

# The Promotional Effect of Executives' Overseas Background on Corporate Outbound Investment - Empirical Evidence Based on A-share Listed Companies

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**Abstract.** International trade exchanges and outward investment are important issues in promoting the integration and development of the global economy and building an open world economic system. Based on the data of A-share listed companies from 2007 to 2023, this paper empirically examines the impact of executives' overseas background on enterprises' outward investment. The results show that: (1) executives' overseas background significantly increases the level of corporate outward investment, and the results remain significant after a series of stability tests. (2) The promotion effect of outward investment is heterogeneous in different groups, and the promotion effect of executives' overseas background on outward investment is more significant for the financial industry, the eastern region and the non-high-tech industry. (3) The overseas background of executives improves the outward investment of enterprises by improving the application of digital technology and alleviating financing constraints, and then improves the outward investment of enterprises. This paper is of guiding significance for the government to implement incentive policies for internationalized talents, improve financing channels for digital transformation, and build a positive cycle of talent internationalization and outward investment for enterprises.

**Keywords:** executives' overseas background; outward investment; digital technology application; financing constraints.

## 1. Introduction

Against the backdrop of the current geopolitical conflicts and trade barriers reshaping the global supply chain landscape, the wave of digitalization and artificial intelligence technologies are accelerating the pace of industrial change. As an important governance mechanism of the company, director-executives can reduce the risk of corporate investment to a certain extent (Ma Sihan, 2022). Distinguishing between executives is an important measure of their background, in addition to the amount of work experience and work ability. Academic executives will recognize the importance of digital transformation to the enterprise more keenly and clearly, and will more actively support the enterprise's ability to enhance innovation through digital transformation (Yuan et al, 2017). As for executives with different learning and working backgrounds, scholars generally believe that they can significantly enhance the OFI performance of enterprises.

In the context of global economic integration, corporate outward investment has become an important strategy for promoting economic growth and international competitiveness (Wang, Li-Bo and Cai, Meng, 2024). The National Development and Reform Commission (NDRC) issued the "Action Program for Stabilizing Foreign Investment in 2025" in February 2025, which mentions that it is necessary to expand independent opening up in an orderly manner, improve the level of investment promotion, enhance the effectiveness of opening up platforms and increase the strength of services and guarantees. A survey by the CCPIT Research Institute found that 70% of Chinese enterprises mainly rely on their own funds for direct investment, and only 16% of them receive support from financial institutions in their outward investment. According to data from the Foreign Exchange Bureau and the Ministry of Commerce, the overall momentum of China's outward investment in 2024 is better and on a steady upward trend, with outward investment rising by 11.3% compared to 2023. Under the dual drive of globalized competition and regional economic restructuring, enterprises need to coordinate internally and externally: externally, they should keenly

grasp the national policy guidance, and internally, they need to build a high-end talent echelon with an international outlook, and systematically improve the level of their international operations.

Undoubtedly, whether executives have an overseas background or not has a different impact on enterprises. Executives with overseas experience are familiar with the differences between domestic and foreign markets, and are better able to study the development trend of the international market, and are more likely to make outward investment decisions. Rich knowledge reserves and international work experience enable executives with overseas experience to reduce the risk of outward investment and promote the internationalization process of enterprises. Guan & Wang (2025) argue that CEOs with overseas experience or academic background will tend to make suboptimal investment decisions. Zhang Rao (2015) empirically analyzed and found that executives with overseas backgrounds can promote enterprises' outward investment and help them generate better investment performance. Su Xiao et al. (2016) studied that executives' overseas background can promote enterprises' OFDI, while executives' overseas working background has a greater impact on enterprises' OFDI decisions.

This paper investigates the impact of executives' overseas background on corporate outbound investment. The second part of the paper provides a literature review, the third part analyzes the model data and variable settings, the fourth part provides an empirical analysis, and the fifth part provides a concluding comment.

