



Organizational Ambidexterity for Innovation in Small Businesses

Ambidestria Organizacional para Inovação em Pequenas Empresas

Ambidestreza Organizacional para la Innovación en Pequeñas Empresas

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Abstract

Organizational ambidexterity is essential for understanding how firms balance different forms of innovation, incremental and exploratory, to ensure adaptation to changing environments and maintain competitiveness. Therefore, this study seeks to understand how organizational ambidexterity manifests during organizational transition processes and how it contributes to market expansion and the strategic adaptation of small businesses operating in emerging markets. Ambidexterity, comprising exploitation and exploration, refers respectively to the continuous improvement of existing processes and the pursuit of new business opportunities, both of which are critical for addressing challenges in environments characterized by rapid change and resource constraints. Although organizational ambidexterity has been extensively studied in large corporations and high-technology sectors, its application in small businesses, particularly during periods of organizational transition, remains insufficiently understood. The analysis was conducted through focus groups involving managers and employees from two companies that share the same core competencies. The findings indicate that, despite limitations in human and financial resources, it is possible to achieve both sequential and contextual ambidexterity simultaneously, balancing operational efficiency and innovation. From a theoretical perspective, this study contributes to the understanding of how small businesses develop ambidextrous capabilities during organizational transition processes. From a practical standpoint, it provides insights for managers facing the challenge of balancing operational efficiency and innovation in contexts characterized by change and resource constraints.

Keywords: exploitation, exploration, ambidexterity, innovation, small businesses.

Resumo

A ambidestria organizacional é essencial para entender como as empresas equilibram diferentes formas de inovação, incremental e exploratória, assegurando adaptação às mudanças e competitividade. Por tanto, este estudo busca compreender como a ambidestria organizacional se manifesta durante o processo de transição organizacional e de que forma contribui para a expansão de mercado e adaptação estratégica de pequenas empresas em mercados emergentes. A ambidestria, composta por *exploitation* e *exploration*, representa, respectivamente, a melhoria contínua de processos existentes e a exploração de novas oportunidades de negócio, sendo fundamental para enfrentar desafios em ambientes de rápida transformação e recursos escassos. Embora amplamente estudada em grandes corporações e setores de alta tecnologia, sua aplicação em pequenas empresas, especialmente em situações de transição organizacional, ainda é pouco compreendida. A análise se deu por meio de grupos focais com gestores e colaboradores de duas empresas que compartilham o mesmo núcleo de competências. Os resultados indicam que, mesmo diante de limitações de recursos humanos e financeiros, é possível alcançar uma ambidestria sequencial e contextual simultaneamente,

equilibrando eficiência operacional e inovação. Em termos teóricos, a pesquisa contribui para a compreensão de como pequenas empresas desenvolvem capacidades ambidestras durante processos de transição organizacional. De maneira prática, oferecem-se subsídios para gestores que enfrentam o desafio de equilibrar eficiência operacional e inovação em contextos de mudança e restrição de recursos.

Palavras-chave: *exploitation, exploration, ambidestria, inovação, pequenas empresas.*

Resumen

La ambidestreza organizacional es fundamental para comprender cómo las empresas equilibran distintas formas de innovación, incremental y exploratoria, garantizando la adaptación a los cambios y la competitividad. Por lo tanto, este estudio tiene como objetivo analizar cómo la ambidestreza organizacional se manifiesta durante el proceso de transición organizacional y de qué manera contribuye a la expansión del mercado y a la adaptación estratégica de pequeñas empresas en mercados emergentes. La ambidestreza, compuesta por exploitation y exploration, representa, respectivamente, la mejora continua de los procesos existentes y la exploración de nuevas oportunidades de negocio, siendo esencial para afrontar los desafíos en entornos de rápida transformación y de recursos escasos. Aunque ha sido ampliamente estudiada en grandes corporaciones y en sectores de alta tecnología, su aplicación en pequeñas empresas, especialmente en contextos de transición organizacional, aún es poco comprendida. El análisis se realizó mediante grupos focales con directivos y colaboradores de dos empresas que comparten el mismo núcleo de competencias. Los resultados indican que, incluso ante limitaciones de recursos humanos y financieros, es posible alcanzar de manera simultánea una ambidestreza secuencial y contextual, equilibrando la eficiencia operativa y la innovación. En términos teóricos, la investigación contribuye a la comprensión de cómo las pequeñas empresas desarrollan capacidades ambidestras durante procesos de transición organizacional. Desde una perspectiva práctica, se ofrecen insumos para gestores que enfrentan el desafío de equilibrar la eficiencia operativa y la innovación en contextos de cambio y restricción de recursos.

Palabras clave: *exploitation, exploration, ambidestreza, innovación, pequeñas empresas.*

Introduction

Based on its current operations, can a company build a new path for growth? Many firms struggle to answer this question because their organizational structures are not adequately prepared either to refine existing operations or to generate new business opportunities. The high mortality rate of small businesses intensifies the need for organizational strategies focused on continuous improvement and adaptation to competitive environments (Clauss et al., 2021; Reischl et al., 2022). Organizational ambidexterity has therefore emerged as an approach aimed at increasing market share and reducing long-term risks through a better understanding of practical management challenges faced by small businesses. Its core dimensions are exploitation and exploration (Reischl et al., 2022).

Exploitation refers to continuous improvement, emphasizing efficiency, discipline, production, selection, implementation, and execution in the short term. Its primary objective is to deepen existing knowledge and leverage competencies already established within the organizational structure. Exploration, in contrast, is grounded in discovery and adopts a more diversified and long-term orientation, encompassing activities that evolve from initial curiosity to the achievement of significant advances (March, 1991). These concepts have proven particularly promising in addressing adaptation and growth demands in volatile markets (O'Reilly & Tushman, 2013; Sun et al., 2023).

Most of the ambidexterity literature has focused on large corporations and technology-intensive environments. Despite significant theoretical advances over the past two decades, understanding of how small firms develop and sustain organizational ambidexterity remains limited, particularly under conditions of resource scarcity and structural change, such as organizational transition processes and business model reconfiguration (Brix, 2020; Peng et al., 2022; Reischl et al., 2022; Voss & Voss, 2013). Previous studies (Bérard & Fréchet, 2020; Reischl et al., 2022) suggest that, although small firms are capable of balancing exploitation and exploration under resource constraints, the mechanisms supporting this balance remain insufficiently understood. More recent research (Kokubun, 2025; Silva et al., 2025) has expanded the conceptual scope of ambidexterity by incorporating digital, sustainable, and collaborative dimensions. However, empirical evidence regarding the integrative elements connecting these different forms of ambidexterity remains scarce.

Studies such as Jaidi et al. (2022), which investigated ambidexterity in creative small businesses in Asia, demonstrate that ambidextrous leaders enhance innovative performance through organizational learning, highlighting the importance of cognitive and cultural mechanisms in sustaining ambidexterity within dynamic environments. These findings reinforce the need for further research aimed at identifying the integrative elements among different forms of ambidexterity. Furthermore, qualitative studies examining transitions between distinct organizational structures

in service firms and exploring how ambidextrous practices emerge during such processes have yet to provide a convincing explanation of the phenomenon (Brix, 2020; Wójcik-Karpacz et al., 2019). In this regard, service-based small businesses operating in emerging markets, particularly in Brazil, provide an appropriate empirical setting for investigating these issues (Ochie et al., 2022).

