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IT-DRIVEN DIVESTMENTS: TOWARDS THEORETICAL MULTIPLICITY THROUGH A CONFIGURATIONAL APPROACH

Research Paper

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Abstract

The ongoing digitization, IT advancements, and innovative business models disrupt many industries. They pressure established organizations to adjust their organizational structures and procedures within their own business. So far, IT-driven divestments have received less attention in IS research. Following the configurational approach to two theoretical perspectives – (1) the resource-based view and (2) the concept of ambidexterity – we derive two causal configurations to ground IT-driven divestments theoretically. Thereby, we contribute to theory by illustrating the suitability of a configurational approach to investigate the theoretical multiplicity of IT-driven divestments. We discuss our insights against the theory of path dependence. We conclude by outlining our contribution to theory and practice and suggesting steps for future research.

Keywords: Digitization, IT-Driven Divestments, Theoretical Perspectives, Configurational Approach.

1 Introduction and Research Motivation

Digitization and IT advancements change entrepreneurial opportunities, and the way, how businesses and societies function (Chen et al., 2012; Markus, 2017; Newell and Marabelli, 2015). Innovative business models increase efficiency and allow for low transaction costs, high speed, and high scalability (Rifkin, 2014; Shirky, 2008). As they often do not depend on specific resource or asset constraints (Zhang et al., 2018), they disrupt ongoing organizational routines and enhance competition towards established organizations (Rifkin, 2014; Tushman and O'Reilly, 1997).

Organizations have adjusted their assets in response to industry and market conditions and technological changes for decades (Anand and Singh, 1997; Levinthal and Wu, 2010). When facing the ongoing digitization and IT advancements, organizations can increase profitability through well-directed opportunities from entry and exit (Chang, 1996). A large body of literature investigates a holistic view of different organizational reconfiguration strategies for driving organizational and innovation performance (Chang, 1996; El Sawy et al., 2010; Queiroz et al., 2018; Tallon et al., 2019). More narrowed investigations focus on IT adaptations through the acquisition of IT-based assets (Ahuja and Katila, 2001; Hess et al., 2016). They investigate particularly the investment into skilled staff and technologies (Brynjolfsson and Hitt, 2000; Kauffman and Mohtadi, 2004). They explain how organizations align the IT-based acquisitions with their product and service portfolio (Kauffman and Mohtadi, 2004; Sedera et al., 2016). They also study how established organizations align heterogeneous core and acquired assets for business growth (Zhang et al., 2018).

Different research fields address the variously applicable concept of divestments (Barney, 1991; Kaul, 2012; Markides, 1995). Past literature distinguishes divestments according to broader, superordinate and more narrowed, subordinate strategic actions. Broader, superordinate notions on divestments relate to overall organizational restructuring, reconfiguring, and downscoping (Karim and Capron, 2016). More narrowed, subordinate notions on divestments relate to precisely defined strategic actions, such as partial or complete sales, reallocations, spin-offs, and equity carve-outs (McKendrick et al., 2009; Montgomery and Thomas, 1988; Villalonga and McGahan, 2005).

A still nascent body of literature investigates *IT-driven divestments* as crucial endeavors to meet the ends of agile innovation adaptation and to enhance rent-maximization and market success (Kaul, 2012; Moschieri and Mair, 2011; Queiroz et al., 2018). Taking into account the multiplicity of notions, we refer to a broad perspective defining IT-driven divestments. We define IT-driven divestments as general withdrawals of particular business assets or activities in response to digitization and IT advancements (Karim and Capron, 2016; Moschieri and Mair, 2011; Queiroz et al., 2018). In this focus, we only consider IT-driven divestments undertaken primarily to enhance organizational and innovation performance (Queiroz et al., 2018).