## 2. Literature review

The wave of economic globalization has accelerated the pace of enterprises' "going global", and the role of executives as the main body of corporate strategic decision-making in corporate governance has received more and more attention. This paper divides the importance of executives' overseas background into theoretical and empirical levels to analyze: the higher-order theory proposed by Hambrick & Mason (1984) believes that the background characteristics of the executive team will affect the strategic decision-making of the enterprise, which in turn affects the enterprise's investment behavior. Returnee executives are the focus of a company's talent acquisition strategy, and hiring high-quality overseas talent contributes to the sustainable development of the company (Yi Changjun et al., 2022). Distinguishing from the theoretical level, empirical analysis can better explain this view. Xu Xianxiong (2018) found that the higher the proportion of executives with a Haitian background in the executive team, the better environmental performance the firm will have and the higher the degree of corporate social responsibility fulfillment. Ji Mengye (2022) found that the background of a company's executive team has a very significant impact on the company's M&A decisions, and there is also a very significant relationship between their personal experience, education level and other factors and the company's mergers and acquisitions. The stronger the executive ability in the executive team, the higher the proportion of the company's financial asset allocation (Gang Xu, 2018). In summary, theoretical studies and empirical analyses have jointly revealed the far-reaching impact of executives' overseas backgrounds on corporate strategic decision-making and internationalization development, the

Enterprise outward investment is an important strategy for enterprises to expand markets and acquire resources and technology in the context of globalization. However, enterprises are affected by a variety of external factors when deciding whether to invest abroad and choosing investment locations. This paper mainly analyzes the two levels of enterprises' external policies and internal factors: In addition to the support of home country policies, the impact of the host country level on firms should not be ignored. Similarly, internal factors can pose certain challenges to the development of the firm. The study suggests that the outward investment of enterprises needs to realize the synergistic optimization of internal and external factors in order to effectively promote the internationalization strategy and better generate benefits for enterprises.

Under the dual background of globalization and digital transformation, the strategic decisions of corporate executives have a profound impact on the outward investment capability of enterprises. Zhou, J. et al. (2025) showed that overseas executives can motivate enterprises to make outward

investments, can keenly perceive changes in domestic and foreign market environments, and bring advantages in international trade or investment to enterprises. Lin Shuzhe (2019) found that returnee executives can significantly contribute to an enterprise's internationalization strategy, and the higher the proportion of returnee executives in the executive team, the higher the degree of enterprise internationalization. For the digital transformation aspect, the role given by executives is stronger. The stronger the cognitive ability of executives, the stronger the positive impact of digital transformation and investment efficiency (Binyan Zhao and Menya Ji, 2024). Peng (2022) also found that both overseas study and work experiences of executives significantly contribute to firms' digital transformation. The study suggests that executives' overseas background and cognitive ability not only significantly enhance firms' outbound investment decisions, but also effectively enhance firms' growth by promoting digital transformation and green innovation.

This paper has the following contributions: firstly, the existing literature is less about the impact of executives' overseas background on outward investment of enterprises, and this paper deeply studies the promotion effect of executives' overseas background on it. Secondly, the existing literature has not analyzed the heterogeneity between different groups for the outward investment of enterprises, and this paper analyzes the impact of different industries and geographic locations on the outward investment of enterprises. Finally, this paper analyzes the impact mechanism of financing constraints and digital change on corporate outward investment based on the WW index and digital transformation perspectives. This paper is of guiding significance to study the above conditions affecting enterprises' outward investment.

### 3. Model setting, data and variables

#### 3.1 Modeling

This paper empirically analyzes the impact of executives' overseas background on enterprises' outward investment by means of a fixed effects model. The specific model is shown below:

$$\text{Outward investment}_{it} = \beta_0 + \beta_1 \text{ executives' overseas background}_{it} + \beta_2 X_{it} + Tt + \pi_i + \varepsilon_{it} \quad (1)$$

Outward investment  $it$  represents the logarithm of firm  $i$ 's outward investment at time  $t$ . Executives' overseas background  $it$  is the overseas background of firm  $i$ 's executives at time  $t$ .  $X_{it}$  is the main control variable affecting firms' outward investment.  $t$  is a time dummy to control for the average time trend in labor mobility over the sample period.  $\pi_i$  is a dummy across firms controlling for the firm's fixed effects.  $\varepsilon_{it}$  is a random perturbation term.

#### 3.2 Data

The data base of this paper comes from the CSMAR database, and Chinese A-share listed companies are selected as the research sample during the period of 2007-2023 to construct a complete panel dataset. The outward investment data are precisely extracted from the table of listed companies' outward investment, the overseas background information of executives is systematically identified and coded manually based on the disclosed personal biographies, and the rest of the financial indicators are from the standard module of this database. In order to guarantee the robustness of the empirical results, the research team strictly implemented the data cleaning process and eliminated the samples with outliers and missing key variables, finally forming a balanced panel data that meets the requirements of econometric analysis.

