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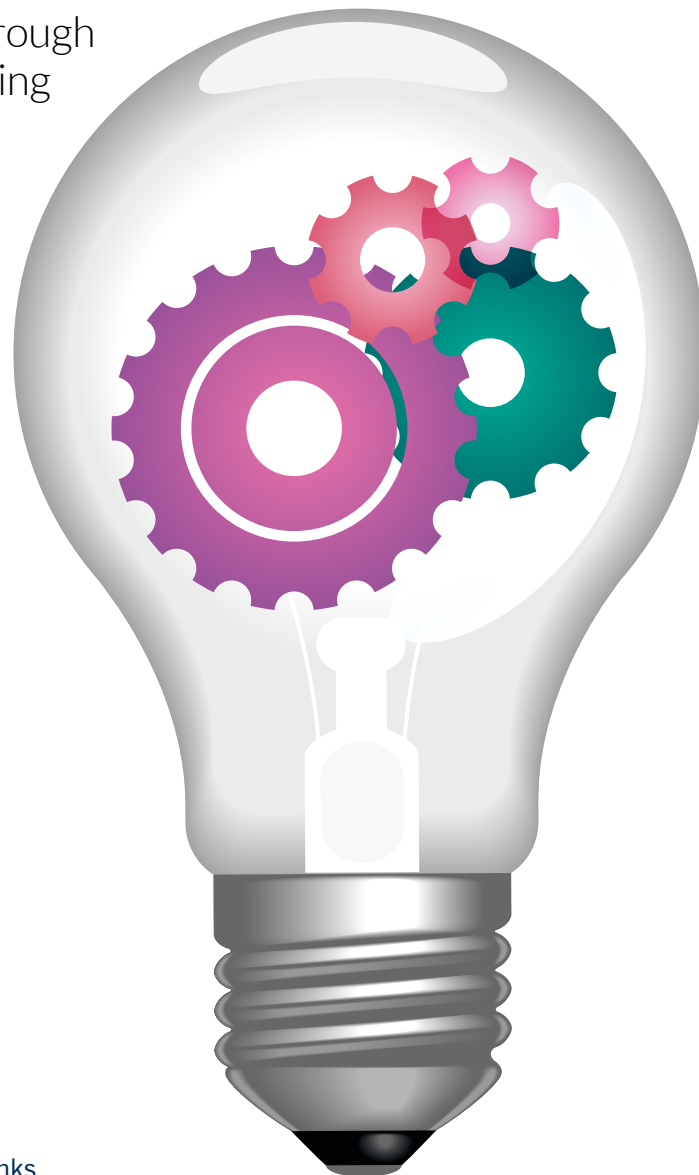
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How to build ambidextrous teams

Chris Murray talks with Justin Jansen

One of the accepted truisms of modern business strategy is the importance of succeeding in the present while building for the future. 'This is one of the great challenges facing business,' says Justin Jansen, professor of corporate entrepreneurship at RSM, who labels this dual objective "ambidexterity". All successful organisations aspire to be ambidextrous. They want to focus on delivering superior customer value while giving equal time and resources to developing new products or discovering new ways to deliver value.



Unfortunately, many companies may believe that they are successfully managing the trade-offs of *exploiting* the present while at the same time *exploring* the future. In truth, however, they focus much of their attention and resources on the present. The reasons are obvious: the present is predictable, familiar and comfortable; the future is uncertain and risky. An investment

on the exploitation side – a marketing investment, for example – brings immediate results. An investment on the exploratory side – in R&D, for example – will bring returns in five years or more... maybe. Especially when resources are scarce, the default choice is obvious, which is why, Prof. Jansen says, organisations focus 90 per cent of their efforts on exploiting the present.

The rush to separate

In an effort to better manage the trade-offs between exploiting the present while exploring the future, many companies tend to separate or differentiate between the two functions. In this way, they can avoid the clash of opposing priorities.

While a single top-management team will develop both short- and long-term strategies, the implementation of those strategies will be split among teams focusing on the short term, and teams focusing on the long term. This is where the differentiation or separation between exploitative and explorative learning occurs. Certain teams will be focusing on searching for, experimenting with and developing new knowledge and skills in support of long-term goals. Other teams will be focused on refining, recombining and implementing existing knowledge and skills in support of shorter-term goals.

For Prof. Jansen, a more effective and efficient way to organise the competing imperatives of supporting the present and building for the future is to bring both objectives into single teams. Prof. Jansen, working with co-researchers Konstantinos Kostopoulos of University of Piraeus, Oli Mihalache of Wilfrid Laurier University and Alexandros Papalexandris of the Athens University of Economics and Business, recently published a study that, he says, 'is the first paper to say, "don't differentiate".'

Why differentiation fails

There are several problems with the differentiation approach, Prof. Jansen

argues. First, sooner or later, even the longest-term initiative has to be brought back into the core of the organisation. 'If you develop a new prototype, you eventually have to bring it back to operations,' Prof. Jansen says. Why not have operations involved in the new product development (NPD) team?