In IS research, studies explicitly investigating IT-driven divestments regarding their theoretical grounding are still scarce. IS research investigates IT-driven divestments primarily as an integrated part of different, holistically investigated organizational reconfiguration opportunities (Queiroz et al., 2018). Theoretical groundings on organizational reconfiguration point to an underlying theoretical multiplicity (e.g., El Sawy et al., 2010; Fink, 2010; Tallon et al., 2019). Two theoretical perspectives, i.e., (1) the resource-based view and (2) the concept of ambidexterity, are predominant for explaining organizational reconfiguration strategies. According to the resource-based view, organizations reconfigure their assets to maintain a rent-maximizing asset equilibrium among all business activities (Wade and Hulland, 2004). The concept of ambidexterity suggests for balancing exploitation and exploration activities. Thereby, organizations separate business activities in order to align independently with environmental dynamism and changing market demands (Montealegre et al., 2019; Zhang et al., 2018).

To this end, we draw on the theoretical multiplicity regarding organizational reconfigurations and yet limited scientific awareness and theoretical grounding regarding IT-driven divestments in IS research. Hence, we ask which causal configurations theoretically ground IT-driven divestments.

We aim at providing a set of causal configurations to ground IT-driven divestments theoretically. Thereby, we contribute to theory by illustrating the suitability of a configurational approach to investigate the theoretical multiplicity of IT-driven divestments. With regard to a complex and multifaceted phenomenon, we aim at emphasizing the interrelatedness of multiple theoretical perspectives through a configurational lens.

The remainder of this paper is as follows. First, we introduce the configurational approach (El Sawy et al., 2010; Fink, 2010; Lee et al., 2019; Park et al., 2020; Park and Mithas, 2020) and explicate its relevance for conducting our research. Then, we summarize two theoretical perspectives shaping IT-driven divestments. Next, we apply the configurational approach (Park et al., 2020). We draw on the factorial logic to specify the relevant measurable attributes for the causal configurations and on the combinatorial logic to derive the causal configurations of the attributes. To part, we discuss our findings and suggest implications for future research on IT-driven divestments.

2 Configurational Approach to Investigate Theoretical Multiplicity

IS research has increasingly moved towards non-linear theoretical groundings and applied a configurational approach to investigate multifaceted and complex business phenomena (El Sawy et al., 2010; Lee et al., 2019; Park et al., 2020; Park and Mithas, 2020). According to the configurational approach, 'configurations' consider phenomena as clusters of interdependent attributes that form a holistic integrated pattern (Meyer et al., 1993). Configurations of causally relevant, but distinct

attributes may contribute interdependently to a target outcome (Meyer et al., 1993; Park et al., 2020). Depending on the number of provided attributes, one can empirically investigate an infinite number of interdependent configurations for causal patterns (Meyer et al., 1993). Hence, the configurational approach allows for insights into how certain configurations of attributes cause a target outcome (Meyer et al., 1993; Park et al., 2020).

The configurational approach challenges linear, either positive or negative, causal assumptions. It also challenges unifinal assumptions, which build on only one combination of theoretical constructs and variables (Fichman, 2004; Fink, 2010; Meyer et al., 1993). Instead, it offers a more holistic view of multifaceted and complex organizational phenomena (El Sawy et al., 2010; Fichman, 2004).

It is appropriate for investigating theoretical multiplicity shaped by discontinuities or interdependencies (Meyer et al., 1993; Rihoux and Ragin, 2009) as it allows for combining multiple research dimensions, such as strategy, structure, environment, and technology (El Sawy et al., 2010; Fink, 2010). It has been pursued for studying IT governance constellations (Sambamurthy and Zmud, 1999), IT outsourcing (Fink, 2010; Lee et al., 2019), and for theorizing digital ecodynamics (El Sawy et al., 2010).

In this paper, the theoretical perspectives of interest comprise two theoretical perspectives – the resource-based view and the concept of ambidexterity. We apply the configurational approach by investigating these theoretical perspectives according to the principles of factorial and combinatorial logic (Park et al., 2020). As a result, we specify the relevant measurable attributes and derive causal configurations.

