

Innovation by being International: a Conceptual Framework for the Influence of CEO International Experience on Firm Innovation*

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Abstract

Despite a general understanding that CEO characteristics influence firm innovation, researchers from the upper echelon and leadership studies camps know little about the specifics of how CEO international experience influences firm innovation. In this study, we integrate these two fields to propose a new conceptual framework that explains how and when CEO international experience influences firm innovation, leading to a firm's sustainable competitive advantage and survival. We propose that a CEO's international experience shapes his or her values, cognition, and social capital, thereby influencing firm innovation. The strength of this effect is contingent on CEO personality. We further propose that both hubris and narcissism in a CEO negatively moderates the positive relationship between CEO international experience and firm innovation, but that CEO humility enhances the benefits of CEO international experience.

Keywords: CEO international experience; CEO personality; upper echelon; innovation; sustainable competitive advantage

Received November 27, 2021

Revised December 30, 2021

Accepted December 31, 2021

* All papers comply with the ethical code set by the National Research Foundation and the Asia-Pacific Journal of Business and Commerce.

* This study was funded by BNU-HKBU United International College under Grant No.: R72021122.

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1. INTRODUCTION

Organizational innovation refers to the generation, development, and implementation of new ideas or behaviors (Anderson et al., 2014; Damanpour, 1991). An innovation is a new product, service, process technology, organizational structure, or administrative system (Damanpour, 1991). Innovation is important to the creation of a sustainable competitive advantage and firm survival (Anderson et al., 2014; Chen et al., 2009; Kuncoro and Suriani, 2018; Lengnick-Hall, 1992; Na et al., 2019). There is a long-standing debate concerning whether and how CEOs influence firm innovation (Yadav et al., 2007). One stream argues that CEOs can directly aid firm innovation by pursuing innovative and risky strategies, and by detecting and identifying new trends and information. This perspective is grounded in upper echelon theory (Hambrick and Mason, 1984), which suggests that the psychological characteristics of executives affect their strategic decision-making (Hambrick and Mason, 1984; Carpenter et al., 2004). Some research has examined how CEO personality and demographic characteristics affect the degree to which a CEO allocates attention toward innovation issues, pursues risky strategies, and allocates resources to innovative output (Crossland et al., 2014; Gerstner et al., 2013; Herrmann and Nadkarni, 2014; Kish-Gephart and Campbell, 2015; Papadakis and Bourantas, 1998; Tang et al., 2015). Other researchers have focused on how a CEO focus on new information helps a firm identify new technology opportunities and trends, recombine existing knowledge, and discard old knowledge, all of which results in innovation (Yadav et al., 2007; Eggers and Kaplan, 2009; Li et al., 2013).

The second stream examines how CEOs can indirectly help a firm innovate by encouraging and leveraging other top management team (TMT) members and employees. This stream of literature is grounded in leadership research, which investigates how leadership behaviors influence certain business cultures, processes, and structures to boost innovation (Elenkov et al., 2005; Jung et al., 2008; Jung et al., 2003; Ling et al., 2008; Makri and Scandura, 2010).

Both streams of literature highlight the importance of the CEO on firm

innovation. The role of the CEO's international experience is less explored. International experience refers to work and study in foreign countries (Daily et al., 2000). CEO international experience influences a variety of firm outcomes, including internationalization (Daily et al., 2000; Reuber and Fischer, 1997), financial performance (Carpenter et al., 2001; Roth, 1995), corporate social performance (Slater and Dixon-Fowler, 2009), CEO succession (Herrmann and Datta, 2002; Magnusson and Boggs, 2006), and executive compensation (Carpenter et al., 2001). However, less is known about whether and how CEO international experience influences firm innovation, and ultimately its sustainable competitive advantage and survival.