Prior research suggests that ambidexterity during organizational transitions depends on internal network configurations and coherent practices that integrate exploitation and exploration (Belik & Knudsen, 2022; Zhang & Zhang, 2022). Moreover, recent studies (Kokubun, 2025; Reischl et al., 2022) have advanced understanding of how different forms of ambidexterity manifest in an interdependent manner. Considering that contextual and sequential ambidexterity emphasize the ability to alternate between exploration and exploitation activities either within an organizational unit or over time (O'Reilly & Tushman, 2013; Reischl et al., 2022), organizations can be understood as evolving through dynamic cycles of adaptation (Kokubun, 2025). For small businesses, the coexistence of these two forms of ambidexterity represents a critical strategy for survival and growth in the face of resource constraints and ongoing innovation demands (Bérard & Fréchet, 2020; Silva et al., 2025).

Accordingly, the following research question was formulated: How does organizational ambidexterity support market expansion and strategic adaptation in small businesses? To address this question, this study seeks to understand how organizational ambidexterity manifests during organizational transition processes and how it contributes to market expansion and strategic adaptation in small businesses operating in emerging markets. The analysis is based on the transition between two organizations that share the same core competencies: branding, content production, and digital marketing. Through focus groups involving managers and employees directly engaged in the transformation process, we examine how exploitation and exploration practices emerged throughout the creation and consolidation of a new business model.

This study contributes in two main ways. First, from a theoretical perspective, it demonstrates that ambidexterity benefits small businesses by supporting continuous improvement, fostering the creation of future opportunities, and enhancing business sustainability. These findings reinforce previous studies arguing that exploitation focuses on continuous refinement aimed at optimization and cost reduction, whereas exploration promotes innovation and the pursuit of new markets (Clauss et al., 2020; Reischl et al., 2022). In contrast to Reischl et al. (2022), who emphasize the dilemma faced by small firms in balancing these approaches due to financial and human resource constraints, our findings reveal the simultaneous presence of sequential and contextual ambidexterity, even under conditions of limited personnel and resources.

Second, from a managerial perspective, the findings provide practical insights for management professionals by illustrating how ambidexterity and its various manifestations unfold in the daily operations of a small business. The study identifies key characteristics and critical milestones that enable ambidexterity to emerge and be sustained. Finally, it is expected that these findings will offer valuable insights for small businesses seeking to expand their markets while simultaneously improving operational efficiency.

Organizational Ambidexterity

The concept of ambidexterity was originally introduced by Duncan (1976), who described an organization's ability to efficiently manage its current operations while simultaneously adapting to ongoing changes in the business environment. In other words, ambidexterity reflects a firm's capacity to adapt and reconfigure itself in response to rapid environmental changes (Helfat et al., 2007). Tushman and O'Reilly (1996) proposed the establishment of autonomous systems for innovation and efficiency through structural separation. Later, the authors argued that ambidexterity should be viewed as a dynamic capability encompassing two major dimensions: the firm's ability to reconfigure existing assets and capabilities and the organizational design mechanisms that support such reconfiguration (O'Reilly & Tushman, 2008).

The concepts of exploitation and exploration were introduced by March (1991), enriching the debate on organizational ambidexterity. According to March, exploitation activities tend to generate clear and rapid feedback because they involve relatively certain and well-defined outcomes, whereas exploration emphasizes the search for new ideas, markets, and relationships, leading to greater uncertainty and longer, less predictable time horizons. Consequently, scholars argued that organizations seeking to become ambidextrous must adapt their structures to initiate and sustain innovation processes (Duncan, 1976), while simultaneously engaging in both exploitation and exploration activities (Tushman & O'Reilly, 1996).

The relationship between exploitation and exploration is shaped by the business context. It tends to be more evident in larger corporations than in smaller firms, where ambidexterity manifests more assertively under uncertain conditions and when adequate resources are available (O'Reilly & Tushman, 2013).

Sun et al. (2023) and Teece et al. (2016) emphasize the role of ambidexterity as a crucial dynamic capability for organizational reconfiguration and the development of competitive advantage. More recent studies have also reinforced that ambidexterity should not be understood merely as the coexistence of exploitation and exploration activities, but rather as a strategic and dynamic capability that supports organizational adaptation in contexts of change (Silva et al., 2025). It helps address the differentiation-versus-cost dilemma and supports the reallocation and reconfiguration of organizational skills and assets, enabling firms to leverage existing competencies while developing new ones (Markides & Chari-tou 2004; O'Reilly & Tushman, 2013; Taylor & Helfat, 2009).

A bibliometric analysis reveals the expansion of the theoretical field, highlighting new approaches to the balance between exploitation and exploration and their integration with themes such as sustainability, digitalization, and leadership (Aftab et al., 2022). In this sense, the diverse perspectives on ambidexterity continue to shape how firms address the challenges of change and innovation (Raisch & Birkinshaw, 2008). However, little is known about how smaller firms, particularly those operating in emerging markets, develop ambidextrous capabilities under conditions of constraint (Reischl et al., 2022; Voss & Voss, 2013).

Overall, small firms face unique challenges, such as scarce financial resources and limited human capital (Brix, 2020). Nevertheless, their agility and proximity to markets may favor the adoption of ambidextrous strategies, particularly in contextual forms (Reischl et al., 2022). In such cases, the same individuals must alternate between continuous improvement tasks and exploratory activities, which requires a flexible organizational culture and engaged leadership (O'Reilly & Tushman, 2013; Smith et al., 2010). Furthermore, recent empirical studies (Clauss et al., 2021; Jaidi, Liu & Ahmad, 2022; Peng et al., 2022; Reischl et al., 2022; Shiu et al., 2023) show that small firms are capable of developing hybrid forms of ambidexterity, reconciling exploitation and exploration through everyday practices. This suggests that the combination of sequential and contextual ambidexterity may be particularly relevant, as it enables firms to alternate or combine moments of exploitation and exploration according to environmental demands.

This perspective broadens the understanding of organizational ambidexterity by highlighting its behavioral and contextual nature, which depends more on practices and interactions than on formal structural arrangements. In addition, authors such as Belik and Knudsen (2022) and Brix (2020) argue that ambidexterity emerges from microfoundations (i.e., situated actions and learning processes) and should be understood as the outcome of social and cognitive processes that connect individuals and routines to organizational adaptation. This highlights a gap in the literature regarding investigations that explore how these processes unfold, especially during periods of structural transition or strategic reconfiguration.

Types of Ambidexterity

Traditionally, according to O'Reilly & Tushman (2013), the literature distinguishes between structural, sequential, and contextual ambidexterity. Drawing on the theory of "punctuated equilibrium," these authors suggest that firms undergo discrete transformations, adapting to environmental changes by reconfiguring their structures and operations.

