

Career-Related Information

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■ **Your Efforts Matter the Most !**

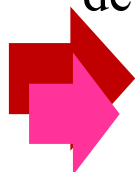
GRIT

Professor Dr. Angela Lee Duckworth



■ Grit: The Power of Passion & Perseverance

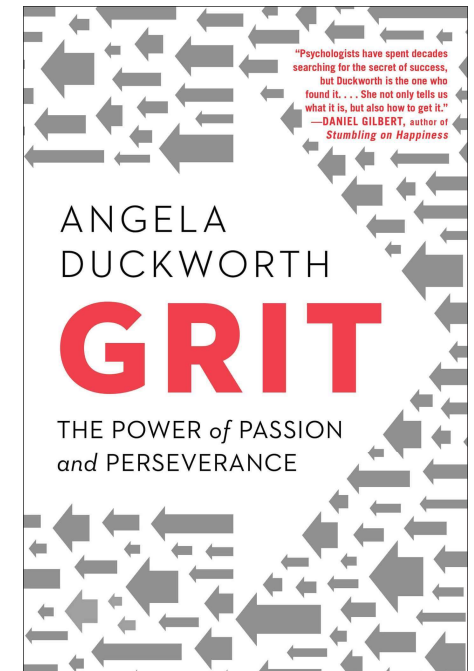
- ❖ **Angela Lee Duckworth** (born 1970) is an American academic, psychologist & popular science author.
- ❖ She is **Christopher H. Browne Distinguished Professor of Psychology** at the **University of Pennsylvania**.
- ❖ She is also the **Founder & CEO of Character Lab**, a not-for-profit whose mission is to advance the science & practice of character development.



https://www.ted.com/talks/angela_lee_duckworth_grit_the_power_of_passion_and_perseverance



■ Grit: The Power of Passion & Perseverance



Source: Duckworth, A. L. (2013). Grit: The Power of Passion & Perseverance.(2013).

Career-Related Information



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Identifying success factors for female entrepreneurs using the AMO framework: Empirical evidence from Japan

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ABSTRACT

This study applies deep insights from the ability, motivation, and opportunity (AMO) framework as an overarching theoretical perspective to identify critical success factors for female entrepreneurs. In doing so, it investigates how entrepreneurial persistence (i.e., motivation or “M”), together with prior venture experience (i.e., ability or “A”) and competitive intensity (i.e., opportunity or “O”) influence the success of women’s entrepreneurial activities. Using data from 308 Japanese female entrepreneurs, we show a positive association between entrepreneurial persistence and female entrepreneurs’ venture growth, which becomes stronger when prior venture experience and competitive intensity are considered. Most importantly, the three-way interaction between these factors maximizes the business performance of female entrepreneurs. Thus, venture growth is the highest in the presence of high levels of entrepreneurial persistence, prior venture experience, and competitive intensity. Our findings suggest that policy makers should improve the competitiveness of women-led ventures and create supportive business environments for female entrepreneurs.

spent decades
ret of success,
is the one who
ot only tells us
how to get it.”
ERT, author of
n Happiness



Source

Antecedents of Firm Diversification

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■ Reading Assignments

❖ Antecedents of Firm Internationalization

- **Boustanifar, H., Zajac, E. J., & Zilja, F. (2021).** “Taking Chances? The Effect of CEO Risk Propensity on Firms’ Risky Internationalization Decisions.”, *Journal of International Business Studies*, 1-24.
- **Rubén Fernández-Ortiz & Guadalupe Fuentes Lombardo (2009).** “Influence of the Capacities of Top Management on the Internationalization of SMEs.”, *Entrepreneurship & Regional Development*, 21(2), 131-154.
- **Matta, E., & Beamish, P. W. (2008).** “The Accentuated CEO Career Horizon Problem: Evidence from International Acquisitions.”, *Strategic Management Journal*, 29(7), 683-700.