It is important that the role of CEO international experience on firm innovation is understood. Executive experience can shape beliefs, values, and cognitive skills in ways that considerably influence CEO's decision-making and behavior (Hitt and Tyler, 1991), and help to accumulate certain unique skills and social capital (Carpenter et al., 2001). Innovation can be significantly shaped by past experience. Several researchers have examined the role of CEO tenure and formal education (Papadakis and Bourantas, 1998; Musteen et al., 2006), functional background (Musteen et al., 2006; Barker and Mueller, 2002), career variety (Crossland et al., 2014), and social class (Kish-Gephart and Campbell, 2015) in influencing innovation. However, research on the relationship between CEO international experience and firm innovation remains rare (Finkelstein et al., 2009). Examining CEO international experience can help us to extend this stream of research.

Additionally, accounting for the role of international experience can also help us understand why CEOs allocate attention to certain information. Although current research indicates that search behavior and attention to new information is particularly important for innovation (Yadav et al., 2007; Eggers and Kaplan, 2009), less attention has been paid to the antecedents of attention or search behavior (Finkelstein et al., 2009). Accounting for the CEO international experience may help us to understand their search behavior and attention to new information.

Examining the effect of CEO international experience on innovation may also

allow us to look beyond the leadership variables and examine how other CEO characteristics help leverage TMT and employee creative input.

Finally, the limited preexisting empirical research suggests the necessity of this inquiry. Liu et al. (2010) found that the international experience of entrepreneurs in small ventures helped firms acquire advanced knowledge and innovate in an emerging market. Godart et al. (2015) found that professional foreign experience in creative directors helped firms operating in creative industries to innovate. These studies were, however, limited to small ventures and creative industries. It is therefore helpful to investigate whether and how CEO international experience influences firm innovation in different sized organizations.

In this paper, we integrate an upper echelon theory with individual foreign experience literature to propose a conceptual framework for how and when CEO international experiences will influence firm innovation. Upper echelon theory suggests that CEO international experience affects the value, cognition, and social capital that influence decision-making related to firm innovation (Hambrick, 1984). Literature on individual foreign experience can help us to explain what kind of value, cognition, and social capital are gained by the experience, and how it boosts innovation (Godart et al., 2015; Leung et al., 2008; Maddux and Galinsky, 2009; Tadmor et al., 2012).

The literature on individual foreign experience claims that not all individuals experiencing a foreign culture benefit to a same extent (Leung et al., 2008; Maddux and Galinsky, 2009; Tadmor et al., 2012). To account for this, we consider the conditions in which CEO international experience achieves certain psychological and social benefits that boost innovation. Based on current research from upper echelon theory, we include three personality factors in our proposed framework.

2. CEO CHARACTERISTICS AND FIRM INNOVATION

2.1. Upper echelon theory and firm innovation

Two areas of research have examined how CEOs affect firm innovation. The first examines the direct influence of CEOs on firm innovation. Upper echelon theory posits that executive psychological factors influence their selective perception and interpretation about information (Hambrick and Mason, 1984; Finkelstein et al., 2009). Such filters would influence strategic decision-making.

Innovation as important decision-making can be affected by CEO characteristics (Tang et al., 2015). Researchers have examined how CEO demographic characteristics and CEO personality can affect innovation. CEOs can influence innovation through disposition toward change and risk taking. CEO who are high in hubris (Li and Tang, 2010), are narcissistic (Chatterjee and Hambrick, 2007), have shorter tenure (Papadakis and Bourantas, 1998), have an internal locus of control (Papadakis and Bourantas, 1998), have a higher or lower social class background (Kish-Gephart and Campbell, 2015), and have more variety in their careers (Crossland et al., 2014) are more likely to take risks and engage in experimentation and change. These risk-taking and experimentation decisions can send a firm in a new direction and influence firm innovation (Crossland et al., 2014; Tang et al., 2015). CEOs can also influence innovation by paying attention to new ideas and information. CEOs who are older (Young et al., 2001), humble (Ou et al., 2014), receive formal education (Papadakis and Bourantas, 1998), have a general managerial background (Kish-Gephart and Campbell, 2015), and have more variety in their careers (Crossland et al., 2014) are more open to new ideas and information. Allocating attention to novel and new information helps these CEO make more distinctive strategy and direct the organization toward innovation (Crossland et al., 2014). Other studies have taken a cognitive approach to study how CEOs actively allocate attention to novel information, though they have not accounted for CEO characteristics that guide such behavior. CEO attention to new technology

(Eggers and Kaplan, 2009), future (Yadav et al., 2007; Nadkarni and Chen, 2014), distant (Yadav et al., 2007), and unfamiliar and broader information (Li et al., 2013) allows some CEOs to identify new trends and recombine existing knowledge for new product development, leading to a firm's sustainable competitive advantage and survival.

