CRANFIELD UNIVERSITY

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Becoming the CEO: The CEO Identity Construction Process in the Transition of Newly Appointed Chief Executives

School of Management

PhD
Academic Year: 2015 - 2016

Supervisor: Prof Donna Ladkin
Prof David Denyer

November 2015
CRANFIELD UNIVERSITY

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PhD Thesis

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This thesis is submitted in partial fulfilment of the requirements for the degree of PhD

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ABSTRACT

This study investigates the personal experience of newly appointed chief executives in transitioning into the CEO role. Adopting an exploratory qualitative design, data was obtained from two semi-structured interviews with 19 newly appointed chief executives, for a total of 38 interviews.

The main contribution of this thesis to the extant literature is to show the ways in which CEOs go through an identity construction process when transitioning into the role, which is characterized in two ways. First, there exists a bi-directionality of influence between the personal identity of the CEO and the organizational identity. Second, this process comprises strong identity demands (lack of specificity of the role and weak situation) and identity tensions (personal identity intrusion and identity transparency) that dispose new CEOs towards an unbalance that promotes individuality.

This disequilibrium might hinder the integration of new chief executives into the organization, since the data suggests that new CEOs are responsible for fostering their own integration by connecting aspects of their personal identity with the identity and culture of the organization. The thesis offers a theoretical model of the CEO identity construction process and concludes with a series of propositions that address the ramifications of these findings to our understanding of CEO succession.

Keywords:
CEO succession; leader succession; role transition; CEO role; strategic leadership; identity work; organizational identity; organizational culture.
ACKNOWLEDGEMENTS

First of all, I would like to thank the 19 new chief executives who opened their diaries, minds and hearts to me in the interviews and made this study possible. I was humbled by your candidness and trust and also honored by the recognition of many of you that participation in the study was helpful to your CEO transition.

I would like to express my gratitude to my lead supervisor, Donna Ladkin. Donna, you have been more than a supervisor. Thank you for your mentorship, your guidance, and your friendship. You encouraged me in the darkest hours, pushed me when I thought I had given all I had to give, and supported me through the many, many life events that took place while I was pursuing this research.

I am indebted to David Denyer, my supervisor in the first and last acts of this journey. David, thank you for your insights, advice and for encouraging me in the beginning of the PhD to decipher exactly what I wanted to focus on my research. It took me a while, but I finally found my true passion! I also would like to thank Mark Jenkins and Andrew Kakabadase who have served on my PhD panel. Thank you so much for your invaluable questions, suggestions and ideas.

I would like to thank my friends and colleagues at Cranfield School of Management who made the journey of the PhD a little less solitary. A special thanks to Professor Kim Turnbull-James. Kim, thank you for the invitation to work together both in writing and in the Leadership and Top Management Skills program. Engaging with the program’s team and students was not only an invaluable experience, but also a breath of fresh air and motivation to keep going. Thank you also to my colleagues, in particular from the Leadership Research Hub, who throughout the years shared their experiences and provided valuable feedback. I am also grateful to the help I received from the support staff, in particular Alison Cain, Irena Pidliskyi, Alison Wilkerson and Tim Mather.

I am grateful for the encouragement from my family and friends, who were cheering me from far away. Obrigada, mae, for your unmovable faith in me and unconditional support. I know I can always count on you for anything! Obrigada, pai, for trusting me to find my
path even when I wasn’t certain of what that was and for giving me the ability to discover my way. I am proud to have pursued a PhD just like my dad! To Elisa, my dear friend, without our chats, this journey would not have started. Thank you for inspiring me to a new career path when I had lost direction.

Finally, I would like to thank my husband, Mark Probert. Baby, meeting you on the PhD in the first week of the program was the best surprise of my journey! Who knew we would go through so much: getting married, building a house, the birth of our adorable Sophie. Thank you for making my PhD years fun, challenging and exciting! I look forward to the next chapter of our lives. This thesis is for us!
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CHAPTER 1: INTRODUCTION

1.1 CHAPTER OVERVIEW

This study examines the subjective experience of newly appointed chief executives in their transition process into the CEO role.

The aim of this opening chapter is to explain the rationale of the study, present the research question and outline the structure of the thesis. First, in section 1.2, I identify the current organizational problem that instigated this study and I briefly discuss the current gaps in scholarly knowledge, which are later covered in detail in Chapter II, about the phenomenon of interest – the transition of newly appointed chief executives into the role. In section 1.3, I depict the aim of the study and the research question that frames it. In sections 1.4, and 1.5, I briefly summarize the methodology and main contributions of the study, respectively. In section 1.6, I clarify two concepts that underpin this research: (1) CEO transition, which frames the focus of this research, and (2) cognitive differences, which dominate current thinking in the CEO succession literature regarding how new chief executives influence the organization. Finally, in section 1.7, I outline the structure of the following chapters.

