

A Study on Organizational Ambidexterity as a Mediator between Organization Context, Environmental Dynamism and Organizational Performance.

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Abstract: This study has been undertaken to investigate the determinants of Organization Context, Environmental Dynamism, Organizational Ambidexterity and Organizational Performance. The aim of the study is to ascertain if Organizational Ambidexterity acts as a mediator between the Organization Context, Environmental Dynamism and Organizational Performance. Data has been collected from established firms in Chennai. Correlation and Regression Analysis was used to test the variables and SEM Analysis was used to study the mediating effect.

Keywords—Organizational Ambidexterity, Organizational Context, Environmental Dynamism, Organizational Performance.

CONCEPT OF AMBIDEXTERITY

Every organization's ultimate goal is to be successful. However organizations differ with respect to performance. Few organizations find it hard to survive and few organizations are successful for many years. This led to question why some companies succeed and why some companies fail. For organizations to succeed & survive theory of ambidexterity was introduced by March (1991) to be explorative and exploitative which explains the success and failure of organizations. Organizational ambidexterity is emerging as a new research paradigm within organizational studies.

Ambidexterity is the ability to use both left and right hand with equal ease. The Latin word ambidexterity was developed in late 1640s where "ambi" refers to "both, on both sides" and dexter refers to "right handed". English use of ambidexter meant "double dealer, one who takes both sides in a conflict". When referring to objects the concept indicates the object is suitable for right handed & left handed people, when referring to humans it indicates that a person has no marked preference for the use of right and left hand. When referring to tools it indicates tools which can be used by both hands, eg, headset can be used for both ears, scissors.

Periodically, in research articles there emerges a topic that catches the interest of researchers and lead to various studies. In study of organizations, organizational ambidexterity is one such topic. The term Organizational Ambidexterity was first used by Duncan (1976), but it was March who developed and generated interest in this concept in the late 20th and early 21st century. In March's view, "the basic problem confronting an organization is to engage in sufficient exploitation to ensure its current viability and, at the same time, devote enough energy to exploration to ensure its future viability." (1991). According to March, Exploitation is associated with activities such as "refinement, efficiency, selection and implementation" and exploration is associated with "search, variation, experimentation and discovery".

Based on this idea for long term survival of organizations different authors suggested different structures are required for exploration and exploitation. The concept of organizational ambidexterity is developed by different literature streams in organizational learning, technological innovations, organizational adaptation, strategic management and organizational design. Different categories reflect different classification models like double loop versus single loop learning, generative versus adaptive learning, local search versus long jump from organizational learning, capability – rigidity paradox in product innovation, incremental & discontinuous innovation, exploration & exploitation innovations from technological innovations etc.

This study used an adapted form of Gibson and Birkinshaw (2004) to measure ambidexterity. Although there is no commonly accepted measure of ambidextrous orientation, a number of possible approaches already exist and is believed that Gibson and Birkinshaw provided the most appropriate construct that integrates several previous measures.

MEANING OF ORGANIZATIONAL AMBIDEXTERITY

Organizational Ambidexterity is organization's ability to be aligned and efficient in its management of today's business as well as being adaptive to changes in the environment at the same time. Organizational Ambidexterity requires firms to address exploitation and exploration simultaneously and internally, Gibson & Birkinshaw, 2004, Tushman & O'Reilly, 1996.

TYPES OF ORGANIZATIONAL AMBIDEXTERITY

Managing two alignments within an organization simultaneously becomes complex than managing one consistent strategy after the other or externalizing one of these activities. The literature has focused on two approaches that enable ambidexterity within an organization –Structural Ambidexterity and Contextual Ambidexterity. (Christina B Gibson & Julian Birkinshaw, 2004)

STRUCTURAL AMBIDEXTERITY

According to Gibson & Birkinshaw (2004), ambidexterity in organizational structures is achieved by “developing structural mechanisms to cope with the competing demands faced by the organization for alignment & adaptability”. The concept or structural partitioning is developed through literature of organizational design, which emphasizes the importance of maintaining agreement between organizational structure and the demands of task environment. The best way to create and maintain this consistency is to separate business development activities into independent units, although this creates coordination costs at the corporate level (Tushman – O'Reilly, 1996).