Antecedents of Firm Diversification

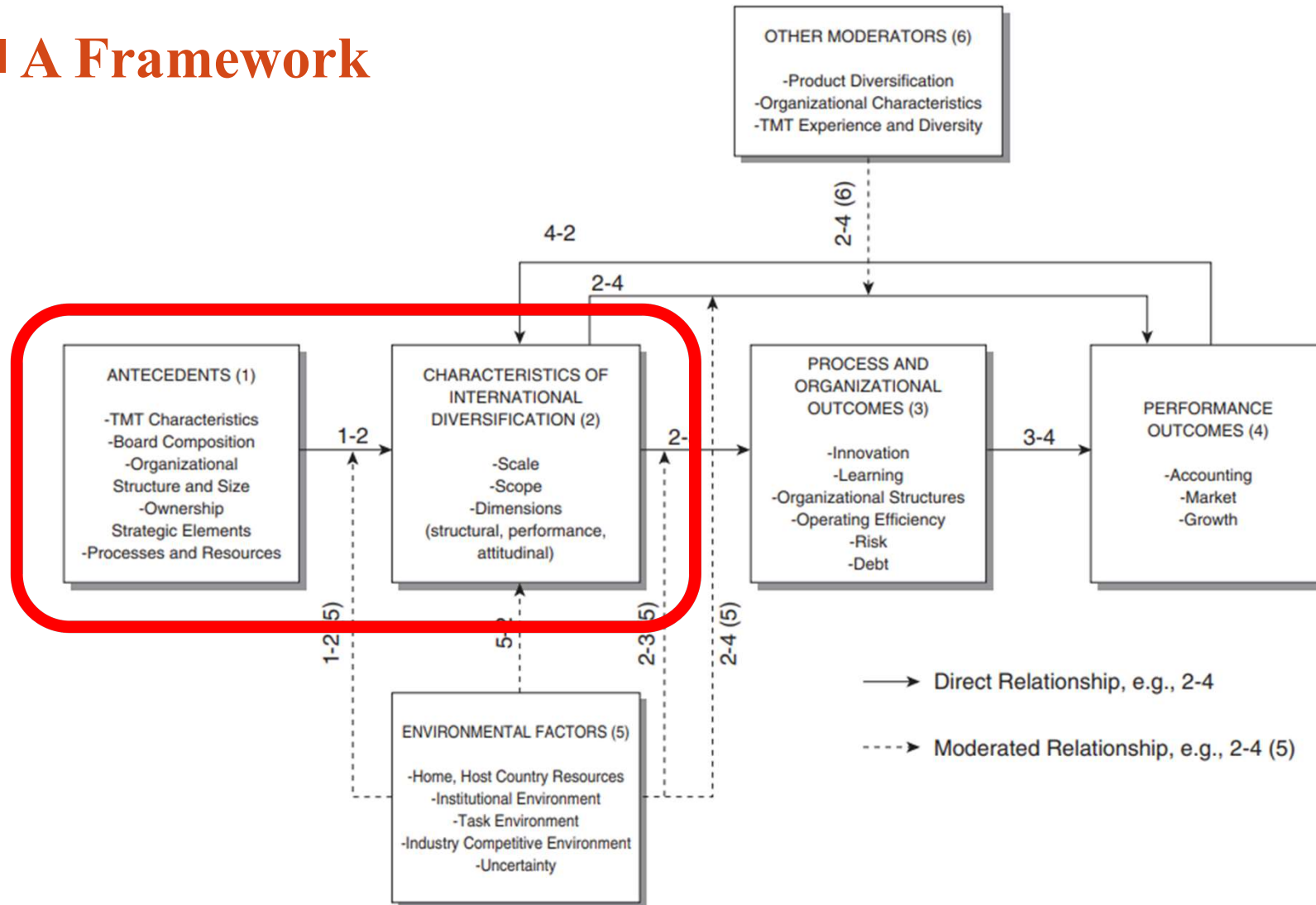


Antecedents (Drivers) of Firm Diversification?

Antecedents of Firm Diversification



■ A Framework



Source: Hitt et al. (2006: 836) in *Journal of Management*.

Antecedents of Firm Diversification



■ Fernández-Ortiz & Lombardo (2009).