#### 3.3 Variables

##### 3.3.1 Dependent variable: outward investment

Outward investment refers to the behavior of enterprises, institutions or individuals in one country or region to invest resources such as capital, technology and equipment in other countries or regions to obtain economic benefits or strategic benefits. The findings suggest that in the process of globalization, enterprises need to fully consider their own resource endowment, market environment

and the internationalization experience of their management teams in order to maximize the benefits of outward investment.

### 3.3.2 Core Explanatory Variable: Overseas Background of Executives

Ye Shun (2023) pointed out in his study that corporate executives are the core personnel who hold senior management positions in an organization, and are usually responsible for formulating corporate strategies, coordinating operations and management, and leading the overall development direction. Overseas background refers to whether or not they have overseas study or work experience. In this study, if an enterprise has at least one executive with overseas study or work experience in the sample year, the variable of overseas background of executives takes the value of 1; otherwise, it takes the value of 0.

### 3.3.3 Institutional variables: digital technology applications and financing constraints

This paper draws on Wu Fei's measurement of the degree of digital transformation by counting the presence of characteristic keywords in the annual reports of listed companies, and finally using the sum of the word frequencies of big data, artificial intelligence, cloud computing, blockchain, and digital technology as a proxy variable for the degree of digital transformation of enterprises. In this paper, we refer to Wang Zhenyi et al. (2024) to measure the financing constraints by constructing the WW index, and the larger the WW index, the higher the degree of financing constraints faced by enterprises.

### 3.3.4 Control variables

Referring to Liu Jianjiang's (2024) approach to control variables, this paper, in order to ensure the accuracy of the variables and reduce the impact of omitted variables, mainly selects the variables that may affect the enterprise's foreign investment at the enterprise level, namely, the financial liability ratio, which measures the level of financial leverage of the enterprise; the total debt ratio, which is used to assess the enterprise's financial risk; the growth rate of the total assets, which represents the expansion of the enterprise's scale speed; Tobin's Q, which assesses the investment opportunities and market valuation of the enterprise; investment expenditure ratio, which measures the intensity of the enterprise's capital expenditure; the proportion of intangible assets, which reflects the enterprise's innovation ability and core competitiveness; and book-to-market ratio, which describes the enterprise's valuation level and market expectations.

Table 1 Descriptive statistics of variables

variable name	sample size	average value	standard deviation	minimum value	maximum values
In External Investments	20078	10.381	2.560	0.000	23.028
Overseas background of executives	20078	0.047	0.144	0.000	1.000
Financial liability ratio	20078	0.398	0.260	0.000	1.779
total debt ratio	20078	0.439	0.331	0.007	27.920
Total asset growth rate	20078	0.197	0.818	-0.979	47.927
Tobin's Q	20078	2.004	1.602	0.611	56.664
Investment expenditure rate	20078	0.047	0.048	0.000	0.642
Share of intangible assets	20078	0.046	0.062	0.000	0.864
Book-to-market ratio	20078	0.644	0.258	0.018	1.636

## 4. Empirical analysis

### 4.1 Baseline regression

In Table 2, the first column does not include fixed effects and control variables, the second column includes firm and year fixed effects, and the third column further includes control variables. Taking

the third column as an example, the coefficient is positive and significant at the 1% level, indicating that the effect of executives' overseas background on firms' outward investment is positively facilitated. Their internationalized thinking and experience can also promote enterprises to make more strategic and forward-looking overseas investment decisions, thus enhancing their global competitiveness and resource allocation efficiency.

Total debt ratio is the ratio of total liabilities to total assets of an enterprise, and the regression results show that the higher the total debt ratio, the lower the outward investment. Benchmark regression results show that the higher the investment expenditure rate, the higher the outward investment. The higher the investment expenditure rate, the more active the firm's outward investment is. From this, it can be introduced that firms have a higher degree of cash flow and production chain integrity, and at the same time, the rate of outward investment spending is often related to the strategic needs of the firm's transformation. A low proportion of intangible assets tends to imply that firms lack core competitive advantages such as technology patents and digital assets, and therefore firms invest less in outward investment.

