

Chapter 17

Sustainable Business Transformation through Ambidextrous Practices

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ABSTRACT

This chapter explores how an innovative organization can ensure sustainable development by embracing ambidextrous human resource management (HRM) practices. The chapter at the outset examines the debate on business innovation and business invention, and delineates the role of organization from business invention, which fits well for those who are engaged in fundamental and so also creative research. Thereafter the chapter details the importance of innovation for organizational development for long term organizational sustainability. The next phase of the chapter raises the debate how such sustainable organizational development can be achieved through ambidextrous human resource management (HRM) practices. To validate the arguments, the chapter examines the literatures in the context of one of the largest Central Public Sector Enterprises of India, i.e., Oil and Natural Gas Corporation (ONGC).

INTRODUCTION

Business invention and business innovation are distinctly different. While invention is framing of new ideas, innovation is translating such ideas in to new products or services, value addition to the existing products and services, and even to new process. Business innovation also includes improvement in business invention. Glaring example is Information Technology companies, where circuit board invention led to series of innovative products by many world class companies.

While Sony's Walkman is the result of business invention, Apple's iPod is a business innovation. Business innovation, therefore, gives competitive advantages to the organizations. To sustain in competition, organizations need to be innovative, as continuous innovation helps in getting the first movers advantage (for new products and services), cost competitiveness (for new processes), and the benefits of differentiation (for value addition to existing products and services). Many organizations have their independent research and development (R&D) wing, but in most of the cases they

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engage them in innovation, as invention is more fundamental, and requires series of experimentation before documenting the ideas.

More precisely innovation is exploitation of creative ideas (Bhattacharyya, 2002, 2012). Although operationally we consider innovation and invention as one and the same, theoretically, invention involves in generating new ideas, while innovation translates such ideas in to something new, which may be a new product or services, new processes, new strategies, and so also new ways of managing the organization. Hence it is better to define innovation is the productive invention. Very few organizations globally adopt an inclusive approach to institutionalize innovation with their business practices, but all organizations, irrespective of their size, make its best use, when they are in crisis (Bhattacharyya, 2013). Those organizations that are fortunate to embed innovation in their corporate DNA allow space for collaborative incubation of ideas, leveraging the cross-functional expertise, but for organizations, who innovate to overcome their current crisis, focus more on directed creativity (Plsek, 1997) approach. Success of discontinuous innovation in the second case largely depends on the top management initiatives and the way they steer the process.

Innovation per se gets influenced by HRM issues in the organizations for its obvious ramification on the behaviour and attitudes of people, and so also the overall culture of the organizations (Krishnan et al. 1993). For its in-built innovation elements, HRM practices are considered to have the embedded cognitive and sensory constructs (Shahid & Gunasekaran 1999). McGuire (1976) defined cognitive motives to provide the sense of meaning attached by the people while they adapt with the environment. The sensory or affective motive, on the other hand, is the pursuit of the people to satisfy their emotional goals. For innovation, Bowen and Lawler III (1992) suggested HR practices focusing on organization rather than the job, group performance, egalitarianism,

change and participation. Therefore, HRM practices are an important enabler for organizational innovation. Among others, it calls for creating a work environment that recognizes innovation, inter-organizational co-operation rather than competition, working as cross-functional teams, productive meetings for innovative results, introduction of formal innovation programmes and finally organization's receptivity to new ideas and perspectives. Fostering innovation requires a structured approach. It has to be broadly in the given context, leadership, values and culture. Contextual analysis helps in building required innovation teams. Leaders facilitate the teams. Values enable adoption of principles, which foster innovation, and finally the culture provides the playing field (Bhattacharyya, 2013).

From the foregoing arguments, it is clear that HRM can play a crucial mediating role in innovation and sustainable development in organizations.

Organizational sustainability, according to Dyllick and Hockerts (2002) is achieved through meeting the needs of the present and future stakeholders. HRM balances such needs through productive internal work relationships, meeting the expectations of employees and the society (Arnold, 2005). Ehnert (2009) advocated the practice of sustainable HR for this purpose, defining it as a process of balancing organizational goal with HR with a long-term focus. Sustainable organizational development through motivation and job satisfaction was identified as important pre-requisites (Erez & Early 1993; Deal & Jurkins 1994). Sustainable organizational development through ambidextrous HRM practices requires organizations to have a long-term inclusive focus encompassing economic, social, and environmental outcomes. It can be achieved through innovative actionable knowledge. It is reflected through HRM practices, more specifically through ambidextrous HRM practices, as evident from the case of ONGC. From HR perspectives, organizational sustainability is achieved when the organization is able to make them an `employer

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