1.2 RESEARCH RATIONALE

"The median tenure of a Fortune 500 CEO has fallen from 9.5 to 3.5 years over the past decade" – Lafley and Tichy (2011), p.68

As the quote above illustrates, CEO tenure has dramatically decreased over the past decade. As a result, new CEOs are becoming a more common organizational phenomenon than in the past. According to the USA Today newspaper, the average rate of chief executives leaving their jobs in 1999 was three per business day (Jones, 2000; cited in Howard, 2001). These statistics are likely to be even more dramatic nowadays, since a study by Strategy& (formerly Booz & Co) shows that from 1995 to 2001 the turnover of CEOs in the 2,500 largest public corporations increased by 53 per cent and the average CEO tenure decreased from 9.5 years to 7.3 years at the same period (Lucier, Spiegel, & Schuyl, 2002). After 2000, the rate of CEO succession in those organizations has
remained high, as indicated in Figure 1.1. Moreover, a recent study demonstrates that in 2014, the average CEO tenure in these firms ranged from 3.4 years (for low performing organizations) to 6.3 years (for average performing organizations), with CEO tenure for high performing organizations in the middle (4.8 years; Favaro, Karlsson, & Neilson, 2015).

![CEO Turnover Rate by Succession Reason](image)

**Figure 1-1 CEO Turnover Percentage in the Largest 2,500 Public Firms in the World (From Favaro et al, 2005, p.9)**

The ubiquity of frequent CEO turnover in current organizational life obscures the perils of this “critical change process” (Kesner & Sebora, 1994, p.328). An unsuccessful succession event can have devastating consequences for a company because the dismissal of a recently appointed CEO can be damaging and costly: not only the severance packages for top executives can cost tens of millions of dollars (Howard, 2001), but, most importantly, productivity might decline, reliable routines might be disrupted, insider knowledge might be lost due to subsequent turnover of members of the top management team, and stock prices – together with investor confidence in the company – might severely decrease when a new CEO fails (Khurana, 2001; Shen, 2003). In addition, the problem of succession might become exacerbated since a fast dismissal forces the firm to select another individual without utilizing the normal succession process, which may result in an
imprudent choice and may produce a vicious cycle of successions and dismissals (Wiersema, 2002).

Safeguarding against an unsuccessful succession event is unfeasible, though, since the odds associated with selecting the right CEO are, unfortunately, against the organization. Research shows a high rate of early dismissals (Lucier, Schuyt, & Tse, 2005; Ocasio, 1994; Shen & Cannella, 2002a) and criticisms about the flaws of the selection process abound (Khurana, 2001; Vancil, 1987; Wiersema, 2002). Indeed, evaluating the suitability of a candidate for the CEO position is no easy task.

With external candidates, due to the risks for both the organization and potential candidates and the secrecy inherent in the search, the board of directors “lacks the information necessary to make informed decisions” (Khurana, 2002, p.31) about the suitability of potential candidates. Most external candidates are currently employed and “those seeking to employ them do not have a clear view of whether any of these individuals would be willing to leave their current position or whether they would be interested in a particular firm that has an opening” (p.32). For this reason, information about a candidate’s competency, skills and character is usually obtained through indirect sources based on the directors’ social ties with other directors who worked with the candidate in the past. Consequently, the board ends up making the decision about the most suitable candidate on the grounds of financial track records and elusive “leadership qualities” (Larcker, Miles, & Tayan, 2014, p.3). In particular, directors rely on the stature and performance of the firm in which the candidate is employed, and the current position held by the candidate (Khurana, 2002). In evaluating these criteria, directors do not take into account “how the operating conditions of the two companies might differ or how the executive’s leadership style might translate to a new environment” (Larcker et al., 2014, p.3). Consequently, it is impossible for directors “to know ex ante whether they had made an intrinsically sound choice” (Khurana, 2002, p.35). Many candidates with stellar track record and reputation, who were considered by the board to be the best person available to run the firm, might prove to be disappointing, as was the case with Jamie Dimon in Bank One (Khurana, 2002) and Ron Johnson of JC Penney (Jacobs, 2014).
With insider candidates, directors have a better opportunity to evaluate the candidate’s skills, abilities and character (Zhang, 2008). They are likely to have had direct contact with the individual and they can test his or her capabilities by nominating the individual as heir apparent (Vancil, 1987). Nevertheless, “internal candidates have never actually been CEO. No amount of observation, coaching, development will give the board 100 per cent assurance that an untested executive can handle the complete responsibility until he or she assumes the role” (Larcker et al., 2014, p.3; italics in original). The succession – and early dismissal – of Douglas Ivester, at Coca-Cola, who had worked alongside his revered predecessor for a decade, is an exemplary case that a brilliant number two might not be successful at the reign of the organization.