CONTEXTUAL AMBIDEXTERITY

Structural Ambidexterity is an attempt to solve the exploration/exploitation tension through structural means. Contextual Ambidexterity is different from Structural Ambidexterity. Firstly, the emphasis is on individuals instead of units making adjustment between exploration and exploitation. Secondly ambidexterity is achieved when individuals agree that their unit is aligned and adaptable. Thirdly, the organizational systems and processes enable the individual adjustments that are never concretely specified, other than they promote stretch, discipline, support & trust. Gibson and Birkinshaw (2004) define Contextual Ambidexterity as “the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit”. In the view of Gibson & Birkinshaw the ability to balance alignment and adaptability rests on an Organisation Context.

ORGANIZATIONAL CONTEXT

Organisational context refers to systems, processes and beliefs that shape individual level behaviors in an organisation (Ghoshal & Barlett, 1994). This context was designed to enable and encourage all individual to judge themselves how best to divide their time between demands of alignment and adaptability. Based on earlier research of Ghoshal and Barlett (1994), Gibson and Birkinshaw say that contexts are characterized by a combination of stretch, discipline, support and trust to facilitate Ambidexterity. That is, successful organizations are expected to balance the hard elements (discipline and stretch) and the soft elements (support and trust) in their Organization Contexts. To deepen our understanding of the four variables that influence Organization Context the four dimensions are described as under:

STRETCH

Stretch is an attribute of organizational context where employees strive voluntarily more than less to achieve ambitious goals. It is an attribute which induces employees to give their best.

DISCIPLINE

Discipline relies on individual behavior and not on authority of management or management policies. It induces employees to voluntarily strive to meet the requirements and expectations of the system.

SUPPORT

Support signifies more than the vertical relationships in an organization. It induces employees to provide assistance and support to others. It also induces employees to frame horizontal linkages among peer relationships that is characterized by cooperation and collaboration.

TRUST

The last attribute of organizational context is trust. It induces employees to rely on commitments of each individual member. It includes attributes like decision making process requires equity and fairness, individuals are supposed to be involved in decisions that affect them and staff positions that have and are seen to have required capabilities contribute to the establishment of trust.

ENVIRONMENTAL DYNAMISM

Environmental Dynamism is the rate of change and the instability in the environment. Dynamic means capable of action or change. Dynamic environment refers to change in various market elements such as changes in customer's preference, disruptive technology and intensity of increasing competition.

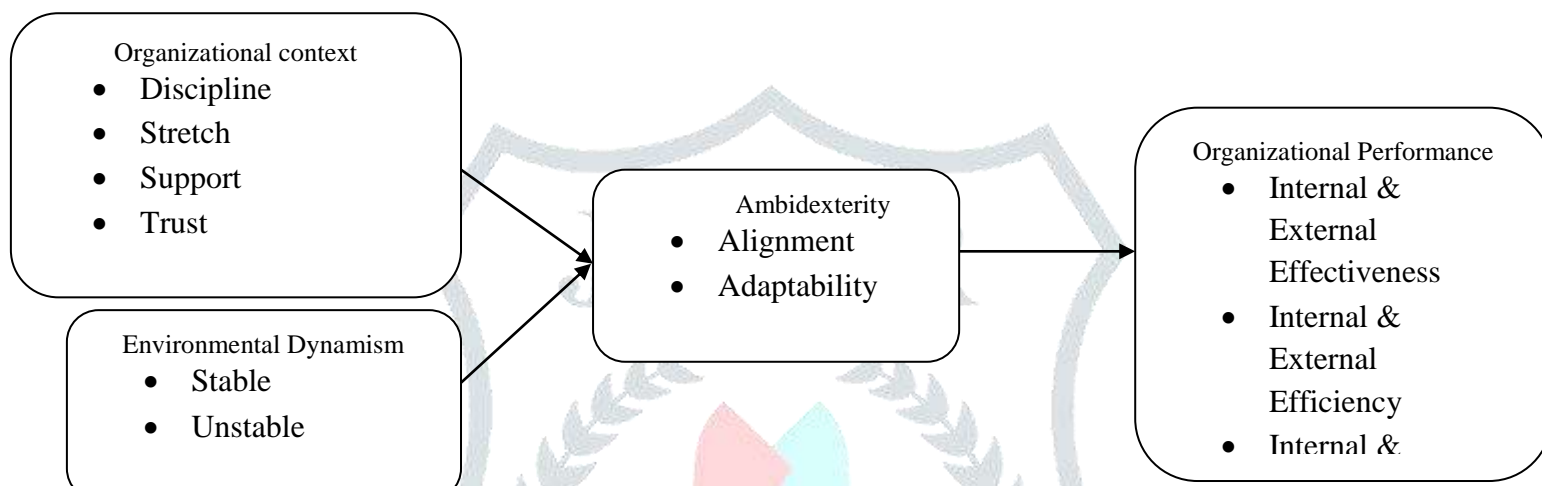
Management theorists have studied the larger role of external environment that help organizations seize opportunities by virtue of dynamic capabilities. (For Eg: Teece et al., 1997). Studies suggest that there are possibilities those high levels of ambidextrous characteristics exhibited by organizations fallout of higher environmental dynamism, which needs to be explored. Similar views had been expressed by Gibson and Birkinshaw (2004) who had mentioned that future researches should explore whether an important boundary condition to the fact that ambidexterity is a critical capability has anything to do with level of dynamism in the business environment.