3 Theoretical Perspectives Shaping IT-Driven Divestments

We consider two theoretical perspectives shaping IT-driven divestments: (1) the resource-based view and (2) the concept of ambidexterity.

3.1 The Resource-Based View

According to the resource-based view, an organization's competitive position results from efficiently possessing a resource bundle (Penrose, 1995; Wade and Hulland, 2004; Wernerfelt, 1984). Heterogeneously distributed organizational resources, which are valuable, rare, costly to imitate, and non-substitutable enhance a fundamental and lasting resource-based competitive advantage of an organization (Barney, 1991).

The resource-based view distinguishes organizational resources between organizational assets and organizational capabilities (Wade and Hulland, 2004). Tangible and non-tangible organizational assets cover everything that an organization can use for offering its products and services. Organizational capabilities include repeatable patterns of actions required to offer products or services to a market (Wade and Hulland, 2004). According to the resource-based view, organizations focus on capabilities for efficient asset configuration to achieve competitive advantage and rent-maximization. They aim at an efficient equilibrium of their assets to boost efficient and effective strategies (Barney, 1991; Penrose, 1995; Wernerfelt, 1984).

External changes, such as digitization and IT advancements, may disrupt an asset equilibrium so that the initial asset configuration is not any longer rent-maximizing (Kaul, 2012). Competitors' reactions to disruptive changes decrease the value of assets and challenge the formerly optimal configuration (Karim and Capron, 2016; Kaul, 2012; Levinthal and Wu, 2010). In their struggle to adapt, organizations need to create an entirely different asset configuration (Teece, 2007).

Any reconfiguration of assets entails transacting assets from one business area to another (Karim and Capron, 2016; Kaul, 2012; Levinthal and Wu, 2010; Queiroz et al., 2018). On the one hand, organizations create and leverage and, on the other hand, they divest particular assets (Pavlou and El Sawy, 2006; Queiroz et al., 2018; Yeow et al., 2018). They divest less profitable, stagnating business assets and activities (Eisenhardt and Martin, 2000; Kaul, 2012; Leimeister et al., 2012; Montgomery and Thomas, 1988; Queiroz et al., 2018; Villalonga and McGahan, 2005). They also divest assets or

business activities, which become fully automated or outsourced (Chae et al., 2014; Kaul, 2012; Levinthal and Wu, 2010).

The resource-based view further emphasizes particular capabilities – such as dynamic capabilities or dynamic IT capabilities, that foster and support the adjustment of organizational routines and asset configurations in dynamic contexts (Bharadwaj, 2000; Eisenhardt and Martin, 2000; Kim et al., 2011; Pavlou and El Sawy, 2006; Queiroz et al., 2018; Teece et al., 1997; Teece, 2007; Wade and Hulland, 2004; Zhou and Wu, 2010).

3.2 The Concept of Ambidexterity

The concept of ambidexterity (Montealegre et al., 2019; O'Reilly and Tushman, 2008; Zhang et al., 2018) has gained growing attention in the context of digital transformations (Montealegre et al., 2019; Zhang et al., 2018). In response to environmental dynamism changing technologies and market demands, ambidexterity aims at exploiting mature markets with incremental and continuous improvements and simultaneously exploring emerging markets through non-routine coping with disruptive innovations (Lavie and Rosenkopf, 2006; Tushman and O'Reilly, 1997; Zhang et al., 2018). The main idea behind ambidexterity is to avoid tensions and inertial behavior while coordinating differentiated business activities. Thereby, it enhances congruence between environmental contexts and organizational design (Christensen and Raynor, 2003; McKendrick et al., 2009; Montealegre et al., 2019; Moschieri and Mair, 2011). Ambidexterity also enhances intra-temporal economies of scope by decreasing transaction costs, which reinforces the efficient use of assets across differentiated business activities (Helfat and Eisenhardt, 2004; Markides, 1995; Moschieri and Mair, 2011).

