

Relation between the Attributes of Executive Successor and Organizational Performance

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Although a dispute if executives' effect organizational performance is still open, the researchers agree that executive succession becomes a critical event in business organizations. The selection of new chief executive officer (CEO) is an important decision, which has implications for future performance of organization. However, there are no consistent agreements what attributes of executives' are likely to be associated with organizational success.

The paper explores the attributes of executive successor and identifies what skills and traits of successor and personal characteristics are related to the organizational performance after succession. Besides, the paper revealed that most of the studies were carried out to identify the link between executive successor and financial organizational performance. A limited number of works analyzed the employees' reaction to the executive's change and a number of changes implemented by newly appointed executive.

This paper aims to answer the question what attributes of executive successor's relate to financial results of organization, implemented changes and turnover of employees after succession. After exploring the attributes of executive successor and organizational performance indicators the conceptual model was developed. To test the relationships between attributes of executive successor and organizational performance variables a quantitative research methodology was employed. The survey was implemented in rapidly growing or most profitable Lithuanian organizations which experienced the CEO change within last 3 years.

The results of the survey revealed that there is a tendency to promote a man as a successor with higher education at the age from 31 to 40 years having more than 5 years of experience in the sector and a top management experience from 4 to 10 years. It can be said, that external candidates were not considered more favorably than internal employees. The results of the survey allowed to identify what attributes of executive successor relate to organizational performance. There were found relationships between a) relation skills of successor and changes in working policies and practices, b) the education of successor and changes in organization and c) the age of successor and employees' turnover in organization and number of implemented technological changes, d) traits of successor and changes in organizational culture. The survey disclosed that there is no relationship between financial organizational performance and attributes of successor. Moreover, the relationships revealed between the attributes of successor and organizational performance variables was weak, and thus they lead to the confrontation of previous

findings emphasizing the executive succession impact on organizational performance. Therefore, further research should be carried out solving the complexity of the executive succession.

Keywords: executive, executive succession, organizational performance, Lithuanian organizations.

Introduction

Almost 60 years of research confirm the challenge of executive succession. With its capacity to cause disruption and effect performance, executive succession remains the topic of active scholarly debate (Kesner, Sebora, 1994). As predecessor Grusky stated, it is an important phenomenon for two basic reasons: first, succession always leads to organizational instability, and second, it is a phenomenon that all organizations must cope with (Grusky, 1960; 1963). The choice of a chief executive officer (CEO) is a key organizational decision with important implications for organization (Datta, Guthrie, 1994). Because of the CEO's impact on the organization, CEO succession is considered to be different from the turnover at lower levels. Each CEO succession may represent a unique case because of the nature of the CEO's job is substantially different from other positions in organizations (Kesner, Sebora, 1994).

Recent events and changes in top management positions are also those factors generating the interest in this topic. Kessler (1992) estimated that 33% of all executives experience failure, but the actual number maybe as high as 66%. Leslie and Van Velsor (1996) and Downey et al. (2004) have reported that 40–50% of new executives are either terminated, leave voluntary, are viewed as ineffective or become disillusioned and leave their positions within 18 months.

The extent to which CEOs influence organizational performance is fundamental to scholarly understanding of how organizations operate; yet, this understanding is confronting. Some researchers emphasize the importance of executive successor in organizations (Finkelstein, Hambrick, 1996; Giambatista et al., 2005), others argue that the influence of the CEO on the organization is exaggerated (Yukl, 2006).

The researchers focused their attention on the attributes of executive successor, i.e. characteristics like age, tenure, experience, origin and the skills and traits of successor in regard to organizational performance. According to Khurana (2002), it is difficult to examine what attributes of CEO are needed to improve performance, and those who make a decision to appoint the successor are left

Attributes of Executive Successor

Attributes of executive successor	Contributors
<i>Skills of successor, traits of successor</i>	Ancona et al., 2007; Stogdill, 1974; Yukl, 2006; Fondas, Wiersema, 1997; Carmi, Tishler, 2006, Jonhson, 2006
<i>Origin</i>	Grusky, 1964; Carlson, 1961; Zhang, Rajagopalan 2003; Hambrick, 1991; Zajac, Westphal, 1996; Kesner, Sebor, 1994; Shen, Cannella, 2002; Finkelstein, Hambrick, 1996
<i>Age, gender, tenure, education</i>	Finkelstein, Hambrick, 1996; Gabarro, 1986; Wiersema, Bantel, 1992

Source: developed by the authors

to guess, which factors are likely to be associated with organizational success. In turn, the findings revealing the linkage of attributes of executive successor and organizational performance variables are inconsistent.

It is also worth to mention, that organizational performance, as a depended variable, was largely estimated under financial figures, i.e. return on sales, return on assets, profit, turnover. According to Finkelstein, Hambrick, Giambatista research, the change of CEO determines difference in organizational performance outcomes, thus Gursky, Allen, Pfeffer state that the successor has weak or no impact.

Hence, the findings are contradictory in regard to executive successor and organizational performance linkage and thus the **research question**, what attributes of executive successor relate with organizational performance, remains.

A **unit of analysis** of this paper is the relationship between attributes of executive successor and organizational performance.

The aim of the study is to identify the attributes of executive successor and explore how they correlate with organizational performance.

This paper analyses whether relationships exist between the sets of post-succession organizational performance variables and the attributes of executive successor in the rapidly growing and/or most profitable Lithuanian organizations. Organizational performance variables are determined as financial results, turnover of employees and a number of implemented changes. Attributes of executive successor are considered being skills and traits of successor, as well as age, experience, tenure, origin and education.