ORGANIZATIONAL PERFORMANCE

Organizational performance refers to whether the organization is performing well in discharging the administrative and operational functions pursuant to the organization's goal and whether it actually produces the actions and output to achieve the goal. Alignment activities are geared towards improving short term performance & adaptability activities towards improving long term performance. March suggested that simultaneous development of both the activities is a primary factor for system survival & prosperity.

Measuring organizational performance is a difficult task. Traditionally objective data is preferred to evaluate performance and objective data is not always available especially in organizations. Therefore subjective and perceptual performance measures may be reasonable. Although there is always doubt in perceptual measures studies have proved that strong correlation exists between perceptual data and financial performance measures (Dess & Robinson, 1984).

FIGURE 1:
CONCEPTUAL FRAMEWORK OF ORGANIZATIONAL AMBIDEXTERITY



Source: Cristina B Gibson & Julian Birkinshaw, *Academy of Management Journal*, Vol. 47, No. 2, 209-226.

From the above figure factors influencing Organizational Performance are Organizational Ambidexterity, Organizational Context and Environmental Dynamism. Organizational context and Environmental Dynamism influence Organizational Ambidexterity. Organizational Performance is a dependent variable which is dependent on Organizational Ambidexterity. Ambidexterity mediates relationship between Organizational Context, Environmental Dynamism and Organizational Performance. So in order to achieve ambidexterity the organization should have higher Organizational Context and better Environmental Dynamism. Achieving ambidexterity also increases the organization's performance.

SCOPE OF THE STUDY

Organizational Ambidexterity helps managers to explore and exploit simultaneously and effectively by setting up clear standards in taking decisions regarding employees. It also helps in carrying out the tasks assigned in an efficient way. Ambidexterity helps in increasing the individual's performance and also organization's performance as a whole.

NEED FOR THE STUDY

There are very few empirical studies done on the topic Organizational Ambidexterity. This study was undertaken to do research on Organization Context, Organizational Ambidexterity, Environmental Dynamism and Organizational Performance. The purpose was to analyse whether an ambidextrous organizations influences an organization's performance and whether ambidextrous organizations mediates relationship between Organization Context, Environmental Dynamism and Organization's Performance.

OBJECTIVES OF THE STUDY

- To ascertain any relationship exists between Organization Context and Environmental Dynamism with Organizational Ambidexterity.
- To study whether Organizational Ambidexterity influences Performance of the organization.
- To study the mediating role of Organizational Ambidexterity between the factors of Organization Context (Stretch, Discipline, Support and Trust), Environmental Dynamism and Organizational Performance.

RESEARCH METHODOLOGY

This study employs both primary and secondary data. Secondary data was collected through published articles.

• DATA COLLECTION

This study was conducted in two stages, pilot study followed by main study. Pilot study was conducted with 30 respondents who were employed in leading positions in different sectors to test the reliability of the questionnaire. As Cronbach's Alpha's minimum score is 0.70. This study score was 0.883 which was sufficient enough to proceed.

• SAMPLE SIZE AND SAMPLING TECHNIQUE

Primary data was collected through questionnaire (Gibson and Birkinshaw, 2004). Questionnaire was sent to 100 respondents through Google Forms and personal contact. Data was collected from respondents of different hierarchical levels like team leader, assistant manager, manager, senior manager from diversified sectors like financial, IT, business etc. Questions were administered on 5 point likert scale. Cronbach's alpha was used to test the reliability of the questionnaire. Part A Organizational Context is measured with 20 items, Part B Environmental Dynamism is measured with 6 items, Part C Organizational Ambidexterity is measured with 7 items and Part D Organizational Performance is measured with 12 items

• TOOLS OF DATA ANALYSIS

The tools used were Correlation and Regression Analysis and SEM Analysis.

