

THE ROLE OF CEO EXPERIENCE AND FOCUS ON FIRM PERFORMANCE

ULOGA ISKUSTVA I FOKUSA IZVRŠNOG DIREKTORA NA USPJEŠNOST PODUZEĆA



Market-Tržište
Vol. 37, Special Issue, 2025, pp. 25-46
UDK 658.8-057.17
005.21:001.895
DOI <http://dx.doi.org/10.22598/mt/2025.37.spec-issue.25>
Original scientific paper

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Abstract

Purpose – This paper investigates how CEO characteristics, strategic focus, and willingness to cannibalize influence firm performance across various dimensions, including profitability, return on investment (ROI), revenue growth, and innovation.

Design/Methodology/Approach – Data were collected through a structured questionnaire administered to 315 firms, targeting top management respondents. Multiple regression analyses were conducted to assess the effects of CEO experience (breadth and depth), strategic focus (financial, marketing, optimization), and willingness to engage in market and technology cannibalization on firm performance.

Finding and Implications – The breadth of CEO experience significantly and positively influences all performance dimensions, particularly innovation. A marketing-oriented strategic focus emerged as the most consistent predictor of superior outcomes across all metrics. Willingness to cannibalize markets positively affects ROI, revenue growth, and innovation, whereas willingness to cannibalize technology showed no significant effect. A financial focus did not yield statistically significant results. These findings offer strategic insights for firms seeking to enhance performance

Sažetak

Svrha – Cilj ovog rada je ispitati kako karakteristike izvršnog direktora (CEO), strateški fokus i spremnost na kanibalizaciju utječu na uspješnost poduzeća mjerenu različitim dimenzijama, uključujući profitabilnost, povrat na ulaganje (ROI), rast prihoda i inovativnost.

Metodološki pristup – Istraživanje je provedeno na uzorku od 315 poduzeća korištenjem strukturiranog upitnika, s fokusom na članove najvišeg menadžmenta. Za obradu podataka korištena je višestruka regresijska analiza radi procjene učinaka iskustva CEO-a (širina i dubina), strateškog fokusa (financijski, marketinški, optimizacijski) te spremnosti na tržišnu i tehnološku kanibalizaciju na uspješnost poduzeća.

Rezultati i implikacije – Širina iskustva CEO-a značajno i pozitivno utječe na sve dimenzije uspješnosti, osobito na inovativnost. Marketinški orijentiran strateški fokus CEO-a pokazao se kao najsnažniji i najdosljedniji prediktor uspješnosti kroz sve analizirane mjere. Spremnost na tržišnu kanibalizaciju pozitivno utječe na ROI, rast prihoda i inovativnost, dok spremnost na tehnološku kanibalizaciju nije pokazala značajan učinak. Financijski fokus nije imao statistički značajan utjecaj. Ovi nalazi nude strateške smjernice poduzećima koja žele unaprijediti performanse kroz razvoj liderstva, prilagodljivost tržištu i inovacije

through leadership development, market adaptability, and innovation.

Limitations – The study's main limitation lies in the use of subjective performance measures and a cross-sectional design. Future research should incorporate longitudinal approaches and objective performance data to strengthen causal inferences.

Originality – This research integrates diverse theoretical perspectives into a unified model and provides new insights into how combinations of CEO leadership traits and strategic orientations contribute to firm success. It highlights the role of managerial adaptability and market focus in driving superior organizational outcomes.

Keywords – CEO characteristics, strategic focus, market orientation, cannibalization, innovation

Ograničenja – Glavno ograničenje istraživanja je korištenje subjektivnih mjera uspješnosti i cross-sectional pristup. Buduća istraživanja trebala bi uključiti longitudinalne pristupe i objektivne podatke za jače uzročno-posljedične tvrdnje.

Doprinos – Istraživanje integrira različite teorijske pristupe u jedinstveni model te pruža nova saznanja o tome kako kombinacija različitih dimenzija CEO vodstva i strateškog fokusa doprinosi uspjehu poduzeća. Naglašava važnost menadžerske prilagodljivosti i tržišne orijentacije u postizanju superiornih organizacijskih rezultata.

Ključne riječi – obilježja CEO-a, strateški fokus, tržišna orijentacija, kanibalizacija, inovacije

1. INTRODUCTION

The performance of firms remains a central and enduring question in strategic management research. A vast body of literature seeks to identify the determinants of superior firm performance, ranging from industry structure (Porter, 1980) to firm-specific resources and capabilities (Barney, 1991; Wernerfelt, 1984). Within this broad field, upper echelons theory (Hambrick & Mason, 1984; Hambrick, 2007) has emerged as a prominent perspective, positing that organizational outcomes, encompassing both strategic choices and performance levels, are, in part, reflections of the characteristics of the top management team, and particularly the Chief Executive Officer (CEO). Managerial characteristics are not merely individual traits, but rather represent a constellation of factors influencing decision-making processes (Carpenter, Geletkanycz & Sanders, 2004; Wang, Holmes, Oh & Zhu, 2016). A CEO's experience, background, education, social networks, etc. contribute to their "cognitive base" and affect how they perceive and respond to opportunities and threats (Hutzschenreuter & Kleindienst, 2006). The CEO, as the ultimate decision-maker, profoundly shapes the firm's strategic direction (Finkelstein, Hambrick & Cannella, 2009), influencing resource allocation, innovation initiatives, competitive positioning, and ultimately, financial and operational success (Hiebl, 2014).

While upper echelons theory provides a valuable framework, we focus on understanding which aspects of CEO focus (financial performance, efficiency performance and market performance), willingness to cannibalize the status quo (in terms of technologies and markets), and experience (depth and breadth) will have an impact on diverse of firm outcomes (profits, ROI, growth, innovativeness). Such approach allows us to identify the needed fit between CEO characteristics and the desired firm outcomes. Firm performance, within the context of this research, is conceptualized as a multi-dimensional construct encompassing both financial and strategic achievements rela-

tive to a firm's direct competitors. Rather than relying solely on objective, absolute financial data, we adopt a subjective, comparative approach, leveraging respondent evaluations to capture a more holistic and nuanced understanding of a firm's competitive standing. This method acknowledges that success is not solely defined by internal benchmarks, but also by a firm's perceived position and capabilities within its industry landscape (Homburg, Klarmann & Schmitt, 2012). Specifically, firm performance is operationalized through respondent assessments across four key dimensions, each benchmarked against competitors: innovativeness, reflecting the perceived ability to develop and introduce innovations more effectively than rivals (Kocak, Carsrud, Özer & Özdemir, 2024; Rindova, Yeow & Seow, 2023); profits, indicating relative efficiency and effectiveness in generating returns compared to competitors (Aman, Qureshi, Shahzadi & Afzal, 2024); revenue growth, gauging the firm's comparative success in expanding market share and customer base (Borah, Dogra, Jha & Pande, 2024); and ROI, measuring the efficiency of capital utilization in generating returns relative to other players in the same sector (Al-Abrow, Alnoor, Abbas, Al Halbusi & Al-Hilali, 2024). This multi-faceted, comparative assessment provides a richer, more contextually relevant measure of firm performance, acknowledging that success is often defined by outperforming competitors, not just achieving internal targets. The subjective nature allows to capture aspects of the competitive standing that would be impossible with the use of objective measures (Wall et al., 2004).