2.2. Leadership and firm innovation

Other literature examines the indirect influence of CEO on firm innovation. This stream of literature is grounded in leadership research. Although CEOs are responsible for decision-making, it is through TMT that decisions are implemented (Ling et al., 2008). Middle managers and employees perform day to day innovative activities (Yadav et al., 2007). While high job demand will use up a CEO's cognitive resources and influence firm innovation (Hambrick et al., 2005), CEO can exhibit leadership behaviors that encourage and leverage the creative input of other organizational members to boost firm innovation. In other words, transformational leadership can influence corporate entrepreneurship through the CEO-TMT interface (Ling et al., 2008), as well as encourage and promote employees' creative output (Jung et al., 2008). Elenkov et al. (2005) found that strategic leadership behavior has a large influence on both administrative and technological innovation when it supports other members. Makri and Scandura (2010) suggested that creative leadership can create a culture that can foster innovation.

In sum, while several effects of CEO characteristics on firm innovation have been examined, CEO personal experience has not received adequate attention. Nevertheless, CEO personal experience can shape executive values, cognition, and social capital, affecting both decision-making and leadership behavior (Hitt and Tyler, 1991; Finkelstein et al., 2009). Studying CEO personal experience, specifically international experience, can thus provide insights into how CEOs directly and indirectly influence firm innovation, and how this leads to a sustainable competitive advantage (Chen et al., 2009; Kuncoro and Suriani, 2018; Lengnick-Hall, 1992; Na et al., 2019).

3. A CONCEPTUAL FRAMEWORK FOR CEO INTERNATIONAL EXPERIENCE AND FIRM INNOVATION

3.1. CEO international experience

Prior research has focused on work-related international experience, such as international assignments, as an important factor that effects CEO decision-making (Carpenter et al., 2001; Roth, 1995; Slater and Dixon-Fowler, 2009). Other research in strategic leadership has considered foreign education experience (Peng et al., 2015). In general, the findings have shown that living abroad influences an individual's cognition (Tadmor et al., 2012; Maddux et al., 2010). In this study, we define CEO international experience as the experience of working and studying in foreign countries (Maddux et al., 2010).

3.1.1. The psychological and social benefits of CEO international experience

International experience is a valuable, rare, inimitable, and non-substitutable resource that positively contributes to firm performance (Carpenter et al., 2001; Roth, 1995). International experience not only serves as an important resource for the firm, but also provides additional cognitive and social benefits for executives, and has a long-lasting effect on their identity and worldview (Maddux et al., 2010; Gregersen et al., 1998). In interviews, several executives have emphasized international experience as the most important of their careers (Gregersen et al., 1998). The associated cognition and social benefits would largely influence firm innovation. Researching the foreign experience of creativity can help us understand what types of psychological and social benefits are attained through exposure to foreign culture.

First, CEO international experience changes his or her personal values. Personal values are conceptions of what the individual aspires to and are guides for individual behavior (Slater and Dixon-Fowler, 2009). Values are gained and adjusted through exposure to social contexts (Finkelstein et al., 2009). Working

or studying in a foreign context allow executives exposure to a new social context. This exposure allows CEO to access a broader view of the world. Such new input would make CEO more likely to change the status quo and become a risk-taker (Godart et al., 2015). As times goes on, a value toward change, new, and different becomes the norm in the CEO's mind. Hambrick and Brandon (1988) refer to this value as novelty. Moreover, exposure to foreign cultures allows CEO to realize how different people live together (Leung et al., 2008). As time passes, CEO will value the whole human kind social system and become more empathic and respecting of others (Chieffo and Griffiths, 2004). This would allow the CEO to attain a collectivistic mindset (Hambrick and Brandon, 1988).