Although pursuing both activities is key to maintain efficiency, simultaneous exploitation and exploration activities underlie controversies (Lavie et al., 2010). They struggle to coexist simultaneously as they represent opposing ends of a continuum and compete for scarce organizational resources (Lavie et al., 2010; March, 1991). To counteract such tensions, organizations engage in different coordination efforts to balance those activities and thereby to maintain efficiency and competitive advantage (Lavie et al., 2010; March, 1991). The aim is particularly to achieve a certain appropriate, not uniformly definable level of balance between exploitation and exploration activities (Lavie et al., 2010). The balance threshold individually depends on environmental conditions and organizational strategic directions (Auh and Menguc, 2005; Lavie et al., 2010). To achieve a certain balance between exploitation and exploration activities, organizations can pursue a set of different modes of balancing (Lavie et al., 2010). Past research emphasized four major modes of balancing, distinguished by separation and non-separation approaches (Lavie et al., 2010). Separation approaches include exploitation and exploration activities via separation on the organizational level by structure, time, or domain. Non-separation approaches require supportive organizational initiatives and contexts that enable simultaneous exploitation and exploration on a micro-level, i.e., among individuals or groups within an organization (Lavie et al., 2010). In the context of this paper, we particularly refer and limit our theoretical consideration to balancing modes via organizational separation (structural differentiation).

Organizational separation suggests for segmentation and reconfigurations of independent business assets or activities dedicated either to exploitation or exploration activities (Duncan, 1976; Jansen et al., 2009; Lavie et al., 2010; Montealegre et al., 2019; Moschieri and Mair, 2011; O'Reilly and Tushman, 2008; Teece, 2007). It often relates to divesting selected business activities, especially if the expected sum value of the separated, independent business activity and the core business is greater than the former joint business (Moschieri and Mair, 2011). Moschieri and Mair (2011) find that divesting certain business activities facilitates a decentralized organizational structure, which helps preventing bureaucratic liabilities while allowing for flexibility and rapid market entries.

4 Causal Configurations for IT-Driven Divestments

Causal configurations formulate how causally relevant attributes combine into configurations related to a target outcome (Park et al., 2020). Here, we outline the combinations of causally interrelated attributes that lead to IT-driven divestments. We derive them from applying the factorial logic and the combinatorial logic (Park et al., 2020) to the two theoretical perspectives – the resource-based view and the concept of ambidexterity.

4.1 Factorial Logic

The factorial logic specifies what measurable attributes are relevant for the target outcome (Park et al., 2020). It draws on the two theoretical perspectives to specify further the respective measurable attributes for deriving the causal configurations (Table 1).

Drawing on the resource-based view, we refer to reconfigurability (Bharadwaj, 2000; Kaul, 2012; Levinthal and Wu, 2010; Pavlou and El Sawy, 2006; Queiroz et al., 2018) as a measurable analogous attribute for *IT-driven divestment reconfigurability*. It points to the intersection of dynamic reconfigurations – including expansions, innovations, and divestments – of organizational and IT-based assets (Karim and Capron, 2016; Pavlou and El Sawy, 2006; Queiroz et al., 2018). It underlines the ability to reconfigure and divest ineffective functional competencies and shape more promising ones, which better match the environment (O'Reilly and Tushman, 2008; Pavlou and El Sawy, 2006; Teece et al., 1997). To measure IT-driven divestment reconfigurability, we adopt measurement constructs from Pavlou and El Sawy (2006) and Queiroz et al. (2018) (Table 2). An adjusted five-item measurement construct on reconfigurability captures the level of an organization's IT-driven divestment reconfigurability, from high to low levels.

Drawing on ambidexterity and the balancing mode for exploitation and exploration activities, we consider structural differentiation (Bower and Christensen, 1995; Duncan, 1976; Moschieri and Mair, 2011) as a measurable attribute for *IT-driven organizational separation via divestments*. The attribute particularly serves as a single variable for capturing the balance of exploitation and exploration activities. To measure IT-driven organizational separation via divestments, we adopt the measurement construct on structural differentiation from Jansen et al. (2009) (Table 2). A seven-item measurement construct captures the level of IT-driven organizational separation via divestments, from high to low levels.

