MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„Viennese CEOs make great International Business: cornerstones of their success"

verfasst von / submitted by

Irina MAX, BSc

angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Science (MSc)

Wien, 2018 / Vienna 2018

Studienkennzahl lt. Studienblatt / degree programme code as it appears on the student record sheet:	A 066 914
Studienrichtung lt. Studienblatt / degree programme as it appears on the student record sheet:	Masterstudium Internationale Betriebswirtschaft UG2002
Betreut von / Supervisor:	Ass.-Prof. Steffen Keck, PhD

Abstract

Today, CEOs international experience is defined as a valuable resource for companies' competition in the rising globalized markets. Thus international experience is in the core of the globalization of the market and internationalization of business as challenges of the contemporary world. In the increasingly global environment, knowledge and competences regarding the foreign market, a broader perspective, cultural and business fluency gives an edge to those companies who embrace it. International experience is a unique and valuable asset for the process of internationalization and it is crucial to enhance competitive advantage and successful performance on the global market. In particular, the thesis will include analysis and empirical study of the process of internationalization of the Austrian market and international experience of Viennese CEOs. The Austrian market is defined as open and highly international while the Viennese world market leaders belong to the most successful.

Abstrakt (Deutsch)

Heute ist die internationale Erfahrung von CEOs eine wertvolle Ressource für den Wettbewerb der Unternehmen in den aufkommenden globalisierten Märkten. Internationale Erfahrung steht daher im Mittelpunkt der Globalisierung des Marktes und der Internationalisierung der Wirtschaft als Herausforderungen der Gegenwart. In einem zunehmend globalen Umfeld geben Wissen und Kompetenzen in Bezug auf den Auslandsmarkt eine breitere Perspektive sowie kulturelle und geschäftliche Gewandtheit denjenigen Unternehmen einen Vorteil, die sich diesen Markt erobern wollen. Internationale Erfahrung ist ein einzigartiges und wertvolles Gut für den Internationalisierungsprozess und ist entscheidend, den Wettbewerbsvorteil und den Erfolg auf dem Weltmarkt zu verbessern. Diese Arbeit beinhaltet insbesondere die Analyse des Internationalisierungsprozesses des österreichischen Marktes und empirische Untersuchung der internationalen Erfahrung der Wiener Geschäftsführer. Der österreichische Markt gilt als offen und hoch international. Die Wiener Weltmarktführer zählen zu den erfolgreichsten weltweit.

Preface

Stemming from the increasing globalization of markets and internationalization of businesses, modernity puts different challenges on companies' path. Thus, to be globally competitive and gain competitive advantage on the global market, companies are selecting an internationalization strategy. In the international business environment, international experience thus in depth knowledge and competences of those who create and implement the internationalization strategies which lead towards success, becomes a must.

Often, CEOs are defined as an indispensable resource in a company, who have the ability to enhance companies' competitiveness on the international market and strategic success (Vance, 1983). Thus, the contemporary business environment is facing with challenges of globalization and internationalization and consequently, tends to impose international experience as the yardstick for the CEO's success. This is directly related with the internationalization and the growing investments in foreign markets where CEO's international experience is crucial and inevitable. International experience is built of specific knowledge and competences regarding foreign markets, broader perspective and understanding of diverse economic, social and cultural dynamics. CEO with international experience is defined as market and culturally fluent.

In the core of this analysis is the CEO's international experience in relation with the company's performance in the context of the internationalization. Among scholars and literature we can recognize diverse opinions in regard. One opinion sees international experience as the individual characteristic that represents certain knowledge, skills and expertise in the context of the foreign markets and cultures (Gremmo, D., Greve, M., & Ruigrok, W., 2017). Further, others see it as a valuable resource for the company's performance and strategies. However, the imposed question which will be elaborated through the thesis is; is the international experience of CEO's an asset in the overall success of the company or just in the international context. Precisely, in the thesis will be elaborated the competitive advantage of Viennese CEO's on the international market with focus on the international experience as a main factor of this success.

Despite the growing influence of the executives' international experience on the company's outcomes, related data is still defined as "insufficient". Therefore, the topic in regard will be elaborated through the in depth analysis of already conducted research and data collected on site.

Key words: Internationalisation, Theory of internationalization, Globalization, International Business Environment, Viennese CEO, international experience

Table of Contents

List of Figures

[1] Available at the: https://tradingeconomics.com/austria/exports

Chapter I

1.1. Research Questions

Analysis of companies' position on the global market while facing with challenges of the contemporary world such as the internationalization of businesses and globalization of markets and reasons behind the success turns the focus of this thesis towards the CEOs' international experience. Thus, how to be competitive on the global market through an internationalization strategy led by those executives capable of embracing knowledge, skills and virtues gained on the diverse international platforms and subsequently implementing them in the companies' strategy to be globally competitive.

Nevertheless, the research question is how international experience affects companies' performance? Hence, *does the internationalization strategy impose international experience as a yardstick for the measure of success in one company? Can CEO's international experience be a valuable resource only in international business?* Thereby, can international experiences bring outcomes that are not directly related to internationalization?

Furthermore, *is the international experience a condition for competitiveness on the global market?* Moreover, due to the in depth analysis of the case of Viennese CEO's, the imposed research question as a result is; *is their success in the international business built on the gained international experience?*

Dynamics of the contemporary world imposed different challenges on the companies' path towards development. Thus, today companies are changing strategies thereby turning more towards the global market through export and FDI. It is necessary to elaborate what is behind the success of the internationalization strategy. Hence, it is necessary to evaluate the process of defining international experience as a valuable asset for the company's development.

The aim is to provide answers to these questions. Moreover, the aim is to present main concepts and problems with solutions in regard. If we assume that internationalization is path towards development, then we must enhance international experience as a valuable resource. In the thesis will be elaborated concepts and process of internationalization, international experience as a yardstick towards success and presented the internationalization process of Austrian business.

1.2. Aim

The overall aim of this study is to examine the impact of international experience as a valuable and unique resource on the success of CEOs in the context of internationalization. Thus, in the study will be analyzed the internationalization strategy as a way to face challenges of the contemporary world such as globalization of markets and internationalization of businesses. Furthermore, it will be analyzed the value of international experience in the process of gaining competitive advantage on the global market. Companies today use diverse internationalization strategies, models and approaches. International experience is in the core due to the fact that today it is not necessary to build up knowledge and competences regarding targeted foreign market internally but embrace the international assignments of CEOs. Moreover, the empirical study will be focused on the success of Viennese CEOs on the world market. Today we can say that Austrian companies dominate on the world market. Therefore, the aim is to provide answers as to what is in the core of this success.

1.3. Hypothesis

The success of the Viennese world market leader is impressive. Moreover, Austrian companies are leaders on the global market. Imposed questions have goal to provide in depth analysis of the cornerstone of this success. Further, to meet challenges imposed by globalization, companies must select executives with a certain level of experience hence knowledge and competences regarding diverse foreign markets, diversification and internationalization strategies, market entry and ability to adjust to diverse business dynamics.

In the in depth analysis of the executives' international experience in relation with the companies' performance and strategies in the international business environment, the starting point is the hypothesis that *international experience is a cornerstone of success in gaining* *competitive advantage on the international market*. Furthermore, the second hypothesis is that *internationalization will moderate the relation between executives' international experience and the performance of the company.*

1.4. Proposed research methodology

Due to the hypothesis and the research questions, the theoretical approach that is going to be used in the work is pragmatism and critical theoretical approach. In the pragmatism practical consequences are accepted over ideas hence pragmatism provides practical suggestion considering reality as it is (Punch, 1998: 53) whereas critical theoretical approach means critical opinion regarding diverse concepts. The thesis is inter-disciplinary and broad hence it moves between these theoretical approaches.

Methodology is a base of any research and it presents combination of methods, tools, rules, data collection and analysis. The methodology that had been chosen aims to analyze successful process of internationalization of Austrian companies and international experience as a cornerstone of this success. Therefore, to be able to achieve this goal it should be acknowledged that the methodology is qualitative and quantitative in nature. To be able to respond to the research questions and to provide in depth analysis of the international experience as a valuable asset for the success of the CEO's in the international business environment, the research included both qualitative and quantitative methods. The thesis has analyzed a great number of documents including public documents, reports, articles, studies and literature used methods and techniques besides the data collected and recorded through questionnaires from the field. However, the sample included great amount of data. Therefore, the collected data has been narrowed down/summarized through tabulations, figures and diagrammatic hence descriptive statistics.

In order to get an in depth analysis of international experience and understanding why is it defined as a unique and valuable asset in the gaining the competitive advantage in the global market, the sample contains 360 companies included in the research. Hence, it was developed qualitative interviews with diverse questions related with the research questions and regarding the CEO's personal characteristics and international experience. The questionnaire was posted on online and the link has been sent to all 360 companies precisely to their CEO's whereas only 57 CEO's completed it. However, some of the CEOs were not available and they hesitated to give information regarding their international experience and some of the personal details.

Due to the large size of the sample it was necessary and inevitable to summarize it with descriptive statistics. It is a best way of describing what data is and what data shows. Moreover, descriptive statistics is used to present quantitative descriptions. The goal is to reduce large amount of data into much simpler summary.

The credibility of qualitative methods has been questioned throughout the history of social research. The main objection is that interviewees might be reluctant to express their true opinions on certain topics or simply might not be equipped enough to provide reliable data. Thereby, the researcher chose not to rely only on the first hand data but secondary data has been collected and analyzed from diverse articles, reports, publications, documents and literature to have a detailed desk review . The aim is to provide critical analysis. Moreover, it was necessary to analyze secondary data to gain knowledge regarding concepts in matter and be able to develop critical opinion. Nevertheless, internationalization process is a reality of many companies in the contemporary world. Due to the goal to reach certain level of development and face with challenges of globalization, and in the case of Austria due to the natural limits, companies have to turn to new foreign markets. To be able to gain competitive advantage companies need to have valuable and unique resources. International experience is seen as such.

Chapter II

2.1. Literature review

Today, the contemporary world is getting more and more united and the conclusion is that in the business environment just few organizations are not affected by globalization (Reynolds, 2010). Increasing irrelevance of national borders inevitably brought to expanding the supply chain and movement of resources, knowledge and skills. Recent history showed significant growth in the total value of global export from $7.4 trillion to $15.7 trillion.[2] Due to this tendency, globalization of market and internationalization of business are main factors in changing the companies' strategies making them increasingly international and competitive.