In sum, no one can predict the outcome of appointing a new CEO. Outsider candidates might have proven track records, often as chief executives, in other organizations; but it is unclear that they will be able to accomplish similarly successful stories in the new firm. Insider candidates might be stellar performers in their current position, yet it is unclear how they will perform as CEOs. The inability of boards of directors to forecast how candidates – despite their outstanding performance either inside or outside the firm – might perform as new CEOs suggests that there is the need to better understand the process in which new chief executives embark on the new position.

Despite that, our scholarly knowledge about the CEO succession process is minimal. The core of the research in succession has focused on investigating the performance consequences that a change in the executive leadership post might engender (Finkelstein, Hambrick, & Cannella, 2009). Moreover, most the CEO succession literature rests on the tenets of cognitive differences between either successors and their predecessors or insiders and outsiders that are measured indirectly through the use of demographic characteristics that are used as proxies for studying how new CEOs influence their new organization (Hutzschenreuter, Kleindienst, & Greger, 2012). Consequently, albeit there is a vast literature investigating CEO succession, “most of the succession literature (...) remains silent concerning the processes through which leaders become integrated over time” (Cabrera-Suarez, 2005, p.73). And thus there is little support that existing academic
research can offer new chief executives and boards of directors about the transition process that new chief executives undergo in the beginning of their tenure. This study seeks to address this gap by examining the subjective experience that new CEOs undergo when they transition to the chief executive role.

1.3 STUDY OBJECTIVE & RESEARCH QUESTION

“Succession affects all types of constituents at virtually every level of the organization. To those internal to the firm, CEO succession may be seen as the most pervasive type of management change. Every employee is likely to experience some effects to the transition. To external constituents, it is the CEO who most symbolizes the organization. The CEO represents the ultimate decision-maker and the person with absolute authority” – Kesner and Sebora (1994), p.328

As the quote above illustrates, CEO turnover has an extensive effect in all stakeholders of an organization. A recent study by Strategy& (formerly Booz & Co) shows that, regardless of the reason for succession, when firms replaced their chief executive they experienced a reduction in performance, with the median shareholder return falling 3.5 per cent in the year following the succession event (Favaro et al., 2015). This suggests that, irrespective of its outcome, the appointment of a new CEO significantly impacts organizational life.

Yet, whilst there is a vast literature researching the consequences that a succession event has for organization variables, such as performance, survival and change; insufficient attention has been given to examining the impact that the transition to the CEO post has for the individual assuming the role. A thorough review of the literature indicates that there is a dearth of research addressing the experience of new CEOs during their transition into the role. In fact, whereas most studies examine if succession changes (or not) the organization, there is no examination of whether – and how – succession changes the new CEOs themselves and what conditions would engender such change. Hence, there is a chasm in our understanding of the transition process that new chief executives undergo when they assume the CEO role. To address this gap, the objective of this study is to understand the transition process of new CEOs as they assume the role of chief executive in organizations by answering the following research question:
How do new CEOs experience their transition into the chief executive role in the first 18 months of tenure?

1.4 METHODOLOGICAL OVERVIEW

This study focuses on the individual new CEOs and their subjective experience during their transition into the post. It explores how new chief executives themselves experience their move into the CEO role, through their own accounts, in order to understand how they assume the pinnacle position in the organization.

In examining the subjective experience of new CEOs during the transition process, this study adopts an exploratory qualitative methodology, thus addressing recent calls in the literature for researchers to undertake qualitative studies in this field (e.g., Datta & Rajagopalan, 1998; Finkelstein et al., 2009; Giambatista, Rowe, & Riaz, 2005; Kesner & Sebora, 1994; Pitcher, Chreim, & Kishalvi, 2000; Zajac, 1990). The majority of studies in the CEO succession literature adopts a positivist, quantitative stance, examining both the antecedents and consequences of the CEO turnover through quantitative data that are obtained through secondary sources, with “no attempt to collect or analyse primary data provided by the CEOs themselves” (Zajac, 1990, p.218). In this study, data collection entailed two semi-structured interviews with 19 newly appointed chief executives, for a total of 38 interviews. All first interviews were conducted in the first year of the participant’s tenure and all second interviews were conducted within the first 18 months of the new CEOs’ tenure. This study focused on the first 18 months of the new CEOs’ tenure because research indicates that around 40% of new chief executives are dismissed within this period (Ciampa, 2005), which suggests that the first 18 months of tenure are a crucial period for the transition process of newly appointed chief executives.