The survey employs qualitative research method.

The Attributes of Executive Successor

The executive succession was studied across the fields like organizational behavior, human resource management, strategy; still the common topic existed in regard to the attributes of executive successor, i.e. the type of an individual. The attributes of successor was a topic of scholarly debate as the answer to the question – what a successful executive successor should be – was still open. Executive successor was seen as a person who will lead the organization and to whom the future of the organization belongs. The importance of qualities necessary for a manager, can vary as a result of reaction to changes in environment and changing needs of organization (Zuperkiene, Zilinskas, 2008; Harmaakorpi, Niukkanen, 2007).

Despite the fact, that the set of executive attributes studied has been rather limited (Datta, Guthrie, 1994), some of researchers focused their attention on *successor origin* (Grusky, 1964; Carlson, 1961; Zhang, Rajagopalan 2003; Hambrick, 1991; Zajac, Westphal, 1996; Kesner, Sebor, 1994; Shen, Cannella, 2002; Finkelstein, Hambrick, 1996), others concentrated on *successor characteristics like age, tenure, education, gender* (Finkelstein, Hambrick, 1996; Gabarro, 1986; Wiersema, Bantel, 1992). Relatively little works explored certain *successor's skills and traits* (Ancona et al., 2007; Stogdill, 1974; Yukl, 2006; Fondas, Wiersema, 1997; Carmi, Tishler, 2006, Jonhson, 2006). The attributes studied by various authors are presented in the table below.

According to Datta and Guthrie (1994), educational background has been discussed by management researchers as indicating executives' knowledge and skill base. The literature has typically equated an attained education level with skills such as cognitive ability, capacity for information processing, tolerance for ambiguity and propensity or receptivity to innovation (e.g., Hambrick, Mason, 1984; Wiersema, Bantel, 1992). For example, Hambrick and Mason (1984) formally proposed that the amount, but not the type, of formal education of an executive will be positively associated with innovation. In the study of the banking industry, Bantel and Jackson (1989) found that more innovative banks were led by executives possessing relatively high levels of education. Executive's education levels have also been empirically linked with the propensity to deviate from the status quo and implement strategic change (Wiersema, Bantel, 1992).

The age of the new CEO, has also received attention analyzing executive succession. As Brickley (2003) states, CEO age may be an important factor in succession decisions. It is believed that demographic features such as age, religion, sex, and socioeconomic position influence not only individual behavior, but also the actions of organizations (Davidson, Nemeč et al., 2006).

Perhaps, most of the attention received the organizational affiliation of the successor, i.e. the origin of the successor. Successor origin, whether the new CEO is hired from outside the organization or promoted within the organization, has been considered as an indication of how much continuity or change an organization seeks in the future. Previous research suggested that while outsiders were selected when organizations perform poorly and require a strategic change, insiders were selected when organizations desired continuity (Boeker, 1997; Boeker, Goodstein, 1993; Brady, Helmich, 1984; Zajac, 1990). More recent studies suggested that it was not always the case that inside successors maintain strategic direction (Shen, Cannella, 2002), and outside successions could not always be assumed to be optimal and efficient in bringing change (Khurana, 2002). As outsiders are seen to be less committed to status quo (Hambrick, Mason, 1994), and therefore more likely to effect changes in the organization, they tend to be favored in situations of poor organizational performance. Though, there are controversial opinions, saying that "why someone recruited from outside the firm should be considered truly different from someone within the firm (Zajac, Westphal, 1996).

Introduction of executive's experience to the issue raised additional questions regarding the origin of the executive, though the agreement on dichotomy of an insider and outsider was not found. This indeed led to the confronting findings of the researchers. Finkelstein and Hambrick (1996) argue that a new CEO who has come directly from outside the company is more of an outsider than a new CEO who has spent three years within the company. However, that new CEO who has 2 or 3 years of tenure in organization is more like an outsider compared to a new CEO who has 20 or 25 years experience within the company. Furthermore, an outsider who comes from unrelated industry will probably bring different knowledge, skills, and perspective than a CEO who comes from the same or related industry (Finkelstein, Hambrick, 1996). Besides, Gabarro (1986; 2007) introduced new definitions for an outsider and insider, stating that an insider is a person who has five or more years of experience in the new organizations industry. Though the findings are inconsistent, there is a tendency that external executive leads to better organizational performance results (Warner et al., 1988; Lubatkin et al., 1989; Worrell et al., 1993). But it should be stated, that even considering the importance of the origin of successor, it could not stand alone, and the experience of executive successor has to be taken into consideration.

In regard to executive's skills and traits it should be taken into account that today the executives' job is no longer to command and control, but to cultivate and coordinate the actions of the others at all levels of the organization (Ancona et al., 2007). The skills and traits which were important a decade ago to perform the executive's job, today they have changed. Therefore, the interest in managerial skills and traits is robust as presuming they are a source of the differences between leaders and non-leaders (Stogdill, 1974; Yukl, 2006), they are the source of different strategic orientations of organizations (Fondas, Wiersema, 1997), and finally they may explain the variation of organization's performance (Carmi, Tishler, 2006) and be the attribute of competitive advantage (Mahoney, 1995).

Several researchers have identified skills that effective executives should possess (Yukl, 2006), relatively little has been done to estimate the impact of the executive skills and their relative importance to the organizations' performance (Carmi, Tishler, 2006).