Table 2 Benchmark regression results

	In External Investments	In External Investments	In External Investments
Overseas background of executives	1.5386 *** (0.1073)	0.3998 *** (0.1440)	0.4070 *** (0.1429)
Financial liability ratio			-0.1861 (0.1156)
total debt ratio			-0.4453** (0.1861)
Total asset growth rate			0.0154 (0.0178)
Tobin's Q			-0.0251 (0.0159)
Book-to-market ratio			0.2791** (0.1329)
constant term (math.)	10.3079 *** (0.0191)	10.3619 *** (0.0137)	10.5101 *** (0.1383)
Corporate fixed effects	clogged	be	be
Year fixed effects	clogged	be	be
observed value	20078	20078	20078
Adj. R <sup>2</sup>	0.0075	0.5718	0.5742

Note: \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01. Robust standard errors in parentheses.

#### 4.2 Robustness tests

Considering the impact of executives' overseas background on corporate outbound investment, this paper lags the core explanatory variables by one period, and the results are found to be still significant according to the regression results in the first column. Assuming that the number of different samples within the same company is the same and the sample data of different companies are different, this paper clusters the regression according to different companies, and the results are found to be still significant. Considering the effect of extreme values, this paper will be the variables according to 1% for shrinking tail regression, the results found to be still significant. Then the results of the benchmark regression have stability.

Table 3 Robustness test results

	In External Investments	In External Investments	In External Investments
	0.4780 ***		

L. Overseas background of executives	(0.1682)		
Overseas background of executives		0.4070** (0.2042)	0.4312 *** (0.1576)
Financial liability ratio	-0.2526** (0.1283)	-0.1861 (0.1592)	-0.0256 (0.1078)
total debt ratio	-1.2466 *** (0.1932)	-0.4453* (0.2403)	-1.3139 *** (0.1624)
Total asset growth rate	0.0711*** (0.0216)	0.0154 (0.0169)	-0.1176** (0.0467)
Tobin's Q	-0.0342* (0.0186)	-0.0251 (0.0192)	-0.0724 *** (0.0246)
Book-to-market ratio	0.4629 *** (0.1520)	0.2791 (0.1918)	0.1536 (0.1492)
constant term (math.)	11.0114 *** (0.1548)	10.5101 *** (0.1855)	11.0217 *** (0.1574)
Corporate fixed effects	be	be	be
Year fixed effects	be	be	be
observed value	15101	20078	20078
Adj. R <sup>2</sup>	0.6118	0.5742	0.5921

Note: \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01. Robust standard errors in parentheses.

### 4.3 Heterogeneity analysis

#### 4.3.1 Heterogeneity analysis of high-tech industry

With the advancement of global intelligence wave, high-tech industry and high digitalization level have become an important direction for enterprise transformation and upgrading. This paper divides the sample into two groups, high-tech industry and non-high-tech industry, and finds that the experimental results of "non-high-tech industry" are significant at the 5% level, while the high-tech industry sector does not show a significant correlation between executives' overseas backgrounds and enterprise development. This result suggests that in non-high-tech industries, the internationalization of executives can be a significant driver of firm development, probably because these industries rely more on traditional market expansion, resource integration, and cross-cultural management capabilities. In contrast, the development of high-tech industries relies more on technological innovation, R&D capabilities, etc., and the construction of these core competencies is not entirely dependent on executives' overseas experience. Therefore, in high-tech industries, there is no inevitable link between executives' overseas background and corporate development.

Table 4 Results of Heterogeneity Analysis of High-Tech Industries

	High-tech industries	Non-high-tech industries
Overseas background of executives	0.1695 (0.1722)	0.5368** (0.2337)
Financial liability ratio	0.2056 (0.1752)	-0.2867* (0.1522)
total debt ratio	-1.1396 *** (0.2941)	-0.3669 ** (0.1546)
Total asset growth rate	-0.0321 (0.0404)	-0.0119 (0.0307)
Tobin's Q	-0.0538 *** (0.0196)	0.0152 (0.0261)
Book-to-market ratio	0.4169** (0.1848)	0.1022 (0.1931)
constant term (math.)	10.4284 ***	10.7852 ***

	(0.1844)	(0.1956)
Corporate fixed effects	be	be
Year fixed effects	be	be
observed value	10694	9319
Adj. R <sup>2</sup>	0.5638	0.6007

Note: \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01. Robust standard errors in parentheses.