Drawing on the literature on organizational reconfigurations (Queiroz et al., 2018), we define the target outcome as the *organizational and innovation performance*. To measure the target outcome, we adopt and combine two measurement constructs – one on organizational performance (adopted from Queiroz et al., 2018) and one on innovation performance (adopted from Oke, 2007) (Table 2). Two five-item measurement constructs capture the level of organizational performance and innovation performance.

Overall, we specify two measurable attributes for deriving the causal configurations. Additionally, we specify a measurable target outcome (Table 1).

Theoretical Perspective	Measurable Attribute	Measurement Dimension
Resource-Based View	IT-driven Divestment Reconfigurability (via Reconfigurability)	High to low
Concept of Ambidexterity	IT-driven Organizational Separation via Divestments (via Structural Differentiation)	High to low
Resource-Based View; Concept of Ambidexterity	Organizational and Innovation Performance	High to low

Table 1. Summary of relevant attributes specified from factorial logic.

Measurement Constructs		
Measurable Attribute	Source	Items
IT-Driven Divestment Reconfigurability	Adopted from Pavlou and El Sawy (2006) and Queiroz et al. (2018)	(1) The ability to reconfigure IT-based and organizational resources to come up with new productive assets;
		(2) the ability to effectively integrate and combine existing resources into "novel" combinations;
		(3) the ability to reconfigure and divest IT-based and organizational resources to come up with new productive assets;
		(4) the ability to effectively divest, integrate, and combine existing resources into "novel" combinations;
		(5) relative to major competitors, our organization can quickly divest, discontinue or decommission less valuable (IT) assets and capabilities.
IT-Driven Organizational Separation via Divestments	Adopted from Jansen et al. (2009)	(1) Innovation activities are structurally separated within our organization;
		(2) our business assets and activities are specialized in specific functions and/or markets;
		(3) we serve our customers' needs from separate departments;
		(4) the line and staff departments are clearly separated within our organization;
		(5) our organization has separate business assets and activities to enhance innovation and flexibility;
		(6) we have business assets and activities that are either focused on the short term or the long term;
		(7) our organization separates business assets and activities via divestments to enhance innovation and flexibility.
Organizational and Innovation Performance	Adopted from Queiroz et al. (2018) and Oke (2007)	(1) We are more profitable than our competitors;
		(2) our sales growth exceeds that of our competitors;
		(3) our revenue growth exceeds that of our competitors;
		(4) our market share growth exceeds that of our competitors;
		(5) overall, our performance is better than our competitors;
		(6) our company is at the leading edge of innovation;
		(7) our company is perceived by customers to be more innovative than our competitors;
		(8) our company is better than our competitors at developing products and services to meet customer needs;
		(9) our company is more effective than our competitors at taking existing ideas and making them into something better;
		(10) our company is one of the first to market with innovative new products and services.

Table 2. Summary of measurement constructs.

4.2 Combinatorial Logic

The combinatorial logic offers insights into how the different attributes relate to each other in terms of the different configurations that contribute to the target outcome (Park et al., 2020). Based on the specified attributes and the knowledge from the two theoretical perspectives, we deductively derive the causal configurations on IT-driven divestments (Table 3).

For the first causal configuration, we consider the attribute of IT-driven divestment reconfigurability to be relevant for the target outcome in isolation of the other attribute. IS research proved agile asset reconfigurability (including divestments) to positively affect organizational performance (Queiroz et al., 2018). In particular, it relates to higher profitability, increased revenues, and higher market share growth (Queiroz et al., 2018). When facing emerging innovations, divesting retired resources or legacy assets loosens barriers for agility and thereby positively relates to organizational performance as well as innovation competitiveness (Pavlou and El Sawy, 2006; Queiroz et al., 2018).