International experience would also change a CEO's cognitive content, structure, and style. Exposure to foreign culture allows an individual to access a large number of diverse concepts, inputs, and ideas (Leung et al., 2008; Maddux and Galinsky, 2009). Such exposure would enrich the CEO's cognitive content (Carpenter et al., 2001; Godart et al., 2015). Access to foreign culture may also allow the CEO to destabilize an original knowledge structure, allowing him or her to access unconventional knowledge, or detect different meanings underlying similar form (Leung et al., 2008). With respect to cognitive style, exposure to foreign ideas may prompt a CEO to habitually recruit and seek ideas from diverse and unfamiliar sources (Leung et al., 2008). Foreign exposure can increase a CEO's psychological readiness to accept ideas from unfamiliar source (Leung et al., 2008; Maddux and Galinsky, 2009). Exposure to a foreign culture would also allow a CEO to compare and contrast different views and find interconnections (Tadmor et al., 2012). This would help CEO to form integrative complexity, which can stimulate them to evaluate seemingly different ideas and integrate in novel ways.

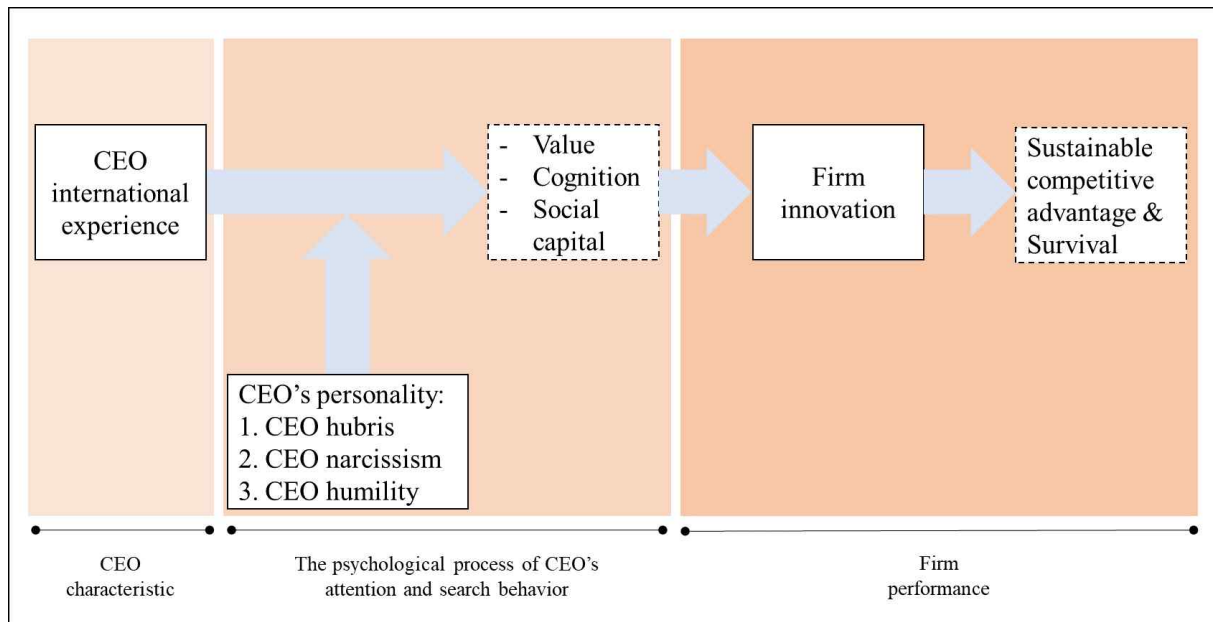
CEO international experience also enriches CEO social capital. International experience allows CEOs to embed within certain social network (Carpenter et al., 2001; Godart et al., 2015), which can provide CEOs with valuable information that cannot be accessed elsewhere (Uzzi, 1996). Common experiences among network members can also help to build strong ties that would facilitate tacit knowledge transfer and resource exchange (Hansen, 1999).

