THE LEADERSHIP-BASED NEXUS OF AMBIDEXTERITY’S ANTECEDENTS IN THE SPIN-ALONG APPROACH

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ABSTRACT

This paper is about building theory from a single case study for a practice phenomenon called spin-along, a combination of internal and external corporate venturing elements with the goal of supporting innovation activities of large corporations. The theory of ambidextrous organization, the resource-based and resource-dependence view as well as the role of senior management were identified as relevant concepts for the spin-along approach. Results from the case study conducted at a leading international laboratory and process technology provider reveal that there must be two merged perspectives, namely from the parent and from the spin-along, in order to achieve organizational ambidexterity and a higher overall strategic and financial performance.

Keywords: spin-along, corporate venturing, ambidexterity, case study, theory building

1. INTRODUCTION

Innovations are no luxury for corporations anymore (if they ever were at any given time), but they have become one of the major requirements in order to survive in a globalized world with international competition. Thus, the search for innovations is a crucial task for all corporations in order to ensure a constant level of innovation activities. These altered competitive environments require flexible organizational forms, new forms of internal and external integration and management skills to direct contradictory organizations and employees’ objectives and their potentials.

When Abernathy (1976) first introduced the productivity dilemma, he argued that there is a trade-off between the short term goals, i.e., monetizing existing products, and the long-term goals of a corporation, i.e., developing new products. About thirty years later, Christensen (1997) formulated the innovator’s dilemma based on the productivity dilemma and suggested that disruptive technologies undermine an established corporation’s competitive position by offering a cheaper and often less sophisticated alternative that is ‘good enough’ for most customers. Recently, attention was raised to a phenomenon which, in practice, is able to overcome the innovator’s dilemma but has hardly found interest in academic literature: the spin-along approach. The spin-along approach is a term introduced by the Deutsche Telekom Laboratories for a practice phenomenon which combines elements from internal and external corporate venturing (Rohrbeck et al., 2009). More precisely, we define spin-along as follows:

“Spin-along is a separate organizational unit that is kept under control and has linkages to the parent firm, with the goal of supporting the innovation activities at the parent firm.”

In previous literature, only extreme forms of corporate venturing were considered and investigated, namely internal or external venturing and spin-offs or spin-ins. With this study, we first want to raise attention to the spin-along approach as a promising hybrid form of corporate venturing. Therefore, this study is motivated by the following research question:

How should spin-alongs be designed to successfully support innovation activities of corporations?
2. THEORETICAL BACKGROUND

2.1 Corporate venturing and the spin-along approach

Corporate venturing has received little attention in recent literature, even though in practice it is a common and popular tool for fostering corporate innovation activities. More common than corporate venturing in literature is the broader term of corporate entrepreneurship, which describes a set of activities that center on the discovery and pursuit of new opportunities through innovation, new business creation, or the introduction of new business models (Hayton and Kelley, 2006). Thus, corporate venturing as a part of corporate entrepreneurship could be defined as an activity which seeks to generate new businesses for the corporation through the creation of external or internal corporate ventures (von Hippel, 1977). More detailed, corporate venturing can be divided into internal and external corporate venturing; internal corporate ventures are kept within the established organization whereas external corporate ventures are created as semi-autonomous or fully autonomous organizational entities that reside outside the existing organization (Keil, 2002, Sharma and Chrisman, 1999).

There are several goals which corporations seek to achieve by engaging in corporate venturing, e.g., diversification, growth, strategic renewal, development of new knowledge, technology, markets, and the promotion of innovation and entrepreneurship (Keil, 2002). Since spin-along is a hybrid tool in the domain of corporate venturing, spin-along could better enable the fostering of corporate entrepreneurship as it combines “the best of both worlds.” Internal venturing is benefited by the fact that the venture and the parent are able to exchange resources, but is hindered by the dependency of the venture on the parent. External venturing has the advantage of independence, but lacks protection from the parent (Dushnitsky and Lenox, 2006). Thus, on the one hand spin-alongs are able to use resources of the parent and on the other hand are able to act independently in the market.