Internationalization is an important aspect in this analysis. Although there is no precise definition, internalization is a process of involvement of diverse companies in the international market. This means that companies are facing diverse costs and risks to gain benefits from the foreign market with goal to reach development. Thus, companies need to develop international strategies to face foreign investments, political and economical risks of the foreign market. Therefore CEO with the international experience thus knowledge, skills and abilities which permit to successfully operate internationally become a must for the company to remain globally competitive. Moreover, concept of internationalization will be elaborated in relation with executives' international experience. Thus, is the internationalization strategy in a company influencing international experience thereby making it a must in the curriculum of CEO? Can we claim that international experience is a vital asset and crucial resource to create competitive advantage on the international market? Today, companies are mostly acting in the global environment. Consequently contemporary leaders have responsibility to build right strategies for their companies to face with the challenges of globalization. Therefore, one of these strategies is to choose chief executive officers with international experience thus culturally fluent and with a broader perspective regarding diverse foreign markets and business dynamics. International experience helps to gain and develop certain skills, knowledge and capabilities thus ability to have competitive advantage on the foreign market. Furthermore, to integrate knowledge, create multinational market strategies and to lead decision making process in the context of diversity

[2] 2009 World Trade Statistics: http://www.wto.org/english/res_e/statis_e/its2009_e/its2009_e.pdf.

and complexity. International experience becomes a valuable resource for the company's success, therefore, to obtain competitive advantage in the global market with emphasis on those countries which are forced to turn to global markets to find growth opportunities. However, apart from enhancing the competitive advantage and performance, endowing executives with host countries' knowledge and networks, international experience contributes to the internationalization of a firm (Carpenter & Fredrickson, 2001; Hsu, Chen, & Cheng, 2013; Kim, Pathak, & Werner, 2015). Globalization made physical distance between markets less valuable and knowledge and skills regarding these new, foreign markets are easier to gain. It is not necessary to build up knowledge and competences regarding business and market dynamics, risk and benefits but to create international assignment. Field experience has big value not only because of the knowledge regarding the market itself and how to seek and gain advantage in the market or the available resources and opportunities, but about political, social, economic and cultural environment in general. Ability to adjust not only in the foreign market but society as well is a great value and resource itself.

International experience in the complex global market can provide CEOs with inimitable and unique knowledge, competences and professional network that help them to manage better company and lead the strategy towards development (Athanassiou & Nigh, 1999; Lublin, 1996; Maruca, 1994). This goes along with seeking knowledge and expertise. Geographically and organizationally distant knowledge can be more inspiring (Bierly et al., 2009). International experience is a rare and valuable resource which provides competitive advantage for companies in the global market. Moreover, social complexity is embedded in human capital. Is the international experience valued only in the international context? Or we can say that due to the global market and internationalization of business, international experience of executives is a must in the overall company's performance.

More precisely, through this thesis will be elaborated the case of Viennese CEO's and the international experience as the cornerstone for their success. Austrian economy is open and highly international. Austrian companies are leaders on the global market. Imposed question is, the high level of internationalization and international experience of their CEO's cornerstone of this success.

2.2. Internationalization: path towards success?

Contemporary world has become more united and more homogeneous. Nordström (1990) argues that consequence of this unification is decrease of physic distance. Knowledge regarding foreign market dynamics is close and available. Concept of international business is facing with increasing importance due to the globalization of market and internationalization of business. Moreover, today world trade and FDI are in the constant growth. Therefore, knowledge and competences regarding the internationalization process and global market dynamics is available through the executives' international experience. Nevertheless, to achieve the goal to gain competitive advantage in the global market, companies do hire CEO with international experience to create and implement successful internationalization strategy. Hence, it is much easier to hire CEO with international experience then to build up knowledge and competences inside the national or local market and company itself. Consequently, the focus is moving from internal to external business environment. Hence knowledge and competences regarding foreign market is available due to the increasing number of executives with international experience which is today replacing long process of building up knowledge regarding the particular foreign market internally.

Mostly, companies are turning towards the internationalization which in economics is defined as a process of different activities of one company on the global market. Hence, Johanson & Vahlne (1977) defined internationalization as an increasement of decisions towards global market which is often facing obstacles such as lack of knowledge and resources (Johanson & Wiedersheim-Paul, 1975). Moreover, Welch & Luostarinen (1988) defined internationalization as a process of *"…increasing involvement in international operations, both sides of inward and outward should be involved in a broader concept of internationalization".* However, internationalization for Beamish (1990) is a process by which *"…firms both increase their awareness of the direct and indirect influences of international transactions on their future, and establish and conduct transactions with other countries"* (Beamish 1990, pp. 77-92; Coviello & Munro 1997). The internationalization process is different for each company. Those companies who have aim to gain competitive advantage on the global market and to make their business international have to be able to understand dynamics of different markets and business, values, to be culturally fluent and to adjust to different environments in general.

Internationalization is stemming from the foreign expansion as path towards development of different companies. Lack of one precise definition gives space for diverse approaches, models and theories. The main goal is to give answer regarding companies' striving for development within diverse foreign markets. Moreover the goal is to explain path towards getting more profit and gaining competitive advantage on the global market. If we look back through the historical development of internationalization, we can see that first literature on internationalization was based on the marketing theories. Furthermore, the choice was between exporting and FDI while today emphasis is on internationalization in networks.[3]

2.3. Internationalization approach

"The international environment and the company are conglomerates that show various conditions and situations. The internationalization of the company is a reflection of this extraordinary diversity that could be revealed and systematized only with the help of models. They are dealing with both the main components and particular mechanisms of the international activities the companies should take at one moment." (Danciu, 20102).

Models of internationalization have goal to explain companies' development within foreign markets. Thus, the reason behind the goal to gain profits, win some competitive advantage and strive for success. Some of them are presented in the further text:

[3] Internationalization theories available at the: https://nscpolteksby.ac.id/ebook

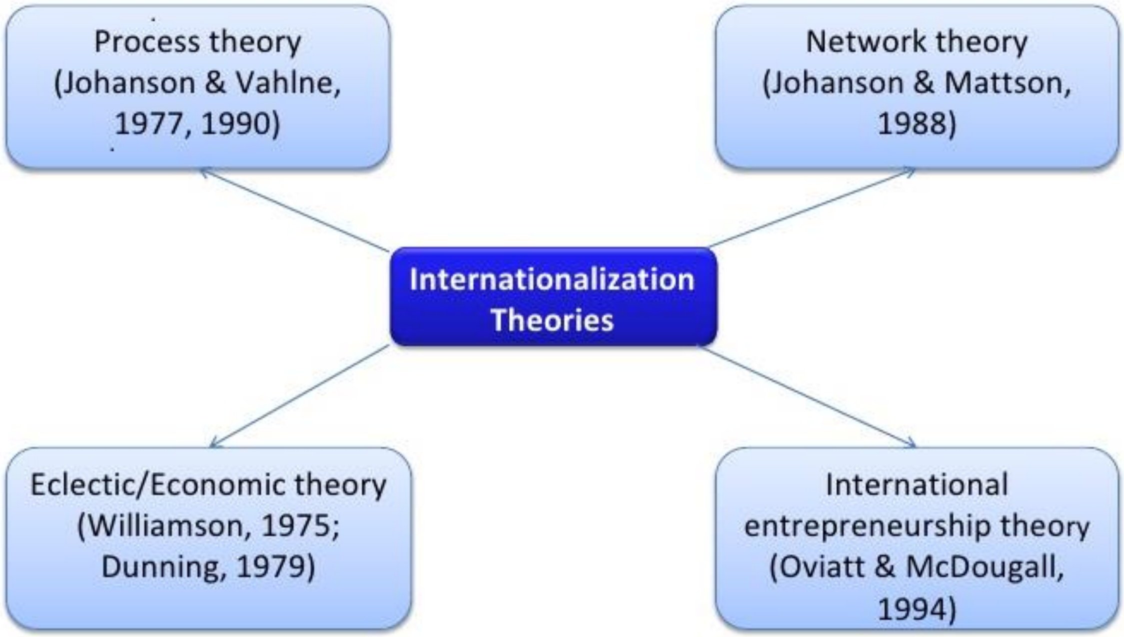


Figure 1: Internationalization theories

1. **The traditional approach**

The Penrosian traditional approach (Penrose, 1959; Prahalad and Hamel, 1990) has in core the correlation between competences in one company and opportunities which exists in diverse foreign markets. Hence, the company must have certain knowledge and skills to enter into global market and gain competitive advantage. Moreover, the main aim is to obtain compensating advantage while overcoming cost of entering within global market (Kindleberger, 1969; Hymer, 1976)

2. Product "Life cycle" theory

Raymond Vernon in 1966 introduced the model of internationalization where the product goes through the life cycle of four stages: new, growth, maturity and obsolescence product. Moreover, his assumption is that companies first pass the exporting phase, then market seeking FDI and last cost oriented FDI. [4]

In the core of this theory is hypothesis that producers in developed countries are closer to the market. Hence facilities for the first production will be exactly in developed countries. However, due to the rise of demand, economics of scale is becoming more important. Here concern regarding cost of production becomes concern regarding standardization of products. Once production gained certain standards, companies are seeking towards developing countries due to the lower costs of production (Vernon, 1966).

