Analyses – 10 March 2021

‘Ambidexterity as a form of distant search’: measured by AMB0 (= sum of RD\_alliances + non\_RD\_alliances) and AMB1 (absolute value of the difference between RD\_alliances and non\_RD\_alliances)

The regression model contains all controls as well as firm dummies and year dummies. Standard errors are robust to intra-firm correlation. The last table only shows the relevant coefficients, but the estimation has included all.

As for ATTENTION, it is not possible to include the three dimensions at the same time, PRODUCT, GROWTH, GEOGRAPHY, since their sum equals 1. The option of taking only two of them and their interactions results in multicollinearity. Therefore, I have built ATTENTION as the standard deviation of the three dimensions, so that (similar idea to ambidexterity) if the values for the three dimension look alike (small std), the firm has a more disperse attention than when it focuses on one.

Results:

H1a. Increased underperformance magnitude leads to higher ambidextrous alliance

activity. SUPPORTED in AMB0

Rationale: Short-term problemistic search leads to increased distant search. Making

ambidextrous alliances may be a good short-term solution.

H1b. Increased underperformance duration leads to lower ambidextrous alliance

activity. SUPPORTED both in AMB0 and AMB1

Rationale: Long-term problemistic search leads to decreased distant search. Making

ambidextrous alliances may not be a good long-term solution due to the tension they

represent.

H2. Attentional focus to industry's competitive traits leads to higher ambidextrous

alliance activity. ATTENTION IMPACTS AMB0 ONLY IF the firm is performing below aspirations. Then AMB0 decreases as ATTENTION increases. The decrease increases with underperformance magnitude

Rationale: Organizational attention theoretical framework.

H3a. Attentional focus to industry's competitive traits strengthens the positive

relationship between underperformance magnitude with ambidextrous alliance

activity.

H3b. Attentional focus to industry's competitive traits weakens the negative

relationship between underperformance duration with ambidextrous alliance activity.

Rationale: Managerial myopia leads firms to focus their attention on

underperformance benchmarking with referents regardless of underperformance

magnitude and duration. This can be a problem for underperformance duration which

may need to be addressed from an intrafirm perspective rather than interfirm one

(e.g., local R&D search, restructuring, etc.).