

Structure-Based Alliance Ambidexterity: An Empirical Study of the American Motion Picture Industry

Chailin Cummings
California State University Long Beach

A central and recurring theme in organizational scholarship is the importance of recognizing and dealing with stability and change, along with accommodating the conflicting demands they often present. March and Simon (1958) argued that organizations can improve their performance by separating units that are taking advantage of existing successes from those that are trying to discover new opportunities. Burns and Stalker (1961) argued that mechanistic structures are better in a stable environment and organic structures are more effective under conditions of change. Thompson (1967) considered that both efficiency in established practices and flexibility in developing new practices were cornerstones of organizational effectiveness. He argued that without efficiency, organizations' competitive advantage would suffer, and without flexibility, organizational inertia could lead to fatal entrapment in outmoded routines and procedures. Duncan (1976) agreed that firms should strive for a blend of efficiency and flexibility, and he coined the term 'organizational ambidexterity' for that combination. Tushman and O'Reilly (1996) followed a similar approach when they defined ambidexterity as a firm's ability to be both efficient in the short term as well as flexible in the long term. Achieving efficiency and flexibility, as March (1991) suggested, requires organizations to perform two types of competing and complementary activities: exploitation and exploration. Exploitation aims at improving organizational alignment, stability, and control. Exploration focuses on increasing learning scope, experimentation, and adaptation. March noted that an organization should "...engage in sufficient exploitation to ensure its current viability and, at the same time, devote enough energy to exploration to ensure its future viability" (March, 1991, p. 105).

Central to organizational ambidexterity theorizing is the importance of achieving a balance between exploitation and exploration activities, which can contribute to organization performance. Scholars have identified a variety of possibilities for combining exploitation and exploration activities (Raisch et al., 2009). Internally, organizations can combine exploitation and exploration activities either consecutively or concurrently. When combined consecutively, firms shift back and forth between exploitation and exploration, so they engage in both activities, but not at the same time (Nickerson & Zenger, 2002). When combined concurrently, firms engage in exploitation and exploration at the same time, but adopt different methods of doing so. A structural approach separates exploitative and exploratory activities into different units of an organization (Brown & Eisenhardt, 1997). A contextual approach employs organizational systems that induce firm members to effectively separate their work into exploitation and exploration tasks. Here, the systems create a context favorable to ambidexterity by enhancing members' shared vision, support, and trust. Regardless of the specific method used to combine exploitation and exploration within a firm, the "ambidexterity hypothesis" suggests that firms pursuing a balance of exploitation and exploration, rather than an emphasis on one or the other, will exhibit better performance than firms that do not (March, 1991; Levinthal & March, 1993; Tushman & O'Reilly, 1996).

Recently, researchers have extended the ambidexterity hypothesis from the organization to the inter-organizational level. The term "alliance ambidexterity" is used for firms that use external partners to expand their resource space to achieve a balance between exploitation and exploration (Tiwana, 2008; Lavie & Rosenkopf, 2006; Rothaermel & Deeds, 2004; Cohen & Levinthal, 1990). Three types of alliance ambidexterity have been identified (Lavie & Rosenkopf, 2006): attribute, function, and structure. Attribute alliance ambidexterity occurs when a firm balances its organizational similarities (exploitation) and differences (exploration) with those of its partner(s). Functional alliance ambidexterity involves balancing a firm's upstream and downstream value chain activities with those of its external partners (e.g., exploitation through knowledge-leveraging marketing/production and exploration through knowledge-generating R&D). Structure-based alliance ambidexterity seeks to balance a firm's repeat partners (exploitation) and its new partners (exploration), a configuration that mirrors the structural approach to ambidexterity at the intra-organization level. Here, an organization can align with repeat partners to exploit efficient interactions and collaborate with new alliance partners to explore novel learning experiences (Koza & Lewin, 1998; Lavie & Rosenkopf, 2006; Park, Chen, & Gallagher, 2002; Rothaermel, 2001; Rothaermel & Deeds, 2004).

This study derives from three key limitations of current knowledge of the structural approach to alliance ambidexterity. First, there are a limited number of studies that investigated structure-based alliance ambidexterity, as shown by Nosella, Cantarello, and Filippini's (2012) bibliometric analysis of the ambidexterity literature. Second, while the "ambidexterity hypothesis" has largely received positive confirmation at the intra-organizational level (Cao, Gedajlovic, & Zhang, 2009; Hess & Rothaermel, 2011; He & Wong, 2004; Jansen, Van den Bosch, & Volberda, 2006; Sidhu, Commandeur, & Volberda, 2007), empirical results on the effect of structure-based alliance

ambidexterity on firm performance are mixed (Lin, Yang, & Demirkan, 2007; Lavie, Kang, & Rosenkopf, 2011; Lavie & Rosenkopf, 2006). Lavie et al. (2011) showed that having a balance of new and repeat partners does not affect firm performance, while Lin et al. (2007) found positive performance effects for such balance, at least in some of the cases studied. Third, researchers have begun to speculate on the interdependence between alliance ambidexterity and a firm's internal mode of organizing (Stettner & Lavie, 2013; Russo & Vurro, 2010). Structural alliance ambidexterity can entail trade-offs among firms' routines as well as increase organizational complexity. Thus, it is not clear whether a firm's internal mode of organizing, known as its "organization form," conditions the effect of structure-based ambidexterity on performance.

The purpose of this study is to address this limited understanding of how structure-based alliance ambidexterity (i.e., achieving a balance between new partners and repeat partners) relates to firm performance. Theoretically, a nuanced explanation of the ambidexterity hypothesis will be provided by integrating insights from the alliance and organizational ecology literatures into the ambidexterity framework. Empirically, the study examines the moderating effect of organization form (i.e., generalist vs. specialist) on the hypothesized relationship between structural alliance ambidexterity and firm performance. It provides a comprehensive analysis of the structure-based alliance ambidexterity hypothesis in the American film industry, a context in which inter-organizational alliances are prevalent.

First presented will be a theoretical justification for the structural ambidexterity hypothesis, including a refinement to account for organizational form. Then, the setting of the study is described and the research method and empirical results explained. The paper will conclude with limitations of the study and directions for future research.

Theory & Hypotheses

Alliance Ambidexterity

Organizations engage in boundary-spanning activities to reduce information uncertainty and to minimize resource dependency on the external environment, thereby increasing their overall survival chances (Scott, 1995). Along these lines, organizations form strategic alliances with other organizations to share risks and to promote joint learning through utilizing complementary assets in developing new technologies, products, and services (Gulati, 1998; Dyer & Singh, 1998). Extending March's (1991) work on exploration-exploitation, Koza and Lewin (1998) introduced the alliance ambidexterity concept to reflect a combination of partner-based exploitative and exploratory activities that allow an organization to simultaneously align its existing inter-organizational capabilities with its adaptation to environmental changes. Recent research illustrates that organizations engaging in external exploration and exploitation efforts with alliance partners tend to achieve greater overall balance in ambidexterity than relying on internal modes alone (Stadler, Rajwani, & Karaba 2013; Lavie & Rosenkopf, 2006; Tiwana, 2008).