3. The Uppsala Internationalization model

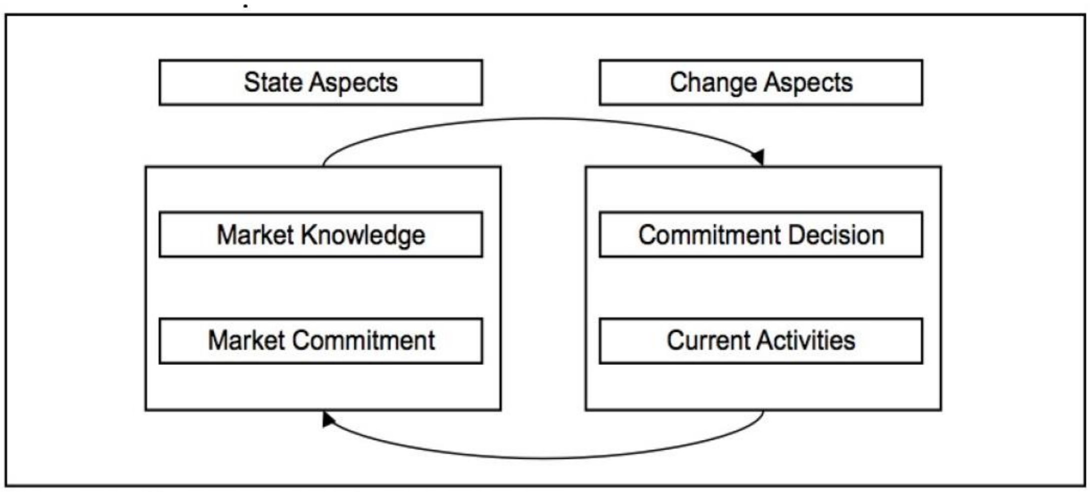
A group of Swedish scholars at the University of Uppsala during 1970s started analyzing internationalization process through the case study of Swedish manufacturing companies and the decision to turn towards foreign market and the strategy of entering to the particular market. The outcome of this research was Uppsala model[5].

The internationalization process is explained as a step by step process of entering into foreign market. Thus, internationalization strategy is gradual and first step is to enter to the nearest market and gradually the focus moves towards the far market always with the same goal to achieve hence development. Moreover, one of the important outcomes is the fact that companies enter new markets through export.

In the core of the Uppsala model is the growth of the commitment towards foreign markets as the international experience grow (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977).

[4] Ibid.
[5] The name comes from the Swedish city and the university, where its authors carried out their research

Uppsala internationalization model consist four elements, “state aspects” as market knowledge and market commitments and “change aspects” as commitment decisions and current activities. Growing experience within the new market inevitably brings chance to gain knowledge regarding the same one and thereby awareness regarding opportunities. When new opportunities are found decision making process and activities are increased and implemented with more commitment. The cycle is concluded with the knowledge regarding market dynamics. Based on this we can conclude that current internationalization has strong influence on the on all future processes of internationalization and that inevitably one company learns through international experience (Johanson/Vahlne 1990). The commitment to the new market has two aspects, commitment towards the amount of resources which depends on the how big investment in the new market is and the degree of commitment[6]. Activities on the global market impose general knowledge and market – specific knowledge. While general knowledge exists before international activities, market – specific knowledge is gained through the international experience. Therefore, knowledge can be defined as an element of human resources and international experience valuable resource thus in regard the topic, CEO with international experience valuable asset.



Source: Based on Johanson and Vahlne (1977:26)

Figure 2. Uppsala Model

[6] Ibid.

Eventhough, the Uppsala model is supported in great number of research worldwide hence experience and commitment are confirmed to be important factors in the international business environment, strong critics were developed.

- The model is too deterministic (Reid, 1983; Turnbull, 1987)
- The model does not take into account interdependencies between different country markets (Johanson and Mattson, 1986)
- The model is not valid for service industries
- The Uppsala model is not valid in situations of highly internationalized firms and industries [7]

4. The transaction cost analysis model

This model of internationalization was established in 1937 by Coase who argued that "*a firm will tend to expand until the cost of organizing an extra transaction within the firm will become equal to the cost of carrying out the same transaction by means of an exchange on the open market*" (Coase, 1937). Therefore, company will perform internally low cost activities controlled by the internal management.

Transaction cost is created when dynamics in certain markets do not function under rules of perfect competition. Thus, between demand and supply there is always a "friction" resulting in transaction costs. This friction is explained with the opportunistic behavior. One company will emerge internationalization strategy to reduce transaction costs.

However, there are strong critics for this approach. Before decision to invest in the foreign market, the transaction cost is neglecting human factor thus the possibility to develop partnership with agents and distributors abroad. Moreover, it is ignored internal transaction cost with friction assumed to be zero.

[7] Ibid.

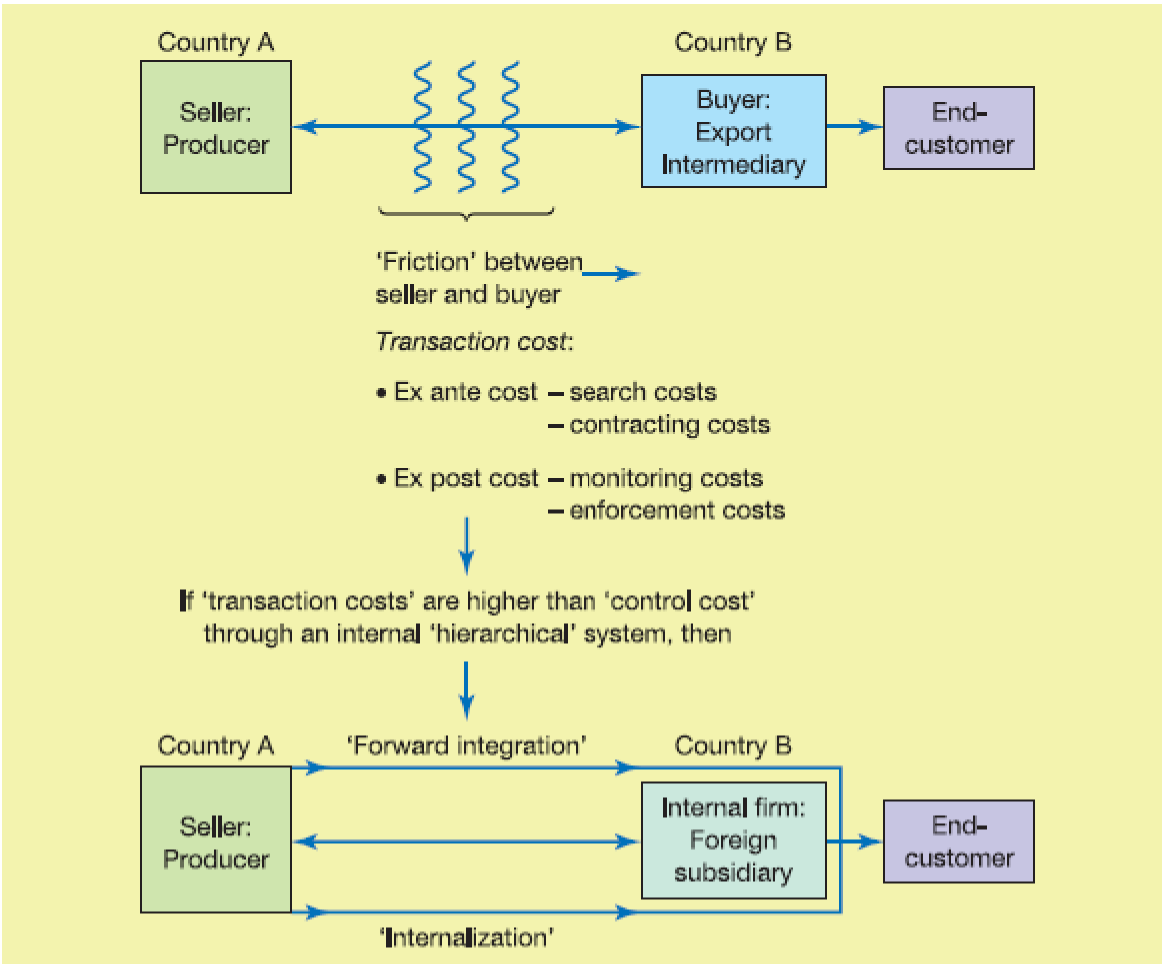


Figure 3: The principles of the TCA model[8]

5. The network approach

The basic assumption in the network approach is that the international firm can be analyzed in relation with other actors in the international business environment.

In the business model actors are connected through exchange relationship, needs and capabilities while in the market model these connections do not exist. In a business model relationships are based on economic, legal, personal and technical ties. Hence, in the network

[8] Ibid.

model companies are dependent on resources which belong to others. The relationships between companies in a domestic network can be defined as bridges to other foreign networks. This is base for the internationalization.