Structural ambidexterity is based on the separation of business units with distinct objectives, some oriented toward efficiency and others toward innovation, making it more feasible for large firms with abundant resources (O'Reilly & Tushman, 2013). This approach seeks to balance exploitation and exploration through the simultaneous pursuit of both, managing the tension between efficiency and innovation (Úbeda-García et al., 2020), and has been associated with firm performance (He & Wong, 2004; Jansen, 2009). According to O'Reilly and Tushman (2008), this approach is not limited to formal divisions dedicated to exploitation and exploration; rather, it involves differentiated skills, systems, rewards, processes, and cultures, all internally aligned. These divisions are unified by an overarching strategic vision, shared values, and coordination mechanisms that enable the optimization of common resources (Kolster, 2021; O'Reilly et al., 2009; O'Reilly & Tushman, 2004), while leadership plays a fundamental role in articulating and sustaining these strategic tensions (O'Reilly & Tushman, 2013; Smith et al., 2010).

Sequential ambidexterity, in turn, occurs when an organization alternates over time between periods of exploitation and exploration (Tushman & Romanelli, 1985). This form was examined by Laplume and Dass (2012) in a longitudinal study covering a 65-year trajectory, which indicated that the firm's first 25 years were marked by sequential practices of exploitation and exploration, followed by simultaneous forms of these activities. More recent studies, such as Shu et al. (2023), have assessed this dynamic in specific ecosystems, such as Android.

Finally, contextual ambidexterity manifests at the individual and behavioral levels, when the same employees alternate between exploratory and routine tasks within the same structure, without formal divisions (Birkinshaw & Gibson, 2004). This form emerges as an alternative for balancing the tension between exploitation and exploration through organizational behaviors that reconcile alignment and adaptability within the same business unit (O'Reilly & Tushman, 2013). This balance depends on an organizational environment that promotes challenging goals, discipline, and trust, encouraging individuals to exercise autonomy in reconciling conflicting demands (Birkinshaw & Gibson, 2004).

Contemporary literature has expanded the classical typologies by including new configurations, such as digital ambidexterity and sustainable ambidexterity, which involve the integration of innovation practices, digital transformation, and social responsibility (Kokubun, 2025). This conceptual evolution broadens the understanding of ambidexterity as a multilevel phenomenon in which strategies, culture, and technologies converge to balance efficiency and innovation.

Ambidexterity in Small Firms

Small firms operate under significant human, financial, and technological resource constraints, which limits their ability to invest simultaneously in exploitation and exploration activities. The literature emphasizes that, unlike large corporations, these organizations lack formal structures, venture capital, and specialized innovation departments, requiring more flexible forms of ambidexterity management (Bérard & Fréchet, 2020; Lubatkin et al., 2006). In these

contexts, ambidexterity tends to emerge through the dynamic reconfiguration of competencies and the accumulation of tacit knowledge, supported by leaders capable of alternating between operational focus and the exploration of new opportunities (O'Reilly & Tushman, 2013; Raisch & Birkinshaw, 2008). Recent studies also suggest that, in environments characterized by resource constraints and high uncertainty, such as small firms in emerging markets, the ability to balance efficiency and innovation depends more on continuous organizational learning and cultural adaptability than on structural investments (Kokubun, 2025; Reischl et al., 2022).

Other studies indicate that firms, especially small firms, may combine sequential and contextual approaches simultaneously (Peng et al., 2022; Shiu et al., 2023; Sun et al., 2023). This hybrid configuration allows firms to alternate between exploitation and exploration according to environmental demands without compromising strategic coherence. In small firms, such a combination tends to emerge organically, supported by close leadership, collective learning, and organizational flexibility (Clauss et al., 2021; Reischl et al., 2022). Additionally, authors such as Jaidi et al. (2022) and Úbeda-García et al. (2020) show that the contextual and cultural conditions of small firms — such as proximity between managers and teams, low levels of formalization, and collaborative networks — favor the emergence of contextual ambidexterity. This characteristic becomes a competitive advantage in emerging markets, where agility and adaptability are vital for organizational survival.

One aspect that has gained increasing attention is the role of ambidextrous leadership as an integrating mechanism between exploitation and exploration (Clauss et al., 2021; Jansen, Vera & Crossan, 2008; O'Reilly & Tushman, 2011). The literature suggests that leadership operates as an orchestration mechanism between adaptation and innovation (Kokubun, 2025). Ambidextrous leaders create conditions for tensions between efficiency and innovation to be channeled productively, stimulating autonomy, trust, and results orientation. This type of leadership is particularly relevant in small firms, where managers exert direct influence on organizational culture and employees' everyday practices (Brix, 2020; Reischl et al., 2022).

In this sense, ambidexterity in small firms depends on behavioral microfoundations, such as the ability to alternate roles, learn from experience, and collectively make sense of change (Belik & Knudsen, 2022; Smith et al., 2010). Thus, understanding ambidexterity requires recognizing it as a continuous process of organizational adaptation, sustained by leadership practices, trust, and shared learning — elements that become central to explaining the success of small firms in contexts of strategic transition.

Organizational Ambidexterity and Strategic Change: Theoretical Propositions

Contemporary literature understands organizational ambidexterity as a dynamic and socially integrated capability whose effectiveness depends on the combination of strategic orientation, leadership, and organizational learning (Kokubun, 2025; Silva et al., 2025). This notion aligns with the literature on strategic change, which defines it as the process through which organizations reconfigure their strategies and structures in response to environmental and internal pressures (Ginsberg, 1988; Rajagopalan & Spreitzer, 1997). Thus, ambidexterity represents a mechanism of continuous change through which organizations balance stability and transformation (Dunphy & Stace, 1993; Garud & Van de Ven, 2006).

This holistic approach is especially relevant for small firms in emerging markets, where continuous adaptation to environmental changes requires balancing operational stability and innovation. In this regard, an excessive emphasis on exploitation may generate rigidity and resistance to change, reducing adaptive capacity, whereas an excessive focus on exploration may disperse efforts and compromise efficiency (March, 1991; Sun et al., 2023). Therefore, the allocation of resources between these activities shapes organizational learning and trajectory (Sitkin, 1992; Sun et al., 2023).

In small firms, exploitation is expressed through sequential ambidexterity when continuous improvement routines predominate and generate cumulative gains in knowledge and performance (Clauss et al., 2020; Gilsing, 2002). This dynamic corresponds to incremental strategic change, in which efficiency serves as a foundation for future adaptation (Dunphy & Stace, 1993). From this perspective, understanding the role of exploitation is essential for identifying how small firms refine their internal capabilities, even under resource and structural constraints.

P1. Sequential ambidexterity acts as a mechanism of incremental change, enabling small firms to alternate between cycles of exploitation and exploration and to convert operational gains into strategic adaptive capacity.

In contexts of uncertainty and resource scarcity, exploration manifests predominantly through contextual ambidexterity, in which employees balance routines and experimentation, fostering collective sensemaking and action-based learning reinforced by leadership (O'Reilly & Tushman, 2013; Reischl et al., 2022). Thus, exploration resembles the transformational changes described by Dunphy and Stace (1993), enabling small firms to expand their knowledge base and identify new opportunities.

P2. Contextual ambidexterity drives transformational change by stimulating continuous experimentation and learning, enabling small firms to reconfigure strategies and business models in uncertain environments.