Regarding CEO focus, while the literature acknowledges the importance of a CEO's attention (Ocasio, 1997), there is limited empirical work that directly and quantitatively assesses the impact of a CEO's focus on specific strategic performance metrics on various dimensions of firm performance. While studies have examined the impact of market orientation (Kohli & Jaworski, 1990; Slater & Narver, 1994) and a focus on efficiency/optimization to a degree (Mizik & Jacobson, 2003; Conner 1991), a comprehensive

investigation that compares the effects of CEO focus on financial, marketing, and optimization performance metrics on a range of outcomes is limited. Existing research also tends to treat strategic focus as a more permanent construct defining the approach to achieving strategic goals, rather than a responsive reaction in prioritization of specific metrics.

Regarding CEO experience, existing research on CEO experience predominantly focuses on either breadth (diversity of experiences across industries, functions, or firms) or depth (tenure or expertise within a specific domain) in isolation (e.g., Custódio, Ferreira & Matos, 2013; Miller & Shamsie, 2001). Few studies have simultaneously examined the relative impact of both breadth and depth of CEO experience on a comprehensive set of performance outcomes, including both financial and strategic dimensions such as innovativeness. Therefore, we focus on contributing to the understanding of the relative importance of breadth versus depth as they may vary depending on the desired outcome (Bundy & Cockburn, 2020).

Regarding willingness to cannibalize prior investments, the literature on organizational ambidexterity (O'Reilly & Tushman, 2013) and dynamic capabilities (Teece, Pisano & Shuen, 1997) highlights the importance of firms' ability to both exploit existing advantages and explore new opportunities. A key aspect of exploration is a firm's willingness to cannibalize its own products, services, or technologies (Chandy & Tellis, 1998; Christensen, 1997). However, empirical research on the performance consequences of cannibalization is relatively limited and often yields mixed results (Rindova et al., 2023). Furthermore, there is a need to distinguish between a willingness to cannibalize markets (in terms of products and customers) and a willingness to cannibalize technologies (adopting new technologies that render existing ones obsolete). The performance implications of these two forms of self-disruption may differ significantly, yet they are often conflated in the literature.

This paper addresses these gaps by investigating the following research questions: What is the relative impact of CEO experience breadth and depth on multiple dimensions of firm performance (profits, ROI, revenue growth, and innovativeness)? How does a CEO's focus on financial, marketing, and optimization performance metrics influence these same performance dimensions? What is the relationship between a firm's willingness to cannibalize its markets and technologies and its subsequent performance?

By addressing these questions, this study makes several key contributions. First, it provides a more nuanced understanding of the role of CEO experience by simultaneously examining the effects of both breadth and depth on a comprehensive set of performance outcomes. Second, it offers a direct and quantitative assessment of the impact of CEO strategic focus, operationalized through the emphasis placed on different performance metrics. Third, it disentangles the performance effects of market cannibalization and technological cannibalization, contributing to a clearer understanding of proactive self-disruption. Finally, the study integrates these distinct streams of research – CEO characteristics, strategic focus, and willingness to cannibalize – within a unified framework, providing a more holistic perspective on the drivers of firm performance. The findings will provide both a contribution to theory, and practical insights for CEO selection, development, and strategic decision-making.

2. THEORETICAL BACKGROUND

2.1. CEO's focus on strategic performance metrics

A critical element in translating CEO experience and strategic orientation into tangible firm outcomes is the CEO's focus on strategic performance metrics. This concept captures the extent to which a firm, under the CEO's leadership, emphasizes, prioritizes, and systematically utilizes specific metrics to evaluate its performance

and guide decision-making (Vlasic, 2022). Strategic performance metric focus represents a formal management tool – a deliberate and structured approach – employed for both planning and evaluating the degree to which the firm achieves its predetermined goals (Rust, Ambler, Carpenter, Kumar & Srivastava, 2004; Stewart, 2009). It can be understood as a more concrete and actionable manifestation of a firm's strategic priorities, complementing and operationalizing its broader strategic orientation (Frosen, Luoma, Kohtamäki, Tikkanen & Aspara, 2016). It is the lens through which the CEO views and directs the organization's progress by focusing attention and resources on specific aspects of performance.

CEO's focus on strategic performance metrics filters information, consistent with the *attention-based view of the firm* which argues that organizational attention is a scarce resource and that what decision-makers focus on shapes their understanding and actions (Ocasio, 1997), highlighting certain aspects of performance (e.g., profitability, customer satisfaction, innovation output) while downplaying others. CEO's focus on strategic performance metrics also amplifies importance of metrics that are consistently tracked, discussed, and rewarded. Employees understand that what gets measured gets managed (Drucker, 1954), and are likely to naturally direct their efforts towards improving the metrics that are most visible to the CEO. This magnification effect is related to the concept of *goal-setting theory* (Locke & Latham, 1990), which posits that specific, challenging goals lead to higher performance, particularly when feedback is provided. However, overemphasis on a narrow set of metrics can also lead to unintended consequences, such as gaming the system or neglecting important but unmeasured aspects of the business (Kerr, 1975).