Structure-based Alliance Ambidexterity and Performance

The fundamental driving force behind alliance formation is that together, partners

can accomplish goals that they would not be able to accomplish alone (Provan & Sydow, 2008). Such arrangements "... are a vivid example of voluntary cooperation in which organizations combine resources to cope with the uncertainty created by environmental forces beyond their direct control" (Gulati & Gargiulo, 1999, p. 1441). The actual methods whereby organizations combine resources to cope with uncertainty can be understood as a special form of social capital, the set of connections among people that facilitate coordination and cooperation for mutual benefit or performance (Putnam, 1993). When the connections are among groups of people, or organizations, social capital becomes alliance capital, sometimes called aggregate social capital or relational capital (Gulati & Kletter, 2005). Alliance capital has been theorized to have a positive relation with group performance (Knack & Keefer, 1997), and empirical work has verified the relation. For example, one study of a village in rural Tanzania showed that the average number of organizational memberships in the village had a significant positive impact on income level (Narayan & Princhett, 1999). Similar cases exist in competitive business situations. Uzzi (1996), for example, examined the New York apparel economy and found that firms organized in alliances have higher survival chances than those with only arm's-length market relationships.

The alliance literature identifies four main sources of social capital at the inter-organizational level: efficiency, knowledge, trust, and status. Within each of these sources, an exploitative and exploratory aspect can be identified. First, companies can improve efficiency by sharing costs through alliances (Doz & Hamel, 1998), something possible with both new and repeat partners. Tapping into resources of new partners can be an effective way of sharing complimentary assets, an important source of cost savings (Teece, 1986) and a way to enhance alliance capital. Forming alliances with previous partners tends to increase trust and reduce opportunism, thereby lowering the need for control mechanisms (Gulati, 1995) and helping to reduce costs. Cost reductions of this kind are also termed "allocative efficiency" (North, 1990), and such savings are a benefit of exploitative behavior in alliances.

Second, companies in alliances can share each other's knowledge and capabilities, both tangible and intangible (Mowery, Oxley, & Silverman, 1996; Benner & Tushman, 2003; Rothaermel, 2001; Rothaermel & Deeds, 2004; Teece, 1992; Das & Teng, 2000; Dyer & Singh, 1998). Social capital theory places the possession and transfer of knowledge at the heart of the creation of social benefits (Burt, 1992; Adler & Kwon, 2002). Echoing the exploitation/exploration theme, Simon wrote, "... an organization learns in only two ways: (a) by the learning of its members, or (b) by ingesting new members who have knowledge the organization didn't previously have" (Simon, 1991, p. 176). Kogut and Zander (1993) illustrated the benefits that firms can harness by combining their existing knowledge stock derived from pre-established network partners with the novel learning experience gained from new partners. Research on alliances with previous partners has shown that a major element in such behavior is the trust that repeat partners build up over time (Gulati, 1995; Gulati & Gargiulo, 1999). Such trust acts as a catalyst for deepening and refining firms' knowledge and capabilities. Finding new partners, on the other hand, provides an opportunity to learn new skills and acquire new knowledge for all parties involved (Hamel, Doz, & Prahalad, 1989; He & Wong, 2004; Koza & Lewin 1998). Dittrich, Duysters, and de Man (2007),

for instance, showed that new alliance partnerships enabled IBM to transform from a hardware manufacturing company into a global service provider.

Third, alliance partners can build trust in their relationships, which can reveal opportunities that might otherwise go unrecognized (Koza & Lewin, 1998). Trust also can improve what has been called “adaptive efficiency,” where the focus is on creativity and learning (Putnam, 1993). Adaptive efficiency results from a spirit of trust and cooperation that enhances the identification of new opportunities, which can be leveraged into improved performance for all alliance partners. New partners, in particular, can offer fresh insights and new perspectives that might otherwise go unnoticed (Lin, 1999).

Fourth, firms can use alliances as a vehicle to transfer status and reputation, which are forms of social capital (Lin, 1990). In the case of both new and repeat partners, alliances with a well-known and established firm can act as an implicit endorsement and a mechanism of transferring status from the high ranking to the less well known organization (Gabbay & Leenders, 1999).

These four sources of alliance capital can increase organization performance. Decreasing the cost of inputs allows a firm to use otherwise spent resources to improve outputs. When a firm can use an alliance to “borrow” another’s assets, such as knowledge or capabilities, it can focus on what it does best, opening up an avenue to improved performance (Gulati & Kletter, 2005). Opportunities are a traditional source of performance enhancement (Andrews, 1971), and alliances can help organizations recognize and take advantage of them. Similarly, performance is often enhanced by status, which can be transferred through an alliance partner more readily than being developed internally from the ground up (Stuart, 2000).

While having repeat partners (exploitation) enables firms to leverage accumulated partnering experience, deepen mutual trust, and consolidate shared knowledge bases (Hoang & Rothaermel, 2005; Gulati & Gargiulo, 1999; Rosenkopf & Nerkar, 2001), establishing ties with new partners (exploration) enables firms to embrace novel learning experiences, cultivate new opportunities, and expand the structural boundaries of existing alliance networks (Lin et al., 2007). In both cases, a firm can accumulate alliance capital that contributes to its market survival. In addition, having repeat partners increases predictability and reliability of relational capital, which can be a unique source of competitive advantage to firms, particularly in the face of an uncertain environment. This can help to offset the possible uncertainty embedded in new partnerships, allowing firms to be more open in pursuing riskier ventures with new partners. The learning experiences acquired through new partnerships, in turn, can increase a firm’s flexibility and resilience in the market as it moves into uncharted product or market territories. Paradoxically, it can create stability in the long run through forming a portfolio of products, thus hedging against market uncertainty. Additionally, as a firm develops new knowledge and capabilities, it may apply the newly acquired skills to solve existing problems and to increase its appeal to existing partners. Thus, the benefits of having both new and repeat partners can be mutually enforcing and jointly increase a firm’s stability and adaptability in the market, which directly contribute to firm performance. As March (1991, p. 71) explained, “adaptive systems that engage in exploration to the exclusion of exploitation are likely to find

that they suffer the costs of experimentation without gaining many of the benefits. Conversely, systems that engage in exploitation to the exclusion of exploration are likely to find themselves trapped in suboptimal stable equilibria.”

Given the number of performance advantages for having a balance of repeat and new partners:

Hypothesis 1: The degree to which an alliance firm has structure-based alliance ambidexterity (i.e., a balance of new and repeat partners) is positively related to firm performance.

Organization Form as a Moderating Influence

Despite the proposed benefits of organizational ambidexterity, the positive performance effects may depend on organization form. In a recent special issue of the *Academy of Management Journal* devoted to organizational ambidexterity (Gupta, Smith, & Shalley, 2006), the editors cautioned that although the literature generally supports the view that organizations must strive toward a balance or duality of exploitative and exploratory activities, there remains the question of whether specialization in one or the other might be warranted for certain organization forms. Given this preliminary caution about the performance effects of ambidexterity, further investigation of whether the relationship between alliance ambidexterity and firm performance is conditioned on organization form seems warranted.