### 4.3.2 Heterogeneity analysis of the financial sector

Financial and non-financial factors interactively affect enterprises' outbound investment decisions, and the study of their mechanisms is of key significance for strategy and policy formulation. In this paper, for sample selection, firms are divided into two categories: financial and non-financial industries. The experimental data in Table 5 reveals that the overseas background of executives is significant at the 5% level, suggesting that the internationalization background of the executive team has a generally positive impact on the development of firms. This result may be closely related to the characteristics of the financial industry itself: as a highly globalized field, the financial industry is more sensitive to the international market. Therefore, executives with overseas background can better grasp the dynamics of the international financial market and provide strong support for enterprises to develop overseas markets, optimize resource allocation and enhance international competitiveness. This finding not only reveals the differential impact of executives' overseas backgrounds in different industries, but also provides important insights for enterprises in selecting and cultivating their executive teams, and the introduction and cultivation of internationalized talents may become a key driving force for enterprises to realize their globalization strategies.

Table 5 Results of financial sector heterogeneity analysis

	financial industry	Non-financial industries
Overseas background of executives	1.1008** (0.4296)	0.2881** (0.1426)
Financial liability ratio	-1.0208** (0.4101)	-0.1622 (0.1181)
total debt ratio	1.1593 (0.7116)	-0.4538** (0.1929)
Total asset growth rate	-0.0139 (0.0120)	0.0158 (0.0248)
Tobin's Q	0.1773 (0.2247)	-0.0268* (0.0160)
Book-to-market ratio	1.2693 (0.8241)	0.2210 (0.1351)
constant term (math.)	11.5768 *** (1.0761)	10.4437 *** (0.1405)
Corporate fixed effects	be	be
Year fixed effects	be	be
observed value	565	19506
Adj. R <sup>2</sup>	0.7190	0.5526

Note: \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01. Robust standard errors in parentheses.

### 4.3.3 Analysis of regional heterogeneity

The results of the study show that there is a significant difference between the eastern region of China and other regions in terms of the external environment such as the degree of development and economic policies, and this difference has a significant impact on the outward investment behavior of enterprises. By dividing the sample firms according to whether they are from the eastern region or not, with the eastern region being 1 and the non-eastern region being 0. The analysis of the data in Table 6 reveals that the impact of executives' overseas background is greater in the eastern region

compared to the non-eastern region. This finding reveals that the facilitating effect of executives' overseas background on firms' outward investment is more prominent in the eastern region. Specifically, the eastern region provides a more favorable environment for executives with overseas backgrounds due to its higher level of economic development, more open economic policies, and better internationalized infrastructure. This finding provides policymakers with certain policy recommendations, i.e., they should take regional differences into account and formulate relevant policies according to local conditions to maximize the positive impact of executives' overseas backgrounds on outward investment. This finding provides policymakers with some policy recommendations, that is, policies should be formulated according to regional differences in order to maximize the positive impact of executives' overseas background on firms' outbound investment.

Table 6 Results of regional heterogeneity analysis

	eastern part	Non-Eastern
Overseas background of executives	0.2901* (0.1509)	0.5888 (0.3949)
Financial liability ratio	-0.0289 (0.1256)	-0.0667 (0.2458)
total debt ratio	-0.9053*** (0.1983)	-1.0543 *** (0.3219)
Total asset growth rate	0.0105 (0.0230)	0.0242 (0.0233)
Tobin's Q	-0.0441** (0.0183)	0.0032 (0.0302)
Book-to-market ratio	0.2653* (0.1536)	0.3089 (0.2541)
constant term (math.)	10.8650 *** (0.1486)	10.2762 *** (0.2840)
Corporate fixed effects	be	be
Year fixed effects	be	be
observed value	14343	5722
Adj. R <sup>2</sup>	0.5745	0.5729

Note: \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Robust standard errors in parentheses.

