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STRATEGIC ALLOCATION OF RESOURCES TO INCREASE AMBIDEXTERITY IN LARGE FIRMS: A SINGLE CASE STUDY

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Abstract

To gain competitive advantage and long-term success, firms must strive to improve their current business while also innovating to adapt to future needs. Despite the known benefits of ambidexterity, little is known about how to effectively allocate resources in dynamic environments to increase this. The COVID-19 pandemic has disrupted many industries, highlighting the need for new solutions and the importance of resource allocation in dynamic environments. The goal of this study is to research how large firms strategically allocate their resources in a dynamic environment to increase ambidexterity. The research followed an in-depth case study of a tour operator in the Netherlands, using semi-structured interviews. Results show that large firms align their resources with the current phase of the business, influenced by the external environment, by prioritizing their resources and understanding the context. This is important for the development of ambidextrous strategies and business processes for long-term success, but can be challenging in a dynamic environment. Prioritizing resources plays a key role in this process, since the dynamic environment does not allow a complete analyses of the possible strategies. The research furthermore found the importance of leadership in maintaining engagement throughout the COVID crisis and the need for organizational learning to adapt to changing circumstances. This research contributes to the literature by examining how leaders manage processes of ambidexterity, how ambidexterity relates to environmental dynamism, and how different types of resources facilitate ambidexterity.

Keywords:

Ambidexterity, dynamic environments, resource allocation, exploration versus exploitation, large firms, human resources, social resources, organizational resources, dynamic balancing, dynamic capabilities

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1. Introduction

Organizations strive for competitive advantage and long-term success as business environments become increasingly dynamic and rapidly changing (Singhal, 2021). For instance, technological innovations and start-ups can bring drastic changes to the business landscape, while environmental changes, such as an economic crisis, war, natural disasters, or the COVID-19 pandemic, require firms to adapt. Organizations face pressure to provide value to customers through innovation, yet the competitive environment demands operational efficiency and flexibility. Consequently, firms must refine and improve their existing processes and products while exploring new business opportunities.

Refining, improving, and efficiency are terms referring to the exploitation of the current business to improve products and processes, while innovating, searching, and discovering refer to the exploration of the future business (March, 1991). An outcome of exploration is new designs, channels, and products, while exploitation outcomes are the refinement of these aspects (Yigit, 2013). Another aspect of exploration is the ability to anticipate and adapt to future changes in the business environment (Tushman & O'Reilly, 2013). Balancing the need to innovate and adapt to environmental changes while simultaneously refining existing products and processes is known as ambidexterity (March, 1991). Some researchers have concluded that firms who apply this ambidexterity strategy have the highest potential for survival (Ivanov et al., 2014; Ojha et al., 2018; Rha, 2013). Implementing ambidexterity is challenging, as it requires different organizational learning models (Benner & Tushman, 2003) and different organizational architectures. Furthermore, implementing an ambidextrous strategy entails an inherent trade-off for resources (March, 1991).

The competition for resources and the trade-off between exploration and exploitation is the main concept in this research. "*They require substantially different structures, processes, strategies, capabilities, and cultures to pursue and may have a different impact on firm adaptation and performance*" (He & Wong, 2004, p. 481). An organization may find striving for ambidexterity difficult due to the competition for resources, and as a result, organizations make trade-off decisions (March, 1991). For example, allocating all resources to the refinement of current processes might endanger the development of future skills and capabilities needed for innovation. What makes it increasingly difficult is that exploration and exploitation produce different organizational outcomes needed for competitive advantage (Lavie et al., 2010). There are various kinds of resources such as information, knowledge, and techniques that are necessary for exploration (Yigit, 2013). Ambidexterity is more valuable to large firms with many resources; however, the issue is not the number of resources they possess, but rather the lack of strategic allocation and processes (O'Reilly & Tushman, 2013). This is in line with the finding of Schmitt et al. (2010), who concluded that it is not the number of resources available, but rather the strategic allocation of those resources that determines ambidextrous strategies.

According to Voss and Voss (2013), ambidexterity has a positive effect on larger firms due to the resources and capabilities they possess which are necessary to benefit from a market ambidexterity strategy. Tushman and O'Reilly (2011) found in their multiple case studies of three large firms that strategic intent is necessary to justify any ambidextrous form, noting that without this: "*There will be no rationale for why profitable exploit units, especially those under pressure, should give up resources to fund small, uncertain explore efforts (p.9)*". Despite having more resources and business units, large firms still face difficulty when practicing ambidexterity, making it an interesting topic for this research.

As previously discussed, the strategic allocation of resources is essential for large firms' survival in dynamic environments or during crises. Pertusa-Ortega and Molina-Azorín (2018) concluded that the more dynamic the environment, the more ambidextrous an organization needs to be, which leads to improved performance. Hall et al. (2012) identified four forms of resource reallocation and established that dividing resources is most effective in dynamic settings. This relates to the balance between resource allocation for exploration and exploitation and managing the compromise between different business units. For example, the COVID-19 pandemic has disrupted many industries and has created the need for new solutions (Singhal, 2021), further highlighting the importance of ambidexterity and effective resource allocation in dynamic environments.

An practical example is the car industry in the US, which was significantly impacted by the rise in oil prices in 2007. This led to rapid changes in consumer behavior (Posen & Levinthal, 2012). Consumers had less need for large, heavy vehicles, and more need for light, small vehicles. In response to this, General Motors (GM) devised a strategy that shifted many resources toward the exploration of the Volt car. By 2010, when the Volt was introduced, oil prices had dropped, making the car no longer viable. On the other hand, Ford, their competitor, allocated a larger share of their resources to exploitation (Posen & Levinthal, 2012). This strategy led to increased gas-electric hybrid development and the introduction of the Fiesta car. This example illustrates Ford's greater ability to balance both exploitation and exploration, not entirely abandoning the latter.

O'Reilly and Tushman (2013) argue that to be successful at ambidexterity, leaders must be able to: "*Orchestrate the allocation of resources between the routine and new business domains (p.332)*". They note that insight is needed into how leaders manage interfaces and processes between exploration and exploitation. Additionally, the authors point out that it is unclear what the appropriate level of ambidexterity integration is and under what conditions ambidexterity is successful. Luger et al. (2018) suggest that future research should examine the ambidexterity of firms in response to environmental dynamism and changes within an organization, to better understand how resources are allocated by leaders and managers. Despite this, there is still limited research on how managers and leaders in firms can effectively manage their organizational, social, and human resources in a dynamic environment to strive for ambidexterity. Therefore, this study aims to answer the question: “*How do large firms strategically allocate their organizational, social, and human resources in a dynamic environment to increase ambidexterity*?”.

To get a better understanding of how firms are managing the trade-off between exploration and exploitation in a dynamic environment, this study will examine the tourism industry. Large firms in the tourism industry must adapt to disruptive innovation in the long term, while being prepared to refine and improve short-term changes and current business (Mihalache & Mihalache, 2016). The tourism industry operates globally and is reliant on a stable international environment for continuous business growth. Airlines, local guides, tour operators, and hotels experience changes firsthand due to their linked value chain and must adapt accordingly (Sobhani et al., 2022). This became evident when the COVID-19 crisis caused countries to close their borders overnight or restrict tourists from visiting (UNWTO, 2020).

This thesis is organized in five chapters, following with chapter 2, which provides a definition and explanation of key concepts such as ambidexterity, resource allocation, and dynamic environments. In chapter 3, the research methodology is outlined, including the research strategy, data collection tools, and data analysis methods. Chapter 4 presents the results of the case analysis. Chapter 5 concludes the thesis by attempting to answer the research question, highlighting contributions to theory and practice, discussing research limitations and providing suggestions for future research.

2. Theoretical framework

2.1 Types of ambidexterity

Since the influential paper by March (1991), the literature on ambidexterity has expanded. March (1991) defined exploitation as *"refinement and efficiency* (p.72)*"* and exploration as *"searching, discovery, and innovation* (p.72)*"*. He argued that firms who are too focused on exploration may incur high costs for experimentation without reaping the benefits, while firms that focus too much on exploitation may become trapped in stable equilibrium. Lavie et al. (2010, p.110) offer a more detailed definition of ambidexterity, stating: "*Exploration engages individuals and organizations in search, experimentation and variation, exploitation enhances productivity and efficiency through choice, execution and variance reduction.*"

Many researchers have found positive connections between ambidexterity and a firm's performance (Ivanov et al., 2014; Ojha et al., 2018; Rha, 2013). He and Wong (2004) argued that ambidexterity is critical for long-term success, yet difficult to achieve. Subsequently, Jansen (2005) found that ambidextrous organizations achieve higher financial performance. O'Reilly and Tushman (2013) have proposed three key statements about ambidexterity based on their broad literature review of the subject. These statements are: (1) ambidexterity is positively associated with firm performance; (2) ambidexterity is more effective with sufficient resources and under conditions of uncertainty; and (3) over- or under-emphasizing ambidexterity can be costly. This has led to further research into the antecedents and consequences of ambidexterity. Luger et al. (2018) found that high levels of ambidexterity in the face of discontinuous change are negatively associated with long-term performance, but ambidexterity in the context of incremental change is positively associated with long-term performance. This suggests that ambidexterity is more effective when it is used to facilitate continuous improvement rather than large-scale transformations. For example, Samsung was able to excel in ambidexterity, which helped it generate sufficient slack to effectively respond to a crisis (Schmitt et al., 2010).

There is a natural trade-off and tension between balancing activities. For example, activities performed for the exploitation of current projects can be difficult to allocate to future business opportunities. Subsequent literature has focused on this trade-off between exploitation and exploration (Lavie et al., 2010; O'Reilly & Tushman, 2015). Lavie et al. (2010) identified three main concepts that contribute to the tension between exploration and exploitation activities. These include environmental antecedents such as environmental dynamics, exogenous shock and competitive intensity.

Environmental dynamism, which refers to changes in customer preferences, technologies, and market demands, can push firms towards exploration in order to find new ways to innovate and adapt to changing markets. Exogenous shocks, which are sudden and unexpected events or technological breakthroughs, can also lead to a focus on exploration. Competitive intensity, when competitors are all striving for the same limited resources, can result in tighter margins and a need to explore for new competitive advantage. Finally, an appropriability regime, in which organizations cannot protect their proprietary assets, may lead to less focus on exploration and more on exploitation. It is important to understand the antecedents first, to better understand the resolving of the tension activities.

Appropriability regimes are organizational antecedents such as absorptive capacity, slack resources, culture and identity, and organizational age and size; and the senior management team, which can be characterized by risk aversion, performance checks, and past experience. The tension between exploitation and exploration can occur at the organizational level, within business units, or at the individual level (Lavie et al., 2010; Luger et al., 2018). Factors that can increase this tension include resource allocation constraints, the need to balance short-term and long-term goals, and the trade-off between stability and adaptability. Ambidexterity, which is the ability to effectively manage both exploitation and exploration activities, can help to reduce this tension.

O'Reilly and Tushman (2013) identify three types of ambidexterity: sequential or temporal, structural, and contextual. Sequential or temporal ambidexterity involves temporal switching between exploration and exploitation, with the firm's structure shifting between exploitative and explorative modes. Simultaneous or structural ambidexterity involves the use of autonomous, structurally separated subunits with different competencies, systems, and cultures that are aligned internally. Contextual ambidexterity, on the other hand, is more individual and personal, rather than being focused on structural and organizational factors. Table 2.1 summarizes these modes of ambidexterity.

Table 2.1 Different modes of ambidexterity (Stoetzel & Wiener, 2013)

Ambidexterity mode	**Basic definition**
Structural	Conflicting objectives and tasks are divided at organizational level (different sub-units)
Temporal or Sequential	Conflicting objectives are pursued by the organizational unit temporarily in cyclical phases
Contextual	Individuals are enabled to decide context-based how to divide their time between conflicting tasks.

Turner et al. (2013) take a different approach to ambidexterity, viewing it not as an activity but as a capability. According to the authors: "*Instead of being something that managers 'do', it is a way of looking at what they do*" (p.319). They argue that the three ways of achieving ambidexterity proposed by O'Reilly and Tushman (2013) lack a multi-level analysis, which limits our understanding of the topic.

The main difference between the various ways of applying ambidexterity is the level of organizational integration. Sequential and structural ambidexterity involve structural changes at the organizational level, while contextual ambidexterity is more individual and personal. Gibson and Birkinshaw (2004, p.209) found that: "*Contextual ambidexterity mediates the relationship between features of the organizational context that encourage these behaviors and subsequent performance*." This suggests that contextual ambidexterity, which focuses more on individual skills such as trust and discipline, can influence the relationship between the organizational context and performance. Lavie et al. (2010) and Stoetzel and Wiener (2013) have proposed similar operationalizations of these modes, with Stoetzel and Wiener (2013) using the term temporal ambidexterity instead of sequential ambidexterity.