Table 2

Typologies of Required Skills for Executive

Authors	Typologies of managerial skills
Stogdill (1974), Yukl (2002)	1) cleverness (intelligence), 2) conceptual skills, 3) creativity, 4) diplomacy and tact, 5) fluency in speaking, 6) knowledge about group tasks, 7) organizing skills (administrative ability), 8) persuasiveness, and 9) social skills.
Carmi and Tishler (2006)	1) persuasiveness, 2) administrative ability, 3) fluency in speaking, 4) knowledge about group tasks, 5) diplomacy and tact, 6) social skills, 7) creativity, 8) conceptual skills, and 10) cleverness.
Johnson (2006)	1) communication, 2) relation (people), 3) vision and 4) execution.
Ancona (2007)	1) engagement in sense making, 2) building relationships, 3) creating a vision and 4) cultivating inventiveness.

Source: developed by the authors

The analysis of the literature review revealed a number of existing typologies of managerial skills that an executive should possess (see Table 2). Some of them are based on the executive functions (Johnson, 2006; Ancona, 2007), others on the characteristics of executive (Carmi, Tishler, 2006; Stogdill, 1974; Yukl, 2006).

The traits of the executives also attained interest among researchers. According to the researchers, the traits of emotional maturity, self-confidence, inquisitiveness, empathy and intuitiveness are expected of executives as well as being energetic, persistent, flexible, versatile, honest, ethical, and credible, passion (Goleman, 1998, 2000, Hambrick et al., 2005).

Based on the work done by Johnson (2006), Carmi and Tishler (2006) and Ancona et al. (2007), the set of skills and traits required for the executive is developed and presented in the Figure 1.

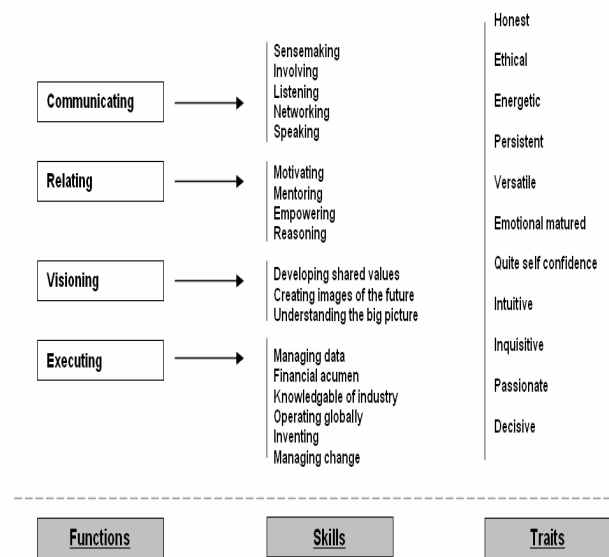


Figure 1. Executive skills and traits

Source: based on Johnson (2006), Carmi and Tishler (2006) and Ancona et al. (2007)

The skills associated with communication, relation, visioning and execution are considered as critical to the success of the executive as well as the organization.

Communicating is a critical skill for the executive – and this concept encompasses all forms of communication including verbal, non-verbal, written. It also includes the executive's listening skill. The executive must be able to clearly communicate both inside and outside of the organization, develop relationships and networks. These abilities allow to build trust and to maintain a wide circle of relationships (Fulmer, Wagner, 1999, Pundziene et al., 2007).

If one accepts that the function of the executive is to ensure the success of the organization, then he/she must be adept at getting and keeping people that will help to achieve this success. Getting the right personnel in place, motivating, mentoring and empowering them are those skills related to the relation function of the executive (Johnson, 2006).

The skills that fall under the executive function of visioning include the ability to create strategy for the

organization; create the organization vision, mission, and purpose; make meaning for the organization; create shared values for the stakeholders of the organization; and the ability to understand a wide figure or context. To be a strategic visionary, the leader must possess a twofold ability: to foresee market opportunities and to craft organizational strategies that captured these opportunities in ways that were personally meaningful to employees (Conger, 1990). Of all the skills outlined here, the set of vision skills are probably most exclusive to the executive ranks. Setting of vision and strategy along with the creation of meaning for the organization is generally the exclusive purview of the highest level executives (Johnson, 2006).

The ability to be decisive, deal with fragmented and robust information, work at a fast pace, adapt to and exploit change, operate globally, be knowledgeable about the specific industry, financially astute, inventing – these are the skills required for the executive in order to perform execution function. In the end, execution boils down to performance and results (Johnson, 2006). As the pace and complexity of the work accelerates, the executive requires a skill set that allows him/her to adapt to and exploit change.

Organizational Performance after Succession

Most studies of organizational performance define performance as depended variable and seek to identify variables that make a difference in performance outcomes. This emphasis is revealed also in the field of executive succession. Although, widely used in theoretical and empirical research, the notion of organizational performance remains largely unexplained (Verweire, 2004). There is relatively little agreement about definitions and criteria for selection of the best ones (Verweire, 2004). Performance management is approached from different perspectives (Verweire, 2004). Though, the traditional ones are: A) finance perspective; B) control perspective; C) operational level perspective; D) managing risk and managing value perspective.

The researchers mainly focused their attention to the financial results of the organization (Zhang, Rajagopalan, 2004; Shen, Cannella, 2003; Kato, Long, 2006; Allen et al, 1979) exploring the link between attributes of executive successor and organizational performance.