In addition to directing attention and amplifying importance, CEO's focus shapes overall cognitive framing of strategic issues. *Cognitive framing* refers to the mental structures and schemas that individuals use to interpret information and

make sense of the world (Tversky & Kahneman, 1981). A CEO who views the organization primarily through the lens of financial performance will likely see it as a machine for generating profits, employing a *financial frame*. A CEO who views the organization through the lens of customer satisfaction will see it as a vehicle for creating value for customers, adopting a *customer-centric frame*. These different perspectives, or frames, lead to different strategic choices and different organizational cultures (Kaplan, 2008). The CEO (and the organization) is likely to evaluate options based on how they are expected to impact the prioritized metrics, as implied by the *sensemaking theory* (Weick, 1995), which emphasizes how individuals and organizations create meaning and understanding in ambiguous situations. Ultimately, the CEO's focus defines what constitutes "success" for the organization and organizational identity – how members of an organization perceive and define their collective purpose and values (Albert & Whetten, 1985). If the CEO consistently emphasizes revenue growth, then rapid revenue growth will be seen as the primary indicator of success, even if it comes at the expense of other important factors. If the CEO emphasizes customer lifetime value, then building long-term customer relationships will be prioritized, even if it means sacrificing short-term profits.

Thus, the CEO's chosen metrics provide a framework for making sense of complex information and making consistent strategic decisions. Firms typically adopt different strategic foci to cultivate competitive advantage, and these foci are directly reflected in the metrics they prioritize, and thus, are brought into focus. Porter (1980, 1985) identified two primary options: an external focus on creating differentiated value for the market or an internal focus on cost optimization and efficiency throughout the value chain. While financial metrics are commonly deemed important, the spectrum of performance metrics can encompass diverse goals, including financial objectives (e.g., revenues, profits), market objectives (e.g., market share), and optimization

objectives (e.g., costs, efficiency improvements). This acknowledges the idiosyncratic nature and heterogeneity of the outcomes that firms pursue (Williams, Manley, Aaron & Daniel, 2019).

The choice of performance metrics is not merely a technical exercise or a matter of routine reporting; it profoundly influences organizational behaviour and resource allocation. As Venkatraman and Ramanujam (1986) argue, the way firms measure performance is vital for their success, shaping strategic choices and competitive positioning. The metrics that are emphasized by the CEO and top management send strong signals throughout the organization, influencing the decisions and actions of managers and employees at all levels (Fishbein & Ajzen, 1975). These metrics effectively steer behaviour and effort towards driving the focal outcomes deemed most important by leadership. This highlights a crucial distinction: while action often stems from intent, a stated strategic goal, however ambitious, is not equivalent to a focused, *metric-driven* effort towards achieving that goal (Williams et al., 2019). Therefore, strategic performance metric focus acts as a key mediating mechanism and determinant of organizational performance, with its impact potentially varying depending on the specific context, industry dynamics, and the firm's internal capabilities (Frosen et al., 2016). It can be seen to provide the feedback loop *that connects* strategic intent to operational execution.

Firms typically adopt different strategic foci to cultivate competitive advantage, and these foci are directly reflected in the metrics they prioritize. Porter (1980, 1985) identified two primary strategic options: an external focus on creating differentiated value for the market (differentiation strategy) or an internal focus on cost optimization and efficiency throughout the value chain (cost leadership strategy). A firm pursuing differentiation might emphasize metrics related to customer satisfaction, brand perception, and innovation, while a cost leader might focus on operational efficiency, cost per unit, and asset utilization. This implies a level of strategic align-

ment: the chosen metrics must be consistent with the overall strategic direction.

The spectrum of performance metrics can encompass diverse goals, reflecting the multi-faceted nature of organizational success. Key dimensions of CEO focus on strategic performance metrics include focus on financial performance, marketing performance and optimization. Focus on financial performance involves a strong emphasis on traditional financial indicators such as revenues and profitability.

Focus on marketing performance involves prioritization of the firm's success in the marketplace by focusing on customer-centric measures (see Rust, Lemon & Zeithaml, 2004; Hanssens, Rust & Srivastava, 2009), simultaneously understanding the customers and the competitors (see Kohli & Jaworski, 1990). In such cases, the CEO actively championing the voice of the customer within the organization, pursuing market-based measures (such as, e.g. market share) as important measures of performance (Bhattacharya, Sahoo, Acharya & Unnikrishnan, 2022; Otola, Grabowska & Krupka, 2023b; Katsikeas, Leonidou & Zeriti, 2016).

Focus on optimization captures the CEO's emphasis on internal efficiency, process improvement, and cost reduction. The focus on optimization-based performance measures implies the internal focus on cost optimization and pursuit of efficiencies in all parts of a value chain. Such an approach is generally recognized to enable firms to sell quality-equivalent offerings at lower prices than rivals, thus driving performance (e.g. Conner, 1991; Posner, 1979). Its benefits arise as a result of lowering firm costs via learning effects (e.g. Amit, 1986; Halebian, Devers, McNamara, Carpenter & Davison, 2006). Such focus could be relevant for firms pursuing a cost leadership strategy and/or for firms in highly competitive industries where even small efficiency gains can translate into significant competitive advantages (Mizik & Jacobson, 2003). A CEO focused on optimization fosters a culture of continuous improvement and operational excellence.

The CEO's focus on these different performance dimensions is not mutually exclusive. A balanced approach, as advocated by the Balanced Scorecard (Kaplan & Norton, 1992), suggests that firms should track a combination of financial and non-financial metrics to gain a comprehensive view of performance. However, the relative *emphasis* placed on each dimension reflects the CEO's strategic priorities and beliefs about the key drivers of success. This emphasis, in turn, shapes the organization's culture, resource allocation decisions, and ultimately, its performance trajectory.

2.2. Willingness to cannibalize the status quo

Willingness to cannibalize, in a general sense, represents a firm's strategic predisposition to introduce new products, services, or technologies that may render existing offerings obsolete, even if this causes short-term financial disruption. This proactive approach is often viewed as a crucial element of long-term competitive advantage, particularly in dynamic industries characterized by rapid technological advancements and shifting customer preferences (Chandy & Tellis, 1998). Firms demonstrating a high willingness to cannibalize are typically more innovative and adaptable, embracing the concept of "creative destruction" to drive sustained growth (Schumpeter, 1942). This mindset reflects a future-oriented perspective, prioritizing long-term market leadership over short-term profit maximization, and signals a strong commitment to innovation as a core competency (Srinivasan, Lilien & Rangaswamy, 2002). More recently, this proactive disruption has become a crucial element of maintaining the competitive advantage (Rindova et al., 2023).