2.2 Dynamic capabilities and ambidexterity

One way to view ambidexterity is through the lens of dynamic capabilities theory (Teece et al., 1997), as suggested by O'Reilly and Tushman (2013). Dynamic capabilities theory involves three steps: sensing new business opportunities, seizing the opportunity and allocating the necessary resources, and reconfiguring assets and resources to adapt to changing environments and be flexible. According to Teece et al. (1997), firms must be able to sense new business opportunities, seize these opportunities by allocating the right resources, and reconfigure their organizational assets in order to gain a competitive advantage. Dynamic capabilities theory can help organizations reallocate and reconfigure skills and assets in order to effectively manage both exploitation and exploration activities and become more ambidextrous.

Turner et al. (2013) argue that organizational asset reconfiguration is a key mechanism for understanding exploitation and exploration. However, other researchers, such as Popadiuk et al. (2018), argue that dynamic capabilities theory focuses more on strategy and resources, while ambidexterity focuses more on organizational context and arrangements. This insight is especially relevant for this research, since the context of the research is important. The context of the COVID 19 crisis is crucial towards the allocation of resources in this environment. While dynamic capabilities theory is useful for understanding how organizations can adapt and change, it does not specifically address how ambidexterity is achieved.

2.3 Dynamic ambidexterity

In a recent study, Chen (2017) proposed the concept of dynamic ambidexterity, which uses all three forms of ambidexterity (structural, contextual, and sequential) at different organizational levels. Structural ambidexterity is used at the corporate level, with business units divided into separate exploration and exploitation units. Contextual ambidexterity is used at the business unit level to create an organizational context that addresses the limitations of structural ambidexterity at the corporate level. Sequential ambidexterity is applied at the project level, with exploitation projects graduating from exploration projects. This approach combines the advantages of the different types of ambidexterity while addressing their limitations.

Dynamic ambidexterity views ambidexterity as a dynamic rather than static concept (Chen, 2017). This approach is supported by the findings of Jansen et al. (2017), who found that product design companies dynamically balance explorative and exploitative activities in response to threats and opportunities. Gulati and Puranam (2009) also found that the balance between exploration and exploitation depends on the relative importance of each activity. These insights emphasize the temporal and dynamic nature of ambidexterity, in contrast to the more static views of ambidexterity proposed by other researchers.

To effectively manage ambidexterity, firms need to implement certain managerial practices that can help them achieve a balance between exploration and exploitation. These are some of the managerial practices that firms can use to implement and sustain ambidexterity. By carefully considering and aligning these practices with their goals, firms can better balance exploration and exploitation activities, and achieve greater success in an increasingly complex and dynamic business environment (Chen, 2017). Table 2.2 on the next page presents the framework for managerial practices.

Table 2.2 Framework for managerial practices on ambidexterity (Chen, 2017)

Managerial practices	**Definition**	**Exploitation oriented**	**Exploration oriented**
Strategy	The overall direction and plan of action that a firm follows in order to achieve its goals.	Deliberate	Emergent
Structure	The way in which a firm is organized, including its hierarchy, decision-making processes, and communication channels	Mechanistic	Organic
Incentive	The rewards and punishments that a firm uses to motivate and guide employee behavior	Pay for performance	Tolerance for early failure
Process	The specific steps and procedures that a firm follows in order to achieve its goals.	Execution	Search
Customer Involvement	The extent to which a firm involves its customers in its exploration and exploitation activities.	Mainstream customer	Lead users
Supply chain	The way in which a firm manages its relationships with suppliers and other partners in the supply chain.	Efficient	Responsive
Acquisition	The process of acquiring other firms or businesses.	Integration	Autonomy

2.4 Units of analysis in ambidexterity

In research on ambidexterity, it is important to clearly define the units of analysis in order to create a focused research approach and gain a better understanding of the researched unit (Turner et. al, 2013). This is also necessary in order to structure the interviews effectively and gather relevant data. There is no consensus among researchers on the best units of analysis for researching ambidexterity.

O'Reilly and Tushman (2008) suggest that it could be business units, projects, or individuals, while Turner et al. (2013) argue that it could be the organizational level, the group level, or the individual level. Chen (2017) proposes that it could be at the corporate, business-unit, or project level. There is also no standard definition or operationalization of ambidexterity, which makes it difficult to compare research on this topic. Turner et al. (2013) developed a multi-level categorization of ambidexterity, with levels of analysis at the organization, group, and individual levels. The authors used intellectual capital resources (organizational, social, and human) as the mechanisms for managing ambidexterity. Rosa and Luz (2018) also divided the components of ambidexterity into three categories: organizational structure (including the firm's capabilities and organizational skills), organizational context (including context-building, change management, and managing future change), and manager and employee roles (including the ways in which individuals search for, connect to, and motivate each other in the pursuit of assets and innovations). This approach is similar to the operationalization proposed by Stoetzel and Wiener (2013). These insights are important, since the aim of the research is to find out how firms actually increase ambidexterity.

Because of the many different units, these operationalizations will be further explained in the discussion section of this research. This includes how the researched units are portrayed by the firm, how they were implemented, and how they relate to the overall research question.

2.5 Introduction resources

In Barney's influential 1991 paper, resources were presented as a potential way to generate sustained competitive advantage. According to Barney, competitive advantage is closely linked to internal characteristics. If a company possesses and effectively utilizes resources that are valuable, rare, imitable, and non-substitutable (VRIN), then it will achieve competitive advantage. These resources can be divided into physical capital resources, human capital resources, and organizational capital resources.

Barney (1991) further discusses his framework for competitive advantage. According to the author: "*Firms obtain sustained competitive advantage by implementing strategies that exploit their internal strengths and respond to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses (p.100)*." The model resembles on one hand to exploit their internal process, while also focusing on the environment to analyze threats and opportunities. Barney (1991) states that firms need to both exploit their internal strengths and react to opportunities, which requires the reallocation of resources and may involve a trade-off.

In the travel industry, which operates mainly in the service sector rather than the manufacturing sector, the types of resources that managers may need to allocate can differ significantly from those in a production-oriented industry. These resources may include customer service staff, marketing and advertising budgets, and technology or software used to support operations.

2.6 Resource allocation

Reallocating resources refers to the trade-off that firms make between exploiting their current strengths and exploring new opportunities. O'Reilly and Tushman (2013) argue that the challenge for organizations is not necessarily a lack of resources, but rather the inability to effectively change processes in order to utilize those resources. Metersky et al. (2013) suggest that, rather than overreacting to short-term disruptions, firms should systematically reallocate resources with a clear strategy in mind. Birshan et al. (2013) recommend the use of corporate resource maps, which outline the allocation of resources, expected returns, and growth opportunities, in order to make trade-offs between exploitation and exploration more visible to decision-makers. Hall et al. (2012) identified four activities involved in resource reallocation: seeding, nurturing, pruning, and harvesting. High and low reallocators scored equally on the first and last activities, seeding and harvesting, but differed significantly in their scores on nurturing and pruning, which involve transferring resources between business units.

As previously mentioned, it is not the quantity of resources that is important, but rather the ability of the organization to change its processes to effectively utilize those resources. Merely having resources does not guarantee competitive advantage; they must be gathered, combined, and effectively utilized (Sirmon et al., 2011). In their framework, the authors combine resource management and asset orchestration. Resource management involves organizing, combining, and utilizing resources, while asset orchestration involves searching for and configuring these resources. The authors also highlight the importance of resource orchestration and ambidexterity in established firms. Sirmon et al., (2011) state that: "*Exploration requires structuring processes that acquire and accumulate new sources of knowledge that contribute to the development of innovations. Structuring skills for exploitation often requires restructuring resources to identify and replace inefficient capabilities with more efficient ones (p.1403)*".

2.7 Resource allocation and ambidexterity

This research aims to understand how resources are allocated in the context of ambidexterity. In their earlier work, Tushman and O'Reilly (2011) studied 15 cases in which business leaders faced a resource challenge while attempting to achieve ambidexterity. The study focused on a firm's ability to simultaneously exploit and explore, which is crucial for its long-term survival. The authors propose five conditions that are likely to lead to successful ambidexterity, but they noted that these conditions often operate together and do not function separately.

Table 2.7.1 Conditions of successful ambidexterity (Tushman & O'Reilly, 2011)

1	A compelling strategic intent, without this, there is no rationale to shift resources from profitable exploiting units to uncertain exploring units.
2	A common vision for trust and cooperation within the firm.
3	A consensus of the senior team for commitment and effort into ambidexterity is needed.
4	A separate alignment of the activities to efficient resource distribution and coordination of the distribution.
5	The ability of senior leadership to resolve tensions and conflicts regarding the trade-off between exploiting and exploring.

The conditions mentioned by Tushman and O'Reilly (2011) describe situations rather than specific resource allocation strategies. Turner et al. (2013) further categorize the mechanisms that firms can use for resource allocation to achieve ambidexterity by dividing intellectual capital resources into three categories: (1) organizational capital, (2) social capital, and (3) human capital. (1) Organizational capital consists of both external factors, such as being aware of networks and supply chains, and internal factors, such as organizational structures. Ambidexterity can be achieved through a combination of mechanistic (exploitative) and organic (explorative) processes within organizational capital. (2) Social capital includes relationships, networks of connections, and integrated knowledge, and is supported by HR and organizational structure. (3) Human capital refers to specialist managerial capabilities and support from the organization. In an earlier study, Subramaniam and Youndt (2005) also operationalized intellectual capital for a quantitative study. They defined organizational capital as including licenses, databases, culture, knowledge in established systems and structure, social capital as being about collaboration among team members and how they interact and share information, and human capital as encompassing the skills, creativity, and expertise of employees.

Turner et al. (2013) suggest that intellectual capital resources, namely organizational, social, and human, are critical mechanisms for a firm to manage ambidexterity. The approach of the authors are more suitable for a service industry setting, where human and social capital are more important than physical capital resources. Capital resources are more relevant in the theory of Barney (1991). Table 2.7.2. will be useful for exploring the different resources at different levels of analysis. This can help to identify the specific ways in which these resources may contribute to ambidexterity and provide insights into how they can be effectively utilized in a service industry setting.

Table 2.7.2 A multi-level categorization of ambidexterity mechanisms (Turner et al., 2013)

	Organizational Capital	**Social Capital**	**Human capital**
Organization Level	Co-existing of structures Inter organizational relationships	HR support Knowledge sharing relationships	Management ability to reconfigure assets Individuals coordinate ambidexterity
Group Level	Reward system to support ambidexterity Integration of managerial control mechanisms	Complex networks of strong and weak ties Relationships support ambidexterity	Strong ambidextrous vision Transformational leadership
Individual level	Cross-functional interfaces	Individuals creating support for ambidexterity Relational- and task focused leadership	Cooperative behavior Multitasking

Organizational resources can be used to create adaptable structures that can respond to changing market conditions, such as reorganizing hierarchical layers to increase autonomy among employees and teams. Social resources can be leveraged to build relationships both within the firm and outside of it, and to establish connections within the business ecosystem. When developing human resources, firms can focus on training and development to promote agility and create a culture that supports risk-taking and entrepreneurship. By effectively utilizing these types of resources, firms may be able to achieve ambidexterity and maintain a competitive advantage over time.

2.8 Resource allocation and ambidexterity in dynamic environments

As mentioned in the introduction, the COVID-19 pandemic has disrupted industries and has created the need for new solutions (Singhal, 2021), further highlighting the importance of ambidexterity and effective resource allocation in dynamic environments. Much of the literature on ambidexterity focuses on the role it plays in enabling organizations to adapt, survive, and thrive in dynamic environments. Hall and Kehoe (2013) noted that resource allocation is of particular importance during economic downturns, yet it tends to happen slowly. Other authors argue that the reallocation of resources is particularly important in dynamic environments, and that strategically allocating resources can be especially beneficial in such contexts Hall et al. (2012). The authors state: "*In these circumstances, it is important for firms to make difficult decisions about how to allocate resources between promising growth opportunities (which may require additional investment) and mature or underperforming ones (which may need to be scaled back*) *(p.9)".* Large firms, in particular, must have a strong understanding of the external environment and be able to exploit opportunities quickly and effectively, as well as being prepared to respond quickly to changes in customer needs, regulations, and market conditions.