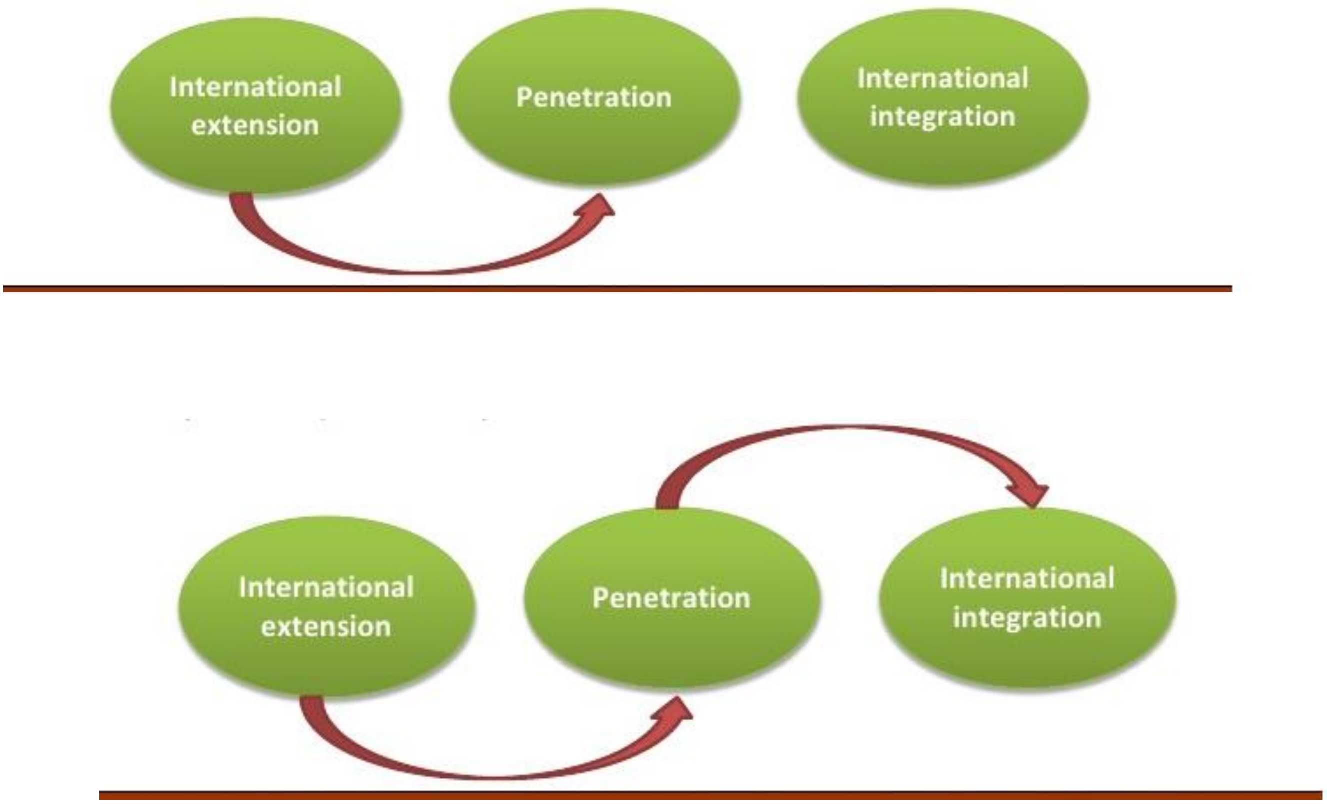


Figure 4: The network perspective

2.3. Internationalization: matter of choice or a must?

Increasing internationalization of business and globalization of market is one of the greatest challenges for companies today. Nevertheless, companies are developing strategies to face these challenges. Hence, internationalization can be a matter of a strategy or the response to challenges of increasing global market. Increase of the value of CEOs' international experience is directly related with the assumption that CEOs' international experience can contribute to the overall outcome of the company due to the development of unique capabilities, knowledge and skills. In the contemporary world, companies with no international steaming are still called to face challenges of internationalization of business and globalization of market. Hence, local markets are often obliged to "host" international companies in search for new markets or resources. This has direct influence on the local economy and performance of local companies. Moreover, local companies to reach certain level of development are forced to include internationalization in the companies' strategy and inevitably international experience of CEO is becoming a must. However, challenges of the contemporary world can have positive influence on the economy of third world countries seeking for development. Furthermore, sites of diverse companies would positively influence poverty and unemployment rate, market and management of resources. Various studies on regional and global internationalization have shown the importance of cultural, institutional and geo – political factors in determining the level of resources and effort necessary for the internationalization itself (Rugman and Verbeke, 2004). Multinational companies and big national companies traditionally have more resources and competences to be competitive on the global market. However, performance on the global market hence beyond regional markets, is equally difficult for large number of companies no matter their size or the profit involved. Great number of those companies which decide to act beyond national borders are mostly concentrated on home regions due to the lack of resources, skills, knowledge and liability of foreignness (Andersen, 1993; Knight, 2000; Pangarkar, 2008). It is necessary to invest in the internationalization strategy to achieve competitive advantage on the global market. Therefore, to overcome obstacles related with internationalization, companies must have resources and competences. In accordance with the topic and given the emphasis on the international experience of CEOs, in the further analysis we will concentrate exactly on the international experience as the valuable resource in one company.

Positive relationship between performance of the company and international experience is based on the fact that CEO's international experience helps develop certain competences, global networks and ability to act in different business environments (Carpenter, 2001; Daily et al., 2000; Roth, 1995; Suutari & Ma¨kela¨, 2007). This is a base for the competitive advantage. Moreover, international experience gives to CEO ability to recognize opportunities in the foreign markets, to develop international strategies to obtain more profit, manage international performance and have positive performance in the global market (Carpenter, 2001; Daily, 2000; Ricks, Toyne, & Martinez, 1990). Experience in foreign country means direct contact with different cultures, social and business environment, institutional practices and economy. Individuals tend to learn a great deal when they live and work abroad (Leung, 2008). Moreover, they tend to slow down social learning when they are in them familiar environment (Bandura, 1977). However, although change of the environment can create different obstacles in the adjustment process, inevitably it stimulates learning. (Black, Morrison & Gregersen, 1999; Li et al., 2013). Moreover, CEO's are faced with the assimilation process which leads them towards the deeper analysis and embracement of knowledge regarding the local culture, institutions, business and social dynamics. We can define it as a process of gaining knowledge and skills which will define CEO's with the international experience as the valuable asset in one company. Consequently international experience is a positive influence on a performance.

2.4. Quick peek to a concept of international experience

Chief executive officer as the leader, executive or administrator has role to manage an independent legal entity. Thus, CEO which reports directly to the board of directors have role to increase the value of the legal entity and achieve its overall aim. CEO has responsibilities of being an executor, leader and manager. Moreover, the responsibility of CEO is a decision – making process on strategy and policy issues. Due to the challenges regarding internationalization of business and globalization of market, today the role of CEO require broader perspectives, more knowledge regarding foreign markets and cultures thus international experience. Scholars have argued that a firm's effectiveness in the market is directly connected with international experience of its executives (Athanassiou and Nigh, 2000; Daily et al., 2000). CEO's with international experience inevitably have more knowledge regarding dynamics within foreign markets, awareness of opportunities and ability to identify new strategies, innovations and resources. They are more comfortable making significant resources commitments in the international market due to the previous international experience (Carpenter, 2003). Moreover, international experience tends to make them more confident in the ability to manage complex foreign business environment (Black, 1997).

Various research show that characteristics of a company directly affects the composition of a board of director (Anderson et al. 2000; Linck et al. 2008; Lehn et al. 2009). Thus, human capital should be in correspondence with the strategy, diversification and internationalization, in one company and directly influence the outcome (Kor and Leblebici 2005). Human capital is set of knowledge, skills, habits, and social and personality characteristics corporate in the capability to produce economic value. The study examines the impact of executives' human capital thus international experience as the characteristic, on the companies' performance in the international market. Moreover, in the core of the study is internationalization as the important element of the strategy. Nevertheless, we argue that relevant characteristic of CEO's human capital in the international business environment is international experience.

Internationalization of business and globalization of market thus increasing integration of worlds markets presents both opportunity and the risk for one company (Volonte´, Gantenbein, 2014). Thereby, companies benefit by selling their products around the world, opening sites in different countries and finding resources mostly in emerging markets. Internationalization and diversification are directly and positively connected with the performance of the company. However, these elements of companies' strategy inevitably present certain risks such as political, economical or ethnical. Therefore, international experience of CEO is a must. This provides broader perspective, capability to adjust to dynamics of diverse cultures and markets and gain competitive advantage in the global market. Carpenter (2001) argues that the CEOs' international experience is positively related to performance of those companies which are included in the global market. They have knowledge, skills and capabilities to recognize and face risks of internationalization, expertise and experience to expand on global market and to face to upcoming challenges in regard. Therefore, imposed question is, is the value of international experience based on the companies' degree of internationalization. Various scholars do argue about the importance of the international experience for the companies' performance. International experience gives to CEO capability to understand global market and international business dynamics. Moreover broader perspective gives possibility to foresee benefits and risks at the same time. Hence it gives possibility to develop international network, to interact in diverse local markets, to access an accumulation of social capital and manage international strategies (Daily, 2000). International experience, apart from giving this set of skills and knowledge, gives cultural knowledge therefore ability to successfully adjust to diverse business environments and create and implement diverse international strategies. This set of knowledge and skills in the international business environment makes decision making process much easier. International experience of CEO is positively related to companies' performance. However, as it is mentioned above inevitable is the question is the value of international experience determined with the internationalization strategy? Or the increased value of the international experience is inevitable for the overall success of the company, faced with the challenges of the contemporary world such as globalization of market and internationalization of business?

Furthermore, today, international experience is a source of personal competitive advantage. Hence, those candidates with international experience are likely to obtain the position of the CEO and CEO with international experience is more prevalent in highly internationalized firms (Magnusson and Boggs, 2005). CEO's have the main role making strategic changes in one company (Wiersema & Bantel, 1992; Zhang & Rajagopalan, 2010). To be able to have influence on the strategic change in one company, CEO must understand national and international market dynamics, to identify diverse opportunities, develop strategies to gain more profit and finally execute strategic change (Crossland et al., 2014; Hambrick & Mason, 1984). The assumption is that international experience has a strong influence on development of those competences and knowledge necessary to create, implement and manage strategic change. Moreover, knowledge gain through the international experience provides for the CEO to see and understand clearer opportunities which exists in the international environment. Hence, CEO gains knowledge for the resource acquisition, market expansion, global network, in dept knowledge regarding the innovation, technologies and products in the new market. Further, it enables CEO to develop new approach and competences in the decision making process, problem solving and information processing (). Being part of the global market means to be part of the global complexity where CEO is forced to adjust to different environments. They have to find different solutions under them yet not familiar circumstances. This has direct influence on their competences and knowledge. Moreover, it influences development of the broader perspective, ability to adjust and understand better dynamics in different business environments and markets, to identify resources and opportunities and embrace it to the successful strategies. Therefore, the companies who decide to be part of the global market and gain competitive advantage must have abilities to respond to the "… heterogeneous cultural, institutional and competitive environments…"(Ricks, Toyne and Martinez, 1990). Overall conclusion is that CEOs with the international experience have greater capabilities to recognize the benefit and gain competitive advantage. Nevertheless, CEO is defined as a valuable, inimitable and a rare resource.

International experience gives knowledge and competences which are difficult to gain domestically. Hence, international assignments put CEO in the complex not only economical but social environments as well. This experience is specific and as such gives to one company and to a CEO individually possibility to be part of global competitiveness (Carpenter, 2001.). Therefore, we can say that those executives which have unique international experience in their curriculum, provide sustainable competitive advantage for their companies by adjustment to the strategy of international diversification, financial performance and finally with the process of gaining those competences and knowledge which cannot be acquired in domestic business environment (Sambharya, 1996; Reuber and Fischer, 1997; Carpenter and Fredrickson, 2001). If CEO is embracing international experience and consequently social complexity he is face with, we can say that this social complexity is embedded in the human capital.

Usually companies invest in CEO with goal to gain competitive advantage in the global market. Nevertheless, international assignments help CEO development of personal skills. To be able to get the promotion to higher level in the managerial environment it is necessary to have international experience in their curriculum. CEO's international experience is a valuable resource for one company (Carpenter, 2001.). Thus, international experience in the curriculum of CEO can influence the employment process. Eventhough international experience is determined as an asset, recent various empirical data shows that it is low number of those CEO's with important international experience. Precisely Carpenter (2001) report that 22% of CEOs have more than 1 year of international experience and Black (1999) report that only 15% of all managers have international experience. Morrison (1999) found that 85% of firms report that they have an inadequate amount of global leaders (Magnusson, Boggs, 2006). International experience has capability to create value for the company and CEO firms (Daily et al., 2000; Carpenter et al., 2001).