Finally, building ties with people from different cultures can enrich networking skills that can be utilized in other contexts (Godart et al., 2015).

3.2. Proposition on CEO International Experience and Firm Innovation

Upper echelon theory and leadership research suggest that CEO international experience can shape executive value cognition and expand social capital, which in turn directly and indirectly influences innovation (Elenkov et al., 2005; Finkelstein et al., 2009). By integrating literature concerning the psychological and social benefits of foreign experiences (Godart et al., 2015; Leung et al., 2008; Tadmor et al., 2012), we propose a conceptual framework for how CEO international experience contributes to firm innovation. (Figure 1 shows the conceptual framework of the study.)

◁Figure 1▷ A proposed framework that explains the link between CEO international experience and firm innovation



3.2.1. CEO international experience, value, and firm innovation

First, CEO's novelty value gained from international experience can influence firm innovation. Novelty value allows a CEO to value change, as well as new, and different things (Hambrick and Brandon, 1998). Innovation activities are a way to strategically change the current situation (Tang et al., 2015). Channeling value suggests a direct way of how CEO international experience would influence innovation (Finkelstein et al., 2009). In addition, CEO will also attend to new and different information. This information would help him or her identify a new trend and recombine existing knowledge to boost innovation (Yadav et al., 2007; Li et al., 2013). CEOs who value novelty are more likely to create a culture of innovation (Berson et al., 2008) and value the creative input of other organizational members (Finkelstein et al., 2009). Thus, novelty value gained from international experience helps employee generate and implement new ideas.

Firm innovation can also arise from collectivism, which is obtained via international experience. Collectivism suggests an appreciation for an entire social system and respect for all people (Hambrick and Brandon, 1988). This value would motivate a CEO to satisfy all stakeholders. Firms with such a CEO would innovate more to meet these expectations (Wagner, 2010). In addition, collectivism allows a CEO to obtain information from multiple parties that others might not be aware of (Slater and Dixon-Fowler, 2009). This distant, diverse, and unfamiliar information would help identify the new trends, which can be recombined with existing knowledge (Yadav et al., 2007; Li et al., 2013). Finkelstein et al. (2009) have suggested that collectivism results in CEOs paying more attention to lower rank employees. This individual consideration would encourage employees to engage in creative behavior (Jung et al., 2008). Employee creative input is an important source of firm innovation (Baer, 2012; Gong, Zhou, and Chang, 2013).

3.2.2. CEO international experience, cognition, and firm innovation

The rich cognitive content gained from international experience would boost firm innovation. Accessing diverse inputs, concepts, and ideas can encourage CEOs to challenge the status quo and take more risks (Godart et al., 2015). In turn, the tendency to take risks would make CEOs pay more attention to innovation activities (Tang and Li, 2015). Rich cognitive content can allow a CEO to recombine existing ideas (Smith, Collins, and Clark, 2005) and assist him or her with assimilating new ideas (Cohen and Levinthal, 1990). Rich cognitive content can also provide other organizational members with new inputs that increase their creative output to influence innovation.

International experience can change a CEO's cognitive structure by allowing them to identify different meanings underlying different forms and gain access to unconventional knowledge (Leung et al., 2008; Maddux and Galinsky, 2009). Both processes would help a CEO identify new trends and gather information. This information would allow not only the CEO to make an innovative strategy (Crossland et al., 2014), but also foster creativity among other organizational members, which are themselves valuable for innovation activities (Baer, 2012; Gong et al., 2013).

Third, international experience ensures CEO to get certain cognitive styles to assist innovation. Psychological readiness to accept ideas from unfamiliar sources makes CEOs more receptive to novel input, allowing them to make an innovative strategy that can guide an organization in a new direction (Crossland et al., 2014). The rich information can also enable CEO to identify new trends (Yadav et al., 2007) and recombine existing knowledge (Li et al., 2013; Smith et al., 2005). This novel information can serve as a valuable input for other organizational members, that enhances their innovation output.