Organization ecology provides a conceptual base for addressing this possible moderating effect. It categorizes organizations into two forms, generalists and specialists, based on the width of their organization niche or domain (Hannan & Freeman, 1997). Generalists tend to have a broad domain, either offering a wide range of products or services or targeting a wide market while specialists tend to have a limited domain, either providing a narrow set of products or services or targeting a narrow market (Hannan & Freeman, 1989). Domain width influences an organization's interaction with its environment and subsequent adaptation process (Carroll, 1985, 1987; Swaminathan, 1995). Organizations survive to the extent that they are situated in environments that match the limits of their coping capabilities (Carroll, 1985). Compared to specialists, generalists are better able to absorb the impact of industry change and adapt to a wider environment because of the diversity of their capabilities, which can be shifted and rearranged. Because specialists serve a narrow market or have a small range of products or services, they have a corresponding narrow set of capabilities, which cannot be shifted readily to other uses.

Organization ecology can be applied to partnerships in alliances, which are part of the environment for their members. With respect to alliances, generalists are better able than specialists to shift and rearrange their repertoire of capabilities by combining the advantages of having repeat partners with the benefits of attaining new partners. Specialists can be at a disadvantage trying to apply their narrow set of resources and capabilities to an ambidextrous combination of new and repeat partners because of their inability to efficiently shift their specialized capabilities (Lavie, Kang & Rosenkopf, 2009). The underlying dynamics of this difference between generalists and specialists can be explained from an organization routine perspective (Stettner &

Lavie, 2013; Reuer, Zollo, & Singh, 2002; Dosi, Nelson, & Winter, 2000). Managing repeat alliance partners relies on organizations' exploitation routines, which involve leveraging, integrating, and fine-tuning existing knowledge and capabilities to achieve alignment, efficiency, and stability. Establishing new partners relies on organizations' exploration routines, which involve searching for new knowledge and relational capital to increase adaptability, flexibility, and change. Balancing exploitation and exploration requires organizations to perform both routines simultaneously and therefore imposes challenges on firms less capable in managing the dual demands. The tension inherent in the competing routines can increase organization complexity and inflict severe resource constraints on organizations. Compared to specialists, generalists are accustomed to developing a diverse set of capabilities to satisfy the demand of a broad market and are in a better position to deal with this set of challenges. To survive in a broad market, generalists need to develop managerial practices to efficiently deploy resources and to generate synergies across different customer domains. In dealing with a more complex environment, generalists are more equipped for balancing exploitation and exploration routines than specialists.

Because generalists are better equipped than specialists to deal with the dual demands of exploitation and exploration, they can capture greater performance benefits than specialists through assiduously combining the disparate elements in alliances and cultivating the wide range of possibilities presented by new and repeat partners (Gulati & Singh, 1998; Reuer & Arino, 2007). When firms are too specialized to engage in a combination of exploitative and exploratory activities, Van Looy, Martens, and Debackere (2005, p. 208) pointed out "...ambidextrous organizations – *ceteris paribus* – tend to be inferior in terms of financial returns." Therefore,

Hypothesis 2: Compared to specialist organizations, generalist organizations' performance will be more positively related to the degree to which they have structure-based alliance ambidexterity (i.e., a balance of new and repeat partners).

Methods

Research Setting

The contemporary motion picture industry was chosen as the site to test the hypotheses because of its economic importance and structure. The industry employs over half a million people in the United States alone (Department of Labor, 2010), yields billions of dollars in domestic theatrical ticket sales, and is the number one American export market. In 2010, \$10.6 billion was spent on attending movies in the United States, with ancillary revenues (e.g., home video) several times higher (Standard & Poor's, 2010).

The structure of the contemporary motion picture industry is advantageous for studying organization alliances. Production companies at all levels generally rely on project-based collaborative structures to produce films (Hall, 2009; Maltby, 2003; Merritt, 2001; Christopherson & Storper, 1989). This form of organizing enabled the examination of the performance nature of alliance ties.

In addition, the contemporary motion picture industry has two main segments: the often-large studios/mini-majors and the many smaller independents or “indies.” The studios, such as Warner Bros. Pictures and 20th Century Fox, consist of a handful of vertically integrated companies with resources extensive enough to finance, produce, and distribute their own films. They also have the means to finance and distribute large-scale films made by others. There are a number of additional firms associated with the studios called “mini-majors,” such as Rogue Pictures and Focus Features; they either function as one of the studio’s internal units or are subject to a studio’s supervision and strategic control. The other segment of the film industry is made up of hundreds of firms that operate outside of the mainstream system. These independent production companies are non-establishment, sometimes to the extent that they function as one-time corporations with primary assets consisting of just the film itself (Rusco & Walls, 2004).

The two segments differ in their fundamental philosophies and production ideologies, and to a certain extent, in the way they organize work (Mezias & Mezias, 2000). Studios and mini-majors focus on producing “blockbuster” or “event” films that cater to the tastes of a large segment of the population and can be released through large numbers of theaters. Independents, on the other hand, often have an anti-Hollywood sentiment and tend to work outside the system, generate their own financing, and make specialized movies with their own unique aesthetic (Merritt, 2001). Because of this narrower focus and lack of a mass-marketing mentality, independents release their films through fewer theaters, often being satisfied with just a handful of outlets or even just one or two. The aesthetic differences reflected in variations in film genres enabled this study to assess production companies along the continuum of generalist and specialist types, where generalists produce a diverse set of genres and specialists target narrow genres such as animation, mystery, action, or romance.

Data Collection

Data collection focused exclusively on film production companies that theatrically released at least one full-length feature in the United States (U.S.) from 2000 to 2005. A number of tiny independent companies do not even release their films to the public and have no box-office revenues (Rusco & Walls, 2004); these companies were excluded from the study. In addition, made-for-television and video movies were not examined. The period of 2000 – 2005 was selected randomly, and other time periods are not *a priori* expected to be different for the hypothesized relationships in this study. Choosing a 5-year span was also arbitrary, with no reason to expect that other periods would yield different results. The key focus here was the relative strength and weakness of relationships among variables within a time span and not the particular span involved. Assessing alliance dynamics over time provides a realistic way to determine both exploitative and exploratory patterns in the industry.

As described above, the contemporary motion picture industry comprises a complex of interrelated firms. To capture this structure, data were assembled into yearly collaboration alliance matrices comprising an aggregated total of 2,517 production companies involved in producing 2,618 feature-length films theatrically released in the U.S. for the years 2000 through 2005.

Data were collected from four main sources: trade publications such as *Variety*, *Hollywood Reporter*, and *Entertainment Weekly*; archival documents from the Academy of Motion Picture Arts and Sciences; online sources such as Internet Movie Database (IMDb) and Box Office Mojo, as well as production companies' individual websites.

Dependent Variable

Firm performance was measured using IMDb data, which reports the opening weekend earnings of films released in the U.S. along with films' accumulated earnings over the period of their exhibition. Although there is some correlation between the two figures (Sharda & Delen, 2006), the accumulation of earnings provides a more complete measure of a film's performance (He & Wong, 2004) and that figure was used as a basis for this study's performance variable [PERFORM]. Because a production company might release a number of films in a year, it was necessary to sum the accumulated earnings over all of a company's films released in 2005 in order to arrive at a final measure of that company's performance.