1.5 OVERVIEW OF CONTRIBUTION

As described in the review of the CEO succession literature (see Chapter II, section 2.4, CEO Succession), most of this body of inquiry rests on the tenets of cognitive differences between either successors and predecessors or insiders and outsiders. The origins of these cognitive differences, however, are left inside a well-guarded “black box” whose lid is kept
shut by the use of demographic characteristics as proxies for studying how new CEOs influence their new organization. This study attempts to pry open this lid by examining the subjective experience that new CEOs undergo in the beginning of their tenure. In doing so, the findings suggest that the cognitive differences that new chief executives bring into their organizations can be encapsulated under the concept of identity.

Identity has a central role in sensemaking, the process of “meaning creation” (Weick, 1995). Sensemaking is considered to be paramount for the enactment of the CEO role and form the basis of the Upper Echelon Theory (Hambrick & Mason, 1984). Chief executives, in their position as the ultimate decision maker and leader of the organization, are usually hired to provide meaning, that is, to provide sensemaking and sensegiving to the firm (Gioia & Chittipeddi, 1991). In addition to its connection to the enactment of the CEO role, identity has also been shown to be a crucial aspect of role transitions and the socialization of newcomers (e.g., Ashforth, 2001; Ibarra, 1999; Pratt, Rockmann, & Kaufmann, 2006). Hence, there seems to exist a theoretical link between identity and the transition of newly appointed chief executives. Yet, to my knowledge, this study is the first to make this connection.

The main contribution of this study is to uncover the CEO identity construction process. The results of this study show that, similar to the case in other role transitions, in assuming the role, new chief executives build their new identity as CEOs. However, the CEO identity construction process seems to differ significantly from other role transition processes due to the unique nature of the CEO role. In particular, in building their CEO identity, new chief executives experience pressure towards expressing their individuality due to identity demands and identity tensions that seem to be embedded in the transition to the role. As a consequence, new CEOs seem to engage in a process of representing, which (opposite to the process of socialization) conveys to the organization the values, perspectives, expected behaviours and modes of thinking that new CEOs desire the company to adopt.

This drive towards the expression of their individuality might pose a danger to the adjustment of new chief executives into the company. The findings of this study indicate
that despite the presence of identity demands and pressures towards expressing individuality, there exists also a bi-directionality of influence between the organizational identity and the personal identity of the new chief executive. After all, as underscored by most interviewees, the main aspect of the CEO role is to be the leader of the firm. And if the CEO is to lead and embody the organization, whom he or she is and acts need to be connected with the culture and identity of the company. Yet, fostering this connection between the personal identity of the new chief executive and the existing organizational identity seems to be the responsibility of the new CEO. The findings indicate that new outsider CEOs have difficulty obtaining culturally-relevant information due to the deference they experience from other organizational members. Furthermore, variability was found in the data regarding how new CEOs took into account the organization’s culture, history and identity into the enactment of the role and into the changes they promoted. This difficult and variability, combined with the pressures towards individuality, might explain the high levels of early dismissal experienced by new CEOs (e.g., Lucier et al., 2005; Shen & Cannella, 2002a) as they likely hinder not only the integration of newly appointed chief executives into the firm but also the ability of new CEOs to influence the organization.

1.6 DEFINITION OF KEY CONCEPTS

The objective of this study is to understand the transition process that new CEOs undergo when they assume the role of chief executive in organizations, focusing on the experience of new CEOs whilst they assume the role. In this section, I define two key concepts that underpin the study: transition and cognitive differences.

1.6.1 DEFINING CEO TRANSITION

In this study, CEO transition is defined as the passage to the CEO role on which an individual embarks when assuming the post in a particular organization for the first time.

This definition encompasses both internal transitions, in which individuals take on the CEO post within the same organization wherein they held their previous roles, and external transitions, in which individuals take on the CEO job in different organizations...
wherein they held their previous roles. Thus, this definition follows Louis (1980a)’s conceptualization of inter-role transitions [see also Ibarra and Barbulescu (2010)], which encompasses intra-company transitions (changes of role within the same firm) and inter-company transitions (moves from one organization to another, which may or may not include assuming a new role in the new company). Due to the position of the CEO role at the pinnacle of the organization, internal CEO transitions (insider CEO succession) usually involve the appointment of an individual who has never previously held the chief executive role prior to this particular appointment. It is very unlikely than an individual with CEO experience would assume a post lower in another firm. In contrast, external CEO transition (outsider CEO succession) might involve the appointment of individuals who previously held the chief executive post in a different organization.