One of the most probable explanations of why the financial measures were used mostly to explain the successor impact on organizational performance, is that “financial measures provide a common language for analysis and comparing companies” (Verweire, 2004). Also, taking into consideration, that most of the forced departures are caused by poor organizational performance, the logic to evaluate future financial organizational performance after succession seemed to be logic. In contrast to the limitations expressed for finance approach to performance, the financial figures are important to shareholders and Board of Directors.

There was found a strong link between executive succession and financial organizational outcomes in the works developed by Kato, Long (2006), Friedman (1986), Finkelstein, Hambrick (1996), though, Grusky (1963),

Allen et al. (1979) revealed weak or none relation to financial indicators (more details see in Table 3).

The other focus to evaluate organizational performance after succession was to analyze the strategic changes implemented by successors. It was found, that the distinction between an insider and outsider, however, is not the only factor that influences organization’s strategic change following a chief executive succession. Other individual differences — both personal and experiential - may be important (Fondas, Wiersema, 1997).

Table 3

Executive succession impact on organizational performance

Researchers	Performance indicators	Impact level
Kato, Long (2006)	Stock return, ROA (return on assets), profit margin	Strong impact
Friedman (1986)	Corporate reputation, financial performance	Strong impact
Friedman, Soul (1991)	Turnover of employees, personnel performance	Strong impact
Finkelstein, Hambrick (1996)	ROA	Strong impact
Grusky (1963)	Team effectiveness	Weak impact
Allen et al. (1979)	ROA, profit, turnover	Weak impact

Source: developed by the authors

Relatively little has been said in regard to employees’ reaction to the executive change. Friedman and Saul (1991) examined how the context and content of CEO successions affect the reactions of organization members. The influence of pre-succession financial performance, force initiating a change in CEO, successor origin on disruption and management turnover was assessed. The findings of Friedman and Saul (1991) research indicate that features of the context and content of CEO successions can determine the extent to which succession causes disruption, affects management turnover and influences company’s morale. However, what executive attributes relate to personnel attitude to CEO change were not discussed.

Conceptual Model of Attributes of Executive Successor and Organizational Performance Linkage

The literature analysis showed that previous research discussions about the relation between attributes of executive successor and organizational performance are still inconsistent. This paper aims to answer the question what attributes of executive successor’s relate to financial results of organization, implemented changes and turnover of employees after succession.

The authors of this paper developed a conceptual research model describing the linkage of attributes of executive successor and organizational performance aiming to collect previously analyzed attributes of successors’ under one umbrella and to identify the link with organizational results. The skills and traits of executive successor were poorly described in the succession literature. This paper aims to fill in the gap and

analyze how certain skills and traits correlate with organizational performance during the succession period. The set of skills and traits presented in the model is composed in accordance to the literature analysis and in particular on Johnson (2006), Carmi and Tishler (2006) and Ancona et al. (2007) works. The demographic characteristics of successor included into the conceptual model as making a meaning for different organizational results. The characteristics of successor were largely analyzed by Boeker (1997), Brady and Helmich (1984), Zajac (1990), Shen and Cannella (2002), Kesner and Sebor (1994) and many others. However, the inconsistent findings provoke further analysis of the topic.

The authors limit themselves to exploring the financial organizational performance variables, employee reaction and implemented changes.

Financial approach is taken as it receives most of the attention of shareholders, board of directors and is a goal of each executive, seeking to perform better than the predecessor. Financial performance includes these three measures: annual turnover growth – the ratio of the total sales of a company over a stated period; return on sales – the ratio of net profit to the net of sales (revenues), and profit - gain in business activity for the benefit of the owners of the business.

Employee reaction is constituted of employee turnover rate during succession. As usually the newcomer is associated with the changes he or she brings, the organizational performance is also analyzed in the context of what changes are implemented by the new successor: change in structure, strategy, technologies, culture or change in working policies and practices.

The conceptual model considering attributes of executive successor and organizational performance variables is presented in the picture below.

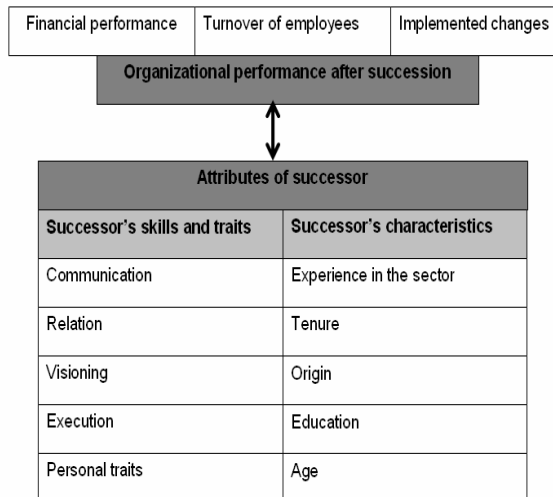


Figure 2. Conceptual model

The model also discloses a hypothesis, based on the literature review:

H1: Executive successor's attributes correlate with organizational performance indicators.

In sum, the above hypothesis suggests that skills and traits of successor as well as characteristics like experience,

age, tenure, education and origin of executive successor have an impact on future organizational performance.

Research methodology

The authors tested the conceptual research model applying quantitative research approach. The purpose of research was to determine what attributes of executive succession correlate with organizational performance measures. For this purpose the questionnaire was developed and the respondents were asked to respond on a ten-point Likert-type scale. The questionnaire consisted of these parts:

- 1) Evaluation of executive successor attributes: a) skills and traits of successor; b) executive characteristics (origin, age, education, tenure, experience).
- 2) Identification of organizational performance: a) financial performance (profit, turnover, return on sales); b) turnover of employees and c) implemented changes by successor.