❖ Questions

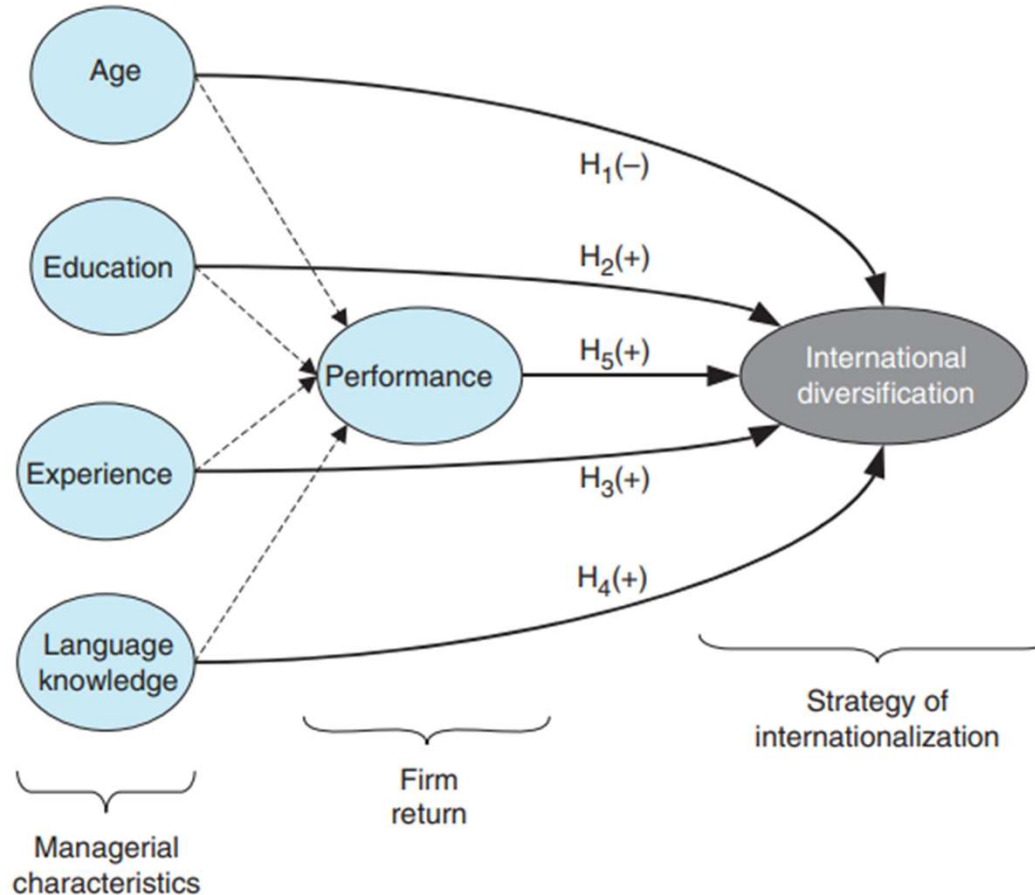
1. What is this article **all about**?
2. Is there any specific difference between **small & medium sized enterprises (SMEs) & large firms** in terms of **international strategies**?
3. Clarify the **detail of the theoretical framework** these authors proposed.
4. Discuss the **key rationale** for the respective **testable hypotheses** & interpret the empirical results with care.
5. What **practical suggestions** can you make on the basis of this scholarly investigation?
6. Specify the **drawback** of this piece of work.

Antecedents of Firm Diversification



■ Fernández-Ortiz & Lombardo (2009).

❖ Proposed Conceptual Framework



Source: Fernandez-Ortiz & Lombardo (2009: 140).

Antecedents of Firm Diversification



■ Fernández-Ortiz & Lombardo (2009). ❖ Possible Human Capital Variables?

Human capital investment	N	Outcomes of human capital investment	N	High task relatedness	N	Low task relatedness	N
Education, general	69	Entrepreneurial skill	6	Start-up/owner experience	31	Education, general	69
Education, level	46	Entrepreneurial competence	6	Industry specific experience	22	Education, level	46
Education, years	11	Entrepreneurial knowledge	5	Management experience	21	Education, years	11
Education, non-formal	1	Management skills	3	Management exp., yes/no	10	Education, non-formal	1
Education, parent	1	Specific social skills	3	Management exp., years	5	Education, parent	1
Start-up/owner experience	31	Business skills	2	Management exp., level	4	Work experience	12
Industry specific experience	22	Marketing skills	2	Management exp., number positions	2	Meta-cognitive skills	2
Management experience	21	Meta-cognitive skills	2	Business education	7		
Management exp., yes/no	10	Decision skill	1	Parent entrepreneur	7		
Management exp., years	5	Expertise	1	Entrepreneurial skill	6		
Management exp., level	4	Industry skills	1	Entrepreneurial competence	6		
Management exp., number positions	2	Managerial competencies	1	Entrepreneurial knowledge	5		
Work experience	12	New resource skill	1	Deliberate practice	3		
Business education	7	Opportunity skill	1	Marketing skills	3		
Parent entrepreneur	7	Organization skill	1	Management skills	3		
Deliberate practice	3	Technical skills	1	Specific social skills	3		

Source: Unger et al. (2011: 350). "Human capital and entrepreneurial success: A meta-analytical review." *Journal of Business Venturing*, 26(3), 341-358..