Despite its potential benefits, a willingness to cannibalize is often difficult for established firms to cultivate. Incumbents, in particular, frequently face the "innovator's dilemma," becoming reluctant to disrupt their own successful products or business models, even when faced with the threat of disruptive innovation from competi-

tors (Christensen, 1997; Chandy & Tellis, 2000). This reluctance can stem from a variety of factors, including organizational inertia, fear of losing existing revenue streams, and the potential for internal conflict between teams managing established products and those developing new ones (King & Tucci, 2002). Overcoming this inherent resistance requires strong leadership, a culture that embraces experimentation and risk-taking, and organizational structures that support both the exploitation of existing assets and the exploration of new opportunities (Hang, Chen & Chen, 2023).

Willingness to cannibalize markets represents a firm's proactive and strategic decision to introduce new products or services that directly compete with, and potentially displace, its own existing offerings, even at the risk of losing current customers and sales revenue. This is not merely product diversification; it's a conscious acceptance of short-term losses for the potential of greater long-term gains in market share and overall profitability. This approach reflects a deep understanding of evolving customer needs, emerging trends, and the potential for disruptive innovation from competitors (Rindova et al., 2023). Firms exhibiting this willingness are characterized by a forward-looking, customer-centric orientation, prioritizing future market leadership over the preservation of existing revenue streams. It signifies a belief that clinging to established products in a dynamic market is ultimately a losing strategy (Dwivedi et al., 2023). A willingness to accept potentially lower short-run profits to innovate into new markets, and provide new offerings, can provide significant benefits to a firm, including enhanced legitimacy, and reputational gains (Sharma, Borah & Chen, 2024). Furthermore, actively shaping the market landscape through intentional self-disruption can be a powerful offensive manoeuvre, pre-empting competitors and establishing a firm as an innovator (Jha, Jha O'Brien & Wells, 2023). This strategy, while inherently risky, is crucial in industries characterized by rapid change and short product life cycles, where the ability

to adapt and reinvent is paramount for survival and growth and often requires changes in operation systems (Pérez-Lara, Saucedo-Martínez & Marín-García, 2022; Bortolini, Maffei, Golinelli, Faccio & Sgarbossa, 2023; Sun, Chen & Jiang, 2024).

Willingness to cannibalize technology embodies a firm's commitment to embracing and implementing cutting-edge technologies, even if it means rendering existing technological investments, processes, and infrastructure obsolete. This is a proactive, rather than reactive, approach to technological advancement, reflecting a deep understanding that sustained competitiveness in many industries requires continuous technological renewal (Chandy & Tellis, 1998). It involves not only adopting new technologies but actively dismantling or replacing established systems, potentially incurring significant upfront costs and internal disruption. This willingness is particularly critical in sectors experiencing rapid technological change, where falling behind the curve can lead to irreversible competitive disadvantage (Hackbarth & Madlener, 2023). A key example of this is the contemporary adoption of artificial intelligence across several industries, which often entails reconfiguring existing workflows, retraining employees, and potentially abandoning legacy systems (Gupta et al., 2024; Shrestha, Fich, Steffey & Xia, 2024). The readiness to embrace such fundamental changes, despite the associated risks and costs, demonstrates a long-term vision and a commitment to remaining at the forefront of innovation. This often requires substantial investment in research and development, a culture that embraces experimentation and learning, and a leadership team that champions technological advancement (El-Kassar, & Charbaji, 2024; Ozdemir & Hekim, 2024; Kinkel, 2024).

2.3. Top management team's experience

CEO experience influences his cognitive perspective (Daft & Weick, 1984) and firm performance (Guthrie & Datta, 1997). Research has

shown that prior experiences strongly influence CEO's perceptions and behaviours (Bigley & Wiersema, 2002). CEO experiences cannot be characterized as better or worse, but rather induce the CEO to pursue certain strategies that fit his previous experiences (Beal & Yasai-Ardekani, 2000; Reed & Reed, 1989). We differentiate between CEO experience breadth and depth as the literature recognizes that more daring solutions require breadth of experiences.

CEO experience breadth is defined as the extent to which the CEO has worked in industries outside the industry he is current working in. CEO experience breadth, encompassing a variety of roles, industries, and firms, is increasingly valuable in dynamic, complex environments. This breadth cultivates a wider range of cognitive schemas, allowing CEOs to identify opportunities and threats from multiple perspectives and influencing their perceptions and behaviours (Hambrick & Mason, 1984; Daft & Weick, 1984; Bigley & Wiersema, 2002). CEOs with broad experience are better positioned to challenge industry norms and embrace more daring strategies, as they are less bound by the limitations existing within a single industry (Bundy & Cockburn, 2020). Custódio et al. (2013) found that CEOs with generalist (broad) experience command higher compensation, suggesting a market premium for the adaptability and strategic flexibility associated with diverse backgrounds. This willingness to venture beyond the "safety net" of a familiar industry suggests a higher risk tolerance, a characteristic often associated with more daring strategies (Zhang & Rajagopalan, 2010; Beal & Yasai-Ardekani, 2000).

On the other hand, CEO experience depth, defined as the extent to which the CEO has worked in the industry he is currently working in, limits his experiences to a predefined set of alternatives which are considered beneficial in the industry. CEOs with great experience depth enter routinized behaviours in the industry. Such experience does not provide them with an ability to envision and deal with non-standard cases which is required by market driving

strategy (Gavetti, Levinthal & Rivkin, 2005). CEO experience depth, representing the accumulated time spent within a specific role, function, or industry, fosters specialized knowledge and strong within-industry networks. This in-depth expertise is particularly advantageous in stable, predictable environments where incremental improvements and operational efficiency are paramount (Miller & Shamsie, 2001). Long-tenured CEOs develop an intricate understanding of their firm's operations, culture, and competitive landscape, enabling informed decision-making and effective resource management (Simsek, Heavey & Veiga, 2010; Barker & Mueller, 2002). This deep understanding also facilitates the implementation of strategies that require detailed, operational knowledge and are likely to increase efficiencies.