The coexistence of exploitation and exploration is enabled by small firms' ability to integrate efficiency and innovation. This combination reflects integrative ambidexterity, which articulates sequential and contextual dimensions, resulting in greater organizational resilience and sustainability (Raisch & Birkinshaw, 2008; Reischl et al., 2022). Such integrative ambidexterity depends on leaders capable of balancing control and autonomy, stability and change (Amis,

Slack & Hinings, 2004). Here, ambidextrous leadership assumes a central role in orchestrating resources and aligning apparently contradictory objectives, promoting cultures of continuous learning and disciplined innovation, while also acting as an agent of future-making by transforming strategic intentions into concrete actions (Brix, 2020; Kokubun, 2025; O'Reilly & Tushman, 2013; Pettit, Balogun & Bennett, 2023).

P3. The integration of sequential and contextual ambidexterity, mediated by ambidextrous leadership, constitutes a future-making process that sustains continuous strategic change and strengthens the resilience of small firms.

In summary, the relationship between organizational ambidexterity and strategic change shows that the adaptation of small firms depends less on resource availability and more on the cognitive and relational capacity to balance multiple logics of action. While exploitation strengthens efficiency and incremental learning, exploration expands the repertoire of knowledge and opportunities in dynamic environments (Acciarini, Boccadelli & Peruffo, 2024). By orchestrating this balance, ambidextrous leadership converts tensions into opportunities for learning and transformation, thereby enhancing organizational performance and sustainability.

Method

This study adopts a qualitative and interpretive approach to understand how organizational ambidexterity manifests during organizational transition and contributes to market expansion and strategic adaptation in small firms operating in emerging markets. To this end, we examined Feito and Startta, two firms that share the same leadership and competence base (branding, content production, and digital marketing) in order to understand how exploitation-oriented efficiency in Feito and the exploration of new opportunities through Startta, a spin-off originating from Feito, are articulated around the firm's core competence base. The research was designed as a single, exploratory, retrospective case study focused on the organizational experience associated with the creation of a new business structure.

The choice of a single case study is justified by the possibility of conducting an in-depth analysis of a complex and context-dependent phenomenon, allowing the meanings attributed by actors to the organizational transformation they experienced to be captured (Yin, 2015). The case study protocol is presented in Appendix A.

Data Collection

Data were collected from two main sources. First, focus groups were conducted with employees and managers from the two organizations. Participants were selected according to the following criteria: i) company partners; ii) employees who were present during the transition; and iii) clients or close individuals who were involved during the transition. In total, seven participants took part in the focus groups, as shown in Table 1.

Table 1

List of focus group participants

Participants	Code	Position/Role	Educational background	Age	Relationship	Start date
Participant 1	P1	Finance	Business Administration	42	2 – Employee	Jan/21
Participant 2	P2	Commercial	Journalism	36	1 – Partner	Apr/21
Participant 3	P3	Client service	Journalism	34	1 – Partner	Mar/21
Participant 4	P4	Creative	Journalism	34	1 – Partner	Mar/21
Participant 5	P5	Commercial	Real Estate Transactions Technician	43	2 – Employee	Jan/19
Participant 6	P6	Finance	Architecture	40	2 – Employee	Jan/23
Participant 7	P7	Client/Friend	Advertising	44	3 – Involved in the transition	Entire period

Both focus groups lasted approximately one hour and ten minutes and were conducted through Google Meet, with audio and video recording. The focus groups were facilitated by a moderator through an interactive workshop dynamic using a digital whiteboard platform called Mural. An observer also participated with the purpose of understanding each participant's perceptions. The script used to conduct the focus groups is presented in Appendix B.

Second, data were collected from secondary sources, including the companies' websites and social media profiles, meeting minutes, and employment contracts of the employees who participated in the focus groups. In addition, the study included highly engaged participant observation by one of the authors, with the aim of gaining an in-depth understanding of everyday practices and obtaining direct and prolonged access to routines, decision-making processes, and organizational interactions. This enabled the capture of tacit and informal aspects of organizational

ambidexterity. Notably, this participant observation led to a more reflexive research stance and to rigorous triangulation of evidence in order to mitigate potential biases arising from the researcher's embeddedness in the field (Flick, 2013). These data were therefore triangulated with primary data to achieve theoretical saturation.

Coding and Data Analysis

Data analysis was conducted according to the principles of thematic content analysis (Bardin, 2016), structured in three stages: i) data reduction; ii) data display; and iii) conclusion drawing and verification (Miles & Huberman, 1994). For coding, template analysis was used (Brooks et al., 2015) to develop a hierarchical coding system. Subsequently, relationships were established between the codes and the data sources, which were organized according to the a priori categories defined from the theory (Table 2). The categories were cross-analyzed based on data summaries using Excel software.

Table 2

Analytical categories

Category	Subcategory/Focus	Ambidexterity focus	Type of ambidexterity	References
Continuous Improvement	Continuous improvement focused on efficiency, discipline, production, selection, implementation, and short-term execution	Exploitation	Sequential	Clauss et al. (2020); March (1991); Gilsing (2002)
Creation of a New Future	Grounded in discovery, with a diversified and long-term orientation	Exploration	Sequential / Contextual	Gilsing (2002); March (1991); Reischl et al. (2022); Voss e Voss (2013)
Perception of Success or Failure	Immediate efficiency and short-term success; an appropriate balance between exploitation and exploration to ensure long-term adaptability and sustainability	Exploration–Exploitation Balance	Contextual	Clauss et al. (2020); O'Reilly e Tushman (1996; 2008; 2013); Reischl et al. (2022)
Growth of the Client Portfolio	A pathway to acquiring new knowledge and entering new markets	Exploration, supported by exploitation	Contextual	Clauss et al. (2020); Voss e Voss (2013)
Individual Capabilities	Focused on individual skills, granting teams and individuals the freedom to alternate activities according to situational needs	Exploration–Exploitation Balance	Contextual	Birkinshaw e Gibson (2004); O'Reilly e Tushman (2013); Reischl et al. (2022)
Perceptions of Organizational Change	The organization's ability to efficiently conduct current operations while simultaneously adapting to transformations, such as the creation of Startta and changes in the business model	Exploration–Exploitation Balance	Structural	Duncan (1976); Tushman e O'Reilly (1996; 2008; 2013); Birkinshaw e Gibson (2004); Reischl et al. (2022)

The categories presented above reflect different manifestations of organizational ambidexterity observed in the transition process analyzed. Continuous improvement was associated with sequential ambidexterity, as it represents phases of efficiency and refinement that precede innovation cycles. The creation of a new future combines sequential and contextual aspects, reflecting the temporal alternation between stability and experimentation. Success or failure and individual capabilities correspond to contextual ambidexterity, highlighting autonomy and everyday decision-making processes that balance innovation and efficiency. Growth of the client portfolio expresses a form of contextual ambidexterity supported by exploitation, articulating the use of existing competencies with the pursuit of new markets. Finally, organizational change was associated with structural ambidexterity, as it reflects broader transformations in firm configuration, such as the creation of a new business unit, role redefinition, and the adoption of open innovation practices. Taken together, these categories reveal the coexistence of stability and renewal that characterizes ambidexterity in the small firms studied.