■ Boustanifar, Zajac & Zilja (2021).

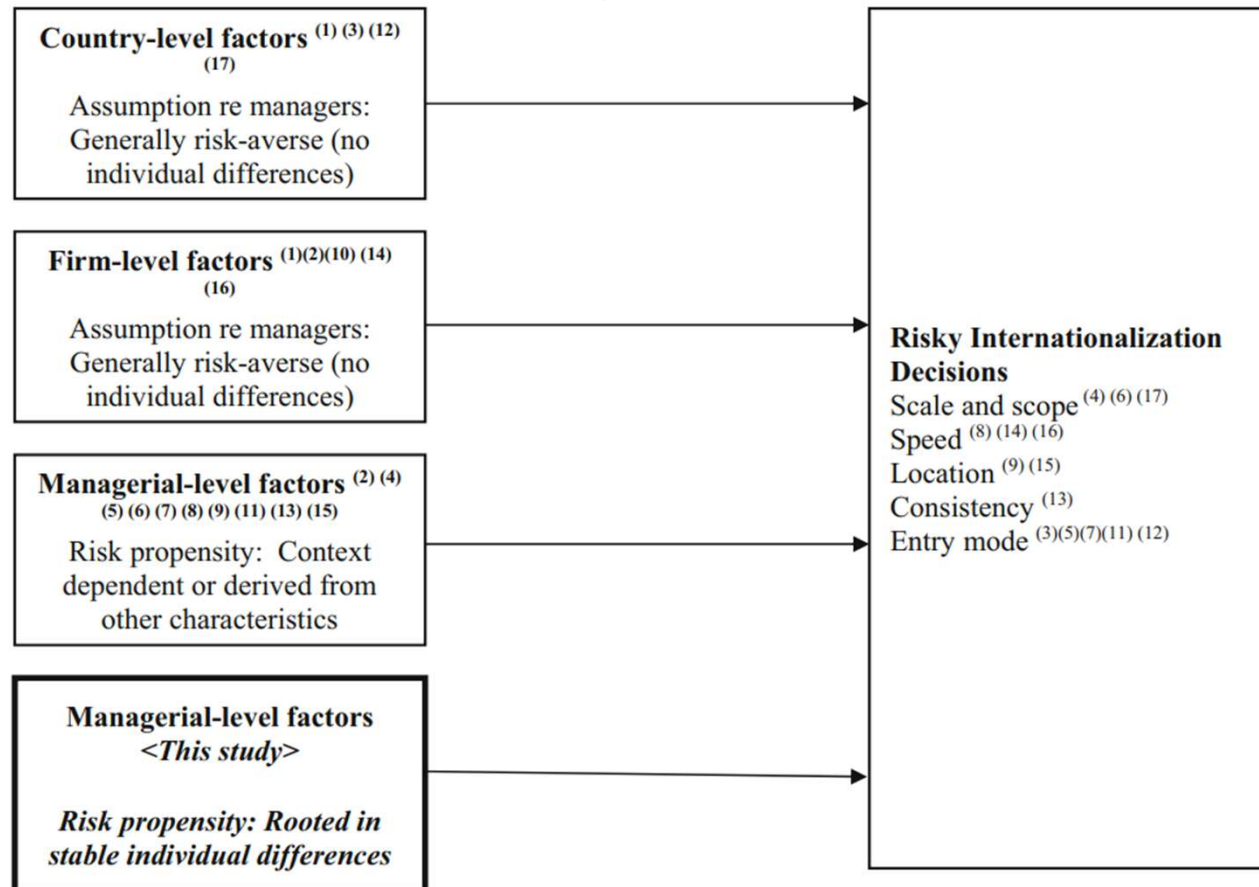
❖ Questions

1. Why do these authors focus on **CEOs** & their **risk propensity**?
2. What is the **main contribution** of this article? What is the **uniqueness** of this article?
3. Explain the **underlying logic** behind the association between **CEO risk propensity & firm internationalization**.
4. Discuss **why** the impact of CEO risk propensity on firm internationalization becomes greater when the **cultural distance** greater.
5. Are there **any other specific conditions** under which the **CEO risk propensity-firm internationalization** nexus varies?
6. What is the **managerial relevance** of this article?