2.2 THEORY OF AMBIDENTROUS ORGANIZATION

The term “ambidextrous” stems from the latin words ambi- (on both sides) and dexter (right handed) and describes the ability to use both hands with equal aptitude. While (Duncan, 1976) first introduced the term “organizational ambidexterity,” (March, 1991) proposed that ambidexterity consists of two dimensions: exploration and exploitation. According to this, (Levinthal and March, 1993) argued that long-term success is contingent on an organization’s ability to simultaneously exploit current viability and explore future viability, and in fact, recent research found that the achievement of ambidexterity is positively related to firm performance (Gibson and Birkinshaw, 2004, He and Wong, 2004). In line with this, definitions also exist with regard to innovation context, e.g., ambidexterity is the ability to simultaneously pursue incremental and radical innovations (Tushman and O’Reilly, 1996). Incremental innovations are designed to meet existing customers’ needs, whereas radical innovations are designed to meet emergent customers’ needs (Tushman and Smith, 2002). Therefore, with spin-along as a form of ambidextrous corporate venturing (Gold et al., 2010) corporations might be able to overcome the innovator’s dilemma and simultaneously pursue both types of innovations or simultaneously explore and exploit, respectively.

From an intensive literature review, (Raisch and Birkinshaw, 2008) conclude that there are three broad approaches that enable ambidexterity within an organization: structural solutions, contextual solutions and leadership-based solutions. Structural solutions allow exploration and exploitation to be carried out in separate organizational units (spatial separation or parallel structures) (Gupta et al., 2006), whereas contextual solutions allow exploration and exploitation to be carried out in the same organizational unit by behavioral and social means (Birkinshaw and Gibson, 2004). A third solution to enable ambidexterity is grounded in the top management team who is responsible for managing the tensions between exploration and exploitation. Also related to this antecedent is the concept of strategic ambidexterity (Raisch and Birkinshaw, 2008) which refers to a long stream of management research revealing the close interconnection of strategic and organizational activities (Amburgey and Dacin, 1994, Burgelman, 1983, Chandler, 1962, Rumelt, 1974).

Several studies argue that corporations which simultaneously pursue exploration and exploitation are more likely to achieve superior performance and long-term success (Tushman and O’Reilly, 1996). Even though some studies empirically investigated the influence of organizational ambidexterity on firm performance (He and Wong, 2004, Birkinshaw and Gibson, 2004, Lubatkin et al., 2006, Venkatraman et al., 2007), there is still a lack of conceptual clarity regarding whether organizational ambidexterity correlates to exploration and exploitation on a relative basis, or to the combined
magnitude of both activities (Cao et al., 2009). Cao et al. (2009) find evidence that concurrent high levels of both dimensions yield synergistic effects and lead to higher firm performance.

2.3 Resource-based view and resource-dependence view

Traditionally, research on sources of sustained competitive advantage has focused either on external analyses of a firm’s opportunities and threats (Porter, 1980, Porter, 1985), or on internal analyses of a firm’s strengths and weaknesses (Barney, 2001, Penrose, 1959). Whereas the external analysis refers to environmental models of competitive advantage, the internal analysis is known as the resource-based view. With reference to the corporate venturing context (Parhankangas and Arenius, 2003), the resource-based view is a relevant concept for the spin-along approach; it seeks to explain the outcome of the resource sharing relationship between spin-along and parent. In parallel to the resource-based view, there exists the resource-dependence view which pays closer attention to motivational behavior of organizations and individuals in a resource exchange relationship (Aldrich, 1979, Thompson, 1967). The resource-dependence view is also a relevant concept for the spin-along approach as it is concerned with the motivations driving the relationship of exchange between spin-along and parent firm.

2.4 Role of senior management

Barringer and Bluedorn (1999) were some of the first to empirically investigate the relationship between strategic management and entrepreneurial behavior in organizations. They identified several management practices which would make firms more entrepreneurial. In line with their findings, we argue that a corporation’s ability to act entrepreneurially, hence conduct spin-alongs, is largely determined by the managements’ entrepreneurial skills. Moreover, managing a corporations’ spin-along embedded in ambidextrous organization requires “special” leadership characteristics in order to embrace the contradictions they face (Beckman, 2006, Lubatkin et al., 2006, Smith and Tushman, 2005).

For managing the strategic contradictions of simultaneously pursuing both exploitation and exploration in order to achieve ambidexterity, the management must be ambidextrous itself (Mom et al., 2007, Mom et al., 2009). Managers need to understand and be sensitive to the ranging needs of the spin-alongs as well as of the parent (O’Reilly and Tushman, 2004, Smith and Tushman, 2005).