This conceptualization of CEO transition distinguishes it from intra-role transition, which “represents a change in the individual’s relation or internal orientation to a role already held” (Louis, 1980a, p.334). Individuals are likely to adjust their perceptions, understanding and interpretation of the role, and of themselves in the role, over time. Indeed, according to some authors, individuals are constantly involved in a process of ‘becoming’, wherein they are always reconstructing their beliefs and actions in light of their current interactions and experiences (Tsoukas & Chia, 2002). In that perspective of transition, there would be no specific point in which individuals would ‘become’ managers (or CEOs) since they continue to learn, modify and develop their understanding about the role (Watson & Harris, 1999). This study focuses on the inter-role transition that constitutes CEO transition as defined in this section and not on the continuous change that individuals might experience within the same role. Nevertheless, to account for the fact that individuals continuously learn about their roles (Watson & Harris, 1999), this study addresses a particular period in the tenure of new chief executives, namely the first 18 months.

1.6.2 DEFINING COGNITIVE DIFFERENCES

This study aims at contributing to the CEO succession literature by addressing the gap in our scholarly knowledge regarding the transition process new chief executives experience
when assuming the role. A large portion of this field of inquiry, as well as research on senior executives, follows a particular theoretical perspective within the strategic management literature, the managerial and organizational cognition perspective. This viewpoint draws on the theoretical foundations and insights from various interconnected disciplines, such as cognitive psychology, social cognition, organizational psychology and organizational sociology (Hodgkinson & Sparrow, 2002; Stubbart, 1989; Walsh, 1995). In particular, given the foundation of theories, concepts, frameworks and tools from cognitive psychology, this approach has been described as the “analysis of the strategic management process from a psychological perspective” (Hodgkinson & Sparrow, 2002, p.3).

The main tenets of the managerial and organization cognition perspective are that individuals are limited in their capacity to process information and therefore create and use simplified cognitive representations to make sense of external stimuli. These subjective mental models (also known as cognitive maps, schemas, knowledge structures, frames of reference, among others) form “a mental template that individuals impose on an information environment to give it form and meaning” (Walsh, 1995, p.281), and thus become filters through which new information is perceived and interpreted.

Two complementary schools of thought exist within this perspective, the computational approach, which views organizations as systems of information and the interpretive approach, which regards organizations as systems of meaning (Lant & Shapira, 2001). The computational approach proposes that, due to divergences in their mental models, different organizational actors are likely to perceive and interpret information differently, which then influence the ways in which they make decisions (e.g., Hambrick & Mason, 1984; March & Simon, 1958; Porac & Thomas, 2002). Furthermore, it also suggests that the organization’s top managers form a dominant coalition that has a critical role in the interpretation of external stimuli by the organization, thus positioning their firms within the external environment through their strategic choice (Cyert & March, 1963). The interpretative approach suggests that organizational actors interpret stimuli differently not only because they filter, through their frames of reference, particular events and stimuli
from the streaming of experience, but also because the external environment itself is not an objective entity but is enacted by organizational members (Weick, 1995; Weick, Sutcliffe, & Obstfeld, 2005). This latter approach also advocates that organizational actors can share their mental models through social interactions in such a way that a dominant logic of the organization is formed (Bettis & Prahalad, 1995; Prahalad & Bettis, 1986). As a result, senior managers might use their own interpretation of stimuli to frame meaning for other organizational members, thus influencing how others perceive and interpret organizational events (Daft & Weick, 1984; Maitlis & Lawrence, 2007).

The main ramification of these assumptions in the CEO succession literature has been the view that since individuals are likely to have different mental models that they use to process, interpret and frame events and stimuli, the appointment of a new CEO might bring a change in the cognitive maps that influence the strategic direction of the organization (e.g., Hutzschenreuter et al., 2012; Ndofor, Priem, Rathburn, & Dhir, 2009). In other words, CEO succession might impact the organization due to cognitive differences that might exist between the mental models that new chief executives and their predecessors apply to understand the organization and its environment and to make decisions. Furthermore, most researchers on CEO succession adopt the principles of the Upper Echelon Theory (see Chapter II, section 2.3.1, Researching Top Executives) and postulate that the extent to which the cognitive maps of new CEOs and their predecessors diverge can be inferred based on particular demographic characteristics of the new chief executive, particularly the origin of the new chief executive (insider or outsider succession; for a full discussion, please see Chapter II, section 2.4, CEO Succession).

Interestingly, despite its foundation in cognitive principles, the widespread adoption of demographic proxies for explaining the cognitive differences emanating from new chief executives has produced a “black box” mentality because it dissuaded researchers to examine the cognitive processes that generated these differences in the first place (Carpenter, Geletkanycz, & Sanders, 2004; Lawrence, 1997). Consequently, most of the CEO succession literature currently disregards the process that new chief executives experience when assuming the post (Cabrera-Suarez, 2005). By examining the subjective
experience that new CEOs undergo in the beginning of their tenure, this study indirectly pries into this “black box” and exposes ways in which new chief executives utilize their incoming cognitive maps to transition into the CEO role.