Two criteria were applied for selection the sample population. First, the population was limited to executives of organizations that were based in Lithuania. This limitation is due to the potential issues with availability of information. Second, the organizations should have been facing executive succession during the last three years. Analysis of the executive turnover in 1000 most profitable and rapidly growing Lithuanian organizations showed that 101 organizations faced executive succession. 55 of 116 executive successors, who were appointed to the new position in or after 2005, i.e. performing in the organizations not more than 3 years, were questioned, according to the developed questionnaire.

According to the sample formula (fpc), suggested by Roberts (2004) for small populations, the sample size was defined to be n=57.

The survey was conducted in May, June and July in 2008. In total, 32 executives were questioned by the telephone, 23 questionnaires were received by e-mail. During the survey a total of n=55 valid questionnaires were obtained. As the survey was conducted by telephone and e-mail, it was analyzed if the collected data in both ways do not have a significant difference. The Kolmogorov-Smirnov sample test showed that the parameters were both normal ($p > 0.05$). The Leven's test showed that there were equal variances of two independent samples ($p > 0.05$). The t-test confirmed the equality of means ($p > 0.05$).

The percentage of accuracy associated with 95 per cent confidence was recalculated in accordance to Roberts (2004) formula developed for the small scale populations when the empirical mean and standard deviation are known. Common empirical mean of the scale was $x = 7.75$, and the empirical standard deviation of the scale was $= 1.789$. The final accuracy expressed as a percentage of the mean (margin of error) comprised ± 4 percent at 95 percent level of confidence.

Cronbach alpha was estimated to assess the scale reliability, i.e. the integrality of the scale. Cronbach alfas for the constructs constituted > 0.7 . It was also checked the normality of construct's parameters ($p > 0.05$) and found them to be normal.

Correlation between the Attributes of Executive Successor and Organizational Performance: results of the survey

Results of the survey revealed a male predominance among the successors: man made up 86%. The respondents' age ranged from 26 to 56, the average age making 37.3. 60% of the respondents belonged to the group of the age 31 to 40 years old. 93% of the respondents had higher education.

Table 4

Characteristics of the successors (age, education)

		Percent (%)
Age	25-30 years	14
	31-40 years	60
	41-50 years	22
	51 and more years	4
Education	Above Secondary School	2
	Higher education	93
	Higher education with PhD degree	3
	Other	2

The study revealed that there is a tendency to appoint a man as a successor with higher education of the age from 31 to 40. The persons above or below higher education degree was not in demand among the companies as well as older than 51 years old. To some extent, those who appointed the successor were not troubled to see a young businessman of the age from 25 to 30 years old in the executive's position.

The analysis of the results also allowed to learn the picture of the successors in terms of experience in the sector and tenure in management position. It was found that 58% of the successors had more than 5 years of experience in the sector, i.e. slightly, but still, more experienced successors are more welcome to the executive's position (see Table 5).

It is also worth to mention, that most of the successors already had an experience in top management positions. It was found that 46% of successors had a top management experience from 4 to 10 years. Besides, the numbers of successors having less or more top management experience were almost equally distributed. It may be a signal that experience in top management position was not the key advantage as compared to other characteristics of candidates to the position (see Table 5).

The study also revealed the situation about the respondents' tenure in current position. Most of the respondents (42%) had 1 year tenure in the current position. Executives with 2 years tenure constituted 36% of the respondents; and 3 years tenure – 22% (see Table 5).

Table 5

Characteristics of the successors (experience and tenure)

		Percent (%)
Experience in the sector	Less than 5 years experience in the sector	42
	More than 5 years experience in the sector	58
Tenure in management position	3 years and less	29
	4-10 years	45
	11 years and more	26
Tenure in current position	1 year	42
	2 years	36
	3 years	22

Having information about the tenure in organization and tenure in current position, the estimation of successor's origin was made. The results revealed that most of the successors were promoted from within the organization (78%) and only 22% of the respondents were hired from outside the organization. It can be said, that external candidates were not considered more favorably than internal employees.

Among the skills, the visioning skills of the executive received the best rank mean and was 8.39. It means that the successors thought they had a strong ability to create vision, make meaning for the organization, and develop common values. The lowest rank mean stood for relation skills (7.96). This demonstrates that the respondents thought they had more troubles with interpersonal relationship, coaching, motivation of others, retaining of employees (see Figure 3).

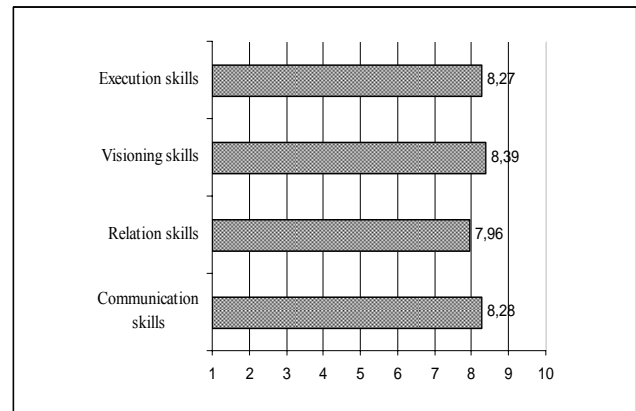


Figure 3. Rank means of successors' skills

Empathy as a trait received the lowest rank mean among the traits. It may demonstrate that either the respondents do not see the importance of the trait or it really has to be developed. Flexibility as a trait was also evaluated below 8 (rank mean 7,98). The study revealed that the respondents found themselves being fairly enough honest, ethical and credible (the greatest rank mean).

