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Table 1. Descriptive Statistics

#	Variable	Label	Obs	Mean	S.D.
(1)	Majority acquisitions (1/0)	Dummy = 1 if the subsidiary is a Brownfield and the majority of its equity (>50%) is controlled by a UK MNE; =0 otherwise.	8657	.559	.497
(2)	Minority acquisitions (1/0)	Dummy = 1 if the subsidiary is a Brownfield and the minority of its equity (<50%) is controlled by a UK MNE; =0 otherwise.	8657	.42	.494
(3)	Brownfields (1/0)	Dummy = 1 if firm is a Brownfield; =0 otherwise.	8657	.979	.144
(4)	Greenfields (1/0)	Dummy = 1 if firm is a Greenfield; =0 otherwise.	8657	.015	.12
(5)	Previous collaborator (1/0)	Dummy = 1 if the firm has already collaborated with the same private company in the past; =0 otherwise.	8657	.027	.162
(6)	Age	Age of the subsidiary (in years).	8657	23.442	21.344
(7)	Employees	Number of Employees.	6393	277.37	699.81
(8)	R&D investment	R&D investment (predicted values).	6379	5.258	2.258
(9)	Number of Subsidiaries	Number of recorded subsidiaries in each host country.	8657	.823	2.236
(10)	Civil Law (1/0)	Dummy = 1 if host country belongs to the Civil law legal tradition; 0=otherwise.	8657	.601	.49
(11)	East European legal tradition (1/0)	Dummy = 1 if host country belongs the East European legal tradition; 0=otherwise.	8657	.271	.445
(12)	Anti-director index	Revised Anti-director index.	8657	3.303	.921
(13)	GDP	GDP per capita current prices in thousand US dollars.	8657	35910	18147
(14)	Control of Corruption Index	Control of Corruption Index ranging from 0 to 5.	8657	3.661	.798
(15)	Collaborating with local Organizations (1/0)	Dummy = 1 if subsidiary collaborates with a local organization (either private or public); =0 otherwise.	8657	.01	.1
(16)	Collaborating with private companies (1/0)	Dummy = 1 if subsidiary collaborates with a private firm from the host country; =0 otherwise.	8657	.054	.225
(17)	Collaborating (1/0)	Dummy = 1 if subsidiary collaborates with any kind of organization (from any country); =0 otherwise.	8657	.055	.227
(18)	Leverage	Equity / Total Assets.	7242	.157	.334
(19)	Patents	Number of patents registered by subsidiary in the financial year).	8657	4.659	84.864
(20)	Number of Citations	Cumulated sum of forward citations (by subsidiary and financial year).	8657	8.997	168.42
(21)	Total Assets	Total Assets in thousand euros.	7304	157000	1300000
(22)	IPR index	Property right index.	8657	6.849	1.259
(23)	Cumulated sum of patents (by subsidiary)	Cumulated sum of patents by subsidiary.	8657	43.554	824.64
(24)	HQ's R&D Investment	HQ's R&D investment per year.	8657	8.016	2.974
(25)	Total R&D of subsidiaries in host country	Total R&D investment of subsidiaries (pertaining to the same MNE) by each host country.	8657	103.80	134.42

Note: Authors' calculations using data sourced from the combined Amadeus and EPO database. S.D. stands for Standard Deviation.

Table 2: Pairwise correlations

#	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)		
(1)	1.00																										
(2)	-0.96*	1.00																									
(3)	0.17*	0.13*	1.00																								
(4)	-0.14*	-0.10*	-0.82*	1.00																							
(5)	-0.01	0.01	0.02	-0.01	1.00																						
(6)	0.07*	-0.05*	0.05*	-0.05*	0.14*	1.00																					
(7)	0.02	-0.01	0.04*	-0.03*	0.31*	0.13*	1.00																				
(8)	0.10*	-0.08*	0.09*	-0.12*	0.26*	0.29*	0.39*	1.00																			
(9)	-0.01	0.01	-0.00	-0.01	0.23*	0.23*	0.47*	0.23*	1.00																		
(10)	-0.01	0.03*	0.10*	-0.15*	0.02	0.23*	-0.07*	0.30*	0.05*	1.00																	
(11)	0.01	0.02	0.09*	-0.07*	-0.08*	-0.27*	0.07*	-0.31*	-0.14*	-0.75*	1.00																
(12)	0.03*	-0.08*	-0.18*	0.22*	0.00	0.01	0.03*	-0.11*	0.03*	-0.10*	-0.14*	1.00															
(13)	0.02	-0.06*	-0.15*	0.13*	0.08*	0.23*	-0.07*	0.30*	0.13*	0.44*	-0.76*	0.10*	1.00														
(14)	0.05*	-0.08*	-0.08*	0.07*	0.11*	0.22*	-0.04*	0.48*	0.09*	0.41*	-0.70*	0.13*	0.80*	1.00													
(15)	0.01	-0.01	0.01	-0.01	0.44*	0.11*	0.06*	0.14*	0.08*	0.02	-0.05*	0.02*	0.05*	0.08*	1.00												
(16)	0.10*	-0.10*	0.01	0.00	0.49*	0.16*	0.22*	0.25*	0.22*	0.04*	-0.11*	0.03*	0.14*	0.16*	0.36*	1.00											
(17)	0.10*	-0.09*	0.01	0.00	0.51*	0.16*	0.27*	0.26*	0.25*	0.04*	-0.11*	0.03*	0.14*	0.16*	0.35*	0.99*	1.00										
(18)	-0.01	0.02	0.02	-0.03*	-0.01	0.00	0.01	-0.07*	-0.00	-0.07*	0.14*	-0.09*	-0.13*	-0.12*	-0.01	-0.02	-0.01	1.00									
(19)	0.03*	-0.03*	0.01	-0.01	0.28*	0.12*	0.54*	0.25*	0.36*	-0.03*	-0.03*	0.01	0.04*	0.06*	0.02*	0.16*	0.21*	-0.01	1.00								
(20)	0.02*	-0.02*	0.01	-0.01	0.29*	0.11*	0.49*	0.23*	0.32*	-0.02*	-0.03*	0.01	0.04*	0.06*	0.03*	0.16*	0.21*	-0.01	0.84*	1.00							
(21)	0.02*	-0.02	0.01	-0.01	0.32*	0.17*	0.64*	0.28*	0.53*	-0.01	-0.05*	0.01	0.06*	0.07*	0.00	0.20*	0.26*	-0.00	0.77*	0.72*	1.00						
(22)	0.06*	-0.08*	-0.08*	0.07*	0.10*	0.22*	-0.04*	0.47*	0.08*	0.45*	-0.71*	0.12*	0.79*	0.91*	0.07*	0.15*	0.15*	-0.13*	0.05*	0.05*	0.06*	1.00					
(23)	0.04*	-0.03*	0.01	-0.01	0.27*	0.14*	0.47*	0.22*	0.38*	-0.04*	-0.03*	0.01	0.05*	0.06*	0.02	0.19*	0.21*	-0.01	0.68*	0.66*	0.89*	0.05*	1.00				
(24)	0.07*	-0.05*	0.05*	-0.04*	0.12*	0.19*	0.20*	0.30*	0.13*	0.07*	-0.12*	-0.02	0.11*	0.08*	0.07*	0.16*	0.16*	-0.03*	0.08*	0.07*	0.15*	0.09*	0.09*	1.00			
(25)	0.01	0.01	0.08*	-0.07*	0.11*	0.17*	0.13*	0.24*	0.09*	0.00	-0.01	-0.09*	0.02*	0.01	0.07*	0.08*	0.09*	-0.00	0.04*	0.04*	0.10*	0.02*	0.04*	0.66*	1.00		