REVIEW OF LITERATURE

In the study “**Antecedents, Consequences, and Mediating Role of Organizational Ambidexterity**”, by Christina.B.Gibson, Julian Birkinshaw, *Academy of Management Journal*, Vol. 47, 2004 investigates contextual organizational ambidexterity at business unit level. It investigates whether the behavioral capacity simultaneously demonstrates alignment and adaptability across the entire business unit. The study proposes contextual ambidexterity as a mediating role of organizational context and performance. The study aims to find whether ambidexterity is associated with organizational context and also if ambidexterity mediates relationship between organizational context and performance. Organizational context includes stretch, discipline, support & trust. Organizational ambidexterity includes alignment & adaptability. The data was collected from 4,195 individuals from 41 business units in 10 multinational firms. Correlation and ANOVA test static was used. The study finds that alignment and adaptability (ambidexterity) and their interaction are positively correlated with performance and organisation context is also positively related to performance and it states the mediating effect of ambidexterity has positive & significant relation with organizational performance and organization context.

The study “**Organizational Ambidexterity: An Empirical Examination of Organizational Factors as Antecedents of Organizational Ambidexterity**”, by Sukru Akdogan, A.Asuman Akdogan, Ayse Cingoz. *Journal of Global Strategic Management*, Vol-3, No. 2, June 2009 aims to explain the theory of Organizational Ambidexterity & Organizational factors that are antecedents of ambidexterity and to empirically examine the impacts of these factors on organizational ambidexterity. Organizational ambidexterity includes exploration & exploitation. Organizational factors include decentralization, formalization & connectedness. Formalization defines roles, authority relations, communication norms & sanctions, and procedures. Decentralization includes participation & decision making. Connectedness includes degree of formal & informal direct contact among employees. Data was collected from executives of 83 private companies in Kayseri, Turkey. Structured questionnaire forms were used. Ambidexterity was examined in 12 item scale measure & 5 point likert scale. Regression analysis was used to study the relationship between organizational factors & organizational ambidexterity. The study finds there is positive significance between exploration & exploitation. Connectedness doesn't have positive & significant relation on organizational ambidexterity. Decentralization & formalization are positively related to organizational ambidexterity. Thus the study finds out the more the organization increases the level of ambidexterity the interaction of decentralization, formalization & connectedness is increased.

The study “**Ambidexterity as a Mediating Variable in The Environmental Dynamism- Organizational Context- Strategic Renewal Relationship Among Established Firms In India**”, by Swarup Kumar Dutta. *Jindal Journal of Business Research*, Vol. 2, No.1, 2013, aims to explore if ambidexterity facilitates renewal in organizations, if individual and combined effect of organizational context and environmental dynamism shape ambidexterity and if ambidexterity plays a mediating role between organizational context, environmental dynamism and strategic renewal. Organizational context explores four variables stretch, discipline, support & trust, environmental dynamism includes change & instability and complexity, mediating effect of ambidexterity includes alignment and adaptability. Samples were collected from eleven established firms in diverse sectors across India. The survey was taken from employees of two hierarchical levels (senior & Middle level employees). A total number of 222 responses from employees were considered for analysis. Correlation and regression analysis was used to support the hypotheses. The results state that organizational context and environmental dynamism has influence on ambidexterity and organizational context has influence on renewal. It also states that ambidexterity mediates roles between organizational context, environmental dynamism and renewal.

ANALYSIS AND INTERPRETATION

TABLE 1

Multiple Correlations for Organization context, Environmental Dynamism & Organizational Ambidexterity
Correlations

		OC	ED	OA
OC	Pearson Correlation	1	.725	.849
	Sig. (2-tailed)		.000	.000
	N	101	101	101
ED	Pearson Correlation	.725	1	.811
	Sig. (2-tailed)	.000		.000
	N	101	101	101
OA	Pearson Correlation	.849	.811	1
	Sig. (2-tailed)	.000	.000	
	N	101	101	101

The above table 1 interprets the inter correlation among Organization Context, Environmental Dynamism with Organizational Ambidexterity. All the correlations are statistically positively significant at 1% level. From the above table the R value of Organization Context with Environmental Dynamism is .725 and $p < 0.01$ which indicates a high linear relationship followed by R value of .849 between Organization Context and Organizational Ambidexterity and R value of .811 and $p < 0.01$ which indicates strong association among Environmental Dynamism and Organizational Ambidexterity. Therefore the alternate hypothesis is accepted & null hypothesis is rejected.