■ Boustanifar, Zajac & Zilja (2021).

❖ What Predicts Firms' Risky Internationalization Decisions?



Source: Boustanifar, Zajac & Zilja (2021:304).

Antecedents of Firm Diversification



■ Using Power Effectively

❖ Power

- A leader's **ability to get things done in a way he or she wants them to be done.**
- A leader derives his or her power from **several sources or bases.**

❖ Organizational Bases of Power

- A formal management position on the basis of a leader's power.
- (1) **legitimate**, (2) **reward**, (3) **coercive** & (4) **information**.

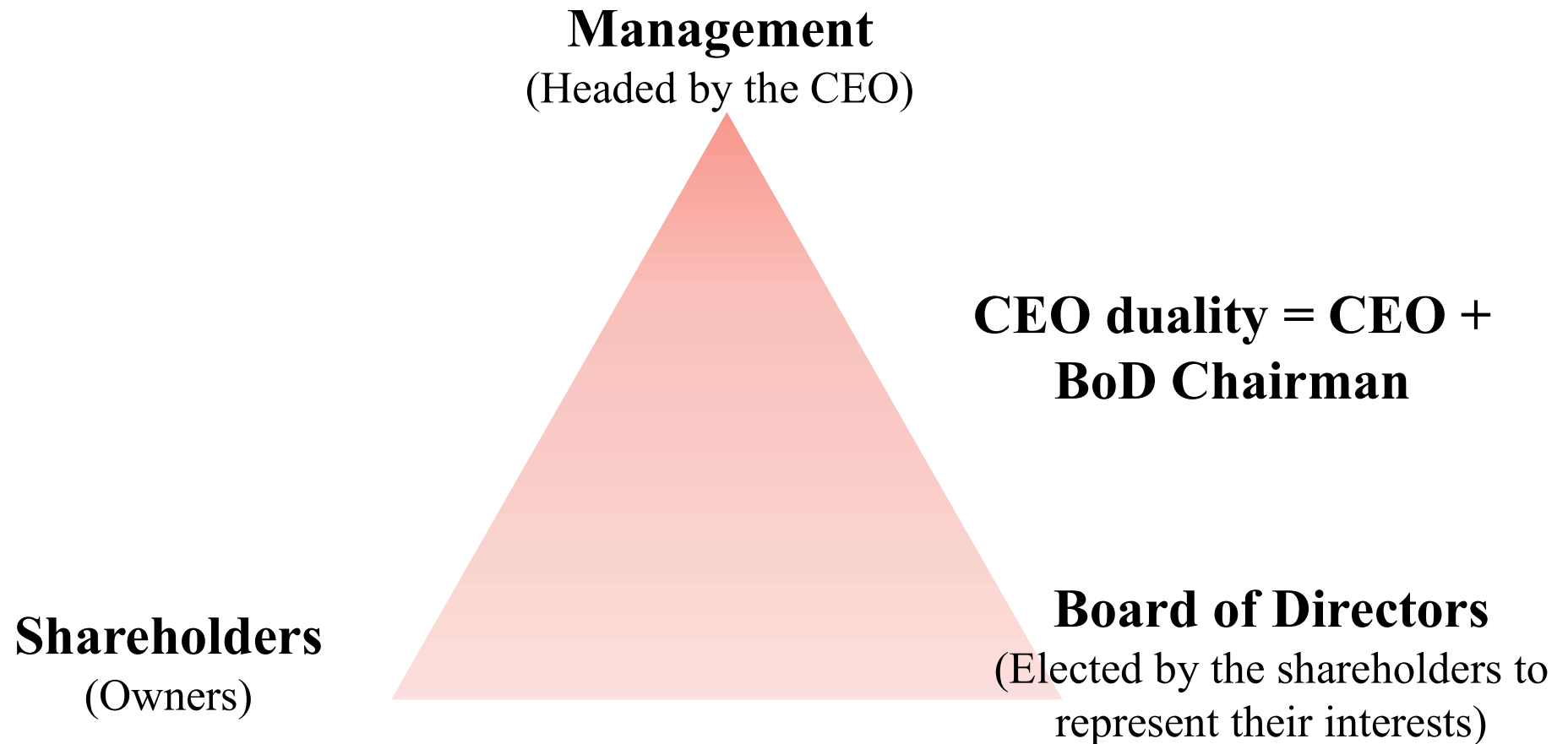
❖ Personal Bases of Power

- A leader's personality characteristics & behavior that are the basis of the leader's power.
- (1) **referent** & (2) **expert**.