Note: The Pearson test has been used to test the significance of the correlation coefficients. Significant at ***1% level; **5% level; *10% level.

Table 3. *Modelling the propensity to collaborate with local firms conditional on being a majority acquisition and a brownfield. Sample Selection Model.*

Variables	(1)			(2)		
	Brownfields	Majority acquisitions (1/0)	Collaborating with private companies (1/0)	Brownfields	Majority acquisitions (1/0)	Collaborating with private companies (1/0)
IMR1			-0.549*** (0.742)			
IMR2						-0.548*** (0.156)
Log AGE	0.347*** (0.052)	-0.100*** (0.022)	-0.078 (0.061)	0.328*** (0.056)	-0.110*** (0.023)	-0.077 (0.061)
Log Employees	0.080** (0.036)	0.030** (0.014)	0.210*** (0.078)	0.100*** (0.036)	0.031** (0.014)	0.215*** (0.077)
Number of subsidiaries	-0.020 (0.020)	-0.008 (0.008)	0.065*** (0.014)	-0.031 (0.022)	-0.013 (0.008)	0.066*** (0.014)
Civil Law (1/0)					1.340*** (0.222)	
East European legal tradition (1/0)					0.920*** (0.201)	
Anti-director index					0.387*** (0.081)	
Log GDP	0.083 (0.145)			0.102 (0.156)		
Control of Corruption	-0.961*** (0.096)			-1.017*** (0.098)		
R&D intensity			0.240** (0.093)			0.234** (0.091)
Collaborating with local organizations (1/0)	3.698*** (0.323)		1.699*** (0.408)	3.698*** (0.356)		1.699*** (0.408)
Previous Collaborator (1/0)			2.547*** (0.191)			2.548*** (0.191)
Leverage			-0.309** (0.153)			-0.312** (0.153)
Constant	2.762** (1.262)	-0.061 (0.115)	-6.783*** (0.742)	2.759** (1.388)	-2.287*** (0.395)	-6.775*** (0.738)
Correlation coefficient	-0.753** (0.313)			-1.199* (0.670)		
Obs.	6379		5409	6379		5409
Year dummies	yes		yes	yes		Yes
Industry dummies	yes		yes	yes		Yes
Country dummies	yes		yes	yes		Yes
VIF	1.87	1.33	1.80	1.87	3.10	1.80

Note: Standard errors clustered around the host country. Significant at ***1% level; **5% level; *10% level.

Table 4. *Modelling innovation outcomes. Negative Binomial Model.*

Models	(1)	(2)
Variables	Patents	Cumulated Sum of Forward Citations
Cumulated sum of patents (by subsidiary)	1.214***	1.692***
	(0.030)	(0.063)
HQ's R&D Intensity	0.041**	0.038
	(0.020)	(0.040)
Total R&D intensity of subsidiaries in host country	-0.001***	-0.002**
	(0.000)	(0.001)
R&D intensity	0.063*	0.143*
	(0.038)	(0.075)
IPR index	0.176**	-0.152
	(0.079)	(0.136)
Log AGE	-0.229***	-0.186*
	(0.049)	(0.099)
Log Total Assets	-0.019	-0.044
	(0.033)	(0.068)
Predicted probability of Collaborating (Model 2)	1.057***	1.510***
	(0.093)	(0.222)
Constant	-5.150***	-6.454***
	(0.610)	(1.153)
Alpha	-0.021**	2.031***
	(0.0084)	(0.089)
Obs.	5409	5409
Year dummies	yes	yes
Country dummies	yes	yes
Industry dummies	yes	yes
Pearson chi2	7810.92***	69228.04***

Note: Standard errors clustered around the host country. Significant at ***1% level; **5% level; *10% level. Pearson chi squared for overdispersion Hilbe (2011).