, the specific catalysts responsible for the adoption of organizational ambidexterity in response to COVID-19 remain inadequately explained in the existing literature. In essence, the precise factors and variables that directly influenced the rise in the popularity of organizational ambidexterity within organizations, in the context of the far-reaching repercussions of COVID-19 on global business prospects, lack a clear description. It is also possible that COVID-19 may not have directly prompted the promotion of organizational ambidexterity; rather, it could be a convergence of other pre-existing factors within the global business landscape that encouraged business leaders to make their organizations more ambidextrous, thereby catering to existing business requirements and future market trends. Additionally, a recent study conducted by Am et al., (2020) has underlined the significant impact of COVID-19 on the innovation strategies incorporated by business organizations. Thus, the imperative to establish connections between the concepts of COVID-19, innovation, and organizational ambidexterity becomes even more pronounced, especially in light of the future directions that organizations must navigate with regard to their innovation strategies. This also highlights another notable gap identified in this review, wherein future studies on organizational ambidexterity should consider the necessity for constant adjustments in innovation strategies and how these adaptations will shape the future growth trajectories of organizations.

Finally, upcoming studies must also strive for greater clarity concerning concepts such as exploration and exploitation and their prospective impacts on organizations. Existing research has only presented a limited perspective on the notion of exploration within organizations, which primarily involves taking incremental steps to enhance existing capabilities (Am et al., 2020). Yet, the full extent and breadth of activities that organizations need to explore periodically to strengthen their competitive position remain unclear in the existing body of literature. This represents a crucial area for future research, given the critical nature of determining the precise nature and scope of exploration required for organizations to ensure their market survival. Similarly, the concept of exploitation also requires clarification through future studies, with an emphasis on clarifying its elements within the context of contemporary business organizations.

Conclusion

This critical review had focused on the concept of organizational ambidexterity and how it played a crucial role in the growth of global business organization over the years. The above discussion had also highlighted the significance of adopting organizational ambidexterity and highlighted some of the main reasons behind why organizations tend to be ambidextrous. The above discussion then focused on a significant global phenomenon namely covid-19; mainly due to the widespread impact it had on global business organizations including the adoption of various new initiatives such as organizational ambidexterity. However, the existing literature does not create a clear link between these concepts, and one of the main recommendations for future research is for authors on the subject to find out the catalysts that can help explain the link between covid-19 and the adoption of organizational ambidexterity among various global organization over the past few years.

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