Analysis of Results

The study was conducted in two small Brazilian firms in the digital marketing sector: Feito – Conquiste Clientes and Startta – Redes Sociais. Feito, founded in 2016, operated as a communication agency with customized projects for medium-sized and large companies, offering on-demand services that included branding, visual identity development, institutional content production, internal communication management, website creation, and social media strategies for larger clients.

During the COVID-19 pandemic, in a context of economic instability and declining investment in marketing, the company created Startta as a spin-off aimed at micro and small businesses. Startta developed a more standardized and scalable portfolio centered on social media management, paid traffic, digital positioning, and marketing automation. This reconfiguration represented a transition from a customized, craft-based model to a scalable and digital model, enabling the organization to explore new market opportunities without abandoning its consolidated client base.

The organizational transition process was conducted incrementally and participatively, with direct involvement of partners and employees in the ideation and implementation of the new model. The exercise of ambidextrous leadership was observed, as leaders balanced exploitation efforts aimed at maintaining the efficiency and quality of Feito's services with exploration efforts directed toward innovation and the creation of Startta.

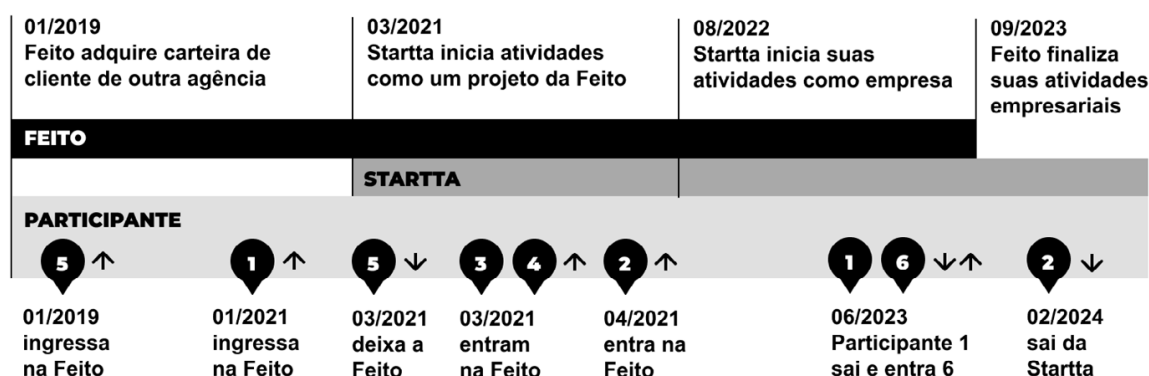
In this context, exploitation efforts were manifested in the creation of Startta, which was based on the refinement of competencies already consolidated by Feito, such as branding, integrated communication, content production, and website development, as well as on the standardization of processes that enabled the company to expand and qualify its client portfolio. Moreover, the consolidation of Startta throughout the pandemic also involved exploration initiatives, including the introduction of more automated services, the development of scalable subscription models, and the adoption of performance-oriented digital strategies. These initiatives enabled the organization to test new approaches and expand its activities into emerging segments of micro and small businesses.

This strategy resulted in performance and sustainability gains during the crisis period, preserving jobs and reallocating professionals to new roles. Managerial decisions also reflected a commitment to social responsibility by prioritizing employee retention and offering accessible solutions to local small entrepreneurs, thereby contributing to their digital and economic inclusion at a time of market vulnerability.

The timeline presented in Figure 1 helps clarify the events reported by participants and the companies' transition process. The black bar represents events related to Feito. The dark gray bar refers to Startta. The light gray bar situates the participants within the temporal and organizational space of the two companies: each participant, represented by their assigned code number, is positioned according to their entry (↑) and exit (↓) from the company.

Figure 1

Timeline of events



Continuous Improvement

The change in commercialization strategy was presented as a form of improvement, according to Participant 5: "The idea was really to bring dynamism to the client. Everything was changing; we were in the middle of a pandemic, and we needed to bring quick solutions to clients."

Exploitation was initially carried out within Feito, a traditional agency focused on digital and offline marketing for large clients. Feito subsequently conceived Startta, which resulted in a new business paradigm, as reflected in Participant 1's view:

It was like a business unit, let's say, of Feito. So, I think continuous improvement in this transition was really this... this growth and... not growth, but I think the birth of Startta as a company; the full potential of the product became a company [...].

Exploitation led Feito to acquire a client portfolio and to adjust its solutions and services to meet newly identified market needs. As a direct consequence of this movement, Startta emerged during the pandemic as a structured offering for small and medium-sized clients, aimed at responding to the growing demand for communication and digital marketing services in this segment.

During the transition from Feito to Startta, three employees (P1, P2, and P5) were dismissed because they did not align with the new strategic proposal. Two of them had already moved to another region and were in the process of seeking new employment. The company maintained their commissions for 6 months as a social responsibility measure.

The adoption of remote work was an important strategic change: "Before, there was a physical office, and during the pandemic everyone started working remotely. This enabled us to change people and also to hire people for the team who were sometimes even more qualified" (Participant 2). Business virtualization expanded the company's hiring reach, revolutionizing its recruitment model by removing geographical barriers. In addition, Participant 4 emphasized:

Thinking about continuous improvement, I see three points that were very marked and that were concerns during this transition. The first was having a method, trying to establish a method that would guide the products and services we would offer to clients. [...] Then there was the issue of processes: the entire agency operation was guided by an attempt to design processes that were functional, agile, and less costly. So there was this continuous effort to always try to improve the processes, and that was something we maintained and continue to seek to improve. [...] And also organizational culture, because when the transition from Feito to Startta happened, there was this people-related issue, which the girls mentioned, and precisely this mindset from the previous agency, where many people were not willing to make that shift together with this new product that became a company. [...] So I think those were the three points: method, process, and organizational culture.

Therefore, ambidextrous management has the opportunity to guide firms' continuous improvement. This reveals the impact of the new model conceived within Feito, initially developed as an organizational improvement, or exploitation, and later as exploration. Similarly, Participant 6 reported: "I think it did bring improvement, yes, the unification of the companies." This unification generated financial improvement, as revenues and expenses became integrated into a single cost center.

There is convergence among participants regarding the significant changes experienced by Feito through the Startta product, which resulted in several transformations, including the creation of a new product, employee qualification, a new work model, new organizational methods and processes, organizational culture, and customer service.

Creation of a New Future

Data collected showed that innovation and adaptation functioned as mechanisms that helped the organization navigate challenging moments. In this context, the following statement is noteworthy:

I think it is Startta, the issue of comparing Startta with Feito today. The product niche as well: Feito then continued only with websites or consulting, and Startta also had products and plans, subscriptions at that time, with social media booming during the pandemic (Participant 1).

Participant 1 also emphasized: "So, I think this Instagram and Facebook part, at that moment, only boosted the company; it gave it more visibility. I think everyone wanted social media management." Along the same lines, Participant 2 contributed:

So, it is a new future because Feito served only large brands. And Startta came to serve clients in general, from micro to small entrepreneurs, including those who really needed this support during the pandemic. So I believe Startta came to build a new future; it arrived building a future that did not exist at Feito, while Feito was losing clients before [...]