Independent Variable

The central variable of concern for this study was structure-based alliance ambidexterity. In the context of the cinema industry, a film production company can either produce a movie entirely alone or it can engage with partners to do so. If it engages with partners, they can either be new or repeat partners. Companies with only new partners are defined as purely exploratory, and those with only repeat partners are defined as purely exploitative (Lavie & Rosenkopf, 2006). By definition, structure-based alliance ambidexterity requires that a company have one or more partners. Otherwise, that firm is exploratory. Production companies with no partners for films released in 2005 were excluded from the study. Structure-based alliance ambidexterity [AMBIDEX] is operationalized as a continuous variable and applies to a particular point in time, which is the year 2005 for the present study. A film production company is ambidextrous for the year 2005 to the extent that it had a balance of new and repeat partners for the films it released in 2005. Companies having nothing but repeat or nothing but new partners were considered completely out of balance and coded as zero (0.0). Firms with the same number of repeat and new partners were considered completely balanced and coded as one (1.0). Firms with a combination of repeat and new partners, but in unequal numbers, were coded by those partners' relative numbers, on a continuous scale from zero to one.

Moderating Variable

Organization form was classified along the continuum of generalists and specialists. A widely-used measure of organization form, Blau's index for categorical dissimilarity (Carroll, 1985; Blau, 1977; McPherson, 2004) was used. The index assessed the degree of product diversification [ORGFORM] on the basis of the variety of motion pictures a company produces for a particular year. IMDb consistently reports the genre for theatrically released films, which are separated into categories such as comedy, drama, action, family, thriller, romance, horror, animation, and western. Genre data for each production company's films released in 2005 were assembled and used to calculate

the company's Blau score, the measure of organization form for the present study. A company's Blau score can range from 0 to 1, with generalist firms producing films in a wide variety of genres having relatively high scores compared to specialist producers of films in a narrow variety of genres, which have relatively low scores. Note that this is similar but not identical to the distinction between studios/mini-majors and indies because members of both of these segments may produce either a wide or narrow range of films (Mezias & Mezias, 2000). The interaction between organization form and structure-based ambidexterity for 2005 was used to test the moderating effect of organization form on the structure-based alliance ambidexterity hypothesis.

Control Variables

To provide a rigorous test of the structure-based alliance ambidexterity hypothesis, a number of other factors that could affect firm performance were controlled. For analytical purposes, organization form simultaneously served as a control variable when the interaction term of organization form and structure-based alliance ambidexterity was used to assess the moderating effect of organization form on the structure-based alliance ambidexterity hypothesis.

Geographic diversification. Although empirical examinations of geographic diversification are not conclusive (Tallman & Li, 1996), studies have shown a positive relationship between geographic diversification and organization performance (Qian et al., 2010). With respect to the film industry, many theatrically released movies are exhibited not only in the U.S. but in overseas markets as well. In 2013, for example, 19 of the top 20 all-time box office hits earned more from overseas exhibition than in the U.S. (Box Office Mojo, 2013). A typical measure for geographic diversification is the ratio of sales by foreign subsidiaries to total sales (Geringer, Beamish, & daCosta, 1989), which was adapted for the present study by determining the relative percentage of overseas box office revenue. Such figures are available from IMDb and Variety and were collected for each film released in 2005. The film-based numbers were converted to a company-based score by taking the average of the overseas percentages for all of a company's films for the year, yielding the variable used for analyses [GEODIV].

Investment Risk. A firm's investment risks can be an important determinant of performance (Barney, 1991; Eisenhardt & Schoonhoven, 1996) and have been used both as a control variable in alliance studies (Lin et al., 2007) and as an independent variable hypothesized to affect performance in film studies (Litman, 1983; Chang & Ki, 2005). Film production companies typically establish budgets for their movies, which can range from a few hundred to a thousand dollars for cash-strapped indies to hundreds of millions of dollars for a studio with deep pockets (Finler, 2003). Production budgets depend on the financial holdings a firm either has or can reasonably expect to acquire, thus budgets are a good measure of a production company's investment risk (Litman, 1983; DeFillippi & Arthur, 1998). IMDb and Variety regularly report the budgets of films released in a particular year. Similar to performance measures, however, a figure is needed that reflects not just the budget for one film, but the total budgets for all films produced by a company in a given year. Therefore, an additive variable was developed to represent a firm's investment risk by combining the budgets for all of the films released by the company in 2005 [INVEST].

Slack resources. Slack resources, the difference between a firm's total resources and those necessary to conduct ongoing operations (Cyert & March, 1963), can be an important determinant of firm performance (Daniel et al., 2004). Unused resources can be a source of competitive advantage because they provide a challenge to innovate and an incentive to expand. Moreover, slack resources can provide firms with a potential buffer from environmental shock (Hannan & Freeman, 1989). Because large firms generally have more slack resources than small firms, firm size has been used as an approximate measure of slack resources. Number of employees is a traditional measure of firm size; however, many film companies are private and do not report such figures. Firm output also has been used as a measure of organization size (Dinlersoz & MacDonald, 2009), especially when the output of firms is homogeneous. This is the case for the film industry, where the output of production companies is movies, the number of which can be counted. Both IMDb and *Variety* report the films that companies produce, so a measure can be developed for each production company with respect to the number of films produced in a given year. An additive variable was created to represent the size of each production company by summing the number of films released by the firm in 2005; this was used as the measure of slack resources [SLACK].

Legitimacy. Organization legitimacy can affect firm performance through environmental dependencies. Organizations depend on their environment for resources and information, and legitimacy from societal actors is essential for attaining them. Organizations gain legitimacy from being legally sanctioned, morally allowed, or culturally embedded in their environment (Scott, 2004), which, in turn, can affect their performance. Empirically, organizational legitimacy has been measured indirectly in terms of an organization's age (Hannan & Carroll, 1992). Younger organizations are more likely to die than older firms due to liability of newness (Stinchcombe, 1965; Freeman, Carroll, & Hannan, 1983). They are less likely than their older counterparts to conform to social forces in their environment, proactively select a favorable social environment, or manipulate their environment to make it more favorable (Suchman, 1995), all sources of organizational legitimacy. For the present study, a production company's age was determined by subtracting the year it first produced a film from the year 2005, resulting in the organizational legitimacy variable [LEGIT].

Analysis and Results

Data were analyzed from 490 films produced by 285 companies in 2005. Data for the dependent variable, performance, showed that production company earnings for 2005 ranged from \$2.5 million to \$1.2 billion, with an average of \$98 million. For the independent variable, ambidexterity, 203 companies were exclusively exploratory (having only new partners), 15 were exclusively exploitative (having only repeat partners), and 67 were ambidextrous to some extent (having a mix of new and repeat partners). Eleven companies were fully balanced in their ambidexterity (having the same number of new and repeat partners). The average ambidexterity score, on a scale of 0 (exclusively exploitative or exclusively exploratory) to 1 (fully balanced), was 0.148. Data for the five control variable measures: organization form ranged from 0 (single-genre producer) to 0.89 (highly diversified, multi-genre producer); geographic diversification ranged from 0% to 88% foreign sales; the lowest aggregate company

film production budget was \$1,000 and the highest was \$400,000,000; number of films produced per company ranged from 1 to 13, with an average of 1.73; the average age of firms was 9.7 years, with many in existence for less than 1 year and Paramount Pictures being the oldest at 93 years. The correlation matrix and descriptive statistics for the study variables are shown in Table 1.