Research has shown that ambidexterity is more beneficial when organizations have sufficient resources to draw upon, particularly in challenging external environments (O'Reilly & Tushman, 2013). Environmental contingencies can affect ambidextrous activities, according to Lavie et al. (2010). A study by Jansen et al. (2005) found that the impact of exploratory and exploitative innovation on financial performance is moderated by environmental dynamism and competitiveness. This entails that the success or benefits gained from these types of innovation depend on the interaction between organizational and environmental factors (Lavie et al., 2010). Several studies have found that ambidexterity has positive effects on performance in both static and dynamic environments (Tamayo-Torres et al., 2017; Hall et al., 2012; Hall & Kehoe, 2013; Pertusa-Ortega & Molina-Azorín, 2018; Posen & Levinthal, 2012). However, the relationship between ambidexterity and performance is typically stronger in dynamic environments, where organizational units may benefit more from exploratory activities and less from exploitative ones (Jansen et al., 2006).

Research has shown that ambidexterity is particularly valuable in environments with high levels of uncertainty, increased competitiveness, and when firms have more resources, especially for larger firms (O'Reilly & Tushman, 2013). These firms have more than 5,000 employees and an annual turnover greater than €1 billion (O'Reilly & Tushman, 2013; Insee, 2020). These firms often have the capabilities and experience to better manage the trade-off between exploration and exploitation. However, large firms may also face challenges in fostering exploration and creativity, as such efforts may be met with a hostile environment that slows down innovation (Rietveld, 2020). On the other hand, small and medium-sized enterprises (SMEs) may be able to change more quickly in dynamic environments due to their smaller size, but may have fewer resources to draw upon (Randhawa et al., 2021). In the current business environment, which is characterized by rapid change, the challenges and opportunities of ambidexterity may be particularly relevant for large firms.

2.9 Operationalization of ambidexterity and resources

Turner et al. (2013) developed a framework for studying intellectual resources, which includes human capital, social capital, and organizational capital. By applying this framework to the study of ambidexterity, researchers can examine how an organization's intellectual resources are deployed in support of exploration and exploitation. Another approach to operationalizing ambidexterity is to study the managerial practices and behaviors that contribute to an organization's ability to balance exploration and exploitation. Chen (2017) developed a framework for studying managerial practices related to ambidexterity. By examining these practices, researchers can gain insight into how managers facilitate or inhibit ambidexterity within an organization.

By combining these two approaches, this study aims to gain a better understanding of how resources are deployed and how managerial practices contribute to ambidexterity in a dynamic environment. This can provide insight into the factors that enable or hinder an organization's ability to balance exploration and exploitation, and can help inform future research on ambidexterity.

Table 2.9 Combination of managerial practices (Chen, 2017) and resources (Turner et al., 2013)

Managerial practices	Intellectual resources
Strategy - Deliberate vs. emergent	*Organizational capital* - Formal and informal structures of the organization
Structure - Mechanistic vs. organic	*Human capital* - Managerial abilities
Incentive - Pay for performance vs. tolerance for early failure	*Social capital* - Knowledge sharing and network abilities
Process - Execution vs. search	
Customer involvement - Mainstream customers vs. lead users	
Supply chain - Efficient vs. responsive	
Acquisition - Acquisition: Integration vs. autonomy	

3. Methods

3.1 Research strategy: Single case study

This research aimed to explore how large firms strategically allocate their organizational, social, and human resources in a dynamic environment to increase ambidexterity. A case study is an inductive approach where data is used to generate theory (Eisenhardt, 1989), and particularly useful for answering 'how' questions (Gehman et al., 2018). Case studies are appropriate when the research addresses a 'why' or 'process' question, involves a contemporary phenomenon, and requires an in-depth and contextual exploration using multiple sources of evidence (Yin, 1981). A case study is a fitting research strategy, since the research aimed to explore the relationship between resource allocation in dynamic environments, to gain a deeper understanding of the underlying mechanisms. This aligns with suggestions for selecting cases for building theory from case studies (Eisenhardt, 1989; Yin, 2009). The single case study allowed for a deeper understanding of the motivations and reasoning of managers within the firm regarding resource allocation decisions. Additionally, this case study provided insight into how the trade-off between exploration and exploitation was managed within a single firm, rather than comparing multiple firms on these activities.

3.2 Case selection

To study the phenomena in an effective way, an extreme case can be more informative than a typical case (Chen, 2016). A single-case design is also appropriate for in-depth analysis of a specific case and is more efficient when there are limited cases to study (Pettigrew, 1990). The COVID-19 pandemic brought unprecedented challenges to the tourism industry, as countries closed their borders overnight or restricted tourists from visiting (UNWTO, 2020). The industry, which operates globally and relies on a stable international environment for sustained growth, was forced to adapt quickly to the new reality. Hence, the research focused on one of the largest tourism agencies in the Netherlands during the period from March 2020 to March 2022. This specific period was chosen because in March 2020, the Dutch government mandated remote work, and in March 2022, this mandate was lifted. Various measures were implemented by governments around the world during this time that had a major impact on the international industry, making the tourism industry very dynamic during the COVID-19 pandemic. These measures required firms to develop new revenue streams and optimize current processes, making the research relevant. Additionally, the study required investigating a large firm as ambidexterity is most beneficial in these types of organizations and would provide the best answers to the research question.

3.2.1 Case description

One of the largest tour operators in the Netherlands, with revenue exceeding 1 billion, was chosen as the subject of the study due to its extensive resources and global operations. The branch in the Netherlands has around 2400 employee's and have around 1,7 million customers. They are part of a wider tour operator group, consisting of about 50.000 employee's (Firmname, 2022). These numbers deviated heavily during the COVID-19 pandemic and the recovery since. The branch in the Netherlands furthermore has 130 brick travel agencies and also independent travel consultants.

Tour operators had to implement more flexible booking and cancellation policies to accommodate travelers whose plans may have been affected by the pandemic. Remote working has become a norm for tour operators, they have had to re-think their supply chain management as some of their partners and suppliers have closed down or have reduced their capacity and also have digitalized their processes such as online reservations, online payments and e-ticketing, online customer service in order to keep running their business during the pandemic (Chang & Wu, 2021).

The tour operator chosen for this research places a strong emphasis on sustainability, with a dedicated brand, a foundation, and efforts to reduce carbon emissions (Firmname 2021). Additionally, during the pandemic, the firm established a 'corona social rescue team' to assist with crisis communication (Bruin, 2021), indicating a fast implementation of problem-solving measures, making it increasingly relevant for this research. Another example is a concept called 'Workations', which allows employees to work while on holiday in order to increase creativity and productivity (Vermeulen, 2020). The company expects a strong recovery from the pandemic and is implementing a digitalization strategy and digital transformation (Investors strategy, 2021). These characteristics and initiatives to cope with the environmental changes made the tour operator an interesting case for study, as it involves generating new revenue while optimizing current processes. The company has a strategy for expected growth in the industry, while also investing in innovations in a dynamic market.

3.3 Semi-structured interviews

The data collection tool utilized in this research were semi-structured interviews, as they were necessary for obtaining in-depth knowledge. This approach allowed the researcher to cover specific research topics while also leaving room for new topics to emerge, without having to strictly adhere to a pre-determined script. As Gehman et al., (2018) mention: "*If you are interested in people's interpretation and cognitions and how those evolved, you probably need to carry out interviews in real time (p.290)*". The research aimed at uncovering interpretations within the context of a specific theoretical framework. For this reason, semi-structured interviews were deemed more favorable than open-ended interviews. The framework provided by Chen (2018) was used as a starting point to select respondents, with the goal of obtaining a comprehensive overview of the company and its managerial practices. The researcher furthermore communicated with the spokesperson for the company to identify the most suitable respondents for the interviews. The respondents included both top- and middle-level managers in order to provide a less biased narrative and different perspectives for a holistic view (Taylor & Helfat, 2009). All the interviews were recorded and lasted between 45 minutes and 1 hour. The respondents represented a diverse mix of roles, including both commercial and non-commercial positions, and a combination of male and female respondents.

Table 3.3 Overview of respondents and their managerial practices

Date	Title	Type	Managerial practices
04-11-22	Sustainability coordinator	Online	Innovation, change management and long-term goals setting
08-11-22	Managing director	Face-2-face	Experience and responsible for framing strategy, knowledge of structures
08-11-22	Online marketing manager	Online	Structure of department and strategy. Furthermore new incentives.
14-11-22	Head of corporate communication	Face-2-face	Communication during the COVID-19 crisis and stakeholder management
18-11-22	Crisis and business continuity manager	Online	Crisis management and structure of the firm during crisis
22-11-22	Manager workspace	Online	New incentives and employee involvement (former and new)
23-11-22	Retail and change manager	Online	Incentive and innovation in the retail, also customer involvement and needs
01-12-22	Product manager	Online	Supply chain management responsibilities and agile working

3.3.1 Interview approach

The researcher has work experience in the tourism industry, which facilitated initial contact with the organization. The participants were initially contacted through LinkedIn and email, with an explanation of the research, its goals, the interview process, and the benefits for organizational learning at the tour operator (Appendix I). The company's spokesperson also became involved in the process, assisting in the selection of candidates and providing feedback on the best way to structure the interviews. A few days prior to the interview, the respondents were provided with information on the concepts to be discussed in order to prepare for the interview (Appendix II). This allowed the participants to gather relevant information and thoughts and ensure consistency in the data collected across interviews, ultimately leading to better quality data.

Given the inductive nature of the research, the respondents were asked a main question, and provided with a cheat sheet the researcher tried to ensure that all relevant points were covered (Appendix IV). After receiving the answer, the researcher wanted to elaborate on several subjects mentioned and elaborate according to the cheat sheet. It was important for the researcher to ask 'why' when receiving an answer to gain a deeper understanding of the reasoning behind choices. In the end, the respondents were asked if they had anything to add that the researcher missed. This allowed for a natural flowing conversation which gained additional insights in some missed segments of the cheat sheet and theory. To conclude the interview, the researcher reiterated the purpose of the interview and provided an approximate timeframe for when the report will be presented. Each participant received a gift from the researcher's hometown, further thanking them for participating and provided contact details for follow-up questions.

3.3.2 Interview outline

Each semi-structured interview lasted approximately one hour and was conducted either in-person or online via Microsoft Teams in the Dutch language. The researcher conducted the interviews from home when using Microsoft Teams. Additionally, the researcher also visited the head office in Rijswijk and the office in Enschede to conduct face-to-face interviews with participants. At the beginning of each interview, the goals and scope of the research were reiterated, and the respondents were asked a central inductive question (Appendix III).

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3.3.4 Reliability and validity of semi-structured interviews

The same semi-structured interview framework was used with all respondents to gather information on how resources were allocated. It was important to have consensus on concepts such as ambidexterity, resource allocation, and dynamic environments in order to draw accurate conclusions in the data analysis stage. To increase the validity and reliability of the semi-structured interviews, the respondents were provided with information on the concepts beforehand to ensure that all respondents had a common understanding. The main concepts were also repeated at the beginning of the interview, by a quick introduction and question if the respondents had prepared. First the reliability in this chapter will be discussed, followed by the validity.

Reliability in the context of semi-structured interviews refers to the consistency of the results obtained from the interviews (Eisenhardt, 1989). It is important that these results are accurate and representative of the population being studied. To reduce the potential for biases and increase reliability, the anonymity of the respondents was emphasized in the introduction of the interview. Furthermore, a pilot interview was conducted with the owner of a small and medium-sized enterprise in the marketing industry in the Netherlands. Afterwards, the researcher and respondent then reflected on any biases that may have been present in the pilot interview and made adjustments to the structure and protocol to minimize these biases in the main interviews.

Semi-structured interviews can lack standardization, which can decrease their validity. The inductive nature and open-ended questions of these interviews also increase the potential for bias and subjectivity (Eisenhardt, 1989). To minimize these biases, a checklist and a framework for the semi-structured interviews were used to ensure that all questions were addressed or at least touched upon (Appendix IV). To reduce researcher bias, student peers at the University of Twente provided feedback on the methodology and interview guide. To minimize respondent bias, the questions were asked neutrally, without leading the respondent to an answer. To further minimize respondent bias, the concepts were not explained in detail but in a more global and practical sense. For example, the concept of ambidexterity was explained as 'impact on long-term investments, while maintaining your current processes'. This allowed the interviewees to form their own opinions on ambidexterity and resources, later concluded by the researcher.

3.4 Data analysis method

During the data analysis it became apparent that the results showed some kind of phasing and emerging processes. Process data in organizational contexts are hard to analyze and manipulate (Langley, 1999). This is due to sequences of events, ambiguous boundaries of units of analysis and temporal embeddedness. It is important to pick the right initial strategy for the data analysis because "*the strategy used can have an important impact on the nature of the emerging theory (p.694)*" (Langley, 1999). The author furthermore describes several strategies and the most fitting for this research is the temporal bracketing strategy.