TABLE 2

Regression Analysis for Organization Context, Environmental Dynamism with Organizational Ambidexterity

HYPOTHESIS

H0: There is no significant difference between Organization Context, Environmental Dynamism & Organizational Ambidexterity

H1: There is significant difference between Organization Context, Environmental Dynamism & Organizational Ambidexterity.

TABLE 2.1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.895 ^a	.801	.797	.355

a. Predictors: (Constant), ED, OC

TABLE 2.2

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.632	2	24.816	197.150	.000 ^b
	Residual	12.336	98	.126		
	Total	61.967	100			

a. Dependent Variable: OA

b. Predictors: (Constant), ED, OC

TABLE 2.3

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.089	.202		-.440	.661
1 OC	.578	.069	.550	8.414	.000
ED	.425	.067	.412	6.299	.000

a. Dependent Variable: OA

The above table 2.1 shows the relationship among variables Organization Context, Environmental Dynamism & Organizational Ambidexterity. The r square value is .801 which means means that 80.1 % of the variation in Organizational Ambidexterity is explained by Organization Context and Environmental Dynamism. The next table 2.2 shows the linear regression between Organizational Context, Environmental Dynamism & Organizational Ambidexterity, the significance level being .000 ($p < .001$). The test is highly significant and alternate hypothesis is accepted. In the table 2.3, the dependent variable, Organizational Ambidexterity is indicated by $Y = OA$ and independent variable, Organizational Context & Environmental Dynamism is indicated by $X = OC \& ED$, hence $Y = b_0 + b_1 x_1 + b_2 x_2 + b_3 x_3 + \dots + b_k x_k$ Therefore, $OA = -.089 + .578 * OC + .425 * ED$. For every 1 unit of change in Organization Context there is .578 amount of change bought in Organizational Ambidexterity similarly for every 1 unit of change in Environmental Dynamism there is .425 amount of change bought in Organizational Ambidexterity. Hence the model is fit as it is explained well in Organizational Ambidexterity.

TABLE 3

Correlation between Organizational Ambidexterity & Organizational Performance.

HYPOTHESIS

H 0: There is no significant difference between Organizational Ambidexterity & Organizational Performance

H1: There is significant difference between Organizational Ambidexterity & Organizational Performance.

Correlations

		OA	OP
OA	Pearson Correlation	1	.823**
	Sig. (2-tailed)		.000
	N	101	101
OP	Pearson Correlation	.823**	1
	Sig. (2-tailed)	.000	
	N	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

The above table 3 shows the inter correlation among Organizational Ambidexterity and Organizational Performance. It interprets that Organizational Ambidexterity and Organizational Performance is highly correlated as the significance level is 1% ($p < 0.01$). From the above table it is clear that R value of Organizational Ambidexterity with Organizational Performance is .823, therefore Organizational Ambidexterity and Organizational Performance are strongly associated.

TABLE 4

Regression Analysis for Organizational Ambidexterity & Organizational Performance.

TABLE 4.1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.823 ^a	.677	.674	.424

a. Predictors: (Constant), OA

TABLE 4.2

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.339	1	37.339	207.604	.000 ^b
	Residual	17.806	99	.180		
	Total	55.145	100			

a. Dependent Variable: OP

b. Predictors: (Constant), OA

TABLE 4.3

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.817	.210		3.890	.000
	OA	.776	.054	.823	14.408	.000

a. Dependent Variable: OP

In the above table 4.1, the model summary shows the association among variables Organizational Ambidexterity & Organizational Performance. The R square value is .677 which means that linear regression predicts 67.7% of the variation in Organization Performance is explained by Organizational Ambidexterity. The next table 4.2 shows the linear regression between Organizational Performance and Organizational Ambidexterity with the significance level of .000 ($p < .001$). The test is highly significant and it is assumed that there is linear relationship among the variables and thus alternate hypothesis is accepted and null hypothesis is rejected. The last table 4.3, the dependent variable is Organizational Performance and independent variable is Organizational Ambidexterity which is denoted by $Y = OP$, $X = OA$. $Y = b_0 + b_1 x_1 + b_2 x_2 + b_3 x_3 + \dots + b_k x_k$, hence $OP = .817 + .776 * OA$. For every one unit of change in Organizational Ambidexterity there is .776 amount of change brought out in Organizational Performance.

MODEL OF ORGANIZATIONAL AMBIDEXTERITY AS A MEDIATOR USING SEM ANALYSIS.

Figure 2: Structural equation modeling (SEM) for Organization Context, Environmental Dynamism, Organizational Ambidexterity and Organizational Performance.