Antecedents of Firm Diversification



■ What is CEO Duality?



Antecedents of Firm Diversification



■ CEO Duality is Good ?!

❖ Unity of Command

- Holding **both roles** allows him/her to **act more efficiently**.
- Provides firms with a **clear focus on both objectives & operations**.
- **Eliminate conflict between the CEO & the chairman**.
- Having leadership focused in a single individual enhances a **firm's responsiveness & ability to secure critical resources**.
- When separating the 2 jobs (*i.e.*, CEO & chairman), CEOs may find it harder to **make quick decisions**.
- Companies (*e.g.*, **Coca-Cola, JP Morgan**) have refused to divide the CEO's & chairman's jobs & **support the duality structure**.

Antecedents of Firm Diversification



■ CEO Duality is Bad ?!

❖ Agency Theory

- Duality complicates the issue of CEO succession.
- Duality may reinforce popular doubts about the legitimacy of the system as a whole & evokes images of bosses writing their own performance reviews & setting their salaries.
- To combat the legitimacy issue, a number of largest corporations (e.g., Ford, GM, Citigroup, Oracle, Apple & Microsoft) have **divided the roles** between the CEO & chairman & **eliminated duality**.

Antecedents of Firm Diversification



■ **Matta & Beamish (2008).**

❖ **Questions**

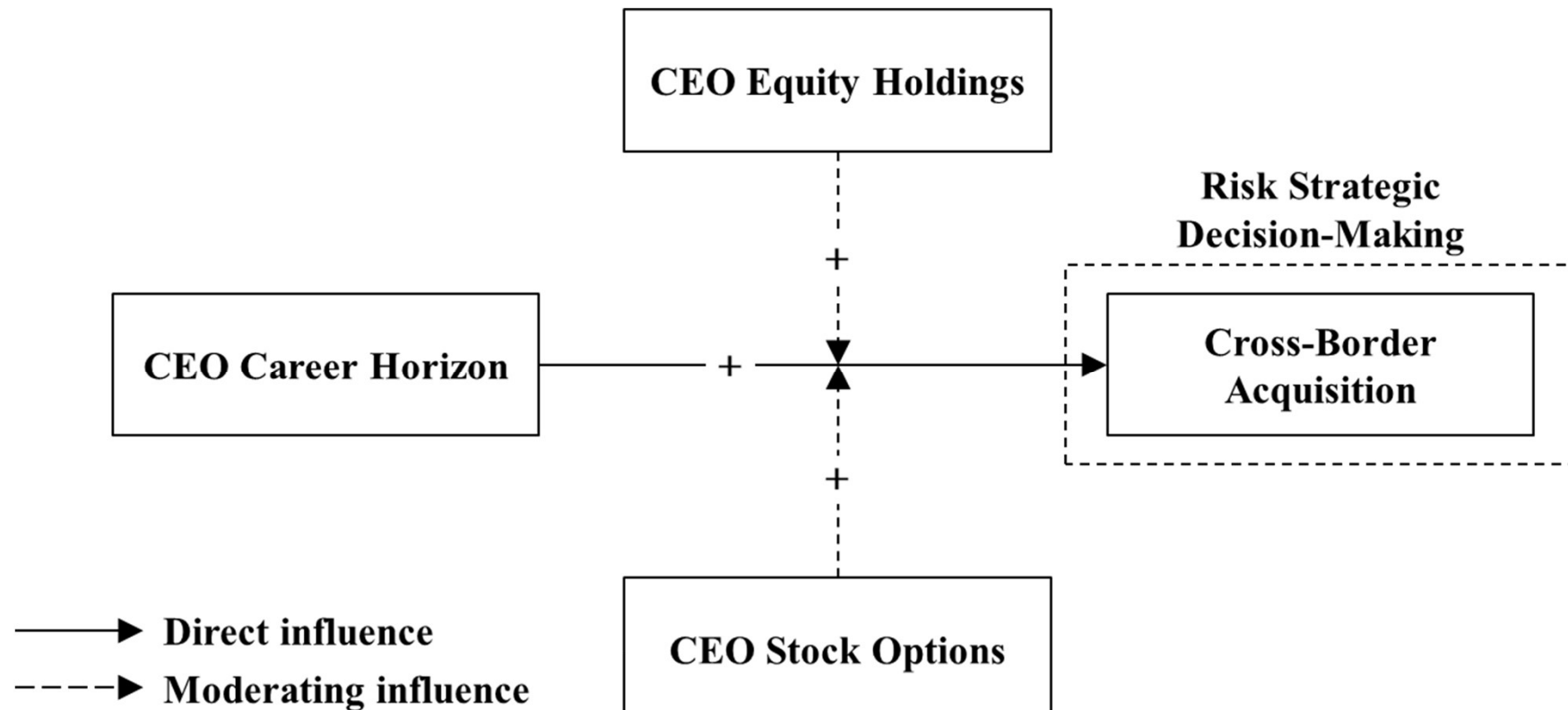
1. Clarify **why** this article is **important** from a theoretical & practical point of view?
2. What is the **major issue** deriving from the **CEO career horizon**?
3. Explain the **underlying logic** of a positive association between **CEO career horizon & firm engagement in international acquisitions** in greater depth.
4. Discuss why **both equity holdings & in-the-money options** reinforce the positive relationship between CEO career horizon & international acquisition.
5. Draw **managerial implications** based on the empirical findings.