The temporal bracketing strategy is the initiation of phases that are a sequential process, as a way of structuring events. This provides an opportunity for sensemaking of the data and structuring the process that was analyzed. Mutual influences are difficult to capture at the same time, so analyze a process by 'bracketing' make is easier to decompose the rich data (Giddens, 1984). "*The decomposition of data into successive adjacent periods enables the explicit examination of how actions of one period lead to changes in the context that will affect action in subsequent periods* (p.703)." (Langley, 1999). This strategy furthermore fits well in a nonlinear, dynamic perspective on organizational processes, making appropriate for this research.

The strategies are not mutually exclusive and this research combined the temporal bracketing strategy as a way to structure the phases, and the Gioia method as a means to analyze the data in these phases. The interviews were recorded and transcribed using Amberscript software, resulting in a total of 150 pages of transcripts. The researcher then checked the transcripts for accuracy and grammar, while simultaneously re-listening to the interviews. The transcribed interviews were then uploaded to the ATLAS.TI22 software for data analysis. This research employed the Gioia method of data analysis, which involved creating quotations from important sentences mentioned by the respondents. These quotations were then grouped into concepts and further divided into main dimensions (Yin, 2018). The quotations were also translated from Dutch to English.

The structured coding process resulted in a total of 977 quotations. First-order concepts were developed from the transcribed text, and the number of new codes decreased as the interviews progressed, indicating data saturation and resulting in a total of 398 codes. These codes were then grouped into second-order concepts. The first group of second-order concepts consisted of general concepts mentioned by the respondents, totaling 33 groups. Throughout the coding process, the researcher recorded thoughts and ideas about the research in the memo tab of ATLAS.TI22 to maintain focus on the research question and objectivity.

3.4.1. Network and dimension creation

The initial codes were grouped based on their relevance to long-term or short-term and whether they related to human, social, or organizational resources. This facilitated the creation of a filter that was used to create new groups based on specific criteria. As a result, it was possible to filter all codes related to social resources that focused on the short-term, resulting in a network of 68 codes (appendix V). During this process the temporal bracketing strategy was applied to further analyze the networks in their corresponding brackets.

To identify emerging aggregated dimensions, the codes were hierarchically grouped into networks to reveal their relationships with one another. These relationships could include ‘is associated with,’ ‘is cause of,’ or ‘is part of.’ The researcher could also assign a custom label to the relationship if the existing tags were not sufficient (appendix V). The overarching themes that emerged from these networks offered a deeper understanding of the resources used for exploration or exploitation. They also identified patterns, which were used to draw conclusions about the research question.

3.4.1 Reliability and validity of data analysis method

In order to address issues of reliability and validity in the data analysis, various steps were taken. To increase the reliability of the data analysis, the researcher solicited feedback from student peers through a review process. This process was furthermore conducted multiple times with the assistance of the first supervisor of the researcher. The use of software furthermore assisted the researcher in having a standardized way of data analysis (Leung, 2015). This helped in keeping a record of analysis and results obtained, thus increasing reliability. By using software, the data was better organized and the coding as done in a consistent and systematic way. Also by creation networks, it was easier for the researcher to notice relationships and helped identify patterns more easily (Leung, 2015). This helped to increase the validity of having a more comprehensible view of the data.

4. Results

The research identified three distinct phases in resource allocation and ambidextrous modes, as a response to the context during that time. These phases originated during the coding process of the interviews when it became apparent that these phases exist. The phases are not necessary mutually exclusive but provides a framework in presenting the results of the research, using the temporal bracketing strategy by Langley (1999). The phases are mainly influenced by external factors related to the COVID19 pandemic, like closing of borders, working remotely, changing customer needs and shortage of personnel. These external factors had an influence on the type of resource to prioritize. These phases are as follows: Phase 1, prioritizing organizational resources ; Phase 2, prioritizing social resources; Phase 3, prioritizing human resources. For a complete overview see figure 4.4 on page 30.

This chapter is structured as follows, the analysis will begin with a description and examples of the most important resource in that specific phase, followed by the less relevant resources. At the end of each phase, there will be a conclusion about the prioritization of the resource and the ensuing process based on the context, phase, resources and ambidextrous mode. The conclusion furthermore elaborates on the way how ambidexterity was applied during this situation by the firm, because the prioritization in resources entailed that not each segment was equally invested in. This is an important step for answering the question on how large firms strategically allocate their resources to increase ambidexterity in a dynamic environment.

4.1 Phase 1, Beginning of the COVID crisis: prioritizing organizational resources

4.1.1 Organizational resources phase 1

In the beginning of the COVID crisis, according to the correspondents, the main focus was on cost reduction and getting tourist back from their destinations. “*The first decision made was to get all customers back from their destinations. This was a large operation, and the company needed to get a scope of these people and figure out how to get them all back*”. Later, the firm also helped the ministry of foreign affairs, along with other airlines, to bring 130,000 Dutch travelers back from their destination. The future of the firm was unclear during this phase, but it was certain that there would be little to no revenue generated due to the closing of destinations and other governmental policies. The firm is vertically integrated, meaning it has a lot of assets in hotels, flights, and retail stores throughout its supply chain. "*When the world came to a standstill, these assets cost a lot of money*." There were contract renegotiations for hotels, flight assets, and the rent of retail stores. Flights that could not be used for tourism were deployed for other purposes, such as transporting melons from Guadeloupe and delivering vaccinations to South Africa. One decision made was to close a sub-brand of the firm. "*One example of the downsizing was the closing of (name of brand). This brand would have been a hundred years old, but for now we have put it on hold."* This subsequently resulted in the closing of one office and the attempt to reallocate employees to the main brand of the firm. Another decision was to close some retail stores and reorganize. "*This meant we had to close some stores that had the lowest revenue and the highest rent*." The closing of the stores also resulted in the assignment of new roles. "*A few roles were surplus and we had to let those people go*".

The marketing department had to reduce its budget by lowering Google costs and reducing the number of full-time equivalent (FTE) employees. They were able to quickly downsize and get variable costs almost to zero. "*I think we could downsize about five or seven FTE by natural progression*." The firm furthermore stopped hiring for open job positions. This flexible cost reduction was also evident in the product department. "*We focused on our most important destinations where we always had* *business, which for us meant focusing on the Canary Islands*." The closing of certain destinations required a flexible shift in resources and the building of new products and departments, such as the sun and beach department. In total, there was about a 30% decrease in employees during this time. This was based on the minimum standard needed to keep the organization alive. Temporary contracts were put on hold and open job positions were closed. Most employees with permanent contracts remained with the company. In the retail department, it was important to shift personnel to branches that were profitable. "*These are criteria we consider in our decisions. Can we station them in a different, profitable branch?*". Making these decisions required a framework in which the finance department calculated the financial impact of each decision and worked with other departments to make difficult decisions.

According to the respondents, another important aspect of the organization's resources was the maturity of its IT system when the COVID crisis began. With the sudden implementation of a work-from-home policy, people had to start working remotely right away. "*This was one of our parade horses. I think we did this very quickly as a large company*." All employees already had laptops, so the desktops at one office were no longer necessary. One downside of working from home during the COVID crisis was the difficulty in communicating about the crisis. "*We tried to use one communication channel, but it was difficult because people were getting used to Microsoft Teams and then receiving multiple streams of information while we had a different crisis tool for these situations*."

Organizational resources entail established systems, structures, processes, and culture. The firm already had its own crisis tool, "*an application we bought as a group where we can manage the complete crisis and see what actions to take*." This application includes news feeds and multiple phones for direct communication. The culture of the crisis team was already solid when the crisis began, as mentioned by the respondents. "*We've had a full-time crisis team with five people for seven years. We handle situations like wildfires, hurricanes, or terrorist attacks*." This team works across disciplines and was expanded during the COVID crisis, working closely together for two years to maintain direct communication. The crisis also marked the start of quicker decision-making within the organization than before the COVID crisis. The company was in survival mode, with the entire business coming to a standstill. This required quick decisions on measures taken by the firm. It also gave other departments more freedom in allocating their resources and freedom within the framework of the core team. As one respondent noted in an interview, "*When the knife is at your throat, it is easier to make decisions. It is easier to focus on what is really important*." This was also reflected in the retail department: "*Before the COVID crisis, why would people change if things were going well? I used the crisis as a sense of urgency to get people moving, which is often the hardest part*." In a sense, this marked the start of a cultural shift, as explained in phase 2 of the COVID crisis for the firm, where social resources become increasingly important

4.1.2. Human resources phase 1

One of the key human resources during phase 1 was the expertise of the crisis team. This team was responsible for making decisions on communication, transparency, safety, and other issues within the organization. The team was composed of long-term employees who were familiar with the company, people with diverse backgrounds, and individuals with experience in crisis situations. According to the respondents, the team's output included quick, transparent communication both internally within the company and externally with stakeholders. "*You want people to see both the progress and the risks and also the company standing behind it. So a transparent communication and regular communication was more important than ever*".

This expertise also impacted product decisions, which were based on country codes from the ministry of foreign affairs, destination-specific expertise, and new concepts. The product manager was able to quickly handle the crisis because of their prior experience. "*If you are a product manager of Indonesia, then you have all the contacts due to your daily work. During a crisis this required no training time*". During the COVID crisis, the crisis team was expanded and the organization implemented a 'onion model (see figure 4.1)' of management specifically for the situation.

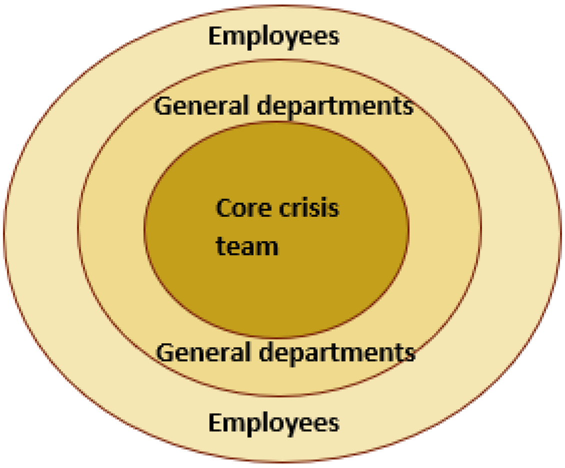


Figure 4.1 Onion management model during the crisis.

One respondent noted: "*A team, consisting of about ten people. These are actually the ones who spent almost two years in the middle of this crisis, working together to lay out the different lines*". The employees in this core team mostly worked alone in the office, but communicated formally and informally with their colleagues. This close collaboration resulted in the members of the crisis team having a closer relationship. "*This situation allows u to be more open*".

Another important human resource topic was the morale of the employees in the first phase of the crisis. Many employees and managers experienced personal impact when confronted with the massive change and were sometimes negative, but it could also be positive as one respondent noted: "*The engagement within the company has grown because people have the feeling of doing it together and we are going to put our shoulder underneath it*". The managing director also had a big influence regarding showing energy and motivating people.

The leadership of the managing director and senior managers was an important aspect of human resources during the first phase of crisis. According to the respondents, the managing director played a crucial role in maintaining engagement and visibility among employees. This entailed communicating regularly with the entire office and physically being present in the organization's office building. One respondent noted: "*In this period it was especially important he was here weekly, communication and showing energy through the screen. I think he was the best managing director because he keep people engaged and enthusiastic*". It was important that the captain of the ship did not leave the ship to get everybody on board with the set course. This increased trust amongst employees in the organization, which was crucial in times of crisis. As the managing director himself noted: "*I tried to call a lot of people to motivate them and I have been a company psychologist more than ever in this period, but it was needed because people all experience a crisis like this in their way*".

4.1.3. Social resources phase 1

An important social resource, according to the respondents, was the collaboration among departments, which focused on the individual capabilities of each team. This collaboration was crucial in order to make informed decisions about the actions to be taken as one respondent noted: "*We needed to discuss which action we are going to deploy, this could be commercial, are we going to stop selling? We approached it as a team*". These collaboration decisions also involved the retail department as noted by one respondent: "*We really looked and said oké, which stores are least profitable and least visible in the shopping street*".

The rules for travel were updated weekly and it was important for the organization to have a structure in place that could adapt quickly. This is further explained by one respondent: "*My team tried to collect as much information as possible and share this during the meeting with the ten people of the core team. There is input from the product department, flights and other and from here we try to form a decision and see what's best from there*". Because every source market had their own restrictions, it was difficult to work together amongst source markets in this phase. Effective communication of the decisions made was crucial during this time of crisis, both internally within the organization and externally to stakeholders. The chaos and unrest caused by the crisis made it even more important to ensure that everyone was informed and aware of the actions being taken. Clear and timely communication helps to provide stability and reassurance during times of uncertainty. "*What we found very important is pro-activity, u need to inform through the website, the FAQ, and journalist in what is happening per destination*". It was important to keep everyone informed and up to date in order to respond effectively to the crisis. "*We spread the news wide, also internally, because employees have the same need for the news as externally*".