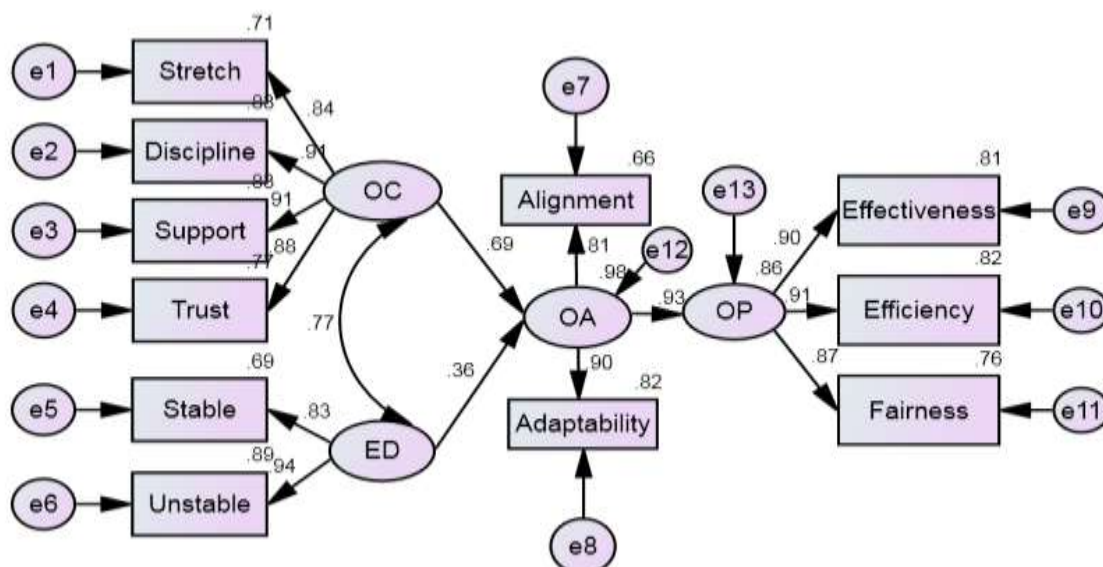


TABLE 5
Variables in the Structural Equation Modeling

Variables			Unstandardised co-efficient (B)	S.E of B	Standardised co-efficient (Beta)	t value	P value
Stretch	<---	OC	3.415	.329	.844	10.391	<0.001**
Discipline	<---	OC	3.036	.257	.912	11.800	<0.001**
Support	<---	OC	4.405	.376	.908	11.724	<0.001**
Trust	<---	OC	3.558	.323	.876	11.027	<0.001**
Stable	<---	ED	1.469	.147	.833	9.959	<0.001**
Unstable	<---	ED	2.871	.238	.944	12.048	<0.001**
Alignment	<---	OA	1.000		.812		<0.001**
Adaptability	<---	OA	1.592	.140	.903	11.330	<0.001**
Efficiency	<---	OP	1.000		.903		<0.001**
Effectiveness	<---	OP	.944	.067	.906	14.105	<0.001**
Fairness	<---	OP	1.069	.083	.870	12.843	<0.001**
Organizational Ambidexterity	<---	OC	1.352	.193	.690	6.994	<0.001**
Organizational Ambidexterity	<---	ED	.698	.162	.356	4.316	<0.001**
Organizational Performance	<---	OA	1.340	.132	.929	10.161	<0.001**

From the above table 5 it is observed that the Unstandardised coefficient of Organization Context on stretch is 3.415, holding other path variables as constant which represents positive effect of Organization Context on Stretch. Stretch would increase by 3.415 for every one unit of increase in Organization Context.

Unstandardised coefficient of Organization Context on Discipline is 3.036, holding other path variables as constant which represents positive effect of Organization Context on Discipline. Discipline would increase by 3.036 for every one unit of increase in Organization Context.

Unstandardised coefficient of Organization Context on Support is 4.405, holding other path variables as constant. It represents positive effect of Organization Context on Support. The estimated positive sign implies that the effect is positive and Support would increase by 4.405 for every one unit increase in Organization Context.

Unstandardised coefficient of Organization Context on trust is 3.558 which represent that there is positive effect of Organization Context on Trust holding other path variables as constant. This indicates that Trust would increase by 3.558 for every one unit increase in Organization Context.