Table 1: *Descriptive Statistics and Pearson Correlations*

	mean	s. d.	1.	2.	3.	4.	5.	6.	7.	8.
1. SLACK		1.73	1.71	1.000						
2. LEGIT		9.66	15.14	0.291	1.000					
3. INVEST ^a	35.42	65.90	0.266	0.417	1.000					
4. GEODIV	0.364	0.268	-0.124	-0.025	0.124	1.000				
5. ORGFORM	0.553	0.265	0.281	0.096	0.378	-0.012	1.000			
6. AMBIDEX	0.140	0.280	0.344	0.188	0.336	-0.069	0.187	1.000		
7. INTERACT	0.186	0.221	0.228	0.264	0.219	0.008	0.057	0.202	1.000	
8. PERFORM ^a	101.72	186.37	0.342	0.412	0.735	0.108	0.395	0.363	0.288	1.000

^a \$millions
n = 285

Ambidexterity and Performance

Hypothesis 1 stated that a firm's performance would be positively related to its structure-based alliance ambidexterity (i.e., having a balance of new and repeat partners). Performance and new partners were considered for the year 2005 and repeat partners were determined for the previous four years (2000-2004). Multiple regression was run on the full sample with PERFORM as the dependent variable, AMBIDEX as the independent variable, and GEODIV, INVEST, LEGIT, ORGFORM and SLACK as the control variables. An interaction term was also included: AMBIDEX*ORGFORM. Regression results support Hypothesis 1, showing a significant coefficient for AMBIDEX ($\beta = 0.085$, $t = 2.05$, $p < .05$). Four of the control variables were significant: INVEST ($\beta = 0.565$, $t = 11.77$, $p < .001$); ORGFORM ($\beta = 0.127$, $t = 3.02$, $p < .01$). SLACK ($\beta = 0.107$, $t = 1.88$, $p < .1$); LEGIT ($\beta = 0.099$, $t = 2.28$, $p < .05$). Control variable GEODIV was not significant. (See Table 2 for further details.)

Moderation of Organization Form on Performance

Hypothesis 2 posited that generalist firms would show a stronger performance effect from a balanced combination of new and repeat partners than specialist firms. The regression analysis included an interaction term to test for a moderator effect on structure-based ambidexterity (INTERACT = ORGFORM*AMBIDEX). Results supported Hypothesis 2, with the coefficient of INTERACT significant ($\beta = 0.091$, $t = 2.30$, $p < .05$). (See Table 2 for further details.)

Discussion

Duncan (1976) hypothesized that firms should strive for a balance of exploitation and exploration, and he coined the term 'organizational ambidexterity' for that combination. Others followed by explaining that at the intra-organizational level, the

combination of exploitation and exploration could occur in a variety of ways, such as structurally, in which the two activities are segregated into different organizational subunits, and contextually, in which the activities are pursued simultaneously within the same subunit. The present study shifted perspective from the intra-organizational to the inter-organizational level of analysis and examined another way of affecting the combination of exploitation and exploration: structure-based alliance ambidexterity in which members engaged both with previous partners (exploit) and new partners (explore) at the same time. This arrangement was hypothesized to lead to superior performance relative to organizations pursuing an exclusively exploitative or exploratory alliance arrangement. Prior empirical support for this hypothesis has been contradictory however.

Table 2: OLS-Regression Results

	Std. Coeff. (Std. Error)	T-Value
AMBIDEX	0.085 (0.043)	2.05**
INVEST	0.565 (0.048)	11.77***
GEODIV	0.059 (0.040)	1.48
ORGFORM	0.127 (0.042)	3.02***
SLACK	0.107 (0.057)	1.88*
LEGIT	0.099 (0.043)	2.28**
AMBIDEX*ORGFORM	0.091 (0.039)	2.30**
N	285	
R ²	0.60	
Adj. R ²	0.59	
F-Statistic	16463.28***	
<u>Significance Levels: *** p < 0.01 ** p < 0.05 * p < 0.1</u>		

^a The dependent variable was worldwide box-office earnings.

Results from this study of 285 firms in the contemporary motion picture industry strongly supported the structure-based ambidexterity hypothesis: firm performance is positively related to structure-based ambidexterity (i.e., having a balance of new and repeat partners). Further analysis revealed that this relationship is not simple but contingent on organization form. Compared to specialists, generalists show a

stronger relation between performance and structure-based ambidexterity. Part of the explanation for this difference between generalists and specialists can be found in the descriptive data, which revealed that 80% of the specialist firms had a score of zero for ambidexterity (meaning they exclusively have either repeat or new partners), while only 3 out of the 14 generalist firms had a score of zero. Specialists firms may not have the resources, experience, and capability to engage with a combination of new and repeat partners, while generalist firms do. The findings suggested that specialist organizations face severe challenges in concurrently managing the competing demands of exploitation and exploration. On the other hand, compared to specialists, generalists appeared more capable of managing these dual demands and capturing the performance benefits of having both repeat and new partners. As discussed previously, this difference could be embedded in internal organization routines. To survive in a broad market, generalists constantly search for effective ways of utilizing resources, integrating knowledge, and deriving synergies across different activities. This enables generalists to cross-fertilize new and repeat partnership experiences and to gain the performance benefits from structure-based alliances.

This study contributes both empirically and theoretically to the organization ambidexterity literature. Empirically, it provides a large-scale, empirical examination of the structure-based alliance ambidexterity hypothesis in the context of the contemporary American film industry. The results confirm March's (1991) ambidexterity balancing hypothesis in the context of structure-based alliances in which a balance of new and repeat partners is associated with higher performance. This finding adds to the limited understanding of whether structure-based alliance ambidexterity is positively related to firm performance. Theoretically, the study provides a more nuanced framing of the ambidexterity hypothesis at the inter-organizational level. Based on integration of insights from the alliance and organization ecology literatures, it was proposed that organization form moderates the effect of the ambidexterity hypothesis. The results provided preliminary support for this interpretation.

Organizational ambidexterity began as a theory applied to unitary firms (Duncan, 1976) and subsequently grew to encompass a multi-firm perspective (Lavie & Rosenkopf, 2006). The findings here showing an association between firm performance and inter-organizational relationships demonstrated the importance of that theoretical growth, which took into account relations among firms. In addition, the results drew a connection between internal modes of organizing embedded in different organizational forms and a firm's ability to engage in exploitation and exploration concurrently in structure-based alliances: generalists benefit more from balance than specialists do.

Although the findings are correlational and do not permit causal inference, they provided a preliminary base for speculating about their application to practitioners, particularly those involved with multi-organization projects, as in the film industry. Organizations form alliance partnerships to deal with information uncertainty and resource limitations (Baum et al., 2000), which may be reduced by judicious selection of repeat and new partners. Organizations might therefore consider allocating resources to both types of partnerships. Project-based organizations might be encouraged to explore alliance partnerships and actively seek to strengthen relationships with repeat partners while searching for attractive market opportunities with new partners. In

addition, generalist organizations that span multiple product domains might benefit from aggressively pursuing structure-based alliance ambidexterity. The mind-set and organization routines they develop to compete in a broad market have the potential to advantage them in managing duality in partnerships.