The shift to working from home due to the COVID crisis presented challenges in terms of collaboration and communication, as well as motivation among employees. It can also be harder to motivate and engage employees when they are not physically present in the workplace. "*I tried to regularly step over the core team to the surrounding shells and communicate with a wider group of people"*. The managing director held weekly update sessions, and the team also organized online social events such as digital bingo and virtual Friday afternoon drinks to maintain informal contact among employees. These efforts are important because the lack of face-to-face interaction and casual conversations that normally occur in the office can have a negative impact on morale. The employees did not see each other anymore around the office or at the coffee machine. "*We advised people that have not seen each other informally to meet on Teams and to just have a coffee chat*". This was necessary in order to ensure that these employees were able to continue working, despite the challenges posed by the COVID crisis.

4.1.4. Conclusion phase 1

It was crucial for the organization to focus on profitable business units such as implementing one brand, revenue-generating destinations, and reviewing travel agencies in order to save costs and survive as a large firm. The core crisis team made the key decisions, while departments were given freedom to make choices, based on these cost saving or re-focus decisions. The decline in morale and engagement prompted the managing director to show leadership and improve morale. The quick and clear decisions making process led to improved collaboration and communication with department heads, who were given autonomy to allocate resources and provide ideas based on organizational priorities. For example, the swift adoption of remote working required a new approach to collaboration and resulted in decreased engagement among employees, because of the challenges when working from home.

The strategy adopted for resource allocation was focused on prioritizing organizational resources, with a specific emphasis on cost savings and revenue-generating business units. The decisions were made in response to the challenging external environment, which a quick adaptation to change and a fast decision making. These decisions were executed by the senior members of the expanded crisis team. Due to the hostile business environment, there was limited time for evaluating alternative strategies or identifying other opportunities and threats. The process that followed focused on restructuring to prioritize exploitation and short-term decision making, known as structural ambidexterity. Sub-units were created for either exploration or exploitation, each with its own culture, organization, and systems (like the expansion of the crisis team). In this phase, efforts to explore new opportunities continued but primarily involved the main office of the organization. At the Dutch office the majority of the focus was on exploitative activities to achieve the goals previously mentioned. As the initial chaos settled and some destinations opened their border, it gave rise to different environmental needs. This marked the transition to phase 2.

4.2 Phase 2, During the COVID crisis: prioritizing social resources

4.2.1. Social resources phase 2

The capabilities of collaboration, communication, and motivation were important for people at the start of the crisis. As the crisis progressed, collaboration among colleagues became even more important. One manager noted: *"I struggled also some moments. I think it is also leadership to show that it is hard for u and that u are reachable for the people. They could call me of see me when there was another lockdown"*. Another manager reflected on the firm and employee relationship in a more broad sense: "*If I am connected with my employer and I know that my tasks contribute to the grander picture then I can stay motivated* ". This can mean moving a travel agency from point A to point B, or setting up a campaign, which all lead to a positive vibe. During the COVID crisis, employees saw each other less regularly, which decreased collaboration and engagement. One respondent noted: *"The biggest part of my job satisfaction is laughing with colleagues, being inspired by them and think differently*". Another respondent noted: "*We need to keep people hooked on the train, the direction, how we communicate this and to whom, this is growing of importance during the crisis*". The respondent later mentioned the importance of communicating signals of progress Another respondent mentioned the growing importance of trust in keeping employees motivated.

As online collaboration increased, there were more positive opinions about hybrid working compared with the beginning. Some managers saw it as a positive development. One mentioned: "*We also noticed that some people could not work from home, they either did not have the discipline or motivation. With these people we made exceptions to work in the office*". With the progression of the crisis and less informal contact, the firm also saw a decrease in engagement. One respondent mentioned: "*The teams vary a lot in presence so it is even more important to know people from other departments*". Another manager complimented the organization for having an informal atmosphere in the branch in the Netherlands.

There was a need for new initiatives to generate revenue and for quick implementation of improvements to help the firm survive the COVID crisis. One respondent said: "*These initiatives do not come from the top, but from the colleagues that had the incentive at the time*". The decision-making process for these initiatives involved analyzing the return on investment and quickly setting up and developing a project team. One idea was generated by an employee of the airline, communicated with the teams, and then approved by the managing director. Another respondent noted: "*We also tried to communicate to the employee's that it does not have to come from the manager, but that they themselves can initiate new projects*".

One reason for the development of internal projects was the increase in time and development room that some departments received. One respondent said: “*We notices we did a lot of stuff like stakeholders management, keeping up with lists from which we thought were super important, looking back it should not have been done*”. These insights were gathered by having more time to test and learn and to improve the organization accordingly. In the first phase, efficiency and cost reduction were important, so departments had to reflect on their current processes and see if they were valuable to the end customer. This resulted in the creation of projects or the development of more relevant systems. One respondent noted: “*You are doing it with less people, so the circumstances are good because u are being forced to think in different ways of doing things*”. As the organization progressed through the crisis, the positive sides of having a more agile organization became apparent. There were many different questions from customers and the market, and by working from this and responding quickly, the firm was able to step into new opportunities. For example, the firm collaborated to divert an airport from Schiphol to Luik. One respondent said: “*We went there and set up a whole organization accordingly*”. This required being flexible and acting quickly as an organization and as employees. One respondent described the firm as a ‘flexible ocean liner,’ while another manager compared the reduction of FTEs to shaking up the organization and removing ‘dead wood,’ which left a healthier core.

When the world slowly started to open again for tourism purposes, so did retail and brick-and-mortar travel agencies. The engagement also needed to be repaired to be flexible and to work with new norms. This was highlighted in external communication, with one respondent saying: “*We see that a few destinations are opening, fantastic. I would like to make a call for people to go to your local travel specialist like u would return to your butcher or baker*”. Actions like this improve engagement with retail again. Another manager mentioned that repairing engagement through events and actions is the most expensive, because it is so crucial for the firm.

4.2.2. Human resources phase 2

The firm reduced its full-time equivalent employees by approximately 30%, potentially increasing the value of the remaining human resources. “*We shaved down on everything we did not need to do anymore, but as the work increased u cannot shave it down anymore*”. The need for flexibility and cooperative behavior was demonstrated in the contact center, which received increasing numbers of questions from customers due to the COVID crisis. “*These questions were not only about an extra suitcase but more about the changing policies of different countries*”. The retail staff helped the contact center with questions when they were not busy with clients. Even though there was no revenue being generated, the firm still had ongoing business. In addition, the expertise of customer service was used to assist clients as best as possible. This expertise in excellent customer service was later reflected when the firm managed to change flights from Schiphol to Luik. *“We had free parking, free coffee, and no lines in this period for our customers*”.

As the crisis progressed and some parts of the world reopened, it became clear that the skills related to personal contact with clients were highly valuable to the firm. “*People were searching for personal contact and returning to the travel advisors. Even when they booked online they still sought help with personal contact about flights, COVID measures, and service*”. The expertise of the product department was important due to the changing policies and the need for the firm to quickly adapt. One respondent noted: “*Is the ministry going to change policies regarding Egypt? Of do we have to put the destination on-hold? These are choices that have to be made within the product departments about risks and potential revenue*”.

Customers paid more attention to physical travel agencies, even though there was no direct revenue generated. The behavior of individual employees and how they handled customer questions and collaborated was important as the crisis progressed, both for the customers and the employees. As one respondent noted: "*Communication was more important than ever, people need much personal contact. U notice this. People want them to stand next to you and listen to them for a while*". The firm actively contacted customers for repeat business during this period. Finally, innovative working behavior became more important as the crisis progressed in order to come up with new initiatives to generate revenue. "*We want to think in possibilities and not in limitations. Then whole new initiative arise and that is nice in the firm. We give people the freedom to work as an entrepreneur*". These characteristics of individuals were important to the firm, but what was even more important was doing more work with fewer people, which required better collaboration and more flexibility.

4.2.3. Organizational resources phase 2

Due to working during the crisis, there was a need to refocus on human and social resources, as well as on the current systems, culture, and way of working (e.g. organizational resources). One manager summarized this during an interview:"*At a certain time where we could fly again, it was the normal business again, but then in abnormal circumstances*". One efficiency-raising factor during this period was the extra time for some departments, which made it easier to focus on a long-term strategy. As the crisis progressed, the initial crisis team decreased, which gave some more freedom to the outer shells to create their own work and responsibilities. There is room for improvement in the organization's resources, which became apparent when the company had to divert flights to Airport Luik during the COVID crisis. As a result, some flights had to be cancelled and the company had to make the decision to divert, rather than cancel, holidays. This experience may also be a strategic choice for the company in the future, as one respondent suggested: "*For everybody who lives under the rivers, Luik is a fine alternative for Amsterdam and maybe something for next year*". This organizational learning occurred partly out of necessity, but ultimately proved successful and may improve future business.

One element during the COVID crisis was the horizontal organizational structure of the firm, which was changed at the beginning of the crisis. One respondent noted: *"You need to take care that people are actually with you during the crisis, not only with the core ten people*". This is related to the previously mentioned engagement of employees and customers in the section on social resources. Within this system, processes were simplified and teams were given freedom to improve. "*This was a win-win, because with fewer people we could implement things faster*". The office was also set up to allow for flexible work. The re-organization of the retail department was accelerated due to the crisis. Some managers appreciated the ability to work flexibly and have time for other activities. "*The long-term planning is off the court. There is still a big uncertainty if you look at the war and inflation*". In this uncertain environment, it is even more important to focus on short-term gains and agile improvements, and adapt to the new dynamic situation.

During the COVID crisis, the company focused on digitalization for the entire group. There was increased effort to create a single digital customer platform that the entire group could use, rather than just one source market. "*This means that we could allocate more resources and accelerate this process*". The crisis also allowed for more time to not only digitalize, but also to increase efficiency through platforming within the group. The retail modules were also further digitalized "*This allowed clients to communicate directly with travel specialists about their needs without having to visit multiple agencies*". The process of digitalization was also facilitated by the increase in online collaboration during this time.

4.2.4. Conclusion phase 2

As the initial chaos subsided, new challenges arose that required careful prioritization. Phase 2 was marked by the aftermath of the first phase, including a 30% reduction in employees. To address this, the organization had to work more efficiently together, and be agile in implementing new projects and concepts. Additionally, there was a need to repair the drop in employee engagement. Leadership played a key part in this, both from top management and middle management. The need for human resources also increased, and with it the importance of innovative work behavior and the flexibility and expertise of customer service personnel. To address these challenges, the organization restructured to allow for more freedom within departments, allowing some departments to focus on strategy and adjust processes.

The strategy of prioritization was initiated by top management to reduce the crisis team and maintain a strong collaboration amongst department heads. However, the changing context required flexibility and the organizational resources were mostly utilized in the first phase, leaving the social resources to compensate for any effects. The changes in environment led ultimately to these decisions, with the environment partly created by the choices made by the firm in the previous phase. The prioritization of social resources led the organization to adopt a temporal ambidexterity approach in their business processes. This approach involves balancing the exploration and exploitation of opportunities, leaving room for new concepts and strategic thinking. It was implemented cyclically through the implementation of new concepts, digitalization, and platforming within business units, while also creating room for process improvement.

4.3 Phase 3, End of the COVID crisis: Prioritizing human resources

4.3.1. Human resources phase 3

At the onset of the COVID pandemic, effective leadership, clear communication, and transparency were essential for the company to navigate the crisis. As the situation progressed, the need for improved collaboration and attention to individual behaviors became increasingly important. As the pandemic subsided and the Dutch labor market tightened, companies faced challenges in hiring new employees. Many companies were forced to lay off staff, but as the economy began to recover, the demand for personnel increased. This is reflected in the way the firm views and plans for its human resources. "*Everyone has a staff shortage; it's getting harder and harder to find the right people. So what can we change about ourselves to make us more attractive? What better conditions can we create?*". The firm tries to attract and engage employees by hosting events at the office and creating development programs for employees. However, one manager was more critical of these programs and stated: "*It's a nice extra, but I think people really want to feel that they can develop themselves and that they are of added value. Make people feel important*". These developments are not just for new employees, but also to retain current employees.

These programs and focus on employees are necessary to create added value in a world with a shortage. As one manager stated: "*If you want to be ready for the future, u need to inspire innovation and reflecting on what am I doing*". The firm wants employees to have an entrepreneurial mindset and be actively involved with the company. However, working from home has decreased engagement with the company, as previously mentioned. Employees will also be more flexible in their roles within projects, as one manager explained: "*Flexibility in the sense of one colleague involved as the lead in a project for biodiversity, while still doing their current job*". This flexibility is also reflected in the firm's policies, which allow employees to work with flexible hours, part-time, or hybrid schedules. One manager even said, "*If we only could rent 20 meters because we had no money, I would only rent the bar and skip the office*". This is highlighting the importance of informal contact among colleagues.