3. Method

The method of case study research has already been used to give many answers to management problems (Eisenhardt and Graebner, 2007). Case study research is particularly suitable to answer how and why questions and allows a deeper insight into new research areas (e.g., spin-alongs) than quantitative methods (Siggelkow, 2007). The method of case study research has already been used to give many answers to management problems (Eisenhardt and Graebner, 2007). Case study research is particularly suitable to answer how and why questions and allows a deeper insight into new research areas (e.g., spin-alongs) than quantitative methods (Siggelkow, 2007). Moreover, case study research is recommended especially when the boundary between phenomenon and context is not clearly distinguishable (Yin, 2008). In this paper, the purpose of the single case study is not to test hypotheses but to gain understandings of how spin-alongs are implemented successfully. Further, the case study in this paper can be classified in some dimensions (Keil, 2002, Yin, 2008): Firstly, the spin-along case investigated here is an instrumental case study as it was selected to advance the understanding of the spin-along phenomenon rather than the intrinsic motivation of a particular case. Secondly, a single case was selected instead of multiple cases as in order to perform a detailed data analysis and understand the case context. Thirdly, this case study has an inductive purpose and is based on theory building rather than theory testing, which is more often seen as the domain of quantitative research. Also, this study is retrospective as past data was collected at a single point in time and lastly, I employed an embedded design by analyzing multiple units (i.e., corporate level and spin-along level) of the corporation.

To conduct the case study, we followed the procedure suggested by (Eisenhardt, 1989). In the first step, we defined the research question and identified the relevant constructs. Without the definition of a research question, one is easily distracted by the large volume of data which is generally collected during the process and often loses focus of the initial target. (Eisenhardt, 1989) also mentions that an a priori specification of constructs could be helpful to shape the initial design of theory building research.
In the second step, we selected a leading international laboratory and process technology provider as a case. Since the case study method follows theoretical instead of statistical sampling (Eisenhardt, 1989, Siggelkow, 2007, Suddaby, 2006), we choose this specific case as it has successfully implemented spin-alongs for about 10 years and because we were given suitable access to informants and unique insights into the company. In 2008, this corporation had sales revenues of €611.6 mil, EBIT of €50.5 (8.3%), EBITDA of €80.1 mil (13.1%) and 4,660 employees.

In step three, we searched for qualitative as well as quantitative data from multiple sources in order to ensure a triangulation of findings (Yin, 2008). The triangulation of multiple data sources provides a stronger foundation for the constructs and their relationships. Potential data sources were found in interviews, internal and public reports and presentations, homepage and observations. In a phenomenological study, as seen here, in-depth interviews are a key means of probing individuals’ subjective experiences (Suddaby, 2006). However, searching and using multiple sources of data and ensuring data triangulation allows one to establish reliability and validity of qualitative research (Huberman and Miles, 1994).

In step four, we collected and analyzed data concurrently (Glaser & Strauss, 1967). This allows flexibility in making adjustments during the data collection process by taking opportunities from emergent constructs and relationships from unique case features. The flexibility of adjustments during data collection is a key feature of case study research and researchers are committed to get as much in-depth insights in a case as possible. An initial interview was conducted with a gatekeeper who recommended further interview partners. The gatekeeper chose informants who would be most qualified to inform us on the research question which could be defined as “purposeful sampling” (Corley & Gioia, 2004). In total, nine semi-structures interviews with eleven people were conducted. Five people were from different hierarchical levels of the parent firm, e.g., the executive board and the supervisory board, and six people were from the five different spin-alongs who were either the founders or managers to ensure an embedded view. The majority of the interviews were conducted in person at informants’ work place in order to make observations of each site. All interviews were opened with a short introduction of the project and the definition of spin-along. The interview questions asked the concepts and their related constructs. All interviews except for one were audio recorded and lasted between 1 and 2 hours (M = 66min, Min = 48min, Max = 105min). The tapes were all transcribed verbatim. Besides the recorded interviews, we had conversations with informants which were not recorded, so the overall conversation duration was between 48 minutes and 240 minutes. Data was collected until new evidence no longer appeared, i.e., “category saturation” (Eisenhardt, 1989), (Glaser & Strauss, 1967), (Suddaby, 2006).

In step five, we conducted in-depth within-case analyses. In within-case analyses we also followed replication logic – which is usually used in cross-case analyses – by treating every single spin-along as an observation (Eisenhardt, 1989). Within-case analyses facilitate intimate familiarity with the case and included detailed write-ups of about 15 pages per interview. Thereafter, short summaries of about three pages were written about each interview and sent to the interview partners to double check for accuracy. After that, the summaries were analyzed along the afore-mentioned constructs. When required, the items derived from the summaries for the constructs were adjusted to the detailed write-ups and to other qualitative and quantitative data (Eisenhardt, 1989), (Eisenhardt & Graebner, 2007), (Yin, 2008). We identified statements for each concept and grouped them into constructs (open coding). After that, we engaged in axial coding by searching for relationships between and among these constructs (Corbin & Strauss, 1990). As we focus on the inductive and interpretative process here, we were open to new and unexpected information from the data during the analysis. Finally, the constructs and their emergent relationships were organized into a conceptual framework.