However, breadth is not a panacea. While generalists may excel at identifying opportunities, they may lack the deep, specialized, functional expertise needed for optimal execution in specific domains (Custódio et al., 2013). Extremely broad experience, accumulated across numerous short-term roles, could signal a lack of commitment or difficulty in developing deep expertise, potentially alarming stakeholders (Hambrick, 2007). Moreover, the benefits of generalists can provide great opportunities, but may plateau after a certain point (Bundy & Cockburn, 2020). Similarly, extensive depth, particularly within a single firm or industry, can foster inertia and resistance to change. CEOs with significant experience depth may become entrenched in established routines and mindsets, rendering them less receptive to novel ideas and innovations (Hambrick & Fukutomi, 1991; Gavetti et al., 2005). This "commitment to the status quo" can be detrimental in rapidly evolving industries that demand adaptability and strategic agility. Furthermore, extended tenure can concentrate power in the CEO, potentially diminishing board oversight and exacerbating agency problems (Finkelstein et al., 2009). Their reputation becomes intertwined with the industry's norms, making them less inclined to

pursue unconventional strategies that deviate from established practices (Reed & Reed, 1989). Miller and Shamsie's (2001) study of Hollywood studio heads demonstrated a curvilinear relationship: initial increases in experience depth enhanced performance, but very long tenures ultimately led to decreased performance due to inflexibility.

As the breadth of experience, which might be lacking in an individual, might be substitute by a collective breadth of experience, we control for the board experience breadth, reflecting the collective diversity of directors' backgrounds and expertise, is a vital asset for effective corporate governance. A board comprising members from diverse industries, functional areas, and demographic groups brings a multiplicity of perspectives to bear on strategic decision-making (Hillman, Cannella & Harris, 2002; Kor & Sundaramurthy, 2009). This diversity of thought mitigates groupthink, encouraging more robust debate and a more critical evaluation of strategic options. Boards with broader experience possess a wider range of skills and knowledge, enhancing their ability to effectively monitor management and assess the CEO's decisions and overall performance (Zahra & Pearce, 1989). A diverse board, in terms of experience, is likely to enhance the firm's adaptability to external changes and its ability to navigate complex challenges. Individual board members may possess unique insights into emerging trends, regulatory shifts, or competitive threats, enabling a more proactive and effective firm response (Erhardt, Werbel & Shrader, 2003). Bernile, Bhagwat, and Yonker (2018) found that boards with more generalist (broader) directors are associated with greater firm value and improved outcomes, with these boards valued higher than those with specialist directors.

3. RESULTS AND DISCUSSION

This research used an online survey directed at key informants (Atuahene-Gima & Murray, 2004). The Amadeus database served as the

sampling frame for identifying eligible companies in a European country, and 1,573 firms were contacted via e-mail. Ultimately, 315 responses were received (a 20.03% response rate). Most respondents occupied senior decision-making roles, including CEOs, innovation managers, and marketing managers.

All variables were measured through self-assessments, a method that can introduce certain biases. However, prior studies suggest that self-reported metrics can be advantageous, given that supposedly objective indicators may also reflect measurement biases and might not always be accessible or reliable at the required unit of analysis (Gatignon et al., 2002). To address potential common method bias, we followed Verhoef and Leeflang (2009) by cross-referencing the reported financial data with official financial statements and found no notable discrepancies. We also verified responses against publicly available materials (such as company websites, shareholder reports, and news archives) to ensure congruence. Finally, we tested for multicollinearity, observing variance inflation factor scores below 4, consistent with recommended guidelines (Verhoef & Leeflang, 2009; Hair et al., 2010).

The sample comprises companies categorized into six size classes based on employee count. 13.7% are small businesses with 5 or fewer employees, 14.0% have 5 to 15 employees, and 17.1% have 16 to 50 employees. Medium-sized companies, with 51 to 250 employees, make up 19.7% of the sample. Larger companies are also represented, with 16.2% having 251 to 1000 employees, and 19.4% being very large enterprises

with over 1000 employees. Firms in the sample exhibit diverse market focus. While 22.5% concentrate primarily on B2B markets, a significant portion (33.7%) operate with a mixed focus, leaning towards B2B but also engaging in B2C. A further 13.3% maintain a balanced focus across both B2B and B2C markets. On the other end of the spectrum, 21.3% are solely focused on B2C, with another 14.3% leaning more towards B2C while still active in the B2B space. This indicates a spectrum of market engagement rather than a strict division between B2B and B2C. Sample exhibits a fairly balanced distribution of offer focus among the companies, though with a slight leaning towards product-centric businesses. A significant 34.7% of companies derive their revenue solely from products, while 31.5% focus solely on services. 14.6% strongly lean towards products, and 5.7% strongly lean toward services. A smaller percentage, 4.1%, and 2.2% leans slightly towards products and services respectively. Further, 7% of the companies have a relatively balanced mix of products and services. This indicates a diverse range of business models, with a substantial portion specializing in either products or services, but also a considerable presence of companies offering a mix. In terms of educational attainment, 56.8% of the companies in the sample are led by CEOs holding a university or bachelor's degree, indicating a strong emphasis on higher education. Furthermore, 25.8% have obtained a master's degree, suggesting a significant number pursue advanced studies. Comparatively, 13.5% of CEOs have completed high school as their highest level of education, while a smaller percentage, 3.9%, have earned a doctorate or Ph.D.

TABLE 1: Variable correlations

Correlations		ROI	Profitability	Revenue growth	Innovativeness	CEO focus on financial performance	CEO focus on optimization performance	CEO focus on marketing performance	Willingness to Cannibalize Technology	Willingness to Markets	CEO Experience Breadth	CEO Experience Depth	Board Experience Breadth
ROI	Pearson Correlation	1											
Profitability	Pearson Correlation	,824**	1										
Revenue growth	Pearson Correlation	,681**	,758**	1									
Innovativeness	Pearson Correlation	,540**	,547**	,647**	1								
CEO focus on financial performance	Pearson Correlation	,220**	,230**	,089	,005	1							
CEO focus on optimization performance	Pearson Correlation	,212**	,232**	,157**	,178**	,483**	1						
CEO focus on marketing performance	Pearson Correlation	,379**	,447**	,335**	,202**	,288**	,344**	1					
Willingness to Cannibalize Technology	Pearson Correlation	,009	,017	-,046	,093	-,056	,035	-,046	1				
Willingness to Markets	Pearson Correlation	,160**	,148**	,180**	,191**	,028	,080	,160**	,000	1			
CEO Experience Breadth	Pearson Correlation	,319**	,246**	,234**	,269**	,013	,171**	,120*	-,031	,192**	1		
CEO Experience Depth	Pearson Correlation	,244**	,186**	,104	,149**	,100	,095	,122*	-,016	,145*	,278**	1	
Board Experience Breadth	Pearson Correlation	,087	,135	,142	,065	-,037	,064	,194*	,075	,022	,018	,011	1