David Whitwam, former CEO of Whirlpool stated that his replacement should have significant international experience. In 2004, he was replaced with Jeff Fetting who before this position had gain valuable knowledge and competences while working in Asia and Europe. Furthermore, Jeff Immelt, CEO of GE stated that with his international experience he was able to develop unique communicational skills while Gary Griffiths, CEO of Marriott, stated that his international assignments, had a great influence on development of his leadership, managerial skills and he developed ability to adjust to work and gain competitive advantage faced with diversity (Magnusson, Boggs, 2006). Furthermore, after the retirement of James Preston, the CEO of Avon Products Inc., the board of directors chose Charles Perrin, candidate from outside for the succession to the position of CEO. The reason behind this decision was the fact that candidates from the inside didn't have specific knowledge and competences which could be gained only through international experience. Hence value of international experience is unique and gained expertise is possible only within non – domestic markets (Daily, Certo, Dalton, 2000).

However, since the international assignment is an investment for a company, failure could mean major costs. Moreover, company has clear goal to gain competitive advantage on the global market therefore it is necessary to have valuable and unique resource. Hence, sending CEO for the international assignments has aim to gain ability to develop new strategies. Failure to learn from different market and business, to develop communication skills and network, to embrace social complexity and adjust to foreign environment can have influence not only on the company and its development but self-confidence and reputation of CEO. Moreover, the inability to successfully adjust to foreign market and to gain and develop specific knowledge and competences is one of the main reasons for all further unsuccessful international assignments. Therefore, great attention is directed towards finding factors that have positive influence on the international experience.

2.5. Knowledge and Internationalization: competitive advantage matter

After careful analysis of different concept and processes regarding the business environment, the conclusion is that the overall goal of companies is development. In the core is knowledge and international experience which have very strong and close tie. Internationalization strategy is based on resources and size of the company.

To achieve development, companies tend to use knowledge and international experience from others mostly CEO's. As it is elaborated above, international experience includes specific knowledge and competences regarding different global markets. Exactly this makes international experience valuable and irreplaceable asset for one company.

Apart from specific knowledge gained through the international experience, we can recognize general or overall knowledge as well. General knowledge includes common characteristics regarding customers while specific knowledge includes knowledge regarding the specific foreign market, companies, dynamics and cultural patterns (Johanson & Vahlne, 1977, in Johanson & Associates, 1994, p. 57.). Moreover, general knowledge can be transferred while specific knowledge has to be gained through the international experience. Due to the fact that both general and specific knowledge are inevitable to enter to the foreign market and the commitment, more in depth knowledge regarding the concrete foreign market inevitably means more valuable resources and stronger commitment for a market in regard (Johanson & Vahlne, 1977, in Johanson & Associates, 1994).

Various companies can create and implement internationalization strategies due to the resources which permit them to enter to the global market without fear to fail. Knowledge regarding foreign markets and international experience are not applied. Furthermore, companies can decide to use only knowledge regarding the foreign market to start process of internationalization and those companies which define international experience as irreplaceable. Nevertheless, knowledge and experience have the most important role in the internationalization process and gaining competitive advantage on the global market.

Chapter III

3.1. Austrian highly international economy

Despite its small size and population of 8.8 million, Austria is a rich market thus it is a country with the 28th largest GDP and the 14th highest per capita GDP in the world.[9] However, there is a natural limit to market potential. Therefore, Austrian economy is diversified and highly international. Austrian companies are often forced to seek new markets to achieve certain level of development. Experience on the global market provides executives with capability to respond challenges of contemporary world positively and to gain competitive advantage in the global market easily.

The success of the Viennese world market leaders is impressive. Global players such as Kapsch AG, a leader in GSM-R, FREQUENTIS, the world market leader in airport security technology, ISI GmbH, the world market leader for propellant gas capsules and various other Viennese companies dominate the international competition. **The Kapsch Group**[10] is an international Road Telematics, Information Technology and Telecommunications Company with its seat in Vienna. In 2001 it expanded its activities through the Central Europe markets. Moreover, today, it has subsidiaries in the Czech Republic, Slovakia, Hungary, Romania, Turkey and Poland. **Frequentis** is an Austrian high-tech company.[11] With associates and partner companies implements internationalization strategies in over 50 countries with an export rate of over 90%. Furthermore, **ISI Group** is an Austrian company for pressurized gas containers and the world market leader in this sector. The company, founded in Vienna in 1865, has also been producing in the USA for 20 years and sells its products in over 80 countries.

In 2017, exported goods worth $168 billion and most important trading partners are Germany, the United States, Switzerland, and Italy. The European Union accounts for 70% of

[9] Available at the: www.tradingeconomies.com

[10] The corporate group, with more than 5,000 employees worldwide generated total revenue of € 908.8 million as of March 2015.

[11] Develops communication and information systems in fields such as air traffic management and public safety & transport (police, rescue and fire services, coastal rescue, railways, shipping, and others).

Austria's foreign trade, and Germany accounts for over 30%.[12] 63% of its manufacturing output destined for export. Unemployment rates are among the lowest in the EU and social stability is strong. Since 2013, Austria's GDP growth rate has been steadily increasing. The Austrian Federal Economic Chamber (WKO) predicts a growth rate of 3.2% for 2018.[13]

Figure 5: Austria Export[14]

[12] Available at the: www.export.gov/article?id=Austria-Market-Opportunities
[13] Ibid.
[14] Available at the: https://tradingeconomics.com/austria/exports

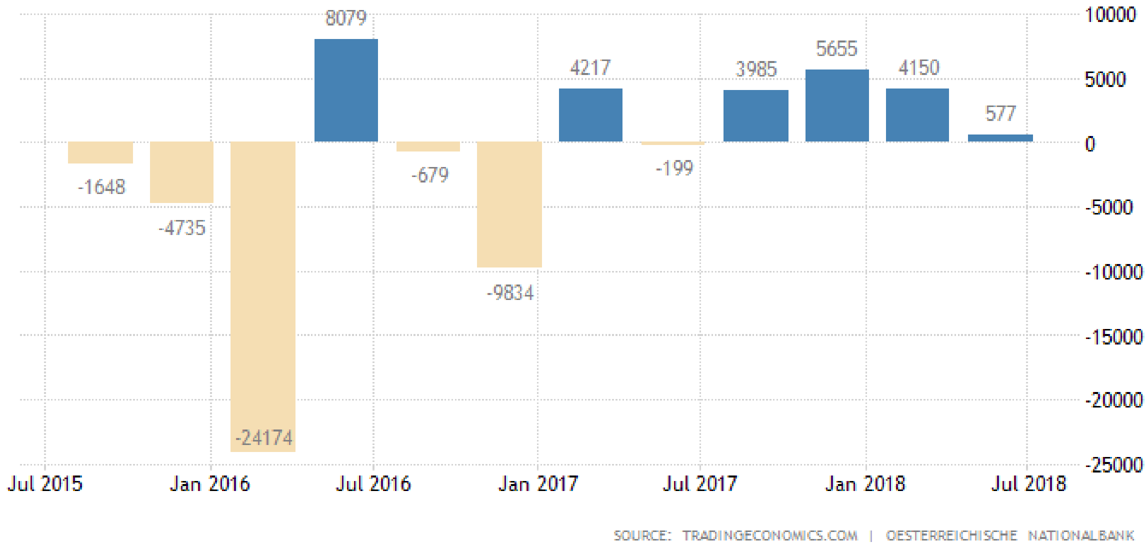


Figure 6: Austria FDI

3.2. Internationalization trends

The contemporary world is passing through the greater internationalization process. Eventhough today Austrian thus Viennese companies dominate on the global market, internationalization of business in Austria started later compared to other EU countries. Looking back through modern history, fall of the iron curtain in 1989 influenced integration of the, until then, divided Europe. Austrian foreign policy in general went through many changes. During the period of Cold War, Austrian geopolitical position in the Western Europe was marginalized. Fall of the iron curtain changed the position of Austria by giving it back the central position in Europe and renewing the traditionally strong relations with neighbors in East and South. Further westernization of Austria continued with joining EU in 1995. Austrian international business turned to former Soviet now independent countries.

Markets of these countries become target and this had influence on behavior of diverse companies seeking for development. Thus new markets brought new challenges and risks regarding new international markets. CEE countries offered great opportunities for companies from developed countries such as low wages, skilled workforce and lower cost of production. However, in the period of 2008 and 2009 global crisis had great impact on the world economy.

National markets and GDP's had to face decrease. Due to the physical vicinity to the CEE region, Austria was seen as the entrance to new markets for many global players. Apart from being physically close, Austria shares history, politics and trade with CEE countries. In the period between 1989 and 2003, Austria doubled its share of exports to the CEE, representing now around 20% of its overall outward trade and it is important source of FDI. Moreover, Austria is the largest investor in Slovenia, Croatia, Bosnia and Serbia (WKOOE 2014). Thus, the Austrian Chamber of Commerce estimates that Austrian internationalization to the CEE region had direct influence on the unemployment rate with creating more than 500.000 jobs in the period between 1989 and 2009 (WKOOE 2014)[15]. This imposes the question why are Austrian companies targeting CEE market for their internationalization. Wiesinger and Zehetner (2014) elaborated these reasons and came to the conclusion that Austrian companies are entering the CEE markets because of the perceived strategic importance, desire to strengthen competitiveness, employment, and perceived market potential. Internationalization approach is gradual thus the Uppsala internationalization model (Johanson and Vahlne 1977, 1990; Vahlne and Johanson 2013). Nevertheless, internationalization of Austrian companies is not only turned towards the CEE markets.

In addition, higher level of internationalization is leading to greater customer proximity, market volume and better access to those markets with important resources for development of businesses (see Schneider et al., 2013). So while the positive effects of corporate internationalization have already become an integral part of political and economic debates, there is still no systematic analysis of the causal factors behind the great success of Viennese companies in their efforts to expand their international business. Due to the fact that the internationalization of a company requires a constant and persistent focus on the development and new markets and products, decision-making processes are for the responsible managers of the high complexity (see Powell et al., 2011, Kirca et al., 2012).

