

THE AMBIDEXTROUS LEADERSHIP PROFILE MEASURES WHETHER COMPANIES ARE INNOVATIVE AND SUSTAINABLE

Companies that want to be sustainable must be innovative. Now there is a method to find out their innovation level, which measures ambidextrous leadership and enables benchmarking.

Managers often complain about the lack of innovative ability of their employees - and employees complain about their companies' unwillingness to innovate. What is a frustration for the employee can, in the worst case, threaten the very existence of the entire company. Today, hardly any company can afford a slump in innovation. Digitalization is fueling the need for ever faster improvement and renewal, and innovation is the driving force of the future.

Companies must innovate to be sustainable

More and more companies are considering how they can shape and strengthen their innovative strength in a future-oriented way; and that leads them to the concept of "Ambidextrous Leadership". This type of "balancing" leadership is now the focus of organizational innovation research.

Innovation processes are always characterized by an opening phase, the phase of idea development, and a closing phase, the phase of idea selection and implementation. While the first phase does not work well with explicit control and other

limiting influences, these aspects are inevitable for idea selection and implementation. Managers and their employees are therefore required to create a balance between self-determination and dependence, free play and rules, error tolerance and efficiency.

Ambidextrous Leadership combines Explore and Exploit Behaviors

Ambidextrous Leadership captures this balance of leadership behaviors with the terms "Explore" and "Exploit", i.e. researching, exploring, discovering on the one hand and the use, evaluation, and exploitation of the results on the other. "Explore" includes the encouragement of new ideas and creative thinking, autonomy, the support of risk, and the acceptance of mistakes. Thus "Explore" also includes the psychological safety that employees need to be able to develop and present unfiltered and uninhibited creativity. "Exploit" describes the establishment and monitoring of plans, rules, and routines as well as corrective intervention and the sanctioning of errors. The ability to "Exploit" is generally firmly anchored

in companies, but innovation first and foremost requires "Explore" behavior. This makes it all the more urgent to ask in which ways and to what extent both dimensions of management behavior are present in the company.

More information:

leadershipgarage.stanford.edu

Blog:

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The LeadershipGarage is a collaboration space at the intersection of science and industry, initiated by Prof. Sabine Remdisch from the Institute for Performance Management at Leuphana University Lüneburg in cooperation with renowned companies and the H-STAR Institute of Stanford University. The LeadershipGarage researches Digital Preparedness, Digital Leadership, and Digital Collaboration, while developing innovative solutions for leadership and working/learning in the digital world.

A new study measures explore- and exploit behavior in companies

The research is being done by the international personnel consultancy Odgers Berndtson in cooperation with the LeadershipGarage research group at the Leuphana University of Lüneburg. In their Ambidextrous Leadership Study, conducted as part of the Odgers Berndtson Manager Barometer 2017/2018, the researchers examined to extent to which managers utilize the Exploit and Explore dimensions and under what organizational conditions Ambidextrous Leadership leads to an increase in innovative strength. They surveyed a sample of 1897 executives in the D-A-CH region from various industries, companies, and stages of development; from start-ups to long-established compa-

nies. For example, they were asked about the share of Explore behavior in their activities in a typical work week compared to Exploit behavior, and to what extent their supervisors or management as well as the prevailing corporate culture stimulate Explore behavior. This led to practical insights into the still largely unexplored topic of Ambidextrous Leadership.

According to their own estimates, managers across all companies showed a stronger explore-than-exploit behavior. These two behaviors are also not necessarily mutually exclusive: a stronger behavior in one does not directly indicate a weaker development of the other. The respondents from start-ups, who naturally innovate quickly and are largely immersed in the digital age, particularly appreciate exploratory and innovative spirit and an

innovation-promoting climate in their companies. In addition, start-ups place greater emphasis on the career-promoting effect of innovation than in more established companies.

The ability to innovate begins at the top

The hierarchy level of the respondents makes a difference in the assessment of their own ability to Explore. Managers from the highest hierarchical levels (top management) highly value their innovativeness, the innovation-friendly climate in their companies, and the career-promoting effect of innovation. This is reflected in their actions. The exploratory activities of the surveyed top management account for a larger proportion of their overall activities than those at lower levels of the hierarchy. Their explore-behavior largely appears in the context of a corporate culture that promotes innovation. Managers who value their own explore-behavior highly also value the innovation culture in their companies more highly. Another positive correlation can be seen between their own activity and the assessment of the explore-behavior of their employees: the more explore-behavior the surveyed managers showed, the higher they rate the explore-activities of their employees.

In contrast, there are hardly any differences between male and female managers, and there are hardly any correlations between the age and assessments of the respondents.

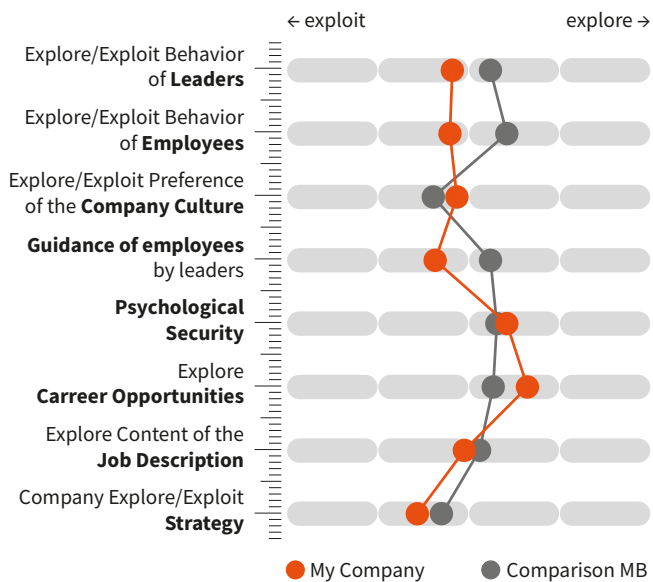


Fig.: Ambidextrous Leadership Profile

Companies can measure their own innovative ability

The study enables concrete conclusions to be drawn for achieving innovation in companies: the more an innovation-promoting corporate culture is developed, the higher the assessment of the exploratory behavior of employees; and an appreciation of the innovative behavior of employees ensures the psychological security necessary to enable their potential. For personnel recruitment, the importance of a career-promoting effect related to innovative behavior should not be underestimated. Employees who

are keen to innovate will also seek innovative employers in the future. Companies that fail to implement their innovative aspirations will go away empty-handed.

The online tool designed by LeadershipGarage for this study enables every company to self-assess its explore/exploit behavior and its innovation-promoting corporate culture. Answers to questions regarding important prerequisites for innovative processes and behaviors also make benchmarking possible. This enables a company to compare its prerequisites for innovative ability with others.

For this benchmarking, an Ambidextrous Leadership Profile is used, which consists of a total of eight

dimensions. In detail, the eight dimensions cover the explore/exploit behavior of managers and employees, the explore/innovation friendliness of the corporate culture, the guidance of employees by managers, psychological safety, the career advancement of explore/exploit behavior, the explore/exploit content of the various job descriptions, and the corporate explore/exploit strategy.

If these eight dimensions are positively developed within the company, it represents pronounced innovation opportunities. Conversely, if these dimensions are comparatively low, a company can see which adjustments can be made to become more innovative.