In step six, propositions were derived from the conceptual framework. Phrasing propositions is an important step to sharpen the constructs and relationships among each other.

In step seven, we aligned our results with existing conflicting and similar literature. By comparing emergent theory with conflicting literature, internal validity is built and construct definitions are further sharpened. In addition, by comparing emergent theory with similar literature generalization is ensured and construct definitions are improved.

Theoretical saturation in step eight could not be reached as this will only be possible when improvements of the theory become marginal.
4. Results

4.1 Corporate venturing and the spin-along approach

The goals of parent and spin-alongs can be divided into organizational and individual goals and they could be compatible or conflicting. Informants from the parent mentioned one overall strategic goal, however when interviewing the spin-alongs about the goals of the parent, they stated different goals to some extent. Interestingly, most informants argued that none of the spin-alongs were planned upfront or implemented as spin-alongs. However, the conclusion can be drawn that all spin-alongs served the overall goal of the parent to build new competencies, knowledge, and technologies. Even though the spin-alongs were aware of the overall strategy of the parent and the purpose they should fulfill, they mentioned somewhat different subgoals of their own. Therefore, it seems that individual goals in the spin-alongs are more important motivation wise than the individual goals in the parent firm. The reason for this might be that individuals in spin-alongs, which mainly have a start-up structure, are more motivated by entrepreneurial means than individuals working in the parent firm.

4.2 Ambidextrous organization of parent and spin-alongs

Initially, it is assumed that organizational and individual goals lead to certain organizational forms which can traditionally be described as “structure follows strategy” (Chandler, 1962). The overall goal of the parent to become a total solution provider by recognizing competencies is realized through a matrix structure. In contrast, the goals of the spin-alongs to strategically grow by developing new products, keep market orientation and staying independent are realized through flexible start-up structures. At the same time, they are not completely independent from each other; there are many links between the two. Effectively exploring new competencies and exploiting existing competencies between and within these structures of the parent and the spin-along means knowing the levels on which the tensions between exploration and exploitation should be best solved.

In our case, there is evidence that the parent and the spin-alongs both achieve ambidexterity by exploring and exploiting each other and that the three organizational ambidexterity’s antecedent can be recognized as complementary. First, there is a structural separation between parent and spin-alongs to achieve ambidexterity and these dual structures differentiate the focus of individual efforts on exploration or on exploitation. Secondly, there are contextual factors shared between the parent and its spin-alongs in order to achieve ambidexterity i.e., exploration and exploitation are integrated by helping actors think and act ambidextrously on a daily basis. Thirdly, there are leadership-based antecedents to achieve ambidexterity. More precisely, the parent firm has an ambidextrous senior management who successfully enables common structural and contextual factors by managing conflicting goals, synergies in organizational structures, and the exchange of resources between the parent and the spin-along. Therefore, this could be described as the leadership-based nexus of structural and contextual ambidexterity’s antecedents.

4.3 Moderating role of senior management

Our findings confirm the results of e.g., Adler et al. (1999), Gibson and Birkinshaw (2004), Siggelkow and Rivkin (2006) who argue that one of the main challenges of structural separation is the inter-unit or the inter-organizational coordination and integration. This tension might be solved with the spin-along approach as it is not completely separated but still has contextual elements. In the (Gibson and Birkinshaw, 2004) approach, contextual ambidexterity is rooted in an individual’s ability to explore and exploit. In other words, the manager needs to be ambidextrous and the success of corporations’ spin-alongs might be determined through the managers’ individual ability to cope with these contradictions. Managing these tensions between exploration and exploitation needs participative as well as directive elements, which are contingent on environmental factors without which organizational ambidexterity and, consequently a higher performance, cannot be achieved. Accordingly, participation means “taking subordinates arguments seriously,” whereas directiveness means that “spin-alongs are managed by objectives” – an outcome-based rather than a process-based control mechanism. Thus, the loose-tight leadership (Sagie et al., 2002) is suggested to be the best for successfully managing spin-alongs.

