Analyses – 10 March 2021

‘Ambidexterity as a form of distant search’: I have used AMB0 (= sum of RD\_alliances + non\_RD\_alliances) as well as 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. If I include only two of them and their respective interactions with ASPIRATIONS and DURATION, multicollinearity is problem. Therefore, I have decided to build ATTENTION as the standard deviation of the three dimensions, so that (similar idea as for ambidexterity) if the values of the three dimension look alike (for example, 0.3, 0.3 and 0.3 this will result in a small standard deviation), the firm has a more disperse attention than when it focuses just on one (0,0,1 will result in a greater standard deviation).

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, there is no impact otherwise. In the case of impact, ATTENTION negatively impacts AMB0. The impact is more negative 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.).