Motivating employees and increasing engagement also involves the role of leadership within the firm. This is not the leadership that inspires and motivates people, like at the beginning and during the crisis, but rather leadership that attracts and maintains a connection between people and the firm. One manager pointed out that the dynamics within a team are created by the specific manager of that team, and that employees are influenced by their behavior. This is supported by another respondent: "*To show positivity and enthusiasm so that everybody is excited for the day. Even if your destination is closed, you think okay I am going for it*". One manager explained the influence of the managing director: "*Nobody is more informal than him and this slips through the whole organization to reach out to each other. There is no pigeonholing*".

This behavior is important because it creates an atmosphere of transparency and openness. The improved leadership styles, hybrid working possibilities, and events are important for the teams, but also for attracting new employees. One manager stated: "*You see the creation of new sort of being an attractive employer with this new way of working, the new generation is used to this*". There is also a special 'Young Club' within the firm where everyone under 35 can share ideas about the firm, suggest improvements, and shape their own future. However, another manager mentioned a downside, which is that new people may be more hesitant to get to know colleagues from other departments with hybrid working. This informal contact with other departments is crucial for the innovative work behavior that the firm is looking for. "*People need to come here to network, socialize and listen to other people. In this way they know what is going on within the company*". This innovative behavior is needed for the future, and the company wants to incorporate these ideas.

The repair of engagement is slowly starting to increase as COVID rules are no longer applicable. Events can be hosted for retail again and informal drinks in the office are also possible. One manager noted: "*These events cost some money, but what it gets u in return is a lot of energy, happiness, satisfaction, proudness, involvement, and engagement which is worth gold*". However, there are still challenges ahead for the firm, as one manager noted: "*Keeping all individuals a part of the firm, keeping the departments a part of the firm. So essentially the coherence of each other*". The coherence of human resources is important for the long-term survival of the firm, and the COVID crisis has had a significant impact on this subject.

4.3.2. Social resources phase 3

The second phase marked a big shift in collaborating and communicating, both within the firm among colleagues and outside of the firm with customers. In regards to the hybrid working situation, there has been a change in collaboration with the separate source markets within the group of the firm. Within the whole group, there has been a shift towards centralization for efficiency and cost reduction. One manager stated: "*We can now do more from a group perspective and roll out initiatives across the whole group and prevent we do things differently in the Netherlands or Belgium*". The new way of working has enabled faster communication and well-established remote working possibilities. "*We needed the new system anyway so rather used this time to develop this and make it efficient*".

This increase in efficiency is also supported by another manager, who stated that more new initiatives are being created at an overarching group level and there has been an increase in IT collaboration. It is important to note that the branch in the Netherlands was a precursor for the group when it comes to the new way of working. This is partially due to employees continuing to work during the crisis, which was different in other source markets like England.

Another example is communication with customers. For instance, Dutch travelers are increasingly more used to IT compared to German travelers. The customer journey is continuously being developed to be digitalized for the end user. This has also been done for the retail department, where there is an appointment module where clients can schedule a conversation with their favorite travel specialist. One manager stated: "*We can further develop this digitalization to make sure we can see components of the customer, what he thinks of us and what we need to improve after COVID*".

Many managers mentioned the upside of working with teams during the COVID crisis. However, as mentioned earlier, this has also led to more individual negative aspects, like a decrease in engagement. One manager tried to remain in contact with a daily kick-off, another mentioned it is good for the sustainable footprint, and another saw it as a selling point as an organization for being a good employer. However, one manager mentioned a paradox: "*COVID helped us change our current management style where it showed that people could work from home for nine of the ten managers. Now that COVID is over we need to convince these managers that they should bring their team to the office, which is working the other way around*". Some managers also indicated that customer expectations are back to normal as people are beginning to travel as they did before the COVID crisis. One manager stated that the department's way of collaborating is returning to how it was before and projects are being launched. However, the manager also noted that "*Some projects that we have accelerated in the COVID crisis are now going in a slower tempo*". Furthermore, regular processes are being put back in place, and the lack of urgency is decreasing for the development of new projects.

4.3.3. Organizational resources phase 3

Organizational resources that were used included programs in HR to promote the well-being of current employees and to attract new ones. While the importance of individual employees within the company increases, the focus of organizational resources also shifts towards this new program. As one manager noted: "*This is where we need to be more conscious of as an organization if we want to attract and keep people*". Additionally, COVID has had a significant mental impact on current employees due to working from home, isolation, and many changes in a short period. The firm is trying to improve their office building to create a physical space where people can work and see the value of an office. They are also hosting new employee activities, such as pub quizzes and increasing mobility. Another manager noted: "*Regarding the personnel, we try to cherish, please, spoil and make it as comfortable as possible*".

Regarding the organizational culture, the firm must remain flexible in order to adapt to dynamic environments in the future. As one manager stated: "*We have a lot of 'do' people and not overthinkers. This leads to being fast and flexible instead of talking and not executing anything*". This culture also fosters an innovative and open context for employees to develop themselves. Another manager reflected on the COVID crisis, stating that it contributed to the resilience of the employees by the idea that 'what doesn't kill you makes you stronger'.

The organizational focus changed during and towards the end of the COVID period. While production and sales came to a standstill, other activities did not. "*There needed something to be done to become future-proof even though we were always successful*", one manager noted. There was a new necessity to come up with different products and new ways of working, and there was time to perform these activities. Another manager added to this: *"It was an eye-opener because we previously thought it could not be done and due to circumstances u are forced to change*". In the future, this new way of flexible working will be important for the customer, who is focusing less on price and more on flexibility.

Customer demands are rapidly changing, which puts pressure on the organization to come up with new products. As noted by one respondent: “*In this situation, we do not need to act like a large firm, but be flexible*”. Another department that could focus more on the long-term aspects of the COVID crisis was sustainability. The manager noted: “*The whole industry stood to a standstill and at that moment we put our energy in the plans instead of keep sticking in the current situation*”. There was also a rise in commitment to sustainability during this period. Sustainability is being centralized, which allows the firm to execute the same strategy in all source markets. There are many developments in regulations around sustainability for large firms, which stem from the overall increase in sustainable awareness. Customer awareness plays a big role in changing the structure and incorporating new ideas for development. The firm launched a ski train for the winter holidays and has the youngest fleet of planes. One manager emphasized the importance of this: “*We launched many sustainable concepts. Are we going to make a lot of money and transport many customers? No. But it does give a signal to the outside world that we have attention and focus for this subject*”. Sustainability awareness increased during the COVID crisis and will continue to do so in the future, impacting the business model of the firm. One manager mentioned: “*When it’s 50 degrees in Turkey, nobody wants to get here, it does not matter how many good contacts or activities u have in this destination*”.

4.3.4. Conclusion phase 3

In the final phase of the crisis, the organization recognized the need to focus on innovation, efficiency, and employee development in order to prepare for the future. Efforts were made to maximize the potential of human resources by implementing events, programs, and incentives to increase engagement, motivation, and attract new employees. The leadership in management played a key role in this development. Additionally, different business units within the organization collaborated, furthering the digitalization process. This highlights the importance of utilizing social resources. Another example of this is the increased use of online communication within the firm and with external stakeholders. The organization also embraced organizational learning during the crisis, leading to a more flexible structure that can respond to external changes. Additionally, sustainability became a more prominent focus than it was at the beginning of the crisis.

During the third phase of the crisis, the organization had more autonomy to make its own choices and less influence from the external environment. This led to an increased focus on human resources, with more concepts initiated from within the organization. The priority was set on growth out of the COVID crisis, which required new personnel and a different mindset to be more innovative. Decisions for a new strategy were implemented sooner during the pandemic, as there were fewer people to collaborate with. These organizational learnings were further implemented by top management to develop and pave a new future for the firm post-pandemic. The new strategy adopted by the organization allowed for greater flexibility in allocating resources and fostering contextual ambidexterity. This involves the ability to both explore new opportunities and exploit existing ones. Contextual ambidexterity also requires agility and the ability to be flexible and respond quickly to market changes, or in other words, creating the right context. This is demonstrated through initiatives such as the 'Young Club' and employee-led initiatives, which are motivated by management.

4.4 Main results all three phases

4.4.1. Strategy of prioritization and responding to environment

In the first phase, the focus was on prioritizing organizational resources with an emphasis on cost savings and revenue-generating business units. Decisions were made quickly and executed by senior members of the expanded crisis team. In the second phase, the strategy shifted to reduce the crisis team and maintain collaboration among department heads. The changing environment required flexibility and the social resources were mostly utilized. In the third phase, the organization had more autonomy regarding the dynamics of the previous phases and an increased focus on human resources, with a priority on growth out of the COVID crisis. The phases reflect the shifting of priorities and demands bought up by the COVID crisis, highlighting the importance of being flexible and responsive in a dynamic environment. Strategy in the context of the COVID pandemic was important because it provided direction and guidance for the organization to navigate the challenging external. Without a clear strategy, the organization may struggle to make quick and effective decisions, allocate resources effectively, and adapt to the changing environment. For the firm, it was not feasible to develop a focus on all resources simultaneously. This was due to time pressure, changing demands and uncertainty of the future. The strategy played a vital role in guiding the organization through the COVID crisis and it allowed the firm to prioritize and allocate the resources accordingly. This strategy is made visual in figure 4.4.

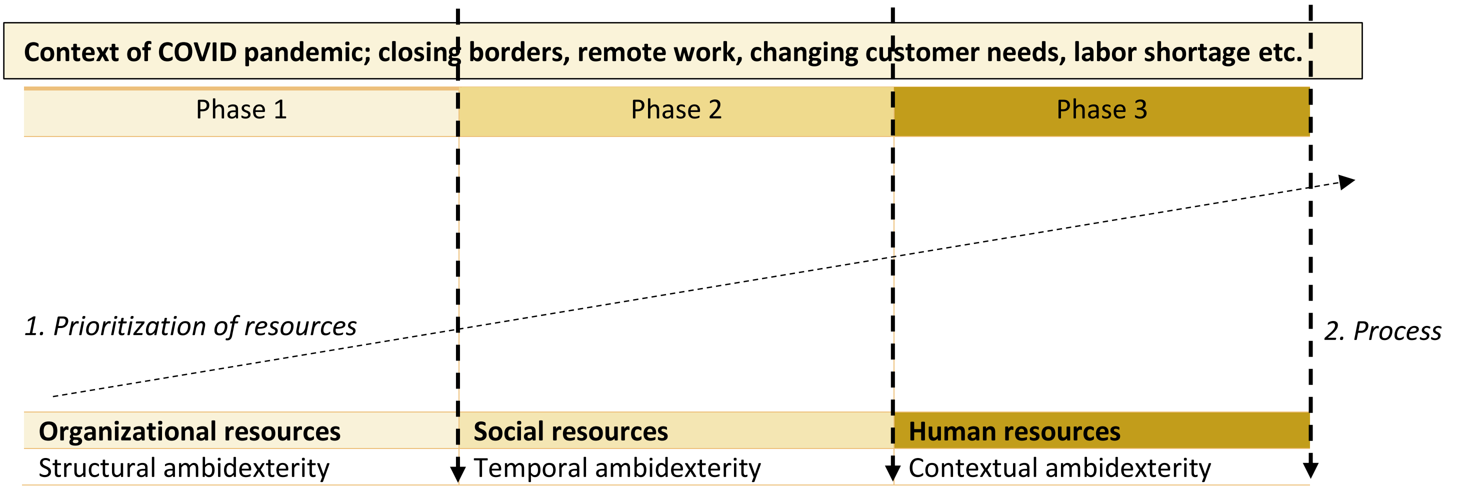


Figure 4.4 Prioritization of resources and business processes.