3.2.3. CEO international experience, social capital, and firm innovation

The social capital gained from international experience can help CEOs access broader knowledge (Carpenter et al., 2001; Godart et al., 2015). This knowledge

can be useful for generating innovative strategies (Crossland et al., 2014), identifying new trends (Yadav et al., 2007), and recombining existing knowledge (Smith et al., 2005). This knowledge can also serve as valuable information for other organizational members.

Social capital can also help mobilize resources through intrafirm and interfirm exchanges that enable the implementation of innovation strategies and creative individual ideas. The international experience builds trust and establishes reputations between partners (Carpenter et al., 2001), facilitating strategic alliances and inter-subsidiary collaboration (Carpenter et al., 2001; Kim and Mauborgne, 1993). CEO can easily attain the necessary resources from partners to enable innovation activities.

In sum, international experience can help CEOs change their values and their cognition, and enhance their social capital, to directly and indirectly boost firm innovation. Thus,

Proposition 1: CEO international experience will be positively associated with firm innovation.

3.3. Propositions on the Moderating Role of CEO Personality

Individual foreign experience literature suggests that while international experience provides some psychological and social benefits, not all benefit equally from the experience. Individuals need to identify with and adapt to the foreign culture to realize such benefits (Leung et al., 2008; Maddux and Galinsky, 2009; Tadmor et al., 2012). To enhance the theoretical mechanism mentioned above, and add boundary conditions to our main proposed relationship, we will discuss how CEO personality would moderate this experience. Specifically, we choose CEO hubris, narcissism, and humility to examine.

We choose to examine these three factors for several reasons. First, all three personality traits directly influence innovation (Gerstner et al, 2013; Tang et al., 2015; Chatterjee and Hambrick, 2011; Ou et al., 2015). To date, however, less

attention has been paid to whether and how they indirectly influence innovation. Nor has the moderating effect of CEO personality been examined in upper echelon research (for expectations, see Petrenko et al., 2016; Zhu and Chen, 2015). Second, both CEO narcissism and hubris are incorporated under core self-evaluation (Chatterjee and Hambrick, 2007). There are almost no studies that have attempted to account for them together. Including both factors may help one understand how the two constructs relate to each other. Third, a related issue also happen to hubris and humility. Although these are labeled as different constructs, some researchers treat the two as being at opposite ends of a continuum. Considering those two constructs together can aid our understanding of the relationship between them.

3.3.1. The moderating role of CEO hubris

CEO hubris refers to an exaggerated belief about the CEO's own judgement that might be deviated from the objective standard (Li and Tang, 2010; Hiller and Hambrick, 2005). This cognitive bias exists when a CEO's certainty about a certain event exceeds its real probability (Tang and Li, 2015; Li and Tang, 2010). This hyper core self-evaluation disposition can have a significant influence on information processing and decision-making process (Hill and Hambrick, 2005). When CEOs hold exaggerated beliefs about themselves, they are less likely to pay attention to social context and form expectations based on social information. When exposed to a foreign culture, they are less likely to pay attention to the new cultural elements. In addition, hubristic CEOs are more likely to overestimate their own capability and underestimate the amount of uncertainty (Li and Tang, 2010). They are also more likely to underestimate the value of foreign culture, and they therefore lack the motivation to use social information to construct reality. In other words, social information are less relevant to them. The decision-making process of hubristic CEOs tend to be faster, less comprehensive, and more self-centered (Hiller and Hambrick, 2005; Tang et al., 2015) than in non-hubristic counterparts. Empirical studies have also shown that hubristic CEO focus more on internal rather than external

source of resource (Malmendier and Tate, 2005), and are thus less likely to pay attention to the valuable opinions and perspectives offered in foreign countries.

Proposition 2: CEO hubris will weaken the positive relationship between CEO international experience and firm innovation.