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

TABLE 2: Regression results

	DV: Profits			DV: ROI			DV: Revenue Growth			DV: Innovativeness		
	Model 1a	Model 1b	Model 1c	Model 2a	Model 2b	Model 2c	Model 3a	Model 3b	Model 3c	Model 4a	Model 4b	Model 4c
Constant	2,150*** (0,604)	-0,035*** (0,616)	2,375*** (0,611)	-1,556*** (0,450)	-1,716*** (0,455)	-1,391*** (0,450)	2,955*** (0,601)	2,767*** (0,609)	3,108*** (0,613)	3,497*** (0,689)	3,124*** (0,692)	3,453*** (0,698)
Firm size	-0,069 (0,079)	-0,009 (0,081)	-0,059 (0,080)	-0,048 (0,059)	-0,014 (0,060)	-0,034 (0,059)	-0,136* (0,079)	-0,094 (0,080)	-0,114 (0,080)	-0,188** (0,090)	-0,134 (0,091)	-0,162* (0,091)
Market focus (B2B vs. B2C)	-0,015 (0,049)	-0,009 (0,049)	0,006 (0,049)	-0,030 (0,037)	-0,026 (0,036)	-0,014 (0,036)	0,072 (0,049)	0,076 (0,049)	0,086* (0,049)	0,007 (0,056)	0,021 (0,055)	0,032 (0,056)
Offer focus (Products vs. Services)	-0,002 (0,038)	0,006 (0,039)	0,007 (0,038)	0,000 (0,029)	0,007 (0,029)	0,006 (0,028)	0,002 (0,038)	0,009 (0,038)	0,010 (0,038)	0,007 (0,044)	0,023 (0,043)	0,021 (0,043)
CEO focus on Financial performance	0,052 (0,098)	0,060 (0,099)	0,077 (0,097)	0,035 (0,073)	0,038 (0,073)	0,050 (0,072)	-0,029 (0,097)	-0,027 (0,098)	-0,012 (0,098)	-0,133 (0,112)	-0,111 (0,111)	-0,093 (0,111)
CEO focus on Optimization performance	0,117 (0,087)	0,127 (0,087)	0,093 (0,086)	0,079 (0,065)	0,092 (0,064)	0,066 (0,063)	0,095 (0,086)	0,113 (0,086)	0,085 (0,086)	0,184* (0,099)	0,194** (0,098)	0,161* (0,098)
CEO focus on Marketing performance	0,397*** (0,071)	0,0375*** (0,072)	0,325*** (0,072)	0,276*** (0,053)	0,253*** (0,053)	0,217*** (0,053)	0,311*** (0,071)	0,280*** (0,071)	0,240*** (0,073)	0,335*** (0,081)	0,302*** (0,081)	0,276*** (0,083)
Willingness to Cannibalize Technologies		0,052 (0,105)	0,066 (0,102)		0,017 (0,077)	0,030 (0,075)		0,007 (0,104)	0,016 (0,103)		0,137 (0,118)	0,153 (0,117)
Willingness to Cannibalize Markets		0,199* (0,107)	0,139 (0,106)		0,197** (0,079)	0,149* (0,078)		0,252** (0,105)	0,204* (0,106)		0,308*** (0,120)	0,245** (0,121)
CEO Experience Breadth			0,254** (0,109)			0,202** (0,080)			0,206* (0,109)			0,292** (0,124)
CEO Experience Depth			0,182* (0,101)		0,138* (0,074)				0,135 (0,101)			0,065 (0,115)
Board Experience Breadth			0,085 (0,104)		0,047 (0,077)				0,084 (0,104)			-0,007 (0,119)
R Square	0,246	0,265	0,320	0,221	0,253	0,313	0,166	0,197	0,235	0,161	0,205	0,240
F-test	8,282***	6,770***	6,283***	7,177***	6,336***	6,085***	5,037***	4,592***	4,111***	4,856***	4,833***	4,223***

*** p < 0,01; ** p < 0,05; * p < 0,10

Results offer several insights into the role of CEO and his market-result focus and willingness to cannibalize markets as drivers of firm performance, building on the insights from the upper echelons literature and the literature on market orientation. Across all model specifications, there is consistently strong and significant positive effect of CEO focus on Marketing performance on all four dependent variables: profits, ROI, revenue growth, and innovativeness. This robust finding aligns with a considerable body of research demonstrating the critical importance of market orientation and customer-centric leadership for achieving superior firm outcomes (Homburg et al., 2012; Slater & Narver, 1994; Kohli & Jaworski, 1990). The persistent significance of this variable, even after controlling for other factors and adding variables related to cannibalization and experience, underscores its fundamental role in driving competitive advantage. It suggests that CEOs who prioritize understanding and responding to market dynamics are better equipped to guide their organizations toward improved financial performance and innovation, relative to their competitors.

The positive relationship between CEO focus on optimization and firm's innovativeness suggests that CEOs prioritizing internal efficiency indirectly foster innovation, particularly process innovation. A CEO championing optimization creates a culture of continuous improvement and operational excellence (Benner & Tushman, 2003). This focus leads to streamlined processes, reduced waste, and improved resource utilization (Hammer & Champy, 1993). These efficiency gains, in turn, free up resources (financial, human, and time) that can be redirected towards innovative activities, including R&D for new products or services. Furthermore, the deep understanding of internal processes and workflows, gained through optimization efforts, reveals opportunities for innovation that might otherwise be missed (Cohen & Levinthal, 1990). By identifying bottlenecks and inefficiencies, firms can pinpoint areas where new technologies or approaches could yield significant im-

provements, often resulting in novel process innovations. This aligns with the concept of "absorptive capacity," where a firm's ability to utilize new knowledge is enhanced by its existing internal capabilities, built through optimization. Optimization efforts also help with exploitation and exploration. Optimization efforts strengthen the "exploitation" of existing capabilities, creating stability and providing resources to support the riskier "exploration" associated with radical, and external innovation (O'Reilly & Tushman, 2013).