Managing directors with international experience often have deeper knowledge, develop 100 social networks abroad, greater competence in dealing with foreign business partners and customers and are able to identify opportunities and threats arising from new dynamics in foreign markets (eg Carpenter et al , 2004). All of this should help executives improve their management

[15] Market entry mode predictors: Evidence from Austrian companies targeting Central European markets available at the: https://www.mins.sk/market-entry-mode-predictors-evidence-from-austrian-companies-targeting-central-european-markets/?print=pdf

skills and implement them into the strategy to face with challenges of globalized companies and successfully drive the internationalization of their businesses. Thus, although there is strong evidence that the international experience of business leaders could have a strong impact on the success of their companies' internationalization process, there is a lack of empirical research that could substantiate this hypothesis. In addition, numerous studies have shown that knowledge about American companies is only conditionally transferable to companies in other countries due to their specific organizational structure and different economic conditions (see Bloom et al., 2007, Amal et al., 2013). Whereas suitable economic conditions as a criterion for the success of domestic world market leaders of studies and domestic business leaders, have already been discussed (eg Georg Kapsch, President of the Federation of Industrialists, in his keynote address at the conference "World Market Leader in Austria"), other criteria have not yet been systematically investigated. In view of the importance of successful internationalization for the success of individual companies, but also for the Viennese and Austrian economy as a whole, answering our research questions is of not only scientific importance, but also a contribution to the current discussion on how successful the internationalization of Vienna Company can be optimally promoted.

Nevertheless, as it is mentioned above, the dissolution the former Soviet Union which created various national markets, the fall of the iron curtain and process of integration in Europe and the rise of Asia – Pacific region had direct influence on the globalization process (Zuidhof 2003). Moreover, from the international business point of view, there is apparent increasement of internationalization strategy as a way to achieve development. Hence, while domestic market was inadequate for some companies, other pursued internationalization because of economic of scale and opportunities available.[16] Thus, globalization of market and internationalization of business imposed certain business dynamics. Thus fear of the monopoly of foreign companies in the domestic markets and greater level of development for international companies made internationalization a must if the aim is development. However, for companies who decided to pursue their goals in the national market, to export their products was still possible to reply to challenges of the globalization due to the great number of changes and adjustments. Those who chose more aggressive approach pursue with acquiring other firms, forming alliance, go into

[16] INTERNATIONALIZATION AND ENTRY STRATEGY OF ENTERPRISES: A Case study of Chinese firm: Huawei,Gao Dawei, 2008

joint venture or finally established their own subsidiary.[17] Therefore, internationalization can be defined as a gradual process of first gaining knowledge regarding foreign market and then commitment. In accordance the entry modes which carry less risk and resources are direct and indirect exports, licensing and franchising (Griffin and Pustay 2013). On the contrary, joint ventures and foreign subsidiaries require more investments and carry more risks (Daniels et al. 2004).

3.3. Results

Analysis of the empirical data showed the importance of the criteria of international experience as an important factor of success of CEO in Vienna hence Austrian global market leadership. As it is mentioned above, descriptive statistics was used to summarize large data sample.

In recent years number of CEOs with international experience drastically increased. Moreover, internationalization of business is becoming a must in the global market if the goal is development whereas local economies suffer pressure from multinational companies who are opening their sites worldwide. This is direct consequence of globalization and tendency to overcome physical distance between markets. Moreover, international experience made knowledge and competences, benefits and risks, regarding new markets especially those in developing countries more available.

In depth analysis included diverse criteria such as age, gender, academic degree, family backround (i.e. nationality of parents); international education and professional experience abroad:

1) 57 persons (CEOs): 4 female and 53 male

   Age: min 21; max 72; average 52

[17] Ibid.

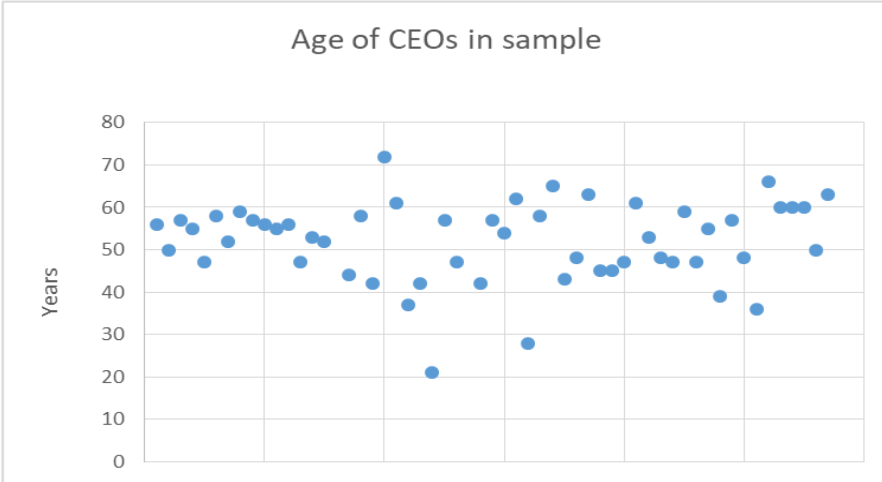


Figure 7: Age of CEOs in sample

The statisticians of FAS Research analysed for INDUSTRIEMAGAZIN the network of executives of the 5,000 largest companies in Austria in 2018. They defined 1000 most influential executives in terms of networking, sales power and industry variability. In this sample, there is only one woman under top 10 and 102 women under 1000 Austrian Top Managers. (in the Ranking 2009 there were only 51 women). Average age of the female managers in the sample of INDUSTRIEMAGAZIN is 50,86 years and of male managers is 55,81

2) CEO without title - 9%

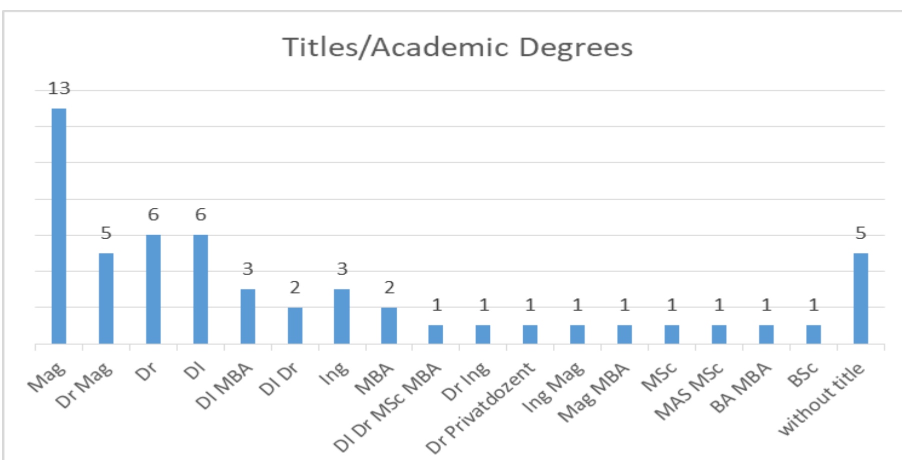


Figure 8: Titles/Academic Degrees of CEOs in sample

3) 21% of them are also owner of the company

4) Country of Birth and Nationality: 11% of the sample are non-Austrians where great part of the sample are German nationality CEO's(the same picture is regarding the nationality of parents; both – mother and father have nearly in all cases identical nationality, strong majority – Austrians)