3.3.2. The moderating role of CEO narcissism

Narcissism is defined as the degree to which an individual has an inflated self-view and is preoccupied with having that self-view continuously reinforced (Finkelstein et al., 2009; Campbell et al., 2004). A narcissistic CEO is more likely to seek attention and reinforcement of their positive self-image (Chatterjee and Hambrick, 2007; Chatterjee and Hambrick, 2011). When experiencing a foreign culture, new and different culture elements may threaten their own sense of value and their cognitive content. To maintain a positive self-view, they favor their prior experience and are less likely to open to the new inputs from others (Zhu and Chen, 2015). This unwillingness to accept new inputs makes them less likely to identify with and adapt to foreign cultures. Moreover, narcissists are exceptionally susceptible to certain praise as a source of narcissistic supply (Petrenko et al., 2016; Wallace and Baumeister, 2002). Exposure to foreign cultures can cause them to suffer, as they are exposed to more critics and challenges and cut off from their supply of praise. They are also less likely to interpret foreign cultural elements in a positive way. Such CEOs would receive relatively fewer benefits from international experience.

Proposition 3: CEO narcissism will weaken the positive relationship between CEO international experience and firm innovation.

3.3.3. The moderating role of CEO humility

Humility is the quality of accepting that something is greater than the self (Ou et al., 2014). Humble CEOs are more open to feedback and learning orientated (Ou et al., 2014; Ou et al., 2015). Such CEOs are motivated to learn about new elements from a foreign culture. In addition, humble CEO are more likely to admit the strength of others (Owens et al., 2013) and interpret new conflicting views in a positive way. Humble CEOs are more likely to engage in a self-transcendent pursuit (Ou et al., 2014; Ou et al., 2015), which would allow them to continuously absorb and internalize a new identity. Humble CEO, in short, are more likely to identify with and adapt to a foreign culture, and gain from that experience.

Proposition 4: *CEO humility will strengthen the positive relationship between CEO international experience and firm innovation.*

4. DISCUSSION

4.1. Contributions

This study makes several contributions. By integrating upper echelon theory and individual foreign experience literature, this paper sheds new light on how CEO characteristics influence firm innovation. Specifically, we propose that CEO international experience matters. Moreover, synergizing upper echelon theory and literature on individual foreign experience allows us to look beyond traditional demographic characteristics (age, gender, education, tenure, and functional background) and personality traits to understand how a specific experience can shape executive psychology to directly and indirectly influence firm decision-making (see also, Crossland et al., 2014; Kish-Gephart and Campbell, 2015).

This paper also contributes to the cognitive research by looking beyond

individual level outcomes. Most research has examined how foreign experience helps an individual achieve individual creativity, innovation, and career success (Leung et al., 2008; Maddux and Galinsky, 2009; Tadmor et al., 2012). Only few studies have explored how individual-level foreign experience contributes to firm level outcomes (Liu et al., 2010; Godart et al., 2015; Maddux et al., 2010). This study proposed a conceptual framework for how a CEO's international experience influences firm level innovation in large organizations. This study also adds boundary conditions to this relationship.

This study also contributes to upper echelon research on CEO personality. Previous research has focused on how CEO hubris, narcissism, and humility directly influence innovation (Gerstner et al., 2013; Yang et al., 2010; Ou et al., 2015), and has only rarely accounted for these constructs together. This research thus provides new insights into how CEO personality can shape their gains from their experience abroad, and how those gains indirectly influence firm decisions.

4.2. Future researches

Based on the proposed conceptual framework, we recommend that scholars next empirically test how CEO international experience influences firm innovation. For example, future research could adopt a survey method to test how CEO's working experience at overseas subsidiaries or overseas education (Peng et al., 2015) can spur new product development (Li et al., 2013) or sales (Tang et al., 2015). To incorporate the proposed arguments on the effects of CEO characteristics, future researches could incorporate the Tracy and Robins (Tracy and Robins, 2007)'s hubris scale (5 point Likert scale), the measure of CEO narcissism developed by Ames et al. (2006) (based on NPI-16 index) and the measure of CEO humility based on Ou et al. (2014)'s scale (5 point Likert scale).