Limitations and Future Research

Because the findings are correlational, they raise the possibility of a reversal in the direction of causality implied in the hypotheses. As noted previously, structure-based alliance ambidexterity can be expected to contribute to firm performance. Perhaps firm performance provides organizations with the necessary resources to engage effectively in ambidextrous partnering. Future longitudinal studies are needed to access this possibility and to determine the direction of causality between structure-based alliance ambidexterity and firm performance.

Informed speculation suggests that the performance effects of the ambidextrous hypothesis may depend on the context of competition (Bierly & Daly, 2007; Dittrich & Duysters, 2007; Hotho & Champion, 2010). This study was conducted in a homogenous competitive context, the contemporary motion picture industry, which enabled control for potential variations in competition across different industries. Future multi-industry studies are needed, however, to examine the extent to which the findings generalize to other competitive contexts.

In addition, the present study relied on a specific set of operationalizations for its tests. Alternative measures of variables could make the findings more robust. For example, legitimacy was measured by firm age, but other measures are possible. For example, reputation in the film industry is enhanced by nominations and Oscars from the Academy Awards, and such data could be used as a measure for legitimacy. Although performance was measured on the basis of worldwide box-office receipts, it also could have other bases, such as opening weekend sales. Moreover, the study's hypotheses were tested with respect to a single 5-year period of time. Lengthening the time frame would help in determining the robustness of the findings.

Even with limitations, the present study furthered understanding of a relatively under-researched application of the established tenets of organizational ambidexterity, inter-organizational alliance ambidexterity. The findings could help to spur more theorizing and empirical inquiry on the topic. For example, in addition to the generalist-specialist categorization, future research could investigate other modes of organizing to determine how organizational ambidexterity is related to different forms of alliance ambidexterity. The theoretical extension to organization ecology calls for more integrated efforts across different streams of literature to offer a more expansive, multi-level view of organization ambidexterity. The empirical context of the contemporary motion picture industry helped to reveal the competitive dynamics of the proposed theoretical framework and to provide valuable partnership-selection insights to alliance organizations in general and project-based organizations in particular.

References

- Adler, P. S., & Kwon, S. (2002). Social capital: Prospects for a new concept. *The Academy of Management Review*, 27 (1), 17-40.
- Aldrich, H. E. (1999). *Organizations evolving*. Thousand Oaks, CA: Sage.
- Andrews, K. R. (1971). *The concept of corporate strategy*. Homewood, AL: Irwin.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Barney, J., Wright, M., & Ketchen, D. J. (2001). The resource-based view of the firm: Ten years after 1991. *Journal of Management*, 27, 625–641.
- Baum, J.A.C., Calabrese, T., & Silverman, B.S. (2000). Don't go it alone: Alliance network composition and startups' performance in Canadian biotechnology. *Strategic Management Journal*, 21 (3), 267-294.
- Benner, M. J., & Tushman, M. L. (2003). Exploitation, exploration, and process management: The productivity dilemma revisited. *The Academy of Management Review*, 28 (2), 238-256.
- Bierly, P. E., & Daly, P. S. (2007). Alternative knowledge strategies, competitive environment, and organizational performance in small manufacturing firms. *Entrepreneurship Theory and Practice*, 31(4), 493-516.
- Blau, P. M. (1977). *Inequality and heterogeneity: A primitive theory of social structure*. New York: Free Press.
- Box Office Mojo (2005). *Studio market share*. Retrieved from <http://www.boxofficemojo.com/studio/?view=company&view2=yearly&yr=2005&p=.htm>
- Box Office Mojo (2013). *All time worldwide box office grosses*. Retrieved from <http://www.boxofficemojo.com/alltime/world/?pagenum=1&p=.htm>
- Brown, S. L., & Eisenhardt, K. (1997). The art of continuous change: Linking complexity theory and time-paced evolution in relentlessly shifting organizations. *Administrative Science Quarterly*, 42, 1-34.
- Burns, T., & Stalker, G. M. (1961). *The management of innovation* (2nd ed.). London: Tavistock Publications.
- Burt, R. S. (1992). *Structural holes: The social structure of competition*. Cambridge, MA: Harvard University Press.
- Carroll, G. R. (1985). Concentration and specialization: Dynamics of niche width in populations of organizations. *American Journal of Sociology*, 90 (6), 1262-83.
- Carroll, G. R., & Swaminathan, A. (2000). Why the microbrewery movement? Organizational dynamics of resource partitioning in the U.S. brewing industry. *American Journal of Sociology*, 106 (3), 715-62.
- Carroll, G. R. (1987). *Publish and perish: The organizational ecology of newspaper industries*. Greenwich, CT.: JAI Press.
- Cao, Q., Gedajlovic, E., & Zhang, H. (2009). Unpacking organizational ambidexterity: Dimensions, contingencies and synergistic effects. *Organization Science*, 20, 781-796.
- Chang, B-H., & Ki, E-J. (2005). Devising a practical model for predicting theatrical movie success: Focusing on the experience good property. *Journal of Media Economics*, 18, 247–69.
- Christopherson, S., & Storper, M. (1989). The effects of flexible specialization on

- industrial politics and the labor market: The motion picture industry. *Industrial & Labor Relations Review*, 42 (3), 331-348.
- Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, 35 (1), 128-152.
- Daniel, F., Lohrke, F. T., Fornaciari, C. J., & Turner Jr., R. A. (2004). Slack resources and firm performance: A meta-analysis. *Journal of Business Research*, 57 (6), 565-574.
- Darr, E., & Kurtzberg, T. (2000). An investigation of partner similarity dimensions on knowledge transfer. *Organizational Behavior and Human Decision Processes*, 82 (1), 28-44.
- Das, T. K., & Teng, B. 2000. A resource-based theory of strategic alliances. *Journal of Management*, 26: 31-61.
- DeFillippi, R. J., & Arthur, M. B. (1998). Paradox in project-based enterprise: The case of film making. *California Management Review*, 40 (2), 125-139.
- Department of Labor. (2010). *Bureau of labor statistics career guide to industries, motion picture and video industries*. Washington, D.C.
- Dinlersoz, E. M., & Glenn MacDonald, G. (2009). The industry life-cycle of the size distribution of firms. *Review of Economic Dynamics*, 12, 648-667.
- Dittrich, K., & Duysters, G. (2007). Networking as a means to strategy change: The case of open innovation in mobile telephony. *Journal of Product Innovation Management*, 24, 510-521.
- Dittrich, K., Duysters, G., & de Man, A-P. (2007). Strategic repositioning by means of alliance networks: The case of IBM. *Research Policy*, 36 (10):1496-1511.
- Dosi, G., Nelson, R. R., & Winter, S. G. (2000). Introduction: The nature and dynamics of organizational capabilities. In G. Dosi, R. R. Nelson, & S. G. Winter (Eds.), *The nature and dynamics of organizational capabilities* (pp. 1-22). Oxford: Oxford University Press.
- Doz, Y. L., & Hamel, G. (1998). *Alliance advantage*. Boston: Harvard Business School Press.
- Duncan, R. (1976). The ambidextrous organization: Designing dual structures for innovation. In R. H. Killman, L. R. Pondy, & D. Steven (Eds.), *The management of organization* (pp. 167-188). New York: North Holland.
- Dyer, J. H., & Singh, H. (1998). The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *The Academy of Management Review*, 23 (4), 660-679.
- Eisenhardt, K., & Schoonhoven, C. (1996). Resource-based view of strategic alliance formation: Strategic and social effects in entrepreneurial firms. *Organization Science*, 7, 136-150.
- Fichman, M., & Levinthal, D. (1991). Ties that bind: History dependence in professional relationships. In S. Bacharach, S. Barley, & P. Tolbert (Eds.), *Research in the sociology of organizations* (pp. 119-153). New York: JAI Press.
- Finler, J. W. (2003). *The Hollywood story* (3rd ed.). London and New York: Wallflower Press.
- Freebase (2009). Retrieved from <http://www.freebase.com/>
- Freeman, J., Carroll, G., & Hannan, M. (1983). The liability of newness: Age dependence in organizational death rates. *American Sociological Review*, 48 (5), 692-710.
- Gabbay, S. M., & Leenders, R. Th. A. J. (1999). Corporate social capital: The structure