5. Emergent theory and propositions for the spin-along approach

In this section, we aim to model the results of the case study into a conceptual framework. Figure 1 shows the conceptual framework for the spin-along approach at our case. Parent and spin-alongs both have individual and organizational goals which could be compatible or conflicting. The goals of the
parent and spin-along lead to organizational forms with which they seek to simultaneously explore and exploit, hence to achieve organizational ambidexterity. This refers to the view that structure follows strategy (Chandler, 1962) in the way that the parent has a different organizational form to implement its strategy than the spin-alongs which mostly have a start-up structure. In turn, the perspective that strategy follows structure (Rumelt, 1974) can also be recognized here. The parent has the strategy to grow along the value chain with innovative spin-alongs, but this strategy only makes sense if a company is in a steady growing market. In other words, the parent’s strategy follows the market structure. Within and between the organizational forms, the parent and its spin-alongs exploit existing capabilities as well as explore new capabilities. In addition, existing organizational synergies are beneficial for higher overall performance. Thereby, the parent’s and the spin-alongs’ performance can be divided into strategic and financial success. Even though both, parent and spin-alongs can function independently, the exchange of resources gives benefits to both: the exchange of resources increases the paths to the achievement of organizational ambidexterity and the paths to higher performance. Nonetheless, the exchange of resources as well as the synergies between parent and spin-alongs needs to be managed effectively to achieve overall positive strategic and financial performance.

Figure 1: Conceptual framework for the spin-along approach

The first variables of interest in this framework are the conflicting or compatible individual and organizational goals of parent and spin-alongs. We suggest that both, compatibility in individual and in organizational goals is important for the accomplishment of higher overall performance and that these goals are interdependent. Furthermore, it is postulated that compatibility in organizational goals is more important than individual goals for higher overall performance as organizational goals are more formalized, thus clearer, and often determined cooperatively. Consequently, the following propositions are suggested:

Proposition 1: The higher the compatibility of the goals between the parent and the spin-alongs, the higher the overall strategic and financial performance will be.

Proposition 1a: The higher the compatibility of individual and organizational goals between the parent and the spin-alongs, the higher the overall strategic and financial performance will be.

Proposition 1b: The higher the compatibility of organizational goals between the parent and the spin-alongs, the higher the compatibility of individual goals will be.
Proposition 1c: Compatibility of organizational goals between the parent and the spin-alongs is more important for a higher overall strategic and financial performance than compatibility of individual goals.

As declared above, individual and organizational goals of the parent and the spin-along lead to organizational forms which enable organizational ambidexterity, namely exploration and exploitation. We argue that the combined dimension of organizational ambidexterity is more beneficial for conducting spin-alongs since large corporations have practically no resource constrains. This correlates with the findings of (Cao et al., 2009) who suggest that the balanced dimension of organizational ambidexterity is more beneficial to resource-constrained firms whereas the combined dimension is more beneficial to firms with greater access to resources. In addition, this case study has shown that there are two different structures which belong to one overall context and strategy which is managed by the senior management. This is a multilevel concept which (Raisch and Birkinshaw, 2008) require to fully capture a firm’s exploitation and exploration activities and thus achieve ambidexterity. This results in the following proposition:

Proposition 2: The higher the synergies between parent’s and spin-alongs’ organizational ambidexterity (exploration and exploitation), the higher the overall strategic and financial performance will be.

Proposition 2a: The higher the synergies in exploitation at the parent and exploration at the spin-alongs, the higher the overall strategic and financial performance will be.

Proposition 2b: The higher the synergies in exploration at the parent and exploitation at the spin-alongs, the higher the overall strategic and financial performance will be.

Proposition 2c: The combined dimension of organizational ambidexterity is more beneficial for corporations implementing spin-alongs than the balanced dimension.

Proposition 2d: Organizational ambidexterity should be strived for on multiple levels in order to achieve a higher overall performance.

The achievement of organizational ambidexterity is supposed to lead to a higher strategic and financial performance of the parent and the spin-along and, consequently, to a higher overall strategic and financial performance. However, previous studies showed that the relationship between organizational ambidexterity and performance is weak (Lubatkin et al., 2006, Raisch and Birkinshaw, 2008). Thus, it is suggested to consider multiple performance dimensions. Moreover, attention is brought to the fact that organizational ambidexterity’s short-term and long-term performance implications should be considered (Brown and Eisenhardt, 1997, Burgelman and Grove, 2007). Therefore, the following propositions are suggested:

Proposition 3: Organizational ambidexterity increases strategic and financial performance of parent and spin-alongs.

Proposition 3b: Exploration at the parent and the spin-alongs is more positively associated with strategic performance (long-term success) than exploitation.