A summary of the rank means of skills and traits is presented below.

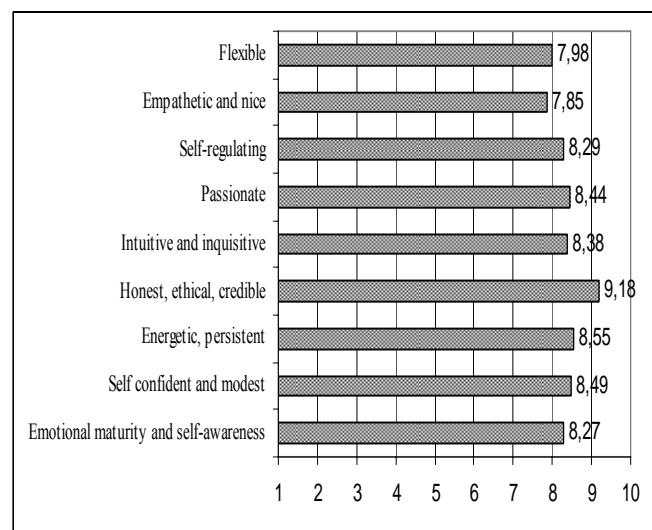


Figure 4. Rank means of successors' traits

It is worth mentioning, that executive successors made a self-evaluation through out the survey and this could effect a better self assessment. Despite the fact, the rank means are enough moderate and do not seem to be to much overestimated.

The survey results also revealed that most of organizations faced an increase of the parameters of organizational performance comparing to the status before the change of executives. The profit increased in 70% organizations, turnover increased in 62% organizations, return on sales – 58% and turnover of employees – 47% organizations. The summary of organizational performance parameters is presented below.

Table 6

Organizational performance parameters after succession

Organizational performance parameters	Status	Percent (%)
Organization's profit	Decreased	8
	No change	22
	Increased	70
Organization's turnover	Decreased	6
	No change	32
	Increased	62
Organization's return on sales	Decreased	6
	No change	36
	Increased	58
Turnover of employees	Decreased	11
	No change	42
	Increased	47

The organizational performance after succession was evaluated in terms of changes implemented by successors. It is interesting to note, that 91% of the respondents implemented changes in working policies and practices, 87% of the respondents implemented changes in organizational structures, 78% of the respondents implemented changes in organizations' strategies, 49% - changes in organizational culture, 42% - technological changes. The findings suppose the opinion that the newcomers were more keen to replace and develop working policies and practices, make structural changes and develop new strategies.

To define the relation between the attributes of executive successor and variables of organizational performance, the Spearman rho correlation tool was applied. It worth mentioning that the correlation was prospected between all organizational variables (financial, turnover of employees and number of changes) and attributes of successor (skills/traits, origin, age, education, experience). The table 7 presents only statistically significant correlations found between organizational performance and attributes of executive successor.

The estimation of correlation (spearman rho) coefficients, allowed to confirm the hypothesis with additional remarks. The relationship was found between the turnover of employees and the age of successor. The survey revealed that turnover of employees' increases when an older executive successor is appointed to the position. It was also found that executive successors having stronger relation skills and being more educated tend to implement more changes in working policies and

practices; an older executive successor tends to implement more technological changes in organizations.

Table 7

Significant correlation between organizational performance and executive succession variables

Organizational performance variable	Attributes of executive	Spearman rho
Changes in working policies and practices (communication, motivation decision making, etc.)	Relation skills of successor	0,287*
Change in culture	Traits of successor	0,327*
Technological change	Age	0,377**
Turnover of employees	Age	0,280*
Changes in working policies and practices (communication, motivation decision making, etc.)	Education	0,274*

* p<0.05; ** p<0.01

Supplementing mentioned above aspects, none of the relations has been found between attributes of executive successor and the financial results of the organization. It could be stated that financial organizational performance was not affected by successors. Also, the findings revealed that successor having more traits required for the management position, tends to implement more changes in organizational culture.

Summing up, it could be stated that age, education, ability to carry the relation function and extent of certain traits of successor may have an impact on organizational performance and thus should be considered when appointing the new CEO.

Conclusions

Analysis of relation between executive attributes and organizational performance is rather limited and inconsistent. Besides, understanding to what extent executive successors influence organizational performance is confronting, though all researchers agree that executive succession is an important event for every organization.

Researchers focused their attention on the successor characteristics like age, tenure, education, origin, experience and successor's skills and traits as to the attributes that make an executive successful. Organizational performance after succession was basically assessed in terms of financial organizational results.

The results of the survey revealed that there is a tendency to promote a man as a successor with higher education of the age from 31 to 40 years having more than 5 years of experience in the sector and a top management experience from 4 to 10 years. It can be said, that external candidates were not considered more favorably than internal employees. Most of the organizations experienced the improvement of organizational performance after succession.

The survey disclosed that there is no relationship between financial organizational performance and the attributes of successor. There is a relationship between relation skills of successor and organizational performance, i.e. changes in working policies and practices. Education has relation with changes in organization and age of

successor determines different levels of employees turnover in organization and the number of implemented technological changes. Thus, age and education are the important attributes of successor and should be considered when appointing the new executive. Traits of successor relate to implemented changes in organizational culture.