Unstandardised coefficient of Environmental Dynamism on Stable Environment is 1.469 and Unstable Environment is 2.871, holding other path variables as constant. This indicates that the estimated positive sign implies that the effect is positive and Stable Environment would increase by 1.469 and Unstable Environment would increase by 2.871 for every one unit increase in Environmental Dynamism.

Unstandardised coefficient of Organizational Ambidexterity on Alignment is 1.000 and Adaptability is 1.592 represents positive effect of Organizational Ambidexterity on Alignment & Adaptability, holding other path variables as constant. For every one unit increase in Organizational Ambidexterity, Alignment would increase by 1.000 & Adaptability would increase by 1.592.

The variables of Internal Efficiency, Internal Effectiveness, Internal Fairness & External Efficiency, External Effectiveness and External Fairness have been combined as Efficiency, Effectiveness & Fairness for the purpose of convenience and effective model fit. Unstandardised coefficient of Organizational Performance on Efficiency is 1.000, Effectiveness is 0.944 and Fairness is 1.069, holding other path variables as constant. The estimated positive sign implies that such effect is positive for every one unit

increase in Organizational Performance, Efficiency would increase by 1.000, Effectiveness would increase by 0.944 and Fairness would increase by 1.069.

Unstandardised coefficient of Organization Context on Organizational Ambidexterity is 1.352, Environmental Dynamism on Organizational Ambidexterity is 0.698 and Organizational Ambidexterity on Organizational Performance is 1.340, holding other path variables as constant. This represents that the estimated effect is positive and Organizational Ambidexterity would increase by 1.352 for every one unit increase in Organization Context, Organizational Ambidexterity would increase by 0.698 for every one unit increase in Environmental Dynamism and Organizational Performance would increase by 1.340 for every one unit increase in Organizational Ambidexterity.

Considering the standardised coefficients, Environmental Dynamism on Unstable Environment (.944) is most influencing in this SEM Model, followed by Organizational Ambidexterity on Organizational Performance (.929), Organization Context on Discipline (.912), Organization Context on Support (.908), Organizational Performance on Effectiveness (.906), Organizational Performance on Efficiency (.903), Organizational Ambidexterity on Adaptability (.903), Organization Context on Trust (.876), Organizational Performance on Fairness (.870), Organization Context on Stretch (.844), Environmental Dynamism on Stable (.833), Organizational Ambidexterity on Alignment (.812), Organization Context on Organizational Ambidexterity (.690) and finally Environmental Dynamism on Organizational Ambidexterity (.356). This indicates that Environmental Dynamism on Organizational Ambidexterity has the less influencing factor.

TABLE 6
Model fit summary of Structural Equation Modeling.

Indices	Value	Suggested value
Chi-square value	53.830	-
DF	40	-
P value	0.071	> 0.05 (Hair et al., 1998)
Chi-square value/DF	1.346	< 5.00 (Hair et al., 1998)
GFI	0.981	> 0.90 (Hu and Bentler, 1999)
AGFI	0.905	> 0.90 (Hair et al. 2006)
NFI	0.954	> 0.90 (Hu and Bentler, 1999)
CFI	0.988	> 0.90 (Daire et al., 2008)
RMR	0.036	< 0.08 (Hair et al. 2006)
RMSEA	0.059	< 0.08 (Hair et al. 2006)

The above table 6 indicates the criteria for a good model fit and also the estimated value. The value of CFI of the model is 0.988 which is higher than the suggested value of greater than or equal to 0.90. NFI is 0.954 which is higher than the suggested value of greater than or equal to 0.90, RMSEA of the model is 0.059 which is lower than the suggested value of lower than or equal to 0.08. The GFI of the model is 0.981, which is higher than the suggested value greater than or equal to 0.90. AGFI value of the model is 0.905 which is higher than the suggested value of greater than or equal to 0.90, RMR of the model is 0.036 which is lower than the suggested value of lower than or equal to 0.08. The chi square value 53.830 with 40 Degrees of Freedom. The value of CMIN (Chi Square/Degree of Freedom) in the model is 1.346 which is lesser than the suggested value 5.00. Finally the P value is 0.071 which is greater than the suggested value 0.05 or higher. This indicates that all the measures fit satisfactorily and bring good fit of the model. Thus the structural equation model is accepted.

LIMITATIONS OF THE STUDY

- The sample size of the study is limited to the city of Chennai.
- Convenience sampling was the technique used to draw up sampling design.
- The study focuses on diversified sectors.

SUGGESTIONS FOR FUTURE RESEARCH

- Focusing on particular sector with larger samples might yield better results.
- The study can also be applied in different disciplines like strategic management, technological innovation, organizational learning etc.