- of advantage and disadvantage. In R. Th. A. J. Leenders, & S. M. Gabbay (Eds.), *Corporate social capital and liability* (pp. 1-14). Boston: Kluwer.
- Geringer, M. J., Beamish, P. W., & daCosta, R. C. (1989). Diversification strategy and internationalization: Implications for MNE performance. *Strategic Management Journal*, 10, 109-119.
- Gibson, C., & Birkinshaw, J. (2004). Antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*, 47 (2), 209-226.
- Guimerà, R., Uzzi, B., Spiro, J., & Amaral, L. (2005). Team assembly mechanisms determine collaboration network structure and team performance. *Science*, 308, 697-702.
- Gulati, R. (1995). Social structure and alliance formation patterns: A longitudinal analysis. *Administrative Science Quarterly*, 40, 619-652.
- Gulati, R., & Gargiulo, M. (1999). Where do interorganizational networks come from? *The American Journal of Sociology*, 104 (5), 1439-1493.
- Gulati, R., & Kletter, D. (2005). Shrinking core, expanding periphery: The relational architecture of high-performing organizations. *California Management Review*, 47, 77-104.
- Gulati, R., & Singh, H. (1998). The architecture of cooperation: Managing coordination costs and appropriation concerns in strategic alliances. *Administrative Science Quarterly*, 43 (4), 781-814.
- Gupta, A. K., Smith, K. G., & Shalley, C. (2006). The interplay between exploration and exploitation. *Academy of Management Journal*, 49, 693-706.
- Hager, M. A., Galaskiewicz, J., & Larson, J. A. (2004) Embeddedness and the liability of newness among nonprofit organizations. *Public Management Review*, 6 (2), 159-188.
- Hall, P. (2009). *The history of independent cinema*. Albany, GA: Bear Manor Media.
- Hamel, G., Doz, Y. L., & Prahalad, C. K. (1989). Collaborate with your competitors - and win. *Harvard Business Review*, 67 (1), 133-139.
- Hannan, M. T., & Carroll, G. R. (1992). *Dynamics of organizational populations: Density, competition, and legitimation*. New York: Oxford University Press.
- Hannan, M. T., & Freeman, J. (1977). The population ecology of organizations. *American Journal of Sociology*, 82 (5), 929-964.
- Hannan, M. T., & Freeman, J. (1984). Structural inertia and organizational change. *American Sociological Review*, 49, 149-164.
- Hannan, M. T., & Freeman, J. (1986). Where do organizational forms come from? *Sociological Forum*, 1 (1), 50-72
- Hannan, M. T., & Freeman, J. (1989). *Organizational ecology*. Cambridge, MA: Harvard University Press.
- He, Z., & Wong, P. (2004). Exploration vs. exploitation: An empirical test of the ambidexterity hypothesis. *Organization Science*, 14 (4), 481-494.
- Hess, A. M., & Rothaermel, F. T. (2011). When are assets complementary? Star scientists, strategic alliances and innovation in the pharmaceutical industry. *Strategic Management Journal*, 32 (8), 895-909.
- Hotho, S., & Champion, K. (2010). "We are always after that balance" – managing innovation as ambidexterity in the new digital media industries. *Journal of Technology, Management and Innovation*, 5 (3), 36-50.

- Jansen, J. J. P., Bosch, F. A. J. Van Den, & Volberda, H. W. (2006). Exploratory innovation, exploitative innovation, and performance: Effects of organizational antecedents and environmental moderators. *Management Science*, 52 (11), 1661-1674.
- Knack, S., & Keefer, P. (1997). Does social capital have an economic payoff? A cross-country investigation. *Quarterly Journal of Economics*, 112 (4), 1251-1288.
- Kogut, B., & Zander, U. (1993). Knowledge of the firm and the evolutionary theory of the multinational enterprise. *Journal of International Business Studies*, 24, 625-645.
- Koza, M. P., & Lewin, A. Y. (1998). The co-evolution of strategic alliances. *Organization Science*, 9, 255-264.
- Lavie, D., & Rosenkopf, L. (2006). Balancing exploration and exploitation in alliance formation. *Academy of Management Journal*, 49, 797-818.
- Lavie, D., Kang, J., & Rosenkopf, L. (2009). The performance effects of balancing exploration and exploitation within and across alliance domains. *Academy of Management Annual Meeting Proceedings* (Chicago), 1-8.
- Levinthal, D. A., & March, J. G. (1993). The myopia of learning. *Strategic Management Journal*, 14, 95-112.
- Lichtenthaler, U. (2009). Absorptive capacity, environmental turbulence, and the complementarity of organizational learning processes. *Academy of Management Journal*, 52, 822-846.
- Lin, N. (1990). Social resources and social mobility: A structural theory of status attainment. In R. L. Breiger (Ed.), *Social Mobility and Social Structure* (pp. 247-171). New York: Cambridge University Press.
- Lin, N. (1999). Building a network theory of social capital. *Connections*, 22 (1), 28 -51.
- Lin, Z., Yang, H., & Demirkan, I. (2007). The performance consequences of ambidexterity in strategic alliance formations: Empirical investigation and computational theorizing. *Management Science*, 53 (10), 1645-1658.
- Litman, B. R. (1983). Predicting success of theatrical movies: An empirical study. *Journal of Popular Culture*, 16, 159-75.
- Maltby, R. (2003). *Hollywood cinema*. Oxford: Blackwell Publishing Co.
- March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, 2, 71-86.
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York: John Wiley & Sons.
- McDonald, P., & Wasko, J. (Eds.) (2008). *The contemporary Hollywood film industry*. New York: Wiley-Blackwell.
- McPherson, J. M. (2004). A Blau space primer: Prolegomenon to an ecology of affiliation. *Industrial and Corporate Change*, 13 (1), 263-280.
- Merritt, G. (2001). *Celluloid mavericks: A history of American independent film*. New York: Thunder's Mouth Press.
- Mezias, J. M., & Mezias, S. J. (2000). Resource partitioning, the founding of specialist firms, and innovation: The American feature film industry, 1912-1929. *Organization Science*, 11 (3), 306-322.
- Mowery, D. C., Oxley, J. E., & Silverman, B. S. (1996). Strategic alliances and interfirm knowledge transfer. *Strategic Management Journal*, 17(Winter special issue), 77-93.
- MPA. (2005). *U. S. theatrical market: 2005 statistics*. New York: Motion Picture