Interestingly, CEO focus on financial performance does not exhibit significant impact on any performance variable. The consistent lack of statistical significance for CEO focus on financial performance across all models in the regression analysis, despite its intuitive appeal as a driver of firm outcomes, can be primarily attributed to its near-universal adoption as a fundamental objective among CEOs, effectively rendering it a non-differentiating factor in relative performance comparisons. This explanation aligns with core principles of competitive strategy and resource-based view of the firm, and is supported by several lines of reasoning in the existing literature. Essentially, while a CEO's focus on financial performance is undoubtedly necessary for a firm's survival and success, it is not sufficient for achieving superior performance relative to competitors. In a competitive market, virtually all firms, and by extension their CEOs, are striving to improve financial outcomes. This creates a "baseline" expectation, or a "table stakes" condition, rather than a source of competitive differentiation (Barney, 1991; Porter, 1985). Because the dependent variables in this study are explicitly measured in comparison to competitors, a variable that is uniformly high across all firms will not exhibit significant variance and, therefore, will not be a statistically significant predictor of relative differences in outcomes.

This phenomenon is related to the concept of "common resources" in the resource-based view (RBV). RBV argues that firms achieve sustainable competitive advantage by possessing

and deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). A general focus on financial performance, while arguably valuable, is neither rare nor inimitable. It's a common objective, easily replicated by any competitor. Therefore, it cannot, by itself, explain superior performance. The strategic choices and capabilities that a CEO utilizes to achieve financial performance (e.g., market orientation, innovation, operational efficiency) are the factors that are more likely to be rare, inimitable, and thus, sources of competitive differentiation (Newbert, 2007; Teece et al., 1997). The regression models capture this dynamic as other variables represent specific strategic orientations and capabilities that are not universally adopted to the same degree by all firms. These are the factors that create differences in how CEOs pursue the common goal of financial success, and thus, they explain variations in relative performance. A CEO's focus on marketing, for example, represents a specific approach to achieving financial goals through customer value creation and market share acquisition. Similarly, CEO's focus on optimization represents specific focus on efficiencies.

In essence, the non-significance of CEO focus on financial performance highlights the distinction between necessary conditions and sufficient conditions for competitive advantage. While financial focus is a necessary condition for any firm's long-term viability, it is the differential application of strategic resources and capabilities, as reflected in the significant variables, that determines superior performance relative to rivals. The regression analysis effectively isolates these differentiating factors, revealing that it's not the universal goal of financial success, but rather the pathways to that goal, that truly matter in explaining competitive differences.

Regarding willingness to cannibalize, results show a positive relationship between Willingness to cannibalize markets and three of the four performance outcomes (ROI, Revenue Growth, and Innovativeness). This provides empirical support for the strategic importance of

proactive self-disruption, particularly in dynamic industries. The results align with the core arguments of Chandy and Tellis (1998, 2000), who emphasize the "incumbent's curse" and the necessity of overcoming the inertia that often prevents established firms from embracing radical innovation. Firms willing to risk cannibalizing their existing market positions are, according to these findings, more likely to achieve higher ROI, experience greater revenue growth, and be perceived as more innovative. This result aligns with the growing body of literature that stresses that "strategic renewal", including product/service innovation, is essential in turbulent times (Agarwal & Helfat, 2009; Kapoor & Klueter, 2023).

In contrast, the absence of a statistically significant relationship between Willingness to cannibalize technologies and the four firm performance indicators (Profits, ROI, Revenue Growth, and Innovativeness) presents a noteworthy contrast to prominent literature advocating for radical technological disruption as a key driver of competitive advantage (Christensen, 1997). This apparent discrepancy, however, can be largely reconciled by considering the inherent heterogeneity present within the sample and by acknowledging the multifaceted nature of technological advancement itself. A dataset encompassing firms of varying sizes, operating across diverse market sectors (B2B vs. B2C), and offering different product/service mixes will inevitably include organizations with widely divergent approaches to technological innovation. Larger, established firms, particularly those in mature industries, often prioritize stability and incremental improvements to existing technologies. This approach minimizes risk and leverages existing investments, aligning with a strategy of continuous, but not necessarily disruptive, technological development (Bortolini et al., 2023; Hullova, Simms & Trott, 2019).

Furthermore, while disruptive "breakthrough" innovations receive considerable attention, the overwhelming majority of technological advancements are, in fact, incremental in nature (Bortolini et al., 2023; Dewar & Dutton, 1986).

Firms constantly refine existing technologies, enhance processes, and add features, contributing to a cumulative and substantial impact on performance over time (Garcia & Calantone, 2002). These incremental changes, while less dramatic than full-scale technological cannibalization, often represent a more practical and less risky path to sustained competitiveness for many firms. The “willingness to cannibalize” construct, as measured in this study, might be too narrowly focused on radical technological shifts, potentially overlooking the significant, albeit less visible, performance benefits derived from consistent, incremental technological improvements.

Results offer valuable insights into the relationship between executive experience and various dimensions of firm performance. A key finding is the consistently positive and statistically significant impact of CEO experience breadth across all four dependent variables: Profits, Return on Investment (ROI), Revenue Growth, and Innovativeness. Specifically, a broader range of experiences for the CEO, potentially spanning different functions, industries, or firms, is associated with improved profitability ($\beta = 0.254$, $p < 0.05$) and higher ROI ($\beta = 0.202$, $p < 0.05$). This aligns with research suggesting that generalist CEOs, possessing a wider skill set and perspective, are better equipped to navigate complex business environments and make effective strategic decisions (Bundy & Cockburn, 2020; Custódio et al., 2013). Furthermore, CEO experience breadth is positively linked to revenue growth ($\beta = 0.206$, $p < 0.1$), likely because a diverse background enables CEOs to identify and capitalize on a wider array of growth opportunities across different markets or technologies (Beckman & Burton, 2008). Results also show a strong positive relationship between CEO experience breadth and firm innovativeness ($\beta = 0.292$, $p < 0.05$). This underscores the importance of diverse perspectives and knowledge domains in fostering creativity and driving innovation within organizations (Audia & Goncalo, 2007; Berchicci, 2013). CEOs with broad experience are better posi-

tioned to connect seemingly disparate ideas, challenge conventional wisdom, and champion novel approaches, ultimately leading to a more innovative organizational culture. Results also indicate that CEO experience breadth is more important than the collective experience breadth of the board, thus accentuating the importance of the leader in an organization and his/her ability to understand the breadth of opportunities.

In contrast, CEO experience depth, while showing positive and statistically significant relationships with Profits ($\beta = 0.182$, $p < 0.1$) and ROI ($\beta = 0.138$, $p < 0.1$), does not significantly impact Revenue Growth or Innovativeness. This suggests that while deep expertise within a specific domain can enhance operational efficiency and profitability (Miller & Shamsie, 2001; Hambrick & Fukutomi, 1991), it may not be the primary driver of growth or innovation. In some cases, prolonged tenure in a single role or industry might even lead to a degree of rigidity or resistance to change, potentially hindering the exploration of new ideas and approaches (Miller, 1991). This highlights a potential trade-off between the benefits of deep, specialized knowledge and the advantages of broad, diverse experience.