Antecedents of Firm Diversification



■ **Matta & Beamish (2008).**

❖ **Proposed Conceptual Framework**





■ The Modern Corporation: The Separation of Owners (Shareholders) & Management

❖ Agency Theory

- The **agency problem** arises (1) *when the goals of the principals & the agents conflict* & (2) *when it is difficult or expensive for the principal to verify what the agent is actually doing.*
- The problem of risk sharing arises (1) *when the principal & the agent have different attitudes toward risk.*
- **Example**

The **executives** may prefer **additional diversification initiatives** because they can increase **the size of the firm & the level of executive compensation.** **BUT** such diversification initiatives may **erode shareholder values** due to a **lack of synergies.**



■ Governance Mechanisms: Aligning the Interests of Owners & Managers

❖ Managerial Rewards & Incentives

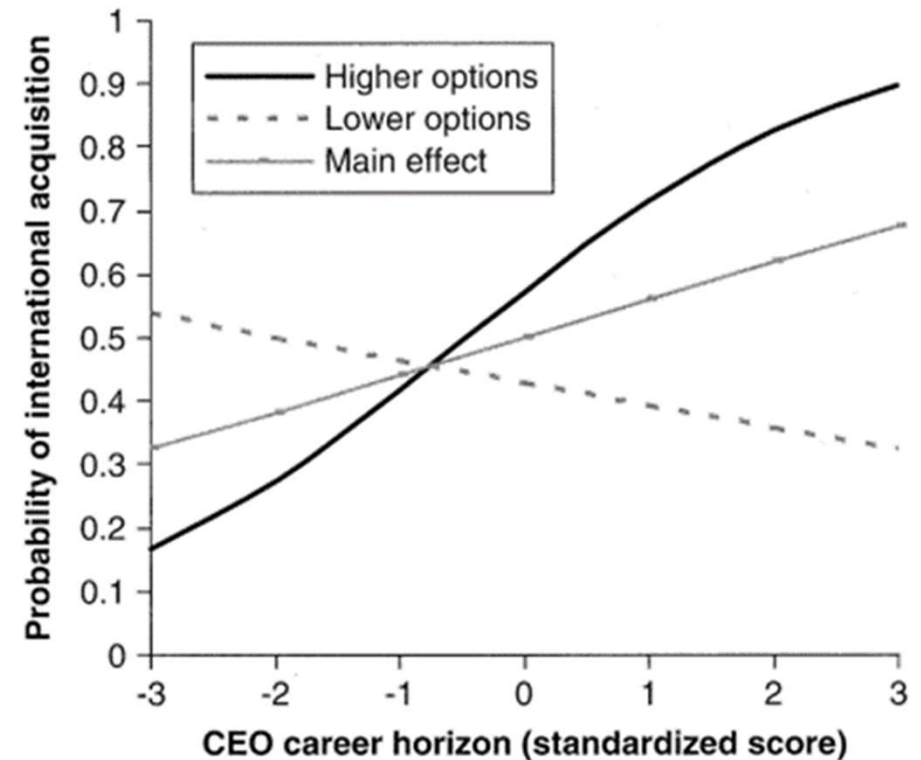
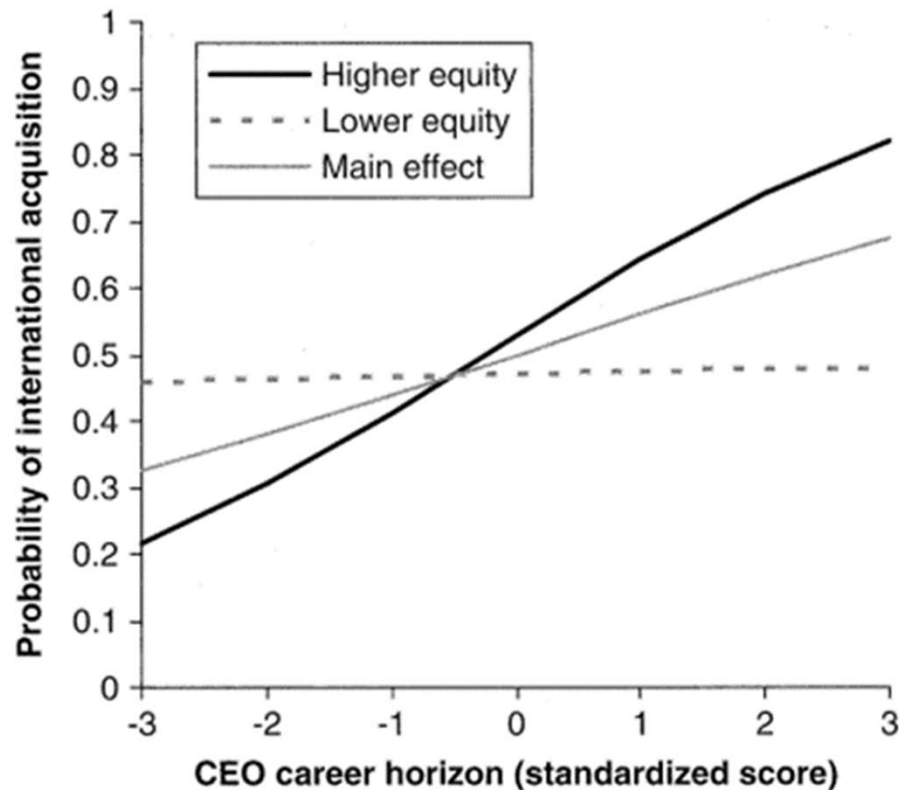
- A mix of **3 basic policies** to incentivize CEOs to maximize the firm value:
 - I.** Boards can require that the **CEOs** become **substantial owners of company stock**.