Prof. Jansen offers the real life example of an NPD team in a high-tech company with 25-30 people. That team, he says, is responsible for both the development and the exploitation of new technology: 'They are responsible for the whole process, through to commercialisation.' When they are ready to market, 'they bring in marketers. They do not throw the new product over a wall to marketing.'

because the exploitation people are in contact with customers,' he says. 'When a customer complains, or when a customer wants additional features, that information should be transferred to the exploratory guys.'

Of feelings and emotions

While creating ambidextrous teams may be more advantageous than pursuing a differentiation strategy, managing the exploitation versus exploration trade-offs within such teams is a significant challenge. The ability for team members to work together effectively – supporting each other while not being afraid to air concerns or offer new solutions – is of particular importance when negotiating the complexity of ambidexterity. 'This is not about for-

think and feel about each other (the psychological part).

Previous research has shown the importance of *cohesion* (a shared attraction among team members) and *efficacy* (the team's collective belief that it can accomplish the task at hand) on team effectiveness, especially in terms of performing highly interdependent and complicated tasks.

Cohesion rules

The study that Prof. Jansen and his colleagues recently published confirmed that team cohesion was a key success factor for ambidextrous teams. Based on survey results from 87 teams within 37 high-tech and pharmaceutical companies, the study showed that the greater the mutual respect, affection and support among team members, the greater the team's competence in both exploratory and exploitative learning.

In the study results, however, efficacy did not show a significant influence on the ability of a team to be ambidextrous. In other words, the fact that a team's members are highly experienced and skilled does not seem to help them manage the complexity of the dual, opposing goals of ambidexterity – at least according to the data that Prof. Jansen and his colleagues collected.

Prof. Jansen cautions, however, that efficacy may still count; in this particular study, he explains, the efficacy factor may have been overwhelmed by the presence of team cohesion in the results. Further studies would be required in which team efficacy is the ▶

“This is not about formal mechanisms, nor about hierarchy. It’s about how people think about each other, about feelings and emotions.”

Another disadvantage is the loss of synergies between the present-focused exploitative learning and the future-focused exploration learning. Prof. Jansen warns of new product development teams, for example, that are so lost in their future world that they have disconnected from today's customers. 'What most people forget is that there could be a lot of synergies

mal mechanisms, nor about hierarchy,' Prof. Jansen explains. 'It's about how people think about each other, about feelings and emotions.'

In short, managing the tensions between the competing goals of an ambidextrous team requires a *socio-psychological* perspective that focuses on how people collaborate and communicate (the social part) and how they

How to build ambidextrous teams *(continued)*

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only variable to truly measure the impact of efficacy on ambidexterity.

In practical terms, this means that cohesion is the overriding concern for leaders who are creating teams that will have both exploitative and exploratory goals. They should invite to the team people who like each other and have worked well with each other in the past. One would expect that skills, knowledge and experience would enhance the team member collaboration required in ambidextrous teams; however, as emphasised by the study, knowledge and experience will not overcome any lack of cohesion.

In sum, the success of an ambidextrous team depends in great part on whether company leaders choose the right people for those teams.

A delicate balance

Once the team is chosen, the next issue for the company's top leadership is how to manage the team. To ensure team cohesion, Jansen says, the leadership must be fully supportive. This entails leadership behaviours such as clarifying responsibilities, emphasising the importance of group relationships, and demonstrating complete trust in the team's members. Team members in ambidextrous teams will have potential conflicting tasks; helping to ensure a harmonious relationship is thus a key role of leaders.

Prof. Jansen's study on ambidexterity confirmed the importance of top leadership support in ensuring team cohesion. However, it also revealed an unexpected paradox: supportive top leadership will actually *undermine* team efficacy. Members of a team who are confident that their knowledge and skill-set enables them to accomplish their tasks and achieve their goals will chafe under a leadership that demonstrates too much support. The reason is that team members view supportive leadership as a sign of lack of trust. In their minds, they think, 'I know what I'm doing. I don't need your help.'

While team cohesion is a dominant success factor for ambidextrous teams, as described above, team efficacy is still an important issue. Members of a team were undoubtedly chosen because they had valuable skills and knowledge to bring to the team. As a result, senior leaders must maintain a 'delicate balance,' Prof. Jansen says, between offering support – and thus reinforcing the cohesion of the team

– and stepping back in order to avoid undermining team efficacy.

In addition, a team is always a collection of individuals with different strengths and weaknesses. 'In every team, people are different,' Prof. Jansen says. 'Within a team, you need to dedicate time and effort to those people who have less self-efficacy. But if you know they think they can do the job, leave them alone.'

Prof. Jansen urges companies not to separate exploration and exploitation activities. Ambidexterity works if top leaders choose the right people to be on a team – people who have a track record of working well together – and know when to be supportive and when to leave the team alone. Another truism of business, and life in general, is that everything is easier said than done. However, Prof. Jansen has witnessed numerous teams in a variety of industries who prove that ambidexterity can be achieved. ■

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The paper, *A Socio-Psychological Perspective on Team Ambidexterity: The Contingency Role of Supportive Leadership Behaviours*, written by Justin J. P. Jansen, Konstantinos C. Kostopoulos, Oli R. Mihalache and Alexandros Papalexandris, is forthcoming in the *Journal of Management Studies*. DOI: 10.1111/joms.12183