Converging with this perspective, Participant 4 added:

Regarding the creation of a new future, I see this as something that continues to be pursued, because Startta came with this proposal of... a proposal, sorry for the redundancy, of a new service, a new dynamic, and this is something we continue to do, always adapting to what the market shows us as a more interesting direction, or to what is changing in relation to the use of social media. So, this future is always guiding our present. That is how I see it.

This reinforces the view of leadership and of how management processes oriented toward constant adaptation occur. In this sense, Participant 5 stated: "He was never a person who was satisfied... there was always a new project." Participant 7 complemented this by saying: "I think this issue of a new future is, in fact, a new future for the founder and for the people around him," highlighting the leader's role as the central axis of change — i.e., an ambidextrous leader capable of carrying out the necessary corporate transformation.

Therefore, a proactive and strategic vision oriented toward the construction of a new organizational moment and the implementation of important strategic changes stood out. The findings also emphasize the importance of leaders as key agents of transformation, making their practices and actions visible.

Perception of Business Success or Failure

Based on the experiences of that period, Participant 7 emphasized:

I think success meant moving out of inertia and trying to find another way to sell the product/service within a beginning, middle, and end. And, considering Brazil — or rather, the Galaxy — which was going through a pandemic process, this became much more complicated and sophisticated. [...] I therefore consider it a success.

In this regard, Participant 5 shared: “Initially, the transition seemed risky in the context of the pandemic, with many competitors offering similar services. Over time, the business model was improved and the packages expanded, bringing greater success.” This indicates that success became a closer and more tangible outcome.

For others, true success was related to “the impact and purpose of the business amid the global turmoil. I also believe that Startta, compared with the purpose for which it was conceived, was highly successful” (Participant 4). Participant 6 added: “I think it is a great success — the entire network, the philosophy, which began from an idea.”

Participant 1 contributed by stating: “[...] I think Startta’s success lies in the fact that it moved from being a small product that Feito sold to becoming a company, now formally established...”. Participants were unanimous in perceiving the transition as a success, understood here as the ability to consolidate a new business model while maintaining operational continuity and expanding the company’s reach. This understanding of success goes beyond purely financial indicators, also encompassing strategic adaptation, organizational learning, and innovation, as evidenced in the context of a challenging global scenario such as the pandemic.

Growth of the Client Portfolio

The impact of a business transition based on the core competencies of the previous business brings with it the challenge of maintaining the sustainability of the operation that gave rise to the new company: “There was a decrease in clients at Feito during the transition and an enormous growth in clients at Startta” (Participant 3). This highlighted Feito’s challenge of remaining active until the company emerging from exploration reached its break-even point.

Emphasizing the effectiveness of a corporate strategy based on cost leadership (Porter, 1991), Participant 3 stated: “Even in negotiations, because it had a lower ticket, it was easier to negotiate.” Participant 4 added: “I think that because the format, the line of work, and also the cost changed, this favored having a larger number of clients.” According to Participant 5, these were “[...] smaller clients that we did not reach before. [...] And the volume of clients kept increasing, increasing, increasing.” Statements regarding the success of exploitation were unanimous: through the core competencies the company already possessed, it was possible to generate significant results.

Individual Capabilities

During the focus groups, the importance of selecting qualified and focused personnel for the company’s adaptation during the transition became evident. According to Participant 5:

I can say that the company director was always concerned with quality, so the professionals chosen were always excellent professionals [...]. Therefore, individual capabilities were certainly important, especially because this is a service business; there is no way around it. If you do not bring in someone qualified, you are finished. So the focus is qualification — qualified people.

Regarding this issue, Participant 1 stated: “The company director and I dismissed everyone from the commercial department [two employees]. From that point onward, he was the one handling commercial activities, because there was a major gap — the major problem at Feito was the commercial area. So I think that, today, in a company, the commercial area is really the heart [...] the commercial area was Feito’s failure.” This analysis provided insight into the challenges of sales and client service, as well as their impact on a traditional agency.

In this sense, emphasis on specialization and qualification was also present in Participant 2’s statement:

I believe that because we are journalists, we added a little more value because we already had skills in social media within this field of communication. So, in this transition, I see this as a differential that also led us to change the team — the creative team, in this case — because we had a more specific perspective on communication and also on selecting these people.

This was connected to the partners’ entry into the company in March 2021, when the team was redesigned for the new phase of the corporations, with a focus on the skills that would later be used in exploration. Participant 4 confirmed: “Obviously, we were going to do it with excellence. I believe that our individual capability was also a differential in moving things forward, because we were also part of the workforce there, producing things.”

Unlike Startta, which increased its quality level with the entry of the partners and the strengthening of their capabilities, Feito’s scope became more restricted:

We are not from advertising, which was very closely linked to what Feito previously did, that very traditional, 360-degree advertising, offline campaigns and dreams, so it was far from our specialization. [...] (Participant 4)

Participant 6 affirmed the importance of individual capabilities by stating: “Autonomy was important, because there was no way for each partner to be there beside everyone, making post after post, even writing the texts. So individual capability was assessed.” In other words, each employee needed to be willing to adapt in order to perform the work. Thus, the individual capabilities of the new partners and employees enabled exploration between the companies, resulting in the success of this business transition journey.

Perceptions of Organizational Changes

Overall, the transition was perceived positively, as a new paradigm:

Yes, everything changed, actually. The pandemic was something terrible, but for Startta it ended up being an opportunity. The pandemic was the protagonist there, because the processes changed, the audience we serve changed, the commercial area changed, and the team changed — everything changed. [...] It really is a new company (Participant 2).

Based on the view of one of the partners, a broader overview emerges:

Well, I followed Participant 3's entry, so when she joined, it was right around the time I left. These organizational changes began to happen then, with Participant 3's entry, because the company director needed someone more dynamic, someone who appeared on social media, someone who really understood social media. I was more of a relationship-oriented person; the business processes were somewhat slower. Of course, I was used to closing larger deals, but I came from more traditional advertising agencies. [...] Participant 3 joined, and then several changes occurred in the business structure, involving people and personnel. The idea was not to have employees hired and working inside the company, but rather to have some people working remotely from their own places, from home, especially because we were in the middle of a pandemic. So the business model changed considerably, speaking a little about the organizational issue (Participant 5).

From Participant 3's perspective, organizational culture was an aspect that changed significantly:

We created a very nice atmosphere, even based on feedback the team gives us. They have worked in other places, they work with us, and they have this perception of a lighter and more organized organizational climate. They talk a lot about organization, and I believe this is a very good differential of Startta.

At the end of the transition, there was unanimity among those who experienced this transitional moment regarding the numerous changes that occurred. Considering Feito's exploitation, which gave rise to the Startta product and later became configured as an exploration strategy (Figure 2), it is possible to affirm that organizational ambidexterity occurred. This conclusion is grounded in the trajectory between exploitation and exploration observed in the companies, indicating a phenomenon that goes beyond simple contextual ambidexterity.

Figure 2

Results on organizational changes



Given the above, the participants' perceptions were favorable, highlighting the relevance of leadership in the transition. Innovation and adaptation also stood out as fundamental elements for introducing new values and operational improvements. These perceptions contributed to understanding the organizational transition that began with Feito's exploitation and gave rise to the Startta product. Therefore, the evidence indicates that organizational ambidexterity was successfully materialized through Feito's continuous improvement, a series of organizational changes, individual capabilities, and strategic actions.