1.7 STRUCTURE OF THE THESIS

This thesis is organized in seven chapters. The remaining chapters are structured as follows:

Chapter II reviews the academic literature that underpins our current understanding of the CEO transition process. Two bodies of inquiry are examined: the CEO role and the CEO succession literatures. The CEO role literature provides an understanding of what the role entails, whereas the CEO succession literature specifically addresses the turnover of the previous incumbent and the appointment of the new chief executive. The review of these two bodies of literature exposes the current gap in our knowledge regarding the processes and mechanisms that underlie the transition of new chief executives into the role, and in particular our lack of understanding regarding the personal experience of individuals in transitioning to the CEO role.

Chapter III describes the methodology employed to conduct this study, including the ontological and epistemological stances that underpin the study; the rationale for selecting a qualitative methodology; and the methods of data collection and analysis utilized.

Chapter IV describes the themes and concepts that emerged from the data. Results indicate that in assuming the CEO role, individuals undergo a CEO identity construction process in which they build their new identity as CEO. This process can be subdivided into three elements: (1) the identity associated with the persona of the CEO; (2) the identity associated with idiosyncratic characteristics that express the unique characteristics of individuals; and (3) the identity of the organization itself. This chapter describes the unique ways in which new chief executives engage with each of these elements in building their identity as CEO.
Chapter V moves beyond the description of the main themes to theorize about the CEO identity construction process. In particular, I analyse the findings of the study in relation to the bodies of literature that have examined the identity construction process in organizational life (role transition, socialization and identity work literatures) in order to develop the CEO identity construction model.

Chapter VI situates the findings of the study in light of the extant CEO succession literature. The identity perspective that is uncovered in this study allows us to see the CEO succession literature in a novel way, which is presented in this chapter.

Chapter VII concludes this study by presenting the contributions that this research offers both to our scholarly understanding of the transition of new CEOs and to practice; by discussing the limitations of the study; by suggesting possible avenues for future research; and by briefly depicting the personal reflections and learning of the author.
CHAPTER 2: LITERATURE REVIEW

2.1 CHAPTER OVERVIEW

This study seeks to understand how CEOs transition into the role of chief executives in organizations. In this chapter, I review the academic literature that underpins our current understanding about this process. First, in section 2.2, I examine the literature on the chief executive officer. The individual assuming this role is the main focus of this study, and hence we need to understand what the role of the chief executive is. Second, in section 2.3, I address the relationship between the CEO and the top management team, since the way in which the extant literature has theorized about the interactions of the senior cadre of the organization has been instrumental to our understanding of both the role and the succession of chief executives. Third, in section 2.4, I review the CEO succession literature, which specifically focuses on the turnover of the previous incumbent and the appointment of the new chief executive. In particular, I contrast the leader-focused and the organization-focused perspectives that have been utilized in the literature to explain how new chief executives assume the role.

The review of the CEO role and CEO succession literatures exposes the current gap in our knowledge regarding the processes and mechanisms that underlie the transition of new chief executives into the role. Accordingly, in section 2.5, I underline the gap that this study addresses: that the literature on the transition of new CEOs has hitherto not considered the potential transformational experience that the transition to the pinnacle of the organization might entail to the individual. This transformational experience is well documented for other role entries. For instance, Hill (2003) has shown that there is a “profound transformation, as individuals learn to think, feel and value as managers” (p.5). Similarly, Ashforth (2001) argued that “to exit a role and enter another is to switch personas – and if one identifies with the role, to switch the very conception of self” (p.51).

In contrast, despite the unique paradoxes, complexities and pressures that an individual encounters for the first time when assuming the CEO job (as revealed by the review of the CEO role literature), there seems to be an implicit assumption in the CEO succession...
literature that new CEOs come ready for assuming the position. Consequently, no personal learning or changes are considered for the individual assuming the CEO role. I conclude the chapter by presenting the research question that frames this study.

2.2 THE CEO ROLE

“One of the most important and influential roles in any organization is that of chief executive officer (CEO), yet research on this role remains ambiguous, conflicted, and outdated” — Glick (2011), p.171

The title of chief executive officer (CEO) usually refers to “the executive who has overall responsibility for the conduct and performance of an entire organization” (Finkelstein et al., 2009, p.9). The adoption of the term CEO emerged in the late 1940s and early 1950s and rapidly spread through corporations in the United States. Indeed, while in 1955 only two of the largest 200 firms in the U.S. employed the CEO title, by the late 1970s almost all of these organizations had a designated chief executive officer (Allison & Potts, 1999). Some authors suggest that the adoption of the term took place because of the changes in strategy and structure in large industrial corporations in the U.S. that occurred due to the massive expansion of the American economy after World War II (Chandler, 1962; Galambos, 1995). As organizations moved from centralized corporations to the multidivisional form, the label of chief executive officer might have been adopted to designate the “single operating head of the firm” (Allison & Potts, 1999). Other authors argue that the adoption of the CEO title was a fad, disseminated through the interlock of different directors, since “no new function was created” and no tangible impact for corporations in terms of profitability or corporate success was observed (Ibid).