- Association Worldwide Market Research.
- Narayan, D., & Princhett, L. (1999). Cents and sociability: Household income and social capital in rural Tanzania. *Economic Development and Cultural Change*, 47 (4), 871-897.
- Nickerson, J. A., & Zenger, T. R. (2002). Being efficiently fickle: A dynamic theory of organizational choice. *Organization Science*, 13: 547-566.
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge, MA: Cambridge University Press.
- Nosella, A., Cantarello, S., & Filippini, R. (2012). The intellectual structure of organizational ambidexterity: A bibliometric investigation into the state of the art. *Strategic Organization*, 10: 450-465.
- Pandya, A. M., & Rao, N. V. (1998). Diversification and firm performance: An empirical evaluation. *Journal of Financial and Strategic Decisions*, 11 (2), 67-81.
- Park, S-H., Chen, R., & Gallagher, S. (2002). Firm resources as moderators of the relationship between market growth and strategic alliances in semiconductor startups. *Academy of Management Journal*, 45 (3), 527-545.
- Provan, K.G., & Sydow, J. (2008). Evaluating interorganizational relations. In S. Copper, M. Ebers, C. Huxham, & P. S. Ring (Eds.), *The Oxford handbook of interorganizational relations* (pp. 691-716). Oxford: Oxford University Press.
- Putnam, R. D. (1993). The prosperous community: Social capital and public life. *American Prospect*, 13, 35-63.
- Qian, G., Khoury, T. A., Peng, M. W., & Qian, Z. (2010). The performance implications of intra- and inter-regional geographic diversification. *Strategic Management Journal*, 31 (9), 1018–1030.
- Raisch, S., & Birkinshaw, J. M. (2008). Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management*, 34 (3), 375-40.
- Raisch, S., Birkinshaw, J., Probst, G., & Tushman, M. L. (2009). Organizational ambidexterity: Balancing exploitation and exploration for sustained performance. *Organization Science*, 20, 685- 695.
- Reuer, J. J., & Ariño, A. (2007). Strategic alliance contracts: Dimensions and determinants of contractual complexity. *Strategic Management Journal*, 28, 313–330.
- Reuer, J. J., Zollo, M., & Singh, H. (2002). Post-formation dynamics in strategic alliances. *Strategic Management Journal*, 23, 135–151.
- Rothaermel, F. T. (2001). Complementary assets, strategic alliances, and the incumbent's advantage: An empirical study of industry and firm effects in the biopharmaceutical industry. *Research Policy*, 30 (8), 1235 - 1251.
- Rothaermel, F. T., & Deeds, D. L. (2004). Exploration and exploitation alliances in biotechnology: A system of new product development. *Strategic Management Journal*, 25 (3), 201-221.
- Rumelt, R. P. (1982). Diversification strategy and profitability. *Strategic Management Journal*, 3, 359-369.
- Rusco, F. W., & Walls, W. D. (2004). Independent film finance, pre-sale agreements, and the distribution of film earnings. In V. Ginsburgh (Ed.), *The economics of art and culture: Contributions to economic analysis* (pp. 19-32). Amsterdam: Elsevier Science.
- Russo, A., & Vurro, C. (2010). Cross-boundary ambidexterity: Balancing exploration

- and exploitation in the fuel cell industry. *European Management Review*, 7, 30–45.
- Scott, A. J. (2004). *On Hollywood: The place, the industry*. Princeton, N. J.: Princeton University Press.
- Scott, W. R. (1995). *Institutions and Organizations*. Thousand Oaks, CA: Sage Publications.
- Sharda, R., & Delen, D. (2006). Predicting box-office success of motion pictures with neural networks. *Expert Systems with Applications*, 30, 243–254.
- Sidhu, J. S., Commandeur, H. R., & Volberda, H. W. (2007). The multifaceted nature of exploration and exploitation: Value of supply, demand, and spatial search for innovation. *Organization Science*, 18 (1), 20–38.
- Simon, H. A. (1991). Bounded rationality and organizational learning. *Organization Science*, 2, 125–134.
- Stadler, C., Rajwani, T., & Karaba, F. (2013). Solutions to the exploration/exploitation dilemma: Networks as a new level of analysis. *International Journal of Management Reviews*. Abstract retrieved from <http://onlinelibrary.wiley.com/doi/10.1111/ijmr.12015/abstract>
- Standard & Poor's. (2010). *Movie and entertainment industry survey*. New York: Standard & Poor's Equity Research Services.
- Stephan, M. (2002). An analysis of the relationship between product diversification, geographical diversification and technological diversification. Working Paper, University of Hohenheim, Stuttgart.
- Stettner, U., & Lavie, D. (2013). Ambidexterity under scrutiny: Exploration and exploitation via internal organization, alliances, and acquisitions. *Strategic Management Journal*. Abstract retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2328338
- Stinchcombe, A. L. (1965). Social structure and organizations. In J. G. March (Ed.), *Handbook of organizations* (pp. 142–193). Chicago, IL: Rand McNally & Company.
- Stuart, T. E. (2000). Interorganizational alliances and the performance of firms: A study of growth and innovation rates in a high technology industry. *Strategic Management Journal*, 21, 791–811.
- Swaminathan, A. (1995). The proliferation of specialist organizations in the American wine industry: 1941–1990. *Administrative Science Quarterly*, 40, 653–680.
- Tallman, S., & Li, J. (1996). Effects of international diversity and product diversity on the performance of multinational firms. *Academy of Management Journal*, 39, 179–196.
- Teece, D. J. (1986). Profiting from technological innovation: Implications for integration, collaboration, licensing, and public policy. *Research Policy*, 15, 295–305.
- Teece, D. J. (1992). Competition, co-operation, and innovation. *Journal of Economic Behavior and Organization*, 18, 1–25.
- Thompson, J. D. (1967). *Organizations in action*. New York: McGraw-Hill.
- Tiwana, A. (2008). Do bridging ties complement strong ties? An empirical examination of alliance ambidexterity. *Strategic Management Journal*, 29 (3), 251 - 272.
- Tushman, M. L., & O'Reilly, C. A. (1996). Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review*, 38, 8–30.
- Uzzi, B. (1996). The sources and consequences of embeddedness for the economic performance of organizations: The network effect. *American Sociological Review*, 61: 674–698.
- Van Looy, B., Martens, T., & Debackere, K. (2005). Organizing for continuous

innovation: On the sustainability of ambidextrous organizations. *Creativity Innovation Management*, 14, 208–221.

Williamson, O. E. (1975). *Markets and Hierarchies*. New York: Free Press.

Williamson, O. E. (1991). Comparative economic organization: The analysis of discrete structural alternatives. *Administrative Science Quarterly*, 36, 269-296.