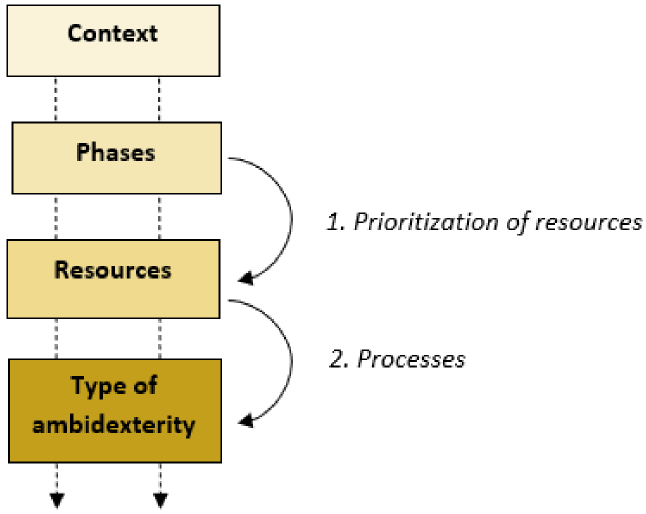
4.4.2. Process resulting in ambidexterity

In the context of the COVID pandemic, the organization's strategy was based on prioritizing resources and resulted in various ambidextrous modes. In the first phase, the strategy was focused on cost savings and revenue-generating business units, which represents an exploitative activity as it aims to maintain current business operations and improve efficiency. Resonating with structural ambidexterity. However, as the external environment changed, the organization shifted its focus to more explorative activities in order to adapt to the new situation. In the second phase, for example, the strategy shifts to reduce the crisis team and maintain collaboration among department heads, which allowed for more flexibility and the ability to respond to the changing environment. This comparable with temporal ambidexterity. In the third phase, the focus is on human resources, which requires new personnel and a different mindset to be more innovative. This represents an context of exploratory activity as it aims to develop new opportunities and capabilities for the organization, leaning towards contextual ambidexterity. The next chapter will explain how the organization managed to accomplish this, according to the decision making and internal characteristics.

5. Conclusion and discussion

5.1 Conclusion

Figure 5.1, visual representation of research findings



Large firms strategically allocate their resources - including organizational, social, and human - to align with the current needs of the phase of the firm. This phase is influenced by context, both external context as internal context. The context of the environment plays a significant role in determining the phase, as it can influence the priorities and goals of the firm. By understanding the context of the environment, firms can determine the current phase, and subsequently, develop a strategy to allocate resources in a way that aligns with the specific needs of that phase. However, creating an effective strategy can be challenging in a dynamic environment, as some resources become more critical than others, and the decision to prioritize may not always be conscious.

The prioritization of resources heavily impacts the development of ambidextrous strategies and ensuing processes described in figure 5.1, which can shift the focus quickly between exploiting current resources and exploring new opportunities. The strategic allocation of resources, in alignment with the external business environment, is crucial for the development of ambidextrous strategies and business processes. The internal factors that enabled the successful allocation of resources were not always intentional, but can be understood through research. At the onset of the COVID crisis, the organizational structure was rapidly adapted to meet the challenges posed by the pandemic. The firm's strength during this period was its ability to make swift decisions and adopt new approaches, which was facilitated by the culture of agility and entrepreneurship cultivated by the senior team. One senior manager noted: "*We think in possibilities and this gives a rise in new initiatives, which is fun because we give people the space to think as entrepreneurs*". This cultural mindset, combined with a flexible organizational structure, allowed for a more effective allocation of resources. In later phases, the senior team continued to promote a culture of flexibility and entrepreneurship, which facilitated the rapid implementation of projects and allowed the firm to adopt a flatter organizational structure that was more resilient in a rapidly changing environment. This was also duo to the Dutch culture as one respondent mentioned: "*I think it is to be a large but flexible firm and especially through the culture that we have within (name of firm) in the Netherlands, this is different per source market*".

Firstly the data suggests that when faced with a dynamic environment, such as the initial phase of the COVID-19 pandemic, firms prioritize resources as a strategy. As one respondent noted: "*You take the priority and have to make necessary decisions that are off course not always fun*". This is in contrast to a stable environment where firms have more time and space to evaluate threats and opportunities, which could lead to a different strategy. Prioritization was seen as a logical approach for firms in this dynamic environment due to the lack of time to discuss and assess alternative strategies. "*Eventually u get a choice where there is a necessity to say: closing of one branch and we take part of the employee's to the head office.*"

This prioritization ultimately led to the implementation of ambidextrous strategies, which are characterized by the ability to simultaneously pursue exploration and exploitation. However, these strategies were highly reactive and influenced by external factors, such as the initial COVID situation and the subsequent phases. For example, the decision to let go of employees in the initial phase influenced the collaboration within the firm, and later the way the firm tried to maintain employees. As one respondent noted: "*We started to organize ourselves in a different way and changed the way we collaborated by creating new roles for employee's*". These decisions were not made based on a well-developed and evaluated strategy, but rather were dictated by the context of the situation. As one respondent noted: "*If there is no urgency among many decisions, because at the bottom line it was going well, then we can just continue. But if it is not going well, we need to make decisions*." The theory behind this is that in a dynamic environment, the context dictates the choices that must be made by firms, regardless of their own wishes. As a result, resources within the company are prioritized, which in turn influences the ambidextrous strategies a firm employs. This highlights the importance of considering the external environment and the need for flexibility and adaptability when making strategic decisions in dynamic situations. One respondent noted: "*I think we showed that can be very resilient and have a strong proposition that we can adapt quickly to what is important in that moment".* Another respond added to this statement: "*The changes for the long-term we could implement on the short-term and COVID was the sense of urgency where we will benefit from in the long-term*".

Secondly the data pointed out the influence of leadership in all three phases of the COVID-19 pandemic. In the first phase, leadership was crucial in maintaining employee motivation and in demonstrating that the company was not giving up. The managing director played a key role by being present at the office, talking to employees, and keeping a positive but realistic mindset. One respondent noted: "*This permeates trust in an organization, even though we are in a crisis, thing are going well and we are going to work hard*". This is logical as in times of uncertainty, people look to leadership for hope and stability. What was surprising is that leadership remained important in the later phases, as the pandemic progressed and the worst effects dwindled. A respondents noted that: "*Leadership is also coming up with new initiatives, communicating and standing next to people instead of above them. It is also about showing empathy for people who had it rough and try to listen*". It was necessary for not only the managing director but for all managers to keep employees motivated and engaged. New initiatives were implemented to promote online informal contact, and managers met with employees outside of work. In the last phase, leadership played a vital role in reconnecting employees with the company. One respondent noted: "*We now try to help managers in getting their team back to the office*". This required more from middle managers, as it was also about attracting new employees, and with the hybrid way of working, it necessitated different leadership approaches. This suggest that effective leadership is essential in maintaining employee engagement and motivation, not only in times of uncertainty but also throughout the progression of the pandemic. As one manager noted, this is hard to put out in numbers: "*Hosting events cost a lot but in the end we receive energy, happiness, proudness and engagement which is worth gold, but hard to put in numbers*."

Thirdly, the data suggest that for a firm to remain viable through a dynamic environment, it must make necessary decisions and adapt to changing circumstances and apply organizational learning. This allows the firm to change according to the needs of the situation, using previous learnings and reflective capabilities. For example, in the second phase of the COVID-19 pandemic, the firm implemented changes such as the emergence of new concepts and changes in collaboration.

One respondent noted: "*During this time, we expanded our product portfolio in the Netherlands and worked parallel on new concepts during the COVID crisis*." Furthermore, by allocating more time to long-term decision-making, the firm was able to take a more reflective approach. By regularly evaluating and adjusting its processes, the firm is able to remain responsive to external factors. Moreover, the increased time allocated to long-term decision-making allows the firm to identify potential opportunities that could be pursued in order to gain a competitive advantage. An example of this is given by one respondent: "*We had more time to focus on the long-term and think about questions like relevant developments, new structures for the future and what we usually put postponed.*" By doing this, the firm can ensure that they are agile, efficient, and successful well into the future. Organizational learning enables the firm to continuously improve and adapt, which is crucial for its survival in a dynamic and uncertain environment. One respondent also explained: "*We tried to expand the digitalization of platforms and adjusting the whole surroundings to the situation."*

5.2 Discussion

5.2.1. Relation to theory

The results of the research support the statement made by O'Reilly and Tushman (2013) that an over or under emphasis on ambidexterity can be costly. The research shows that an over emphasis on short-term goals made it difficult to retain and engage employees in later phases. The findings suggest that if more priority was given to long-term human resource planning in the beginning, these challenges could have been mitigated. The firm found it necessary to prioritize short-term goals, but this came at the expense of longer-term human resource planning. The trade-off between short and long-term goals is clearly highlighted in this research, as proposed by Lavie et al. (2010). How the organizations applied these modes, as it was mostly done unconsciously and reactive is in line with the work of Turner (2013), who argues that ambidexterity is not an activity, but a means of looking at an activity.

The firm switched rapidly between different ambidextrous strategies, often unconsciously, which supports the theory of asset reconfiguration in a changing environment. This further supports the concept of dynamic ambidexterity proposed by Chen (2017), who argues that ambidexterity should be viewed as a dynamic, rather than a static, concept. Many researchers struggle with defining a clear unit of analysis when researching ambidexterity. In this study, it became apparent that the units impacted by the strategy are dependent on the situation and phase. This supports the theory of Langley (1999), who argues that process data is difficult to analyze, because there are multiple units of analysis who's boundaries are ambiguous. This research largely confirms the findings of Hall et al. (2012), specifically that nurturing and pruning, and transferring resources are deemed the most difficult tasks in implementing ambidextrous strategies. An example of this in the research was the closing of an office and the reallocation of employees. Furthermore, the research findings support the conditions proposed by O'Reilly and Tushman (2013) for successful ambidexterity. The five conditions were mostly present in the study, however, the theory does not provide very detailed descriptions. The most notable condition present in the study was the role of senior leadership in resolving tensions and applying a vision to create trust and cooperation among employees. The research emphasizes the need for balancing short- and long term goals in a dynamic environment and the dynamic nature of ambidexterity in ways of resolving the tension.

5.2.2. Contradictions to theory and importance of leadership

The theory of ambidexterity contradicts some of the findings in the research regarding the antecedents of the different modes of balancing. While it is true that the tension between exploration and exploitation can lead to certain modes of ambidexterity, the research found that there are important phases in between, using the temporal bracketing strategy by Langley (1999).

The context, as mentioned by authors such as Lavie et al. (2010), can be environmental, organizational or the senior management team, but this theory does not include the phases a company is in and how they prioritize resources. The constraints are mentioned, but not that these constraints lead to prioritizing certain resources over others, giving a more logical and rational explanation for the type of ambidexterity being implemented.

Another contradiction found in the research is related to the managerial practices for managing ambidexterity proposed by Chen (2017). The author divides several areas where managers can affect ambidexterity, but the research found that these practices were not as visible when analyzing the data. In the research, it became apparent that due to the prioritization of resources, the most fitting ambidextrous strategy was implemented. For example, whether to have an efficient (exploitative) or a responsive (explorative) supply chain was dictated by the specific circumstances of the organization. The firm adjusted this during a crisis, but it was difficult to pinpoint how much focus was on exploitative activities and how much on explorative activities. In addition, the separate managerial activities were difficult to distinguish, as they are not mutually exclusive within a firm.

Another contradiction found in the research is the undervaluation of leadership when striving for ambidexterity. Many researchers, like as O'Reilly and Tushman (2013) and Lavie (2010), mention the importance of leadership, but do not fully explore how leadership affects ambidexterity through all phases. For example, Gibson and Birkinshaw (2004) explored contextual ambidexterity and identified four behaviors that are important for effective leadership and management in fostering ambidexterity: taking initiative outside one's own job role, cooperative behavior within teams, brokering (building internal linkages), and multitasking (wearing multiple organizational hats). The findings of this research suggest that this is not only the case for contextual ambidexterity, but also for structural and temporal ambidexterity. The research highlights the importance of considering the role of leadership in fostering ambidexterity, and how different leadership behaviors can support ambidexterity throughout different phases and contexts.

In addition to the authors Gibson and Birkinshaw (2004), Volery et al. (2015) identified six behavioral patterns that are essential for managerial competencies in achieving ambidexterity: (1) building and maintaining boundary-spanning relationships that support ambidexterity, (2) avoiding becoming trapped solely in exploitation, (3) nurturing platforms for discussing exploration and exploitation-related issues, (4) engaging in convergent and divergent thinking, (5) switching back and forth between task-oriented and change-oriented activities, and (6) shifting the focus of the organization from exploration to exploitation and vice versa as needed. The research found that all these behavioral patterns were present among the participants, with some showing more resemblance to the patterns than others. However, the theory does not take into account the separate leadership qualities needed for specific ambidextrous situations. The research highlights how different leadership behaviors can support ambidexterity throughout different phases and contexts.

Research has shown that the behavior of leaders can significantly contribute to organizational performance in changing environments, and effective coordination at the managerial level becomes more important during times of crisis (Schmitt et al., 2010). This was especially true in this research, while in the beginning the importance of leadership was reliant on the managing director, this focus later shifted towards middle management. As previously discussed, the environment of the firm was crucial in making ambidextrous decisions, and leadership plays an even more important role in guiding the organization through these dynamic situations. The research suggests that leadership can have a moderating effect on the impact of the dynamic situation and the way ambidexterity is applied. Effective leadership can support the organization in making informed decisions and adapt to the changing environment, which can ultimately leads to better organizational performance.