To provide an example, we refer to AccorHotels, which pursued a major organizational reconfiguration for its digital transformation – from an asset-heavy towards an asset-light organization. In 2018, it divested a majority stake of its real estate business AccorInvest and increased its investments as well as its business focus on digital home rental platforms, such as Onefinestay (Accor, 2018). Since the divestment, AccorHotels reports increasing revenues linked to the digital transformation efforts towards an asset-light organization (Accor, 2020).

Hence, we derive:

Causal Configuration 1: A high level of IT-driven divestment reconfigurability leads to higher organizational and innovation performance.

For the second causal configuration, we consider the attributes of IT-driven divestment reconfigurability and IT-driven organizational separation via divestments to interrelate with the target outcome. Past research (Montealegre et al., 2019; O'Reilly and Tushman, 2008) has grounded these concepts interchangeably to explain balancing efforts like IT-driven divestments to handle exploitation and exploration efficiently, especially during environmental dynamism (Duncan, 1976; Jansen et al., 2009; Moschieri and Mair, 2011; Tallon et al., 2019). Balancing exploitation and exploration activities counteracts asset disequilibriums resulting from environmental changes and disruptions (Lavie et al., 2010; Levinthal and March, 1993). Hence, organizational separation and the capability of dynamically reconfiguring assets may interrelate to balance efficiently contradictory tensions and conflicting strategic demands in highly dynamic contexts (Montealegre et al., 2019). In changing environments and market demands, IT-driven divestments in the course of organizational reconfigurations as well as separations allow for differentiated and autonomous business operations. Thereby, they counteract inter-organizational, contradictory tensions in terms of transaction inefficiencies through over-diversification (Markides, 1995; Rawley and Simcoe, 2010). Also, they counteract inefficiencies of centralized decision making and processes with traditional legacy business activities (Lavie et al., 2010; Moschieri and Mair, 2011). They finally enhance cost advantages related to efficient operating of independent, differentiated, and inconsistent business activities and hence increase intra-temporal economies of scope (Helfat and Eisenhardt, 2004; Markides, 1995).

To provide an example, we refer here to Intel, which shifted its former core business towards data-centric business activities, including a memory business and Internet of Things services. In 2016, it divested a majority stake of its security software segment (McAfee) and invested the freed capital in digital platform start-ups like Mobileye (Zacks Equity Research, 2018). The divestment allowed the security software segment – though still with close ties to Intel – to follow incremental developments, such as independently enhancing competitiveness in the cybersecurity market (Wright, 2021). In turn, Intel's new core business adapting to disruptive data-centric activities reported steadily rising revenues since the transformation (Chitkara, 2020).

Hence, we derive:

Causal Configuration 2: A high level of IT-driven divestment reconfigurability and a high level of IT-driven organizational separation via divestments lead to higher organizational and innovation performance.

Attribute	Causal Configuration 1	Causal Configuration 2
IT-driven Divestment Reconfigurability (via Reconfigurability)	✓	✓
IT-driven Organizational Separation via Divestments (via Structural Differentiation)		✓

Table 3. Causal configurations derived from combinatorial logic.

5 Discussion

While we consider technological innovations as an opportunity for investing in product and service offerings (Brynjolfsson and McAfee, 2014), we find it worthwhile to extend the attention to IT-driven divestments as likewise efficient strategies for mastering digital transformations.

Having stressed the theoretical multiplicity and interrelatedness of attributes related to IT-driven divestments, the present paper raises the concern of limited exhaustiveness of investigating theoretical multiplicity as originally demanded by the configurational approach. Even though the configurational approach is applied to counteract linear theoretical observations and demonstrate non-linearity, it often investigates only a subset of the relevant attributes and interdependencies (Fink, 2010).