Future researches also could perform a quantitative analysis using archival data and test propositions in high tech industries in which firm innovation is quite important for firm survival. A focus on high tech industries would ensure

innovation is an important aspect of the targeted firm's cultures, in inquiring whether innovation leads to a firm's sustainable competitive advantage (Chen et al., 2009; Kuncoro and Suriani, 2018; Lengnick-Hall, 1992; Na et al., 2019). Focusing on tech companies can also ensure that sample firms share certain common characteristics with regard to search process (Wang and Li, 2008). Consistent with previous research (Tang et al., 2015), the sample could include public firms in high-tech industries such as those dealing with communication equipment, telephone communication services, or computer and data processing services. Consistent with previous studies, researchers could use patent data, including the total number of successful applications, to measure firm innovation across time (Yang et al., 2010). The number of patent citations (the number of total forward citations the patents of a firm granted in a certain year) (Kaplan and Vakili, 2015) could also be used as a measure of firm innovation.

4.3. Conclusion

In this study, we aimed to advance the understanding of the effect of CEO international experience on firm innovation. Drawing on upper echelon theory and individual foreign experience literature, we proposed a conceptual framework that describes how CEO international experience leads to firm innovation. Understanding of the influence of CEO international experience on firm innovation is crucial, as innovation leads to the creation of sustainable competitive advantages and firm survival. To demonstrate the mechanism, we discussed how CEO international experience shapes their values, cognition, and social capital, and how these relate to firm innovation. We focus on previous research that has found that individuals vary in the benefit each receives from international experience. We propose that CEO personality factors affect a CEO's attention and search behavior, and therefore moderate the relationship between CEO international experience and firm innovation. These factors include CEO hubris, CEO narcissism, and CEO humility. In sum, this research provides a foundational understanding of the process of how CEO international experience influences firm innovation, leading to a firm's sustainable competitive advantage and survival.

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국제 경험을 통한 혁신: CEO의 국제 경험과 기업 혁신의 관계에 대한 개념적 틀에 관한 연구*

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요 약

CEO의 특성은 기업의 혁신에 영향을 준다고 알려져 왔다. 그러나 최고경영층이론과 리더십 이론에 기반을 둔 오랜 기간의 방대한 연구들에도 불구하고, 어떻게 CEO의 국제 경험이 혁신에 영향을 주는지에 대해서는 거의 알려진 바가 없다. 본 연구는 최고경영층이론과 개인의 외국 경험에 대한 문헌을 바탕으로 CEO의 국제 경험이 언제 그리고 어떻게 기업의 혁신에 영향을 주는지에 대한 개념적 틀을 제시했다. 또한 기업의 혁신이 어떻게 기업의 지속 가능한 경쟁우위와 생존에 영향을 주는지 논의했다. 본 연구는 CEO의 국제경험에 의해 형성된 CEO의 가치관, 인식, 사회적 자본이 기업의 혁신에 영향을 준다고 제안했다. 아울러 CEO의 자기과신과 나르시시즘의 CEO의 국제 경험과 기업 혁신 간의 정의 효과에 대한 부정적 조절효과에 대해 논의했다. 마지막으로, 본 논문은 CEO의 겸손함이 CEO의 국제 경험과 기업 혁신 간의 정의 효과를 증대시키는 조절효과의 역할을 한다고 제안했다.

핵심주제어: 최고경영층, 기업혁신, 국제경험, CEO 특성, 지속적 경쟁우위

논문접수일 2021년 11월 27일

심사완료일 2021년 12월 30일

게재확정일 2021년 12월 31일

* 본 논문은 한국연구재단과 아태경상저널에서 정한 윤리규정을 준수함.

* 본 논문은 북경사범대학-홍콩침례대학 국제연합대학에 의해 지원된 연구임 (Grant No: R7201122).

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