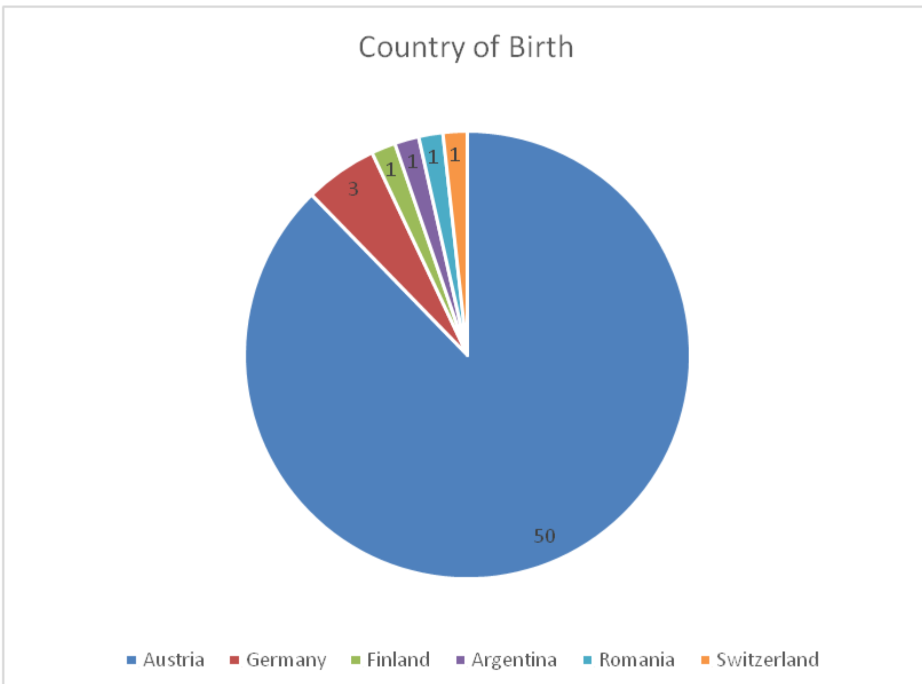


Figure 9: Country of Birth of CEOs in sample

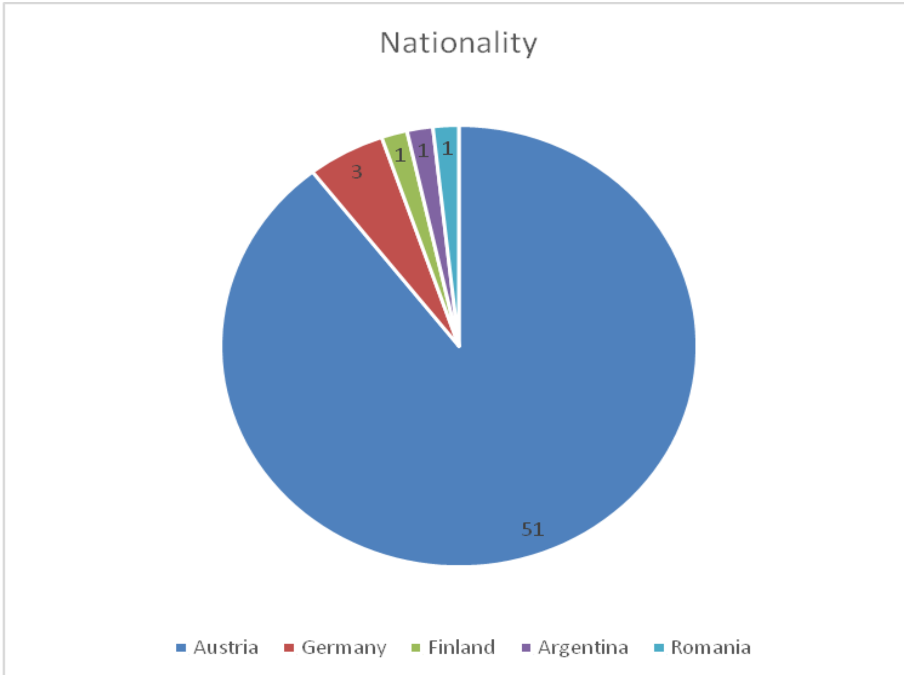


Figure 10: Nationality of CEOs in sample

Moreover, regarding the language, data analysis showed that all CEOs with Austrian and German nationality speak German as first language. Nearly all of CEOs speak English as a second language whereas 37% of the sample speak also third language (half of them – French; also Italian, Spanish, Polish, Danish, Croatian). 14% speak four languages. 5% (3 people) speak 5 languages (among them are Russian and Chinese languages).

5) Education: 100% were attending the school in the county they are coming from and only 3 CEOs had classes additionally in USA or France in the upper degree. Only 3 CEOs have had traineeship abroad (USA, Germany, Canada). About 32% of the CEO sample have attended the university abroad (mostly in USA; some in Germany, Switzerland and France; only single in Italy, Australia, Singapur, UK, Finnland, Romania, Argentinia)

6) Professional experience abroad: 62% of the CEO sample were working at least in one foreign country; 40 % in two countries; 26% in three countries; 11% in 4 countries and 1 Person was working in 6 countries. In average 8,3 years of working experience abroad (per CEO), ranging from 0,1 - 26 years.

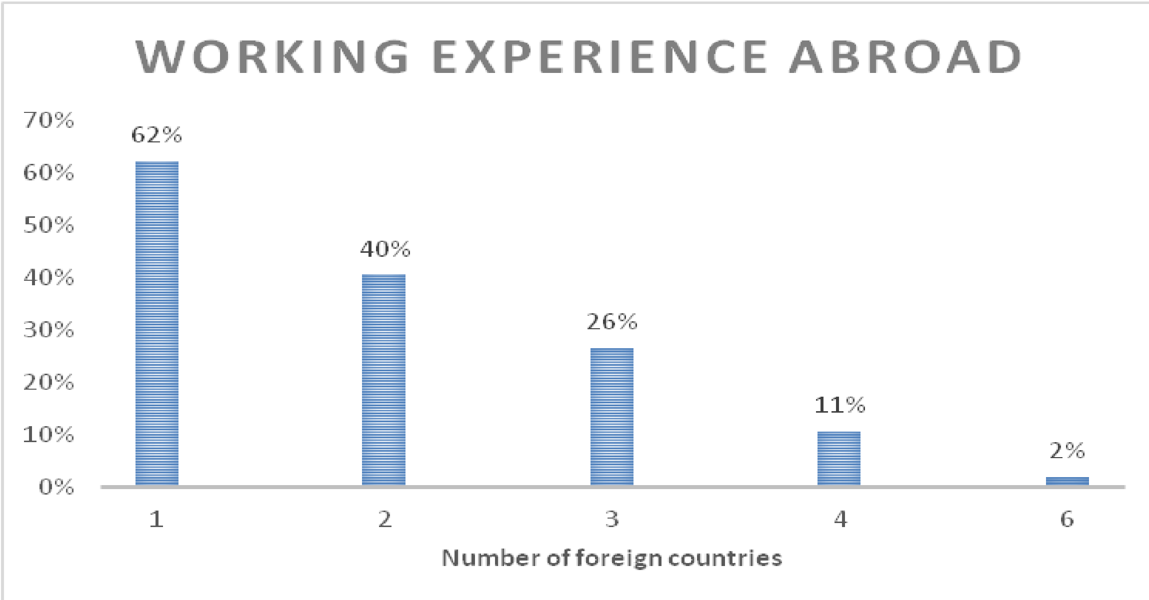


Figure 11: Working Experience Abroad of CEOs in sample

Summarizing the empirical data analysis, we can say that the most CEOs are male persons in age of more than 50 years with Austrian nationality generally. However, nearly all of them speak German and English, and third of them also the third language. Two thirds of the CEOs were working at least in one foreign country.

Conclusion

Preceding chapters tried to explain theoretical and empirical reflections on the concept of international experience as a cornerstone of success of Viennese CEOs and as a valuable resource in the overall performance of the company.

Internationalization strategy is in the core of the process of facing challenges of the contemporary world. Thus, today companies are creating and implementing internationalization strategies to be able to gain competitive advantage on the global market. Globalization made closer global markets. Today, the knowledge and competences regarding foreign markets is not build up internally but international experience is gained on the spot. Hence, executives are gaining knowledge and skills from close, they are able to adjust to different markets and business dynamics and find the right strategy to achieve the development. Furthermore, they have the ability to manage international strategies and diversification, to identify benefits and risks, and to lead decision making process in complex business environments. The international experience is not limited on the market but it goes further on the diverse dynamics in the society, economy and politics and culture. This can provide in depth analysis of the foreign country and market in general. International experience of a CEO is a valuable resource because it gives overall perspective of the market, state and society, a CEO is culturally and business fluent. Social complexity was embedded into the human capital.

Due to the hypothesis after careful analysis of certain concepts and phenomenon's and analysis of the collected data, the conclusion is that international experience have great influence on the competitive advantage of diverse companies on the global market. This influence is always increasing and due to that international experience can be defined as a valuable and unique asset for the internationalization process. Moreover, international experience does not exclude development on the local market. Hence, international experience has a positive impact on the overall performance of the company. Those companies who have their activities only on the local market can choose to stay local. However challenges of globalization will inevitably have influence on their development. Multinational companies in search for new markets will invade local markets. Therefore these companies have to embrace being local and through the local products and production gain competitive advantage.

References

Athanassiou, Nicholas;Nigh, Douglas (2002): The impact of the top management team's international business experience on the firm’s internationalization *Management International Revie*; 42, 2; ProQuest pg. 157

Athanassiou, N., Nigh, D. (2000): Internationalization, tacit knowledge and the top management teams of MNCs. Journal of International Business Studies 31, 471– 487.
Andersen, O. (1993): On the internationalization process of firms: A critical analysis. Journal of International Business Studies, 24, 2, 209-231.

Anderson, E./Gatignon, H. (1987): Modes of foreign entry: A transaction cost analysis and propositions. International Executive, 29, 1, 15-17.

Alfredo D'Angelo, Antonio Majocchi, Antonella Zucchella, Trevor Buck, (2013) "Geographical pathways for SME internationalization: insights from an Italian sample", International Marketing Review, Vol. 30 Issue: 2, pp.80-105, doi: 10.1108/02651331311314538

Beamish, PW 1990 The internationalization process for smaller Ontario firms: a research agenda, Research in Global Strategic Management-International Business Research for the Twentry - First Century: Canada’s New Research Agenda, JAI Press, Greenwich.

Carpenter, M.A. and Fredrickson, J.W. (2001), “Top management teams, global strategic posture and the moderating role of uncertainty”, Academy of Management Journal, Vol. 23 No. 2, pp. 275-84.

Carpenter, M.A. and Wade, J.B. (2002), “Microlevel opportunity structures as determinants of non-CEO executive pay”, Academy of Management Journal, Vol. 45, pp. 1085-103.

Carpenter, M.A., Pollock, T.G. and Leary, M. (2003), “Governance, the experience of principals, agents, and global strategic intent: testing a model of reasoned risk taking”, Strategic Management Journal, Vol. 24, pp. 803-20.

Carpenter, M. A., Sanders, W. G., & Gregersen, H. B. (2001): Bundling human capital with organizational context: The impact of international experience on multinational firm performance and CEO pay

Carpenter, M. A. 2000. The price of change: the role of CEO compensation in strategic variation and deviation from industry strategy norms. Journal of Management, 26(6): 1179–1198.

Carpenter, M. A., & Fredrickson, J. W. 2001. Top management teams, global strategic posture, and the moderating role of uncertainty. Academy of Management Journal, 44(3): 533–545.

Mason A. Carpenter, Gerard Sanders and Hal B. Gregersen Bundling Human Capital with Organizational Context: The Impact of InternationalAssignment Experience on Multinational Firm Performance and CEO Pay Source: The Academy of Management Journal, Vol. 44, No. 3 (Jun., 2001), pp. 493-511

Coase, R.H. (1937) 'The nature of the firm', *Economica*, pp. 386–405.

Chen,,Y. and Zhang, H. (1998) *The Art War(Translated Version)r*, Hunan Press, China.

Daily Catherine M., S. Trevis Certo and Dan R. Dalton: International Experience in the Executive Suite: The Path to Prosperity? Source: Strategic Management Journal, Vol. 21, No. 4 (Apr., 2000), pp. 515-523

Daily, C. M., Certo, S. T., & Dalton, D. R. 2000. Research notes and communications: International experience in the executive suite: The path to prosperity. Strategic Management Journal, 21(4): 515–523.

Dawei Gao (2008): INTERNATIONALIZATION AND ENTRY STRATEGY OF ENTERPRISES: A Case study of Chinese firm: Huawei, University of Halmstad

Gelbuda, M./Meyer, K.E./Delios, A. (2008): International business and institutional development in Central and Eastern Europe. Journal of International Management, 14, 1, 1-11.