5.3 Limitations and future research

This study is limited in several ways, which open up new avenues for future research. Firstly, the temporal bracketing strategy used to create of phases has some limitations. Despite its overall accuracy, the resulting concepts may be simple and lack generalizability (Langley, 1999). To mitigate this issue, the researcher combined the temporal bracketing strategy with the Gioia method the increase the complexity of the concepts. Another limitation is the potential for confirmation bias in the semi-structured interviews. As the researcher has prior work experience in the tourism field, there may be a risk of biased questioning and interpretation of answers. This risk was addressed by conducting a test interview with a non-industry participant prior to the actual interviews and reflecting on the results.

The interviews were conducted both online and in person, and it is possible that respondents were more forthcoming in a face-to-face setting. To create a comfortable and anonymous environment for online interviews, the researcher made small talk and reassured participants of the confidentiality of the report. However, the researcher's prior knowledge of the topic may have influenced the results due to social desirability bias. This was mitigated by allowing respondents to add additional comments and using a cheat sheet during the interviews to ensure all topics were covered.

Additionally, this study had several limitations that restrict the generalizability of the findings. Firstly, the data was collected from a single firm in the Netherlands, which may not represent the experiences of other firms in different countries. Secondly, the sample size was relative small, which may introduce sampling bias. The cultural and organizational characteristics of firms in the Netherlands, including a strong focus on innovation and a flat organizational structure, may also impact the results. Furthermore, the firm's membership in an overarching group may limit its decision-making freedom, affecting the findings. Finally, the influence of the spokesperson in selecting participants for the interview may have introduced bias into the results. These limitations should be kept in mind when interpreting the results.

Future research could expand on the emerging theory and address the limitations of this research. One possibility is to examine the relationship between ambidexterity and resource allocation in dynamic environments and their impact organizational performance, using a quantitative approach. This study could also examine also other variables such as firm size, level of innovation, and stage of development. Another avenue for future research is to investigate the role of leadership in promoting ambidexterity and effective resource allocation in dynamic environments, especially during times of crisis like the COVID-19 pandemic.

Additionally, future research could explore the impact of technology and digitalization on ambidexterity and resource allocation in dynamic environments across different industries and sectors. It could also test the generalizability of the findings by replicating the study in in different cultural and organizational contexts. Furthermore, future research could delve into the decisions making process and strategy creation by comparing results with firms that have different levels of authority within an overarching group. Finally, future research could consider using a larger sample size to reduce risk of sampling bias and increase the statistical power of the results.

5.4 Practical implications

The study highlights the importance of considering the specific context and phases of an organization, when implementing ambidextrous strategies and the crucial role of leadership in fostering this. The practical implications of this research can provide valuable insights for organizations seeking to implement ambidextrous strategies effectively. By understanding how to effectively allocate resources in an unstable environment, managers can make well-informed choices and better manage innovation and change.

First, the results emphasize the importance of considering the specific context and phases of an organization when implementing these strategies. Managers should be able to monitor their external environment, and internal characteristics to measure and make decisions accordingly. This can help organizations become more resilient in the face of volatility and uncertainty, and ultimately lead to better outcomes for individuals and the organization as a whole. Secondly, the research highlights the crucial role of leadership in fostering ambidexterity, suggesting that different leadership behaviors can support ambidexterity in different phases and contexts. By analyzing the environment and their own leadership behaviors, managers can reflect and adjust their leadership strategy accordingly. Thirdly, the study suggests that the prioritization of resources have a big impact on the most fitting ambidextrous strategy in effectively implementing changes within the organization. By understanding how managers make these prioritizing decisions and making it transparent, it will be easier to analyze the ambidextrous strategy fit for the situation. These practical implications can provide organizations with the knowledge and tools to improve their long-term growth and competitiveness through the implementation of effective ambidextrous strategies.

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Appendix

Appendix I: Invitation to the research (Dutch)

Goedemiddag (lezer),

We hebben elkaar jaren terug op het Reiswerk congres gesproken in Macedonië en het ANVR-congres in Abu Dhabi. Alhoewel ik nu bedrijfskunde studeer aan de Universiteit Twente, ben ik het oog op de toeristische branche niet vergeten. Al helemaal gezien de Corona pandemie, de ontwikkelingen in het overheidsbeleid en het sluiten van sommige landsgrenzen is het een roerige tijd geweest.

Nu ben ik ontzettend benieuwd hoe (name of the firm), als Nederlandse marktleider, zich door deze crisis heen weet te schoppen. De toerismebranche is ontzettend in ontwikkeling en merkt vaak als eerste de impact van ontwikkelingen van bedrijven zoals Airbnb en Booking, maar ook overstromingen, vulkaanuitbarstingen en een pandemie op. Vooral de cruciale keuze tussen afschalen en investeren is interessant, want waar leg je de focus op in deze tijd en hoe regel je dit.

Ik ben mijn thesis over dit onderwerp aan het schrijven en het lijkt me voor (name of the firm), interessant en leuk om terug te kijken naar hoe dit gegaan is. Verder zal het ook inzichten voor de branche geven over hoe om te gaan met deze veranderingen. Wellicht zal dit niet de laatste pandemie zijn en komen er in de toekomst nog meer disruptieve start-ups bij. Het onderzoek zal ook handvaten bieden om hiervan te leren en beter voorbereid te zijn voor de toekomst. (name of the firm), als marktleider is contant koploper van duurzaamheid en innovaties, wat in de context van het onderzoek heel impactvol is. Het onderzoek (aantal interviews) zal lopen in November en kan me flexibel aanpassen aan jullie wensen en verwachtingen.

Kan ik je hierover mailen met wat meer informatie?

Ik hoor het graag.

Met vriendelijke groeten,

Luuk

Appendix II: Information of the research sent prior to the interview (Dutch)

Goedemorgen (lezer),

Hierbij wil ik je nog wat achtergrondinformatie sturen voorafgaande aan het interview. Ik hoef geen bedrijfsdocumenten in te zien, het gaat alleen om de redenering van keuzes.

De reden voor dit onderzoek en waarom (name of the firm) interessant is, is omdat de toerismebranche is ontzettend in ontwikkeling en merkt vaak als eerste de impact van ontwikkelingen van bedrijven zoals Airbnb en Booking, maar ook overstromingen, vulkaanuitbarstingen en een pandemie op. Vooral de cruciale keuze tussen afschalen en investeren is interessant, want waar leg je de focus op in deze tijd en hoe regel je dit. Wellicht zal dit niet de laatste pandemie zijn en komen er in de toekomst nog meer disruptieve startups bij. Het onderzoek zal ook handvaten bieden om hiervan te leren en beter voorbereid te zijn voor de toekomst. (name of the firm) als marktleider is contant koploper van duurzaamheid en innovaties, wat in de context van het onderzoek heel impactvol is. Jullie als marktleider hebben ook een voorbeeldfunctie en leren van deze roerige tijd en die lessen delen past helemaal bij deze rol.

Het onderzoek gaat ook over de middelen die (name of the firm) heeft ingezet om te investeren of juist om af te schalen tijdens de COVID-19 pandemie. Was het in deze periode belangrijk om de korte termijn te reorganiseren en zorgen dat de organisatie blijft bestaan? Of was het juist een mogelijk om te innoveren en op de lange termijn nieuwe processen in te richten? Het onderzoek gaat over de keuzes hiertussen in deze periode van snelle verandering en dynamiek. Belangrijk om te weten is dat er geen goed of fout antwoord is. Het is juist interessant om te kijken vanuit verschillende vakgebieden wat de redenatie hiervoor is geweest.

Verder kun je ook denken aan het inzetten van middelen binnen de organisatie in deze periode. Het personeel, bijvoorbeeld de expertise en bekwaamheid die ze hebben ingezet. Maar ook het sociale kapitaal zoals netwerken binnen de organisatie voor interdisciplinaire probleemoplossing of meer op organisatorisch kapitaal, zoals de organisatie cultuur, structuur en systemen (IT). Hoe hebben deze middelen bijgedragen tijdens de pandemie en waarom juist deze middelen? Dat is een vraag die centraal staat binnen het onderzoek.

Op de vragen hoef je voorafgaand het onderzoek geen antwoord op te hebben, maar het is goed om alvast te weten waar het over gaat. Het is dan ook interessant hoe hier vanuit (vakgebied) is naar gekeken. We gaan dit samen rustig doorlopen en ik denk dat we zo op hele mooie inzichten zullen komen.

Ik heb er in ieder geval zin in, tot (datum).

Met vriendelijke groeten,

Luuk Beekman

Appendix III: Semi structured interview guide (Dutch)

Bedankt voor je deelname aan dit onderzoek. Vind je het goed als ik het interview opneem? Ik heb voorafgaande nog een korte mail gestuurd waarom dit onderzoek nou relevant is voor (name of the firm). Het interview zal ongeveer een uur duren. Alles wordt anoniem verwerkt in het onderzoek, namen en (name of the firm) zal ook niet genoemd worden. Verder is de tijdlijn ongeveer maart 2020, toen iedereen thuis moest komen te werken en wanneer Amerika haar grenzen sloot tot maart 2022 van dit jaar. Toen deze maatregel geschrapt was. Verder waren er veel onzekerheden hoelang de pandemie ging duren.

Landgrenzen opende en sluiten af en aan, reisadviezen werden aangepast en mensen moesten contant thuis werken. In deze periode gebeuren er radicale veranderingen wat impact heeft op je investeringen op lange termijn, maar je hebt ook je bestaande bedrijfsprocessen die blijven moeten draaien. Je wilt lekker innoveren en met de toekomst bezig zijn, maar corona zorgde voor veel korte-termijn beslissingen. Dit onderzoek gaat over hoe jullie middelen, mensen, kennis binnen de organisatie hebben ingezet in deze periode. Vooral het aspect over wat ga je afschalen en waarin ga je investeren qua bedrijfsprocessen.

Als we nu eens kijken naar die periode van maart 2020 tot maart 2022 en sommige veranderingen die ik opnoemende, welke middelen (personeel, sociaal, organisatorisch) hebben jullie ingezet om juist of te schalen of op te bouwen?

Potentiële vragen:

- Wat voor impact op het bedrijfsmodel?
- Welke middelen waren belangrijk en hoe zijn deze ingezet?
- Kun je me vertellen hoe het proces is gegaan?
- Veranderingen aangebracht in die mensen, middelen, organisatiestructuur?
- Organisatie proces, hoe zag dat eruit?
- Waren de keuzes gemaakt in deze periode gepland en organisch?
- Hoe omgegaan met innovaties in deze periode?
- Hoe ingeving gegeven aan deze middelen en proces?
- Kijken jullie nu anders naar innovaties aan?
- Welke bedrijfsprocessen zijn er veranderd sinds de pandemie?
- Wat had (name of the firm) beter kunnen doen tijdens de pandemie?

Bedankt voor je deelname aan dit onderzoek. Het was heel interessant om te horen welke keuzes en waarom (name of the firm) deze heeft gemaakt. Is er nog iets anders wat je wilt zeggen, waar ik niet naar heb gevraagd, maar waarvan jij denkt dat het wel belangrijks is in deze context. Mocht je naar aanleiding van dit interview nog vragen hebben, mijn contactgegevens staan in de mail.

Appendix IV: Cheat sheet during interview

CHEATSHEET

Organizational level: Business Unit, Team, Individual

Human Capital

- Bekwaamheid van personeel.
- Experts in het vak
- Kunnen nieuwe ideeën en kennis creëren.

Social Capital

- Netwerken en samenwerking
- Informatie delen
- Ideeën delen en samenwerken met andere afdelingen
- Oplossingen maken samen met klanten, leveranciers en partners

Organizational Capital

- Patenten en licenties
- Organisatie cultuur is voor kennis creatie en innovatie
- Organisatie heeft veel kennis door structuren en systemen, deelt dit door IT
- Organisatie heeft veel kennis in databases en instructies

Table 3. *Operationalization of ambidexterity and resources*

Managerial practices	**Intellectual resources**
Strategy - Deliberate vs. emergent	*Organizational capital* - Formal and informal structures of the organization
Structure - Mechanistic vs. organic	*Human capital* - Managerial abilities
Incentive - Pay for performance vs. tolerance for early failure	*Social capital* - Knowledge sharing and network abilities
Process - Execution vs. search	
Customer involvement - Mainstream customers vs. lead users	
Supply chain - Efficient vs. responsive	
Acquisition - Acquisition: Integration vs. autonomy	

Appendix V: Example of networks used for data analysis