#### 4.4 Mechanism analysis

In this paper, digital technology application is taken as a mechanism for executives' overseas background to influence enterprises' outbound investment, and this paper refers to the method of Wu Fei et al. (2021) to construct a word list of digital transformation from five dimensions, namely, big data, artificial intelligence, cloud computing, blockchain, and digital technology application, which is measured by taking the natural logarithm of the sum of the word frequency of these five dimensions plus one. According to the regression results in Table 7, column 1 is found to be significant and the coefficient is positive, indicating that executives' overseas background significantly promotes the development of digital technology application. The open-mindedness developed by executives in an internationalized environment makes it easier for them to embrace the logic of digital transformation rather than being limited to traditional path dependency.

In addition to the application of numerical techniques, this paper also uses the financing constraint WW index as a mechanism for executives' overseas background to influence enterprises' outward investment, referring to the methodology of Shi Zhangming et al. (2015), to construct the WW index to measure the level of financing constraints of listed companies in the manufacturing industry. According to the results in column 2 of Table 7, it is found that its coefficient is negative, indicating that executives' overseas background also significantly inhibits financing constraints, a result that confirms that executives' internationalization vision broadens firms' financing channels. The alleviation of financing constraints releases more liquidity to support cross-border investment, while

the familiarity of executives with overseas backgrounds to the host country's institutional environment further improves the success rate of outward investment, forming a positive cycle of financing ability and investment efficiency.

Table 7 Results of Mechanism Analysis of Digital Technology Adoption and Financing Constraints

	In digital technology applications	Financing constraints
Overseas background of executives	0.0903* (0.0540)	-0.0473** (0.0204)
Financial liability ratio	0.0782** (0.0380)	0.0037 (0.0432)
total debt ratio	0.0300 (0.0299)	0.0149 (0.0404)
Total asset growth rate	0.0183 *** (0.0055)	-0.0414* (0.0223)
Tobin's Q	-0.0047 (0.0060)	0.0045 (0.0033)
Book-to-market ratio	-0.0269 (0.0466)	-0.1645** (0.0679)
constant term (math.)	0.9262 *** (0.0421)	-0.9396 *** (0.0520)
Corporate fixed effects	be	be
Year fixed effects	be	be
observed value	20078	17511
Adj. R <sup>2</sup>	0.7109	-0.0651

Note: \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Robust standard errors in parentheses.

## 5. Summary

Based on the data of China's A-share listed companies from 2007 to 2023, this study reveals the significant promotion effect of executives' overseas backgrounds on corporate outbound investment and its mechanism of action through empirical analysis. The study finds that (1) executives with overseas backgrounds enhance the quantity and quality of corporate outward investment by utilizing their international perspective. (2) Executives' overseas background lays the foundation for enterprises' multinational operations through indirect channels such as accelerating the digital transformation process and reducing financing constraints. (3) Meanwhile, this facilitating effect is heterogeneous across different types of enterprises. The facilitation effect is greater in the financial industry, the eastern region and non-high-tech industries, which may stem from the sensitivity of the financial industry to international capital flows and the better open economic ecology in the eastern region. The results of the study indicate the important influence of executives' overseas background on firms, and the study has implications for other developing countries around the world and firms that lack an internationalization process.

The research in this paper has three policy implications. First, it suggests that the government further optimize the policy of international talent introduction and attract the return of returnee executives through tax incentives and other mechanisms. Enterprises should be encouraged to build diversified executive teams and incorporate overseas experience into selective inclusion of core talent selection criteria. At the same time, it should formulate policies conducive to outward investment, such as establishing new international financial exchange centers, so that enterprises introducing overseas executives can enhance their outward investment capabilities. Second, based on the heterogeneity analysis, it is recommended that policymakers implement differentiated support strategies. For enterprises in the high-tech industry, the government should focus on strengthening the collaborative innovation mechanism between returnee executives and local research teams. For

enterprises in the financial industry, the Pilot Free Trade Zone should increase the promotion of the financial industry, and through a series of measures, the internationalization vision of returnee executives and other advanced factors should be practically implemented into the investment capacity of the real industry. For enterprises in the eastern region, they should further utilize the advantages of their geographic location, and deeply integrate the international experience of returnee executives into the upgrading of the regional industrial chain through the construction of international talent gathering zones and other measures. Thirdly, for the promotion effect of overseas background executives on the application of digital technology, the government should launch policies to improve the ability of digital transformation and incentivize enterprises to combine the international resources of returnee executives with their digital strategies. In addition, the use of executives can, to a certain extent, improve the financing methods of enterprises, enabling them to increase the number of outward investments and improve the quality of their existing investments.

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