Gunter Bischof, Ferdinand Karlhofer (2013): Austria's international position after the end of Cold War

https://industriemagazin.at/ranking/manager (01.11.2018)

Johanson, J./Vahlne, J.-E. (1977): The internationalization process of the firm - a model of knowledge development and increasing foreign market commitments. Journal of International Business Studies, 8, 1, 25-34. Schien Ninan, Jonas F Puck JEEMS 3/2010 257

Johanson, J./Vahlne, J.-E. (1990): The mechanism of internationalism. International Marketing Review, 7, 4, 11.

Johanson, J./Wiedersheim-Paul, F. (1975): The internationalization of the firm - four Swedish cases. Journal of Management Studies, 12, 3, 305-322.

Johanson, M./Johanson, J. (2006): Turbulence, discovery and foreign market entry: A longitudinal study of an entry into the russian market. Management International Review (MIR), 46, 2, 179-205.

Johanson, J. and Vahlne, J.-E. (1992) .The mechanism of foreign market entry.
Scandinavian International Business Review, Vol.1 No.3, pp. 9-27.

Johanson, J. and Mattson, L.G. (1986) 'International marketing and internationalization processes: some perspectives on current and future research', in Paliwoda, S. and Turnbull, P. (eds), *Research in Developments in International Marketing*, Croom Helm, Beckenham (UK).

Johanson, J. and Mattson, L.G. (1988) 'Internationalization in industrial systems', in Hood, N. and Vahlne, J.E. (eds), *Strategies in Global Competition*, Croom Helm, Beckenham (UK).

Jose Luis Rivas, (2012) "Board versus TMT international experience: a study of their joint effects", Cross Cultural Management: An International Journal, Vol. 19 Issue: 4, pp.546-562,

Lublin, J., 1996. An overseas stint can be a ticket to the top. Wall Street Journal B1 (Jan).

Maruca, L., 1994. The right way to go global: an interview with Whirlpool CEO David Whitwam. Harvard Business Review 72 (2), 135– 145.

Marc Rodenbach, Malte Brettel, (2012) "CEO experience as micro-level origin of dynamic capabilities",
Management Decision, Vol. 50 Issue: 4, pp.611-634, doi: 10.1108/00251741211220174

Ninan, Schien; Puck, Jonas F. (2010) : The internationalization of Austrian firms in Central and Eastern Europe, Journal for East European Management Studies, ISSN 0949-6181, Hampp, Mering, Vol. 15, Iss. 3, pp. 237-259

Nordström, K.A. (1990) *The internationalization Process of the Firm: Searching for new patterns and explanations*, Stockholm School of Economics.

Kim, B, Kim, H & Lee, Y 2002 'Modes of foreign market entry by Korean SI firms', Asia Pacific Journal of Marketing and Logistics, vol. 14, no. 4, p. 13.

Knight, G., Madsen, K.M. and Servais, P. (2004) 'An inquiry into born-global firms in Europe and the USA', *International Marketing Review*, 21(6), pp. 645–665.

Peter Magnusson, David J. Boggs (2006): International experience and CEO selection: An empirical study

Punch, K. (1998) "*Introduction to social research: quantitative and qualitative approaches"*, London: Sage

Reynolds Russell (2010): A World of Experience—A Board Perspective on CEO Succession in the Global Era, Russell Reynolds Associates, Inc.

Son Le and Mark Kroll (2017): CEO international experience: Effects on strategic change and firm performance, Journal of International Business Studies

Suutari, V., & Ma¨kela¨, K. 2007. The career capital of managers with global careers. Journal of Managerial Psychology, 22(7): 628–648.

Spreitzer, G. M., & McCall, M. W. 1997. Early identifica tion of international executive potential. Journal of Applied Psychology, 82: 6-29

S. C. Anderson. The globally competitive firm: functional integration, value Chain logistics, global marketing, and business strategic support. Competitiveness Review, Summer-Fall 2000\

Svante. Anderson 2000, the internationalization of firm from an entrepreneurial perspective
An Integrative View of International Experience
Takeuchi, Paul E. Tesluk, Seokhwa Yun and David P. Lepak Source: The Academy of Management Journal, Vol. 48, No. 1 (Feb., 2005), pp. 85-100

Takeuchi, R, Yun, S., & Russell, J. E. A. 2002. Anteced ents and consequences of the perceived adjustment of Japanese expatriates in the USA. International Journal of Human Resource Management, 13: 1224-1244.

Takeuchi, R, Yun, S., & Tesluk, P. E. 2002. An examination of crossover and spillover effects of spousal and expa triate cross-cultural adjustment on expatriate out comes. Journal of Applied Psychology, 87: 655-66

Vernon, R. (1966) 'International investment and international trade in the product cycle', *Quarterly Journal of Economics*, 80, pp. 190–207.
Welch, L.S. and Loustarinen, R. (1988) 'Internationalization: evolution of a concept', *Journal of General Management*, 14(2), pp. 36–64.

Welch, LS & Luostarinen, R 1988 'Internationalization: Evolution of a Concept', Journal of general Management, vol. 14, no. 2, pp. 36-64.

(2014),"Top management demographic characteristics and company performance", Industrial Management & Data Systems, Vol. 114 Iss 3 pp. 365-386 http://dx.doi.org/10.1108/IMDS-04-2013-0210

(2013),"Upper echelon compensation, performance, and the rhythm of firm internationalization", Management Decision, Vol. 51 Iss 7 pp. 1380-1401 http://dx.doi.org/10.1108/MD-04-2012-0291

www. tradingeconomics.com

www. businessculture.org

Annex

Questionnaire (English and German Versions)

universität wien

Viennese CEOs make great International Business: cornerstones of their success

Sehr geehrte Damen und Herren/ Unternehmerinnen und Unternehmer,

mein Name ist Irina Max, BSc und dieser Fragebogen ist Teil meiner Masterarbeit im Rahmen des Masterstudiums an der Fakultät für Internationale Betriebswirtschaft der Universität Wien. Ziel der Arbeit ist zu untersuchen, welchen Einfluss die internationale Erfahrung aus dem Familienumfeld, aus der Schul- und Ausbildungszeit, sowie frühe Auslandsarbeitserfahrung auf das Verhalten der Wiener Geschäftsführer auf dem internationalen Markt hat.

Diese Arbeit ist Teil des Projektes **„Wiener Weltmarktführer: Auslandserfahrung als Erfolgsfaktor“**, welches meine Kollegen Steffen Keck, PhD und MMag. Christian Schumacher, Bakk., gefördert von der **Wirtschaftskammer Wien,** durchführen. Ziel des Projektes ist Förderungsansätze für das internationale Potenzial zu erarbeiten und daraus Empfehlungen für die international tätigen Unternehmen abzuleiten.
Wir freuen uns über jegliche Unterstützung und sind auch über nicht komplett ausgefüllte Fragebogen sehr dankbar.

Falls Sie an den Ergebnissen des Projektes interessiert sind, können wir Sie Ihnen gerne zuschicken. Am Ende des Fragebogens können Sie dafür, z.B., Ihre E-Mail hinterlassen oder auch mir direkt eine E-Mail schreiben.

Vielen Dank!

Fragebogen

Alter ________________ Geschlecht □ männlich / □ weiblich

1. Akademischer Grad _________________

2. Name des Unternehmens __________________

3. Positionen im Unternehmen
   □ Inhaber □ Geschäftsführer □ andere ________________________

4. Geburtsort Geburtsland
   ______________________ ______________________

5. Nationalität (Geburt)
   1) _____________________ 2) _____________________

6. Eltern:
   a) Vater Nationalität ____________ Beruf ___________
   b) Mutter Nationalität ____________ Beruf____________

7. Geschwister
   Anzahl _____________ Eigene Reihenfolge _____

8. Staatsbürgerschaft (aktuell)
   1)_________________ 2) ______________________

9. Sprachkenntnisse (beginnend mit der Muttersprache - Gesprächsniveau)
   1) ____________________
   2) ____________________
   3) ____________________
   4) ____________________
   5) ____________________

10. Bildungsstätten (von Volksschule bis Hochschule)

Bezeichnung	1. Land	2. Land	3. Land
1.Grundbildung			
2. Sekundarbildung Unterstufe			
3.Sekundarbildung Oberstufe			
4.Lehre			
5.Fachhochschule			
6.Universität			

11. Arbeitserfahrung außerhalb Österreichs sowie relevante Praktika als Auslandserfahrung während der Ausbildungszeit

Firma	Land	Dauer in Jahren
1.		
2.		
3.		
4.		

Ladies and Gentlemen / Entrepreneurs,

My name is Irina Max, BSc and this questionnaire is a part of my master thesis at the Faculty of International Management at the University of Vienna. The aim of the thesis is to investigate the influence of the international experience starting from the family environment, school and higher education period, as well as early international work experience on the behaviour of the Viennese CEOs on the international market.

This work is a part of the project "Viennese world market leader: international experience as a success factor", which is conducted by my colleagues Mr. Steffen Keck, PhD and Mr. MMag. Christian Schumacher, Bakk., sponsored by the Vienna Chamber of Commerce. The aim of the project is to elaborate basic development approaches of the international potential and to derive recommendations for internationally active companies.

We highly appreciate any support and feedback and are very grateful also about not completely filled out questionnaires.

If you are interested in the outcome of the project, we would be glad to provide you with them. In this case, leave your e-mail at the end of the questionnaire or write me an e-mail directly.

Many Thanks!

Questionnaire

Age _______________ Gender □ male / □ female

1. Academic degree ________________

2. Company`s name _________________

3. Position in the company

   □ Owner □ CEO □ other ______________________

4. Place of birth Country of birth

   ____________________ ____________________

5. Nationality (Birth)

   2) ____________________ 2) ____________________

6. Parents:

   c) Father: Nationality ___________ Profession __________

   d) Mother: Nationality ___________ Profession __________

7. Siblings

   Number ____________ Order of your own _____

8. Citizenship(s) (current)

   1)________________ 2) ____________________

9. Knowledge of languages (starting with native language, only conversation level)

   6) ________________

   7) ________________

   8) ________________

   9) ________________

   10) ________________

10. Educational Institutions (from primary school up to university)

Level	1. country	2. country	3. country
1.elementary School			

2. Secondary School Lower grade			
3.Secondary School / Upper School			
4.Traineeship			
5.College of higher education/ University of applied sciences			
6.University			

11. Work experience outside Austria as well as relevant internships as a foreign experience during the training period

Company	Country	Tenure (duration) in years
1.		
2.		
3.		
4.		