It has been suggested that, in today’s corporate world, the widespread utilization of the term across the globe ensues from the need to distinguish the individual with the overall responsibility for the organization from the various other senior executive positions (Finkelstein et al., 2009). Yet, “the differences among chief executive officers (…) are at least as profound as the similarities among them” (Gupta, 1988, p.148).
2.2.1 DIFFERENCES IN THE CEO POST

Some of the differences among CEOs relate to their *locus of responsibility*, which varies according to: (1) the scope of the organization the individual is accountable, since currently the CEO title is used to designate not only the executive responsible for the corporation as a whole, but also general managers responsible for strategic business units within large diversified or multinational firms (Gupta, 1988); (2) the division between the roles of CEO and board chairman, since some chief executives have CEO duality, which refers to chief executives who also hold the title of chairman (Rechner & Dalton, 1991); and (3) the presence of a chief operating officer (COO), since in this case the chief executive allocates the responsibility of the internal operational part of the role to the “second-in-command” (Hambrick & Cannella, 2004). Thus, chief executives who are responsible for a single business – be it an independent small business or a free-standing enterprise within a large corporation – are likely to engage in decisions regarding how the organization should compete in its industry and how the different functional areas (such as marketing, HR, production, sale) should operate (Gupta, 1988). In contrast, CEOs who are responsible for large diversified corporations are likely to engage in portfolio management, that is, acquisition or divestiture of businesses, as well as resource allocation for the different businesses that comprise the firm.

These differences in locus of responsibility impact not only the tasks that the CEO needs to focus on, but also the complexity in which he or she needs to deal in the role. Jacques’ (Jacobs & Jacques, 1987; Jacques, 1989; Jacques & Clement, 1991) *Stratified Systems Theory* divides the hierarchical levels of an organization into different strata that vary according to the increasing level of complexity that individuals at higher strata need to consider. The number of strata in an organization depends on the scope and scale of its operation, with large corporations having no more than seven levels (Jacobs & McGee, 2001). The different levels are also clustered in three broader domains – production, organizational and strategic systems –, and both levels and domains differ qualitatively from one another (Jacobs & Lewis, 1992). Individuals who hold the post of chief executive operate in the strategic domain, but their jobs can be classified as pertaining either to
Stratum VI (corporate CEOs) or to Stratum VII (super corporation CEOs) (Jacques, 1989), which suggests that there are qualitative differences in the complexity of the work of CEOs who occupy these two strata. The progression from one stratum to the next indicates that there is an increase both in terms of task complexity, such as time span of decisions, and in terms of the complexity of the required cognitive processes that the chief executive needs to operate (Jacobs & Lewis, 1992). These differences between levels can impact the transition of a newly appointed chief executive into the role, since the appointment to the CEO role might constitute a significant change in level of complexity from the previous role.

Another important difference among CEOs relates to the level of managerial discretion that individuals experience in their role. *Managerial discretion* can be defined as the latitude of action that the chief executive has in making choices and decisions (Hambrick & Finkelstein, 1987). The CEO’s degree of discretion depends on three sets of factors: environmental, organizational and individual. Thus, “a chief executive’s latitude of action is a function of (1) the degree to which the environment allows variety and change, (2) the degree to which the organization itself is amenable to an array of possible actions and empowers the chief executive to formulate and execute those actions, and (3) the degree to which the chief executive personally is able to envision and create multiple courses of action” (Hambrick & Finkelstein, 1987, p.379). Environmental characteristics award discretion to the chief executive when the means-end linkage is not clear and when there are no direct constraints, as it is typical in certain industries such as the computer industry and motion picture production (Finkelstein et al., 2009; Hambrick & Abrahamson, 1995). Organizational characteristics restrain discretion of the chief executive when the ability of the corporation to accept change is low – as is the case of large organizations, mature organizations and organizations with a strong culture – or when the role of the CEO is limited by intense internal political conditions (Hambrick & Finkelstein, 1987). Finally, certain individual characteristics confer discretion to the CEO by increasing his or her ability to generate and be aware of various courses of actions, as is the case for individuals
with high cognitive complexity, high personal aspiration, high tolerance for ambiguity and internal locus of control (Finkelstein et al., 2009; Hambrick & Finkelstein, 1987).