However, the revealed relations between variables are weak and it could be stated that this study supports the doubtful view of executive succession impact on organizational performance, i.e. it states that executive successor does not influence organizational performance or this influence is not significant.

It is evident that more studies are required exploring the organizational conditions which newly appointed executive faces. Organizational performance before appointment of successor should be considered when analyzing the linkage between attributes of executive successor and organizational variables. Indeed, probably the importance of certain attributes varies subject to the situation. Reasons of previous CEO departure should be also taken into consideration, as the situation and context differ to which newly appointed CEO enters. Most probably, the difference of organizational characteristics may provoke the importance of different attributes of the successor subject to whether the organization is at the start-up or matured stage, small or large in size.

It seems, that it becomes critical to accept the fact that CEO succession is so complex that other approaches to test the relationship between the executive succession and organizational performance variables should be analyzed.

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Ryšys tarp naujojo vadovo charakteristikų ir organizacijos veiklos rezultatų

Santrauka

Vadovų kaita yra svarbus reiškinys kiekvienai organizacijai. Kadangi ji sąlygoja pokyčius organizacijoje ir veikia organizacijos rezultatus, vadovų kaitos reiškinys išlieka aktualus mokslinių debatų objektas (Kesner, Sebor, 1994). Didėjanti vadovų kaita organizacijose taip pat sąlygoja mokslininkų susidomėjimą šia tema. Kessler (1992) nustatė, kad 33 proc. visų naujai paskirtų vadovų patiria nesėkmę. Gali būti, kad realiai šis skaičius siekia net 66 proc. Kitų mokslinių tyrimų rezultatai rodo, kad 40–50 proc. naujų vadovų nutraukia darbo sutartį savo noru, nusivilia arba yra priversti palikti postą per pirmuosius 18 darbo mėnesių. Suvokimas, kokių mastu vadovas daro įtaką įmonės veiklos rezultatams, yra prieštaringas. Vieni tyrėjai akcentuoja vadovo vaidmenį organizacijoje (Finkelstein, Hambrick, 1996; Giambattista ir kt., 2005), kiti ginčijasi, kad vadovo vaidmuo organizacijoje yra pervertintas (Yukl, 2006). Tačiau naujojo vadovo pasirinkimas yra esminis organizacijos sprendimas (Datta, Guthrie, 1994). Kokios naujojo vadovo charakteristikos gali lemti organizacijos sėkmę, yra sunku įvertinti, todėl asmenys, priimanys sprendimą dėl naujojo vadovo skyrimo, yra priversti spėti (Khurana, 2002).

Egzistuojantys prieštaravimai dėl ryšio tarp naujojo vadovo ir organizacijos veiklos rezultatų patvirtina, kad mokslinė problema – kokios naujojo vadovo charakteristikos koreliuoja su organizacijos veiklos rezultatais – išlieka aktuali. Šio straipsnio tikslas yra identifikuoti naujojo vadovo charakteristikas ir iširti koks yra ryšys su organizacijos veiklos rezultatais.

Nepaisant fakto, kad vadovų kaita yra mokslinių tyrimų objektas daugelyje disciplinų, naujojo vadovo charakteristikos yra aptartos daugelyje iš jų. Tyrėjai telkia dėmesį į naujojo vadovo kilmę, t. y. ar naujasis vadovas yra paaukštintas organizacijos viduje, ar paskirtas iš išorės (Grusky, 1964; Carlson, 1961; Zhang, Rajagopalan 2003; Hambrick, 1991; Zajac, Westphal, 1996; Kesner, Sebor, 1994; Shen, Cannella, 2002; Finkelstein, Hambrick, 1996). Tyrimų rezultatai prieštaringi. Tai galėjo sąlygoti egzistuojanti sąvokų interpretavimo įvairovė. Tačiau galima pastebėti tendenciją, kad organizacijos rezultatai gerėja dažniau, kai naujasis vadovo pareigoms yra paskirtas asmuo iš išorės (Warner ir kt., 1988; Lubatkin ir kt., 1989; Worrell ir kt., 1993).

Tyrėjai, taip pat analizavo naujojo vadovo charakteristikas: amžių, profesinę veiklą, išsilavinimą, patirtį. Nustatyta, kad egzistuoja ryšys tarp šių charakteristikų ir organizacijos veiklos rezultatų (Finkelstein, Hambrick, 1996; Gabarro, 1986; Wiersama, Bantel, 1992).

Tyrėjai nustatė vadovui reikalingus įgūdžius ir asmeninius bruožus, tačiau pakankamai mažai tyrimų atlikta siekiant įvertinti naujojo vadovo įgūdžių ir bruožų įtaką organizacijos veiklos rezultatams (Carmi, Tishler, 2006, Johnson, 2006).

Autorių nuomone, įgūdžiai, susiję su santykių kūrimu ir palaikymu, vadovavimu, komunikacija ir vizijos kūrimu, yra būtini tam, kad naujai paskirto vadovo ir organizacijos veikla būtų sėkminga. Asmeniniai bruožai: emocinė branda, pasitikėjimas savimi, smalsumas, empatija, energingumas, intuityvumas, atkaklumas, lankstumas, sąžiningumas, etiškumas yra svarbūs naujam vadovui (Goleman, 1998, 2000, Hambrick ir kt., 2005).

