Analyses March 2021

1. Data structure: unbalanced panel, 56 firms, 22 years
2. Below Social Aspirations (BSA) regarding ROE
3. I have estimated a separate model for each attention dimension.
4. Reason: The 3 ATTENTION variables (PRODUCT, GROWTH, GEOGRAPHY) cause multicollinearity if included together in the model (even if two of them)
5. GROWTH is the attention dimension that works the best. Results (in terms of Elio’s hypotheses):
   1. H1a. Increased underperformance magnitude leads to LOWER attentional focus to industry’s competitive traits.
   2. H1b. Increased underperformance duration leads to LOWER attentional focus to industry’s competitive traits.
   3. H2a. Increased underperformance magnitude leads to LOWER R&D search.
   4. H2b. Increased underperformance duration leads to LOWER R&D search.
   5. H3a. Attentional focus to industry’s competitive traits mediates the NEGATIVE relationship between underperformance magnitude and R&D search.
   6. H3b. Attentional focus to industry’s competitive traits DOESN’T mediate the negative relationship between underperformance duration and R&D search.