Discussion

The results reveal how organizational ambidexterity manifested during the transition process between Feito and Startta, demonstrating the coexistence of contextual and sequential ambidexterity and revealing the presence of exploitation and exploration over time. These findings address the gap highlighted by Brix (2020) and Reischl et al. (2022), who point to the scarcity of empirical studies on the manifestation of ambidexterity in contexts of organizational transition. By showing how small firms reconcile exploitation and exploration during the reconfiguration of their business models, this study expands the understanding of ambidexterity as a dynamic process of adaptation (Kokubun, 2025; O'Reilly & Tushman, 2013; Silva et al., 2025).

In this sense, based on existing business models and organizational processes, Feito was observed to maintain an exploitation pattern centered on operational efficiency, resource utilization, and process stability, as suggested by March (1991) and Clauss et al. (2020). This pattern sustained the organizational and financial foundation required for the next cycle of transformation. In contrast, the creation of Startta represented a movement of rupture and exploration, characterized by experimentation, autonomy, and encouragement of creativity—elements that, according to O'Reilly and Tushman (2013) and Voss and Voss (2013), are essential for the emergence of new knowledge and market opportunities.

The succession between the companies reflects a process of sequential ambidexterity, in which periods of stability and efficiency (exploitation) were followed by phases of renewal and innovation (exploration). However, this study extends this perspective by showing that the revolutionary period was not limited to the reconfiguration of internal structures, but resulted in the creation of a new organization. This finding advances the literature by demonstrating that, in small firms, sequential ambidexterity may go beyond organizational boundaries and give rise to new business models.

In addition, contextual ambidexterity was identified during the transition, as the employees involved in the process simultaneously performed efficiency-oriented and experimentation-oriented tasks, adjusting their activities according to the demands of each phase. In this sense, participants reported autonomy either to follow established routines or to propose new solutions, demonstrating how the balance between exploitation and exploration can be constructed at the individual and team levels (Birkinshaw & Gibson, 2004). Thus, the exploratory nature of this study made it possible to identify an infinite loop of ambidexterity. Accordingly, it is possible to affirm that sequential ambidexterity occurred between organizational structures, while contextual ambidexterity was present throughout the entire process.

This overlap between the two types of ambidexterity confirms what Reischl et al. (2022) and Úbeda-García et al. (2020) describe as the dynamic coexistence of exploitation and exploration in resource-constrained environments. Moreover, this finding reinforces the notion that, in small firms, ambidexterity is less a stable state than an adaptive process in continuous flow, aligned with the propositions of Kokubun (2025) and Silva et al. (2025) regarding the evolutionary and contingent nature of organizational ambidexterity.

Another relevant finding concerns the role of leadership in orchestrating this process. The same manager led both Feito and Startta, promoting continuity in values and objectives while encouraging distinct practices in each context, thus acting as a link of continuity between cycles of exploitation and exploration. This role was repeatedly mentioned by participants as a factor of security and direction. Leadership therefore proved central to articulating the tensions between exploitation and exploration, corroborating the literature that identifies the leader as a catalyst of ambidexterity (O'Reilly & Tushman, 2011; Smith et al., 2010). This finding is consistent with Jaidi et al. (2022), who empirically demonstrated that ambidextrous leadership influences innovative performance in small firms through organizational learning, a mechanism that also clearly manifested in this study.

The propositions outlined were therefore confirmed by the empirical results. Proposition 1 (P1) — “Sequential ambidexterity acts as a mechanism of incremental change, enabling small firms to alternate between cycles of exploitation and exploration and to convert operational gains into strategic adaptive capacity” — was confirmed by the research findings. Improvement was observed in Feito's operations, from the acquisition of a client portfolio to the creation of a new product, which gave rise to Startta. This corroborates Clauss et al. (2020), who argue that organizational exploitation practices focus on the continuous improvement of current products and services through an incremental approach aimed at market optimization and cost savings.

In this sense, six participants stated that, even from a personal perspective, new knowledge and new opportunities were generated. This corroborates the theory that exploration is a pathway to accessing new knowledge and markets, which is why firms innovate (Clauss et al., 2020; Voss & Voss, 2013). These findings confirm Proposition 2 (P2): “Contextual ambidexterity drives transformational change by stimulating continuous experimentation and learning, enabling small firms to reconfigure strategies and business models in uncertain environments.”

The use of contextual ambidexterity enables small firms to have employees involved in each stage of the process simultaneously engage in exploitation and exploration activities, thereby mitigating the dilemma associated with limited financial and human resources (Reischl et al., 2022). This phenomenon was observed in the present study, as the employees involved in Feito's operations also worked in parallel on the development of Startta, corroborating the theoretical framework presented and confirming Proposition 3 (P3): “The integration of sequential and contextual ambidexterity, mediated by ambidextrous leadership, constitutes a future-making process that sustains continuous strategic change and strengthens the resilience of small firms.” In addition, according to six of the seven participants, the transition between the companies was successful. Thus, this study contributes theoretically by demonstrating that

the coexistence of contextual and sequential ambidexterity, articulated by ambidextrous leadership, constitutes a key mechanism of strategic adaptation in small firms.

Conclusion

This study addressed the urgent need for small firms to respond to a constantly changing world. Accordingly, the purpose of this research was to understand how organizational ambidexterity and its approaches manifest during organizational transition processes, contributing to market expansion and strategic adaptation in small firms operating in emerging markets. Thus, the study sought to analyze the impact of exploitation and exploration strategies on the refinement of resources and capabilities, as well as their ability to foster knowledge and opportunities, thereby generating business sustainability over time.

Based on the qualitative analysis conducted in Feito and Startta, it was possible to understand how different types of ambidexterity coexist and interrelate, functioning as central mechanisms of strategic renewal in resource-constrained environments. The findings demonstrate that, in small firms, ambidexterity does not manifest linearly, but rather as a dynamic and cyclical process in which exploitation and exploration practices alternate and continuously reinforce one another, driven by leadership capable of balancing stability and change.

The presence of sequential ambidexterity is evidenced by the alternation between convergent and revolutionary periods that resulted, respectively, in the creation of the Startta product and the foundation of the company of the same name. Contextual ambidexterity, in turn, was manifested in the simultaneous combination of exploitation and exploration, driven by management practices and the individual competencies of leaders, who promoted autonomy and organizational innovation. This process showed that small firms, even under conditions of limited resources and market turbulence, can develop their own forms of ambidexterity based on structural transitions and the strengthening of individual autonomy.

From a theoretical perspective, this study advances the literature by demonstrating the simultaneous coexistence of contextual and sequential ambidexterity in small firms, thereby broadening the understanding of models that have predominantly been applied to larger organizations (Clauss et al., 2020; O'Reilly & Tushman, 2013). However, this overlap may also carry cultural elements and routines from the previous organization, generating tensions between stability and change. Authors such as Gupta, Smith and Shalley (2006) and Lavie, Stettner and Tushman (2010) argue that balancing exploration and exploitation involves inherent trade-offs and may limit adaptive capacity in transition contexts, making ambidexterity both a source of learning and a source of organizational conflict.