Causal configurations should not be perceived exhaustive, but rather as illustrations of possible interrelations between attributes grounded in different theoretical perspectives (Miller, 1996). Hence, the configurational approach is generally limited to capturing the whole spectrum of both the relevant attributes as well as all interrelations between the attributes (Fink, 2010).

By considering 'only' two theoretical perspectives shaping IT-driven divestments, one may want to enrich the present illustrations by the theory of path dependence or the concept of inertia (Lim et al., 2011). The literature sees both perspectives as complementary and contradictory to the insights generated along with the theoretical perspectives in the focus of this paper (Barney, 1991; Bharadwaj, 2000; Eisenhardt and Martin, 2000; Lavie et al., 2010; Moschieri and Mair, 2011; O'Reilly and Tushman, 2008; Penrose, 1995; Teece, 2007; Wade and Hulland, 2004; Wernerfelt, 1984).

Not only in the context of digitization and IT advancements, has path dependence prevented organizations from commoditizing IT assets and capabilities (Kim et al., 2011). It constrains deploying innovative IT-driven processes, even if they become the 'new normal' (Lim et al., 2011). Thus, path dependence in the narrow sense restricts any changes in an organization's established asset configuration. Singh et al. (2015) expand the concept of path dependences towards the concept of path creation. They point out that organizations attempt to form paths in real-time by actively shaping emerging practices and artifacts. Accumulated artifacts, tools, and processes become the fabric for entrepreneurs interacting with each other and the IT artifacts and thereby co-creating new structures and new technological paths (Singh et al., 2015).

6 Contribution and Outlook for Future Research

The literature (Hess et al., 2016; Sedera et al., 2016; Zhang et al., 2018) sheds light on various aspects of the ongoing digitization and IT advancements disrupting organizations. In most cases, it investigates the adoption via investment efforts and the resulting business opportunities. Our work makes an effort to raise scientific awareness to IT-driven divestments in IS research. Therefore, we provide a set of causal configurations to theoretically ground IT-driven divestments. We have investigated the theoretical multiplicity of IT-driven divestments. Applying the configurational

approach and drawing on the resource-based view and the concept of ambidexterity, we have illustrated the interrelations that theoretically ground IT-driven divestments. As measurable attributes we have specified (1) IT-driven divestment reconfigurability and (2) IT-driven organizational separation via divestments and derived two causal configurations.

We contribute to theory by reflecting the causal configurations against the multiplicity and individuality of real-life organizational innovation opportunities. In particular, we illustrate the suitability of a configurational approach to investigate the theoretical multiplicity of IT-driven divestments. We point to the value of following a non-linear perspective on the dynamics of responding to the increasingly ubiquitous digitization and IT advancements. Instead of offering exhaustive causal configurations (Miller, 1996), we provide interrelations of two theoretical perspectives grounding a broad notion on IT-driven divestments. We contribute to practice by extending the traditional linear scope of reactive efforts to digitization and IT advancements.

Obviously, our study also has limitations. It has not yet carefully disaggregated the high-level constructs in order to close the gap between granular real-life empirical evidence on the one hand and holistic and long-established theoretical perspectives on the other. Hence, our research still lacks the empirical backing of the proposed configurations. This leaves room for future more focused as well as more exhaustive investigations through a configurational lens (Fink, 2010):

- Future research may want to follow-up on our set of causal configurations. Applying the specified measurement constructs, we would suggest a survey-based approach.
- Alternatively, future research may want to conduct a fuzzy-set Qualitative Comparative Analysis as it is commonly applied for configurational approaches (Park et al., 2020).
- Or, with a longitudinal study, future research may want to capture the strategic actions during multiple innovation life cycles. Thereby, it could pay tribute to the dynamic nature of IT-driven divestments and focus on the temporal separation as strategic option for balancing exploitation and exploration activities (Lavie et al., 2010).

We hope that our work may serve as a thought-provoking eye-opener and promote further investigations on IT-driven divestments as a successful answer to digitization and IT advancements.

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