Proposition 3c: Exploitation at the parent and the spin-alongs is more positively associated with financial performance (short-term success) than exploration.

Proposition 3d: The extent of exploration and exploitation between parent and spin-alongs on the strategic and financial (overall) performance levels will vary over time.

In the relationships between the goals and the organizations as well as in the relationships between the organizations and the performance, the exchange of resources is crucial. Therefore, the exchange of resources between the parent and the spin-along increases the strength of the relationship between the goals and the achievement of organizational ambidexterity. In addition, the exchange of resources between the parent and the spin-along increases the strength of the relationship between organizational ambidexterity and strategic and financial performance (Venkatraman et al., 2007). We suggest that knowledge is the most important resource in these relationships and that trust and culture are prerequisites for the exchange of knowledge. Thus, the following propositions are suggested:
Proposition 4: The exchange of resources between the parent and the spin-alongs is a positive moderator in the relationship between the goals and organizational ambidexterity as well as in the relationship between organizational ambidexterity and performance.

Proposition 4a: An increased exchange of resources will increase the strength of the relationship between the goals and the achievement of organizational ambidexterity of parent and spin-alongs.

Proposition 4b: An increased exchange of resources will increase the strength of the relationship between the organizational ambidexterity and the strategic and financial performance of parent and spin-alongs.

Proposition 4c: Knowledge has the strongest and most positive influence on these relationships.

Proposition 4d: Trust is a prerequisite for the exchange of knowledge between parent and spin-along.

Proposition 4e: Similar organizational and country cultures between parent and spin-alongs lead to a higher exchange of resources, especially knowledge.

Finally, the role of senior management needs to be addressed. The senior management has a central role in managing the processes from the goals to the overall performance. The senior management needs to manage conflicting goals, synergies in organizational ambidexterity, and the exchange of resources. As structural, contextual and leadership-based factors emerged in the case study, we follow (Raisch and Birkinshaw, 2008) who suggest that future research could formally develop and test propositions on how different antecedents interact and complement one another in a corporation’s pursuit of organizational ambidexterity. Thus, the following propositions are formulated:

Proposition 5: Senior management is the central moderator between parent and spin-alongs to achieve overall positive strategic and financial performance.

Proposition 5a: The involvement of senior management increases the compatibility / decreases the conflict in organizational and individual goals between the parent and the spin-alongs.

Proposition 5b: The involvement of senior management increases the synergies in exploitation at the parent and exploration at the spin-alongs.

Proposition 5c: The involvement of senior management increases the synergies in exploration at the parent and exploitation at the spin-alongs.

Proposition 5d: The management of resource exchange will increase the overall strategic and financial performance.

Proposition 5e: Leadership-based, structural, and contextual antecedents are complements for the achievement of organizational ambidexterity.

Proposition 5f: Leadership-based antecedents are more important to achieve organizational ambidexterity than structural and contextual antecedents.

Proposition 5g: Leadership-based antecedents are the nexus for structural and contextual antecedents to achieve organizational ambidexterity.

Proposition 5h: The loose-tight leadership style will positively influence the overall strategic and financial performance.

6. CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

The spin-along approach as a phenomenon commonly applied in practice is a new term for a hybrid corporate venturing form with internal and external corporate venturing elements. As spin-along has been neglected so far in existing literature, this paper seeks to draw attention to it as a promising research object in the field of corporate venturing. Furthermore, this paper identified relevant concepts and corresponding constructs for the spin-along approach. It showed that the theory of ambidextrous organization, the resource-based view, and the role of senior management are crucial concepts in the spin-along approach in order to resolve the innovator’s dilemma. With these concepts, we conducted a single case study where several constructs could be confirmed and sharpened. On the
basis of these case results, a conceptual framework for the spin-along approach was developed which shows the key constructs and their relationships to each other for the parent and its spin-alongs. From this conceptual framework, propositions were derived which can be used for the successful implementation of spin-alongs and for future research on this topic.

Nevertheless, the conclusion from this study must be drawn with care as this study has certain limitations. This paper is based on a single case study. This should be kept in mind when drawing conclusions from it. Although within-case analysis is an important process since it allows the unique patterns of each case to emerge before investigators push to generalize patterns across cases, cross-case analysis of multiple case studies is also important as it allows to look for comprehensive patterns (Eisenhardt, 1989). However, this conceptual framework can be used to derive propositions to sharpen spin-along theory and to help conduct further empirical investigations on this topic.
Reference