4. CONCLUSIONS

This research embarked on a comprehensive investigation of the multifaceted relationship between CEO characteristics, strategic focus, willingness to cannibalize, and firm performance. Drawing upon the foundational tenets of upper echelons theory (Hambrick & Mason, 1984; Hambrick, 2007), the study sought to illuminate how the attributes and priorities of the chief executive, as the ultimate decision-maker, influence organizational outcomes. The findings provide strong empirical support for the significant role of CEO experience breadth, demonstrating a consistently positive and statistically significant association with all four dimensions of firm performance examined: profits, return on investment (ROI), revenue growth, and, most strikingly, innovativeness.

This robust finding underscores the notion that CEOs with diverse backgrounds, encompassing a range of experiences across functions, industries, or firms, are better equipped to navigate the complexities of the modern business environment, make effective strategic choices, and foster a culture of adaptability and innovation within their organizations (Bundy & Cockburn, 2020; Custódio et al., 2013).

The implications of these findings extend beyond theoretical contributions, offering valuable insights for both scholars and practitioners. The prominence of CEO experience breadth, particularly its strong link to innovativeness, suggests that organizations seeking to cultivate creativity, adaptability, and a capacity for breakthrough innovation should prioritize the selection and development of leaders with diverse backgrounds. While deep expertise within a specific domain (experience depth) undoubtedly contributes to operational efficiency and profitability, as evidenced by its positive association with profits and ROI, it is the breadth of experience that appears to be a more critical determinant of a firm's ability to thrive in dynamic, competitive landscapes and drive long-term growth. Furthermore, the study unequivocally demonstrates the powerful influence of a CEO's strategic focus, particularly their emphasis on marketing performance. This focus consistently emerged as a significant predictor of all four performance dimensions, reaffirming the enduring importance of market orientation and customer-centric leadership in achieving superior competitive advantage (Kohli & Jaworski, 1990; Slater & Narver, 1994; Homburg et al., 2012). This challenges a narrowly defined, exclusively financial-results-oriented approach, suggesting that a broader, more holistic perspective, encompassing market dynamics, customer value creation, and competitive positioning, is essential for sustained success. The consistent lack of statistical significance for CEO focus on financial measures across all models suggest that while clearly necessary for success, it does not differentiate it from competition.

The findings pertaining to a firm's willingness to cannibalize existing markets or technologies offer further nuance and complexity to the narrative. A willingness to cannibalize markets exhibits a positive and statistically significant relationship with ROI, revenue growth, and innovativeness. This provides compelling empirical support for the strategic importance of proactive self-disruption, particularly in industries characterized by rapid change and short product life cycles (Chandy & Tellis, 1998, 2000). Firms that are willing to risk cannibalizing their own existing market positions, by introducing new products or services that directly compete with their established offerings, are, according to these findings, more likely to achieve higher returns on investment, experience greater revenue growth, and be perceived as more innovative. This aligns with the concept of "strategic renewal," which emphasizes the need for organizations to continuously adapt and reinvent themselves to maintain competitiveness in turbulent environments (Agarwal & Helfat, 2009; Otola, Grabowska & Krupka, 2023a; Kapoor & Klueter, 2023; Rindova et al., 2023). In contrast, however, the lack of a statistically significant relationship between willingness to cannibalize technologies and the four firm performance indicators presents a more ambiguous picture. This seemingly counterintuitive result suggests that the impact of technological disruption is likely more complex and context-dependent than often assumed. It highlights the need to carefully consider the specific industry, the firm's size and resources, the nature of the technological change (incremental vs. radical), and the potential for unintended consequences when evaluating the benefits of aggressive technological cannibalization (Bortolini et al., 2023; Dewar & Dutton, 1986; Hullova et al., 2019).

While this study offers valuable insights, it is essential to acknowledge its limitations and identify avenues for future research. The reliance on subjective performance measures, although chosen to capture a richer, more competitively relevant perspective (Homburg et al., 2012; Wall

et al., 2004), introduces the potential for perceptual biases and common method variance. Future research could incorporate objective financial data, such as publicly available accounting information or archival data on patent filings and new product introductions, to complement and validate the subjective assessments. Furthermore, the cross-sectional nature of the data, capturing a snapshot in time, limits the ability to draw definitive causal inferences. Longitudinal studies, tracking CEO characteristics, strategic choices, and firm performance over time, would provide a more robust understanding of the dynamic interplay between these variables and allow for a more rigorous examination of causality. Future research should also explicitly explore potential moderating factors, such as the level of industry dynamism, firm size, organizational culture, and the external regulatory environment, which might influence the strength and direction of the relationships observed in this study. Investigating the interaction effects between CEO experience and board experience, particularly how a diverse board might complement or compensate for a CEO's lack of experience breadth, would be another fruitful area for future inquiry. Further, examining how the different focus types are related between each other would add another layer of analysis.

In conclusion, this research provides compelling evidence for the crucial and multifaceted role of the CEO in shaping firm performance. Specifically, CEO experience breadth and a strategic focus on marketing performance emerge as key drivers of superior financial outcomes and,

perhaps most importantly, organizational innovativeness. While a willingness to cannibalize existing markets demonstrates a positive association with several performance dimensions, the impact of technological cannibalization appears to be more nuanced and context-dependent. These findings collectively underscore the importance of organizations prioritizing the selection and development of CEOs who possess both a diverse range of experiences and a strong, unwavering commitment to understanding and responding to market dynamics. Furthermore, the study highlights the need for a strategic mindset that embraces proactive self-disruption, while also carefully considering the specific context and potential ramifications of technological change. By addressing the limitations outlined and pursuing the suggested avenues for future research, scholars can further refine our understanding of the complex interplay between leadership, strategic focus, and organizational success in an increasingly dynamic and competitive global environment.

It is important to acknowledge the limitations of this study. The reliance on respondent evaluations, while providing a valuable relative perspective, introduces potential for subjective biases. The cross-sectional nature of the data limits causal inferences. Future research should employ longitudinal designs to examine the dynamic relationships between these variables over time. Furthermore, exploring potential mediating and moderating variables could provide a more nuanced understanding of the observed relationships.

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