Tirdami ryšį tarp naujojo vadovo charakteristikų ir organizacijos veiklos rezultatų, mokslininkai daugiausia telkia dėmesį į finansinius įmonės rezultatus. Atliktų tyrimų duomenys atskleidė tiek stiprų (Kato, Long, 2006, Friedman, 1986, Finkelstein, Hambrick, 1996), tiek silpną ryšį (Grusky, 1963, Allen ir kt., 1979) tarp finansinių organizacijos veiklos rezultatų ir naujojo vadovo charakteristikų. Nedaug mokslinių darbų yra skirta pokyčiams, įgyvendinamiems naujojo vadovo, o taip pat darbuotojų reakcijai į permainas vadovų lygmeniu. Tyrėjai atskleidė, kad naujojo vadovo kilmė gali turėti reikšmės strateginių organizacijos tikslų pokyčiams, tačiau tai nėra vieninteliai veiksniai, galintys turėti tam įtakos (Fondas, Wiersema, 1997). Friedman and Saul (1991) analizavo, kaip vadovų kaita veikia darbuotojus ir nustatė, kad šis reiškinys gali sukelti sąmyšį, padidinti vadovų kaitą ir paveikti organizacijos moralę. Svarbu paminėti, kad iki šiol nebuvo tirtas naujojo vadovo charakteristikų ir darbuotojų kaitos ryšys.

Mokslinės literatūros analizė parodė, kad atliktų tyrimų rezultatai prieštaringi. Straipsnio autoriai parengė teorinį modelį, apibrėžiantį ryšį tarp naujojo vadovo charakteristikų ir organizacijos veiklos rezultatų. Modelyje pateikti naujojo vadovo įgūdžiai ir bruožai atspindi mokslinės literatūros analizės ir ypač Johnson (2006), Carmi ir Tishler (2006) ir Ancona kt. (2007) tyrimų rezultatus. Modelyje pateiktos ir naujojo vadovo demografinės charakteristikos, analizuotos Boeker (1997), Brady ir Helmich (1984), Zajac (1990), Shen ir Cannella (2002), Kesner ir Sebora (1994). Organizacijos veiklos rezultatai pateikti trimis pjūviais: finansiniai organizacijos veiklos rezultatai, darbuotojų kaita ir organizacijos pokyčiai, įgyvendinti naujojo vadovo.

Norint nustatyti naujojo vadovo charakteristikų ir organizacijos veiklos rezultatų ryšį buvo atliktas kiekybinis tyrimas greitai augančiose ir labiausiai pelningose Lietuvos įmonėse, kuriose vadovai keitėsi per pastaruosius 3 metus. Tyrimui atlikti buvo parengtas klausimynas, kurį sudarė dvi dalys: a) naujojo vadovo charakteristikų vertinimas, b) organizacijos veiklos rezultatų vertinimas. Įvertinus vadovų kaitą pasirinktose Lietuvos organizacijose, buvo nustatyta, kad 1000 įmonių keitėsi 101 aukščiausio lygio vadovas. 32 vadovai buvo apklausti telefonu, 23 vadovai į klausimą atsakė elektroniniu paštu.

Tyrimo rezultatai parodė, kad egzistuoja tendencija skirti naujuoju vadovu asmenį, kuris turi aukštąjį išsilavinimą, yra nuo 31 iki 40 metų amžiaus, turi darbo patirtį sektoriuje ir vadovauja nuo 4 iki 10 metų. Galima teigti, kad, nagrinėjant kandidatūras, pirmenybė teikiama darbuotojams, jau dirbantiems įmonėje, negu kandidatams iš išorės. Remiantis tyrimo rezultatais, naujojo vadovo vadovavimo periodu daugumos įmonių veiklos rezultatai pagerėjo.

Tyrimo duomenų analizė parodė, kad ryšio tarp naujojo vadovo charakteristikų ir organizacijos finansinių rezultatų nėra. Naujai paskirto vadovo gebėjimai kurti tarpusavio santykius įvertinti geriausiai, o ryšys buvo nustatytas tarp minėto vadovo gebėjimo ir organizacijos pokyčių. Taip pat, buvo nustatytas ryšys tarp naujojo vadovo išsilavinimo ir pokyčių organizacijoje. Daugiau išsilavinęs vadovas yra linkęs įgyvendinti daugiau pokyčių. Taip pat buvo rastas ryšys tarp naujojo vadovo amžiaus ir įmonės darbuotojų kaitos bei technologinių pokyčių. Įmonės darbuotojų kaita didėja ir įgyvendinama daugiau technologinių pokyčių, kai naujasis vadovas yra jaunesnis. Taigi, amžius ir išsilavinimas yra svarbios naujojo vadovo savybės ir turi būti vertinamos skiriant naują vadovą. Be to, rastas ryšys tarp naujojo vadovo asmeninių savybių grupės ir organizacijos kultūros pokyčių.

Empirinio tyrimo pagrindu atskleisti ryšiai tarp kintamųjų yra silpni, todėl akivaizdu, kad reikalingi tolesni tyrimai. Tokie aspektai, kaip sąlygos, su kuriomis tenka susidurti naujai paskirtam vadovui, turi būti įvertinti tolesniuose tyrimuose. Reikia pripažinti, kad vadovų kaita yra sudėtingas reiškinys, todėl naudinga būtų taikyti ir kitus tyrimo metodus.

Raktažodžiai: *vadovas, vadovų kaita, organizacijos veiklos rezultatai, Lietuvos organizacijos.*

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