 - II.** ‘**Salaries, bonuses, & stock options**’ can be structured to provide **rewards** for superior performance & **penalties** for poor performance.
 - III.** ‘**Dismissal for poor performance**’ should be a **realistic threat**.
- In recent years the granting of **stock options** has enabled top executives of publicly held corporations to **earn enormous levels of compensation**.
- **Stock options** can be a valuable governance mechanism to **align the CEO’s interests with those of the shareholders**.

Antecedents of Firm Diversification



■ **Matta & Beamish (2008).**

❖ (1) Equity Holdings & (2) Stock Options



Source: Matta & Beamish (2008: 694).



■ Reading Assignments for 03.03.2025 (Monday)

❖ Consequences of Firm Internationalization

- **Hsu, W. T., Chen, H. L., & Cheng, C. Y. (2013).** “Internationalization & Firm Performance of SMEs: The Moderating Effects of CEO Attributes.”, *Journal of World Business*, 48(1), 1-12.
- **Vermeulen, F., & Barkema, H. (2002).** “Pace, Rhythm, & Scope: Process Dependence in Building a Profitable Multinational Corporation.”, *Strategic Management Journal*, 23(7), 637-653.

The End of Today's Lecture



ご清聴有難う御座いました。

Thank you so much!

Vielen Dank für Ihre Aufmerksamkeit!

Grazie mille !

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