Moreover, the finding that a cycle of exploration may culminate in the creation of a new organization suggests an extension of punctuated equilibrium theory (O'Reilly & Tushman, 2013), demonstrating that, in highly adaptive contexts, transition is not limited to internal transformations but may generate new organizational configurations. Another conceptual advance consists in highlighting the role of ambidextrous leadership as a link between exploration and exploitation, as proposed by Jaidi et al. (2022) and Reischl et al. (2022). In the case studied, the same manager acted as an integrating agent, promoting organizational learning and directing simultaneous efforts toward efficiency and innovation.

From a practical perspective, the results indicate that leaders of small firms can develop organizational ambidexterity even in contexts of resource limitation, provided that they cultivate practices of continuous learning, flexibility, and autonomy among teams. The experience of the companies analyzed shows that the exploration of new opportunities and the exploitation of existing capabilities are not opposing forces, but complementary dimensions that, when balanced, favor sustainability and growth. Thus, ambidextrous management emerges as a critical capability for firms seeking to adapt and expand in dynamic emerging markets.

Naturally, at the end of this research, some limitations must be acknowledged. First, because this is a case study with a small sample of seven participants, the generalization of the findings is limited. Second, the temporality of the facts, observed from a single moment in time and space, may also result in perceptions subject to distortion. Third, the researcher experienced the phenomenon and also participated as an observer in the focus groups; therefore, potential bias in the interpretation of the findings must be declared.

As suggestions for future research, we first propose the development of quantitative studies using surveys to test the occurrence and relative predominance of simultaneous sequential and contextual ambidexterity, as well as its impact on organizational performance in a larger sample of small firms, in order to validate the proposed model. Future studies should also investigate ambidextrous capability across organizations by conducting comparative case studies between small firms that succeeded and those that did not, in order to isolate the critical factors associated with success or failure, given the lack of studies on the emergence of new firms from ambidexterity and its approaches. In addition, future research should examine how individual capabilities and micro-behaviors enable employees to alternate efficiently between exploitation and exploration tasks. This focus on the individual, driven by ambidextrous leadership, may reveal the key to adaptation in firms with lean teams. Future studies should also deepen the understanding of the role of ambidextrous leadership in mediating exploration and exploitation by investigating how different leadership styles favor or inhibit the balance between stability and innovation in small firms. Finally, we suggest evaluating organizational ambidexterity through critical events, using a longitudinal study that contextualizes the role of time in relation to the findings.

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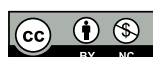
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Appendix A – Protocol for Case Study

1. RESEARCH QUESTION

“How does organizational ambidexterity support market expansion and strategic adaptation in small firms?”

2. STUDY OBJECTIVE

To understand how organizational ambidexterity supports market expansion and the strategic adaptation of small firms over time.

3. MAIN THEORETICAL CONCEPTS ADDRESSED

3.1 Organizational ambidexterity

3.2 Ambidexterity in small firms

3.3 Exploration and exploitation

4. CASE STUDY DESIGN

4.1 Single case study

4.2 Exploratory research: to provide an in-depth understanding of the phenomenon under investigation, particularly in a field that remains relatively underexplored.

5. UNIT OF ANALYSIS

5.1 The unit of analysis consists of two Brazilian small firms operating in the digital marketing sector: Feito – Conquistando Clientes and Startta, a spin-off originating from Feito through an exploration process.

6. DATA COLLECTION PLAN

6.1 Literature review: a comprehensive review of the literature on organizational ambidexterity and ambidexterity in small firms.

6.2 Focus groups: two focus groups involving a total of seven participants.

Data collection period: July 1, 2023 – December 31, 2023.

7. FIELDWORK PROCEDURES

Two focus groups were conducted with a total of seven participants. The sessions were scheduled in advance and lasted approximately 1 hour each.

8. CASE ANALYSIS PLAN – Data were analyzed using thematic content analysis, in Microsoft Excel.

Appendix B – Focus Group Interview Guide

1. Focus group composition

Focus group role	Responsibilities/Purpose
Observer	Non-participant observation; responsible for taking notes throughout the session.
Moderator	Welcome participants and explain the research project; request permission for recording; encourage participation from all members; and foster a welcoming and informal environment that facilitates spontaneous expression.
Participant	Contribute to the discussion by sharing experiences, opinions, feelings, and personal or professional reflections, enriching the group's understanding and engaging with emerging ideas.

2. Facilitation procedures

Number of sessions	Two (each participant selected one of the available sessions)
Session duration	1 hour and 10 minutes
Number of participants	Seven participants
Session size	Minimum: 3 Maximum: 4
Session allocation criterion	Participant availability, subject to the maximum number of participants per session. Allocation was determined according to the order of invitation confirmation.
Format	Virtual
Tools	Google Meet e Mural (digital whiteboard platform)
Recording procedure	Sessions were recorded through Google Meet and manually transcribed after completion, with participants' prior knowledge and consent.

3. Guiding framework

The focus groups were conducted virtually through the Google Meet platform. During each session, participants were exposed to three interactive screens developed in Mural.

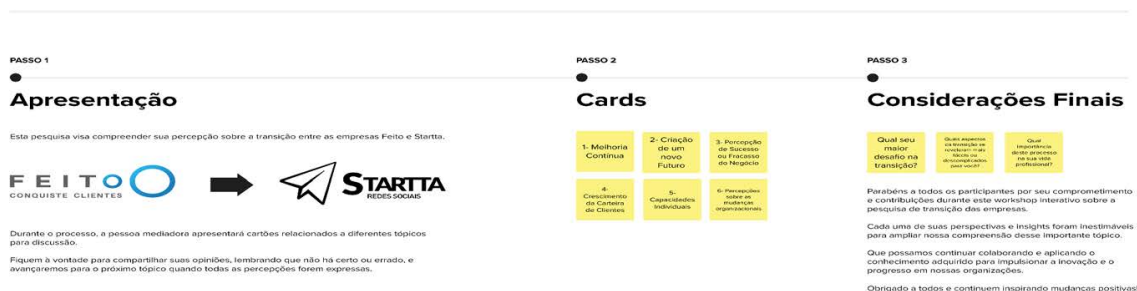
On the first screen, the moderator presented the objectives of the study and encouraged participants to share their opinions and experiences. The second screen displayed thematic cards designed to stimulate discussion and reflection on the main topics of interest. Finally, the third screen explored participants' overall perceptions of the case under investigation and encouraged reflection on the issues discussed throughout the session.

Figure 1 illustrates the interactive screens used during the focus groups.

Figure 1

Focus group facilitation screens

Workshop Interativo - TCC 2



Closing session (final round)	At the end of the session, each participant was invited to select a word or phrase that best summarized their perception of the case and/or to share a final reflection regarding the discussion. Acknowledgments.
Data storage and archiving	Each focus group session was recorded as a digital file generated through the Google Meet platform for transcription purposes and consultation during the data analysis stage. Upon completion of the research, all materials were stored digitally under the responsibility of the researcher for a period of 5 years. After this retention period, all materials will be permanently discarded.