CONCLUSION.

This study adopted Gibson and Birkinshaw (2004) approach to understand Organizational Ambidexterity in order to investigate the generating new insights into the mechanisms and process at work in the sample's organizations. The research findings suggest that Organization Context and Environmental Dynamism are positively related to Organizational Ambidexterity. Similarly higher the Organizational Ambidexterity exhibited, higher the Organizational Performance results. That is, Organizational Ambidexterity sets tone for performance in organizations. SEM Analysis was used in this study to adequately fit the model to the collected data. It can be concluded that the hypothesized model fits the sample data. The results of the research suggest that Organizational Ambidexterity can be achieved through Organizational Contextual support and Environmental Dynamism which can then drive Organizational Performance. That is, Organizational Ambidexterity had a mediating effect that influences Organization Context and Environmental Dynamism on one hand and Organizational Performance on the other hand.

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ANNEXURE

Questionnaire for Organizational Ambidexterity

Organizational Ambidexterity refers to an organization's ability to be efficient in its management of today's business and also adaptable for coping with tomorrows changing demand.

SA - Strongly Agree (5), A-Agree (4), N – Neutral (3), D –Disagree (2), SD - Strongly Disagree (1).

Part-A

Organizational Context						
Stretch (Performance Management)						
People in this firm....		SA	A	N	D	SD
1.	set challenging and aggressive goals					
2.	issue creative challenges to their people instead of narrowly defining tasks					
3.	are more focused on getting their job done well than on getting promoted					
4.	make a point of stretching their people					
5.	reward and promote those who constantly innovate and try new things					
Discipline (Performance Management)						
6.	rewarded and punished based on rigorous performance against goals					
7.	hold people accountable for their performance					
8.	use employee feedback on appraisal to improve performance					
9.	make an effort to measure things that are important for the success of the firm					
Support (Social Context)						
10.	devote considerable effort to develop their subordinates					

11.	give everyone their sufficient authority to do their jobs well					
12.	push decisions down to the lowest appropriate level					
13.	quickly replicate best practices across organizational boundaries					
14.	values my contribution for its well being					
15.	give ready access to information that others need					
Trust (Social Context)						
16.	work hard to develop the capabilities needed to execute overall strategy/vision					
17.	base decisions on facts and analysis, not politics					
18.	set realistic goals					
19.	treat failure as a learning opportunity					
20.	are willing and able to take prudent risks					

Part- B

Environmental Dynamism						
Stable						
		SA	A	N	D	SD
21.	Is there increase in technological changes					
22.	product/service ideas are made through technological breakthroughs in the firm					
Unstable						
23.	The customer/clients preferences are changing with time					
24.	The technological changes provide opportunities in the industry					
25.	There is knowledge intensity of the product/service development process					
26.	Product/service features provided are desired by the customers/clients					

Part-C

Organizational Ambidexterity						
Alignment						
		SA	A	N	D	SD
27.	This firm works coherently to support the overall objectives					
28.	People in this firm work at cross purposes					
29.	Our firm activities involve utilizing wasting resources on productive/unproductive activities					
Adaptability						
30.	management system in this firm encourage people to challenge out model traditions and practices					
31.	management system is flexible enough to allow employees to respond quickly to changing situations					
32.	The existing systems developed within evolve and adapt rapidly in response to shift in customer/client priorities					
33.	This firm is willing to accept change					

Part- D

Organizational Performance						
Internal Efficiency						
		SA	A	N	D	SD
34.	This firm has makes good use of my knowledge and skills in looking for ways to become more efficient					
35.	This firm is trying to reduce cost in managing firm and performing works					
Internal Effectiveness						
36.	In the past two years the productivity of my work unit has improved					
37.	Overall, quality of work performed by my current coworkers in my immediate work group is high					
Internal Fairness						
38.	This firm provides fair & equitable treatment for employees & applicants in all aspects of personnel management without regard to their political affiliation, sex, age etc.					
39.	In general, all are treated with respect in my organization, with no regard to status & grade					
External efficiency						
40.	This firm had conducted business relations with outside customers/clients very promptly					
41.	It is rare to make big mistakes in my firm when conducting work					
External Effectiveness						
42.	The work performed by my work unit provides the public a worthwhile return in their tax dollars					
43.	The occurrence of goal attainment is very high in this firm					
External Fairness						
44.	This firm provides fair & equitable services to the public, with no considering of their individual backgrounds					
45.	The customer/client satisfaction towards this firm is high					