Finally, another difference in the CEO role relates to the demands that individuals are subjected in the post. Executive job demand refers to “the degree to which a given executive experiences his or her job as difficult or challenging” (Hambrick, Finkelstein, & Mooney, 2005, p.473). There are three sets of factors that influence executive job demand: task challenges, performance challenges and performance aspirations. First, task challenges occur due to characteristics of the environment in which the corporation competes, as it is the case in contexts of dynamism, complexity and scarcity; or due to characteristics of the organization, as it is the case in contexts of resource limitations and/or complexity. Second, performance challenges occur due to internal pressures from different stakeholders, such as major shareholders and the board of directors, or due to external pressures stemming from the risk of corporate takeover. Performance challenges are usually associated with historical events, as demands for performance will depend on past successes or failures. In the case of newly appointed chief executives, performance challenges are likely to be enhanced when the individual replaces ‘star CEOs’ who had received public recognition for leading the organization to great levels of performance (Graffin, Boivie, & Carpenter, 2013). Finally, to a degree, the personal aspirations of the CEO to improve the performance of the organization determine the demands that the individual experiences in the role (Hambrick et al., 2005). Chief executives might be motivated to produce high levels of performance due to personal characteristics (such as need for achievement), due to financial compensations tied to the firm’s performance, or due to a perceived need to establish their reputation and demonstrate efficacy, as it would be for chief executives in the beginning of their tenure.

Hence, newly appointed chief executives are likely to encounter a host of contextual and personal factors in their transition into the role that will be unique to their appointment. As described above, issues related to locus of responsibility, managerial discretion, and executive job demand will impact the role differently.
2.2.2 SIMILARITIES IN THE CEO POST

Notwithstanding all the personal and contextual differences that make each chief executive role unique, there are also profound similarities in the tasks and responsibilities that CEOs fulfil. Starting with Mintzberg (1973) classical study on *The Nature of Managerial Work*, researchers have investigated the roles – defined as “an organized set of behaviours belonging to an identifiable office or position” (Ibid, p.54) – that chief executives enact. In his classic study, Mintzberg (1973) accompanied the work of five chief executives of medium to large organizations in different industries for a week. Thus, although the contextual factors that these CEOs operated under were varied, through his structured observations, this author was able to recognize a common set of 10 roles that could be further aggregated in three broad categories of interpersonal roles, informational roles and decisional roles.

Since Mintzberg (1973), several authors have underscored the multiple, and sometimes contradictory, roles that top managers have to enact (e.g. Hart & Quinn, 1993; Kotter, 1982; Wibowo & Kleiner, 2005; Zaccaro, 2001). This enactment of diverse roles occur due to the social complexity that chief executives confront in managing not only the multiple subsystems within the organization – composed of individuals with heterogeneous demands, needs, personalities and social requirements – but also the boundary between the firm and the intricacies of the external environment (Zaccaro, 2001). In view of this complexity, the CEO role entails “taking responsibility for multidimensional expectations about the organization’s financial returns, its environmental and social performance, and its leadership” (Tengblad, 2012, p.228). Perhaps because of this multidimensional handling of expectations, *behavioural complexity*, that is, the ability to perform and integrate multiple roles to multiple constituents with competing expectations (Denison, Hooijberg, & Quinn, 1995; Lawrence, Lenk, & Quinn, 2009), has been considered to be paramount for CEOs to successfully operate in the role. For instance, Hart and Quinn (1993) investigated the relationship between the four roles described in their model of CEO behaviour (which divided the chief executive role into the roles of Vision Setter, Motivator, Analyser and Task Master) and three clustered
dimensions of organizational performance, which included not only economic parameter (such as ROA), but also some non-economic parameters of performance (such as employee satisfaction). The results of their survey of 916 chief executives of firms of various sizes and industries in the Midwest U.S. indicated that the performance of the organization, in all three dimensions of performance measured, were significantly higher when the CEO emphasized all four roles. In addition, the study also showed that in the case of chief executives with unbalanced profile of roles, the role of Task Master was the most frequently performed role, yet this role did not predict organization performance in any of the dimensions measured. Thus, the results of the Hart and Quinn (1993) study suggest two important points about the enactment of multiple roles by CEOs. First, that effectiveness in the post of chief executive might require a balance between the multiple roles that the CEO needs to perform, a point also emphasized by Mintzberg (1973, 1975), who considered his ten roles to operate as an integrated gestalt. Second, that while all roles should be part of the repertoire of the chief executive, the enactment of some roles might be more important than others.

Three typologies have informed the understanding of the CEO role in this study: (1) Mintzberg (1973); (2) Jonas III, Fry, and Srivastava (1990); and (3) Hart and Quinn (1993). These three typologies were selected because they included, either in their development or in their assessment, an empirical component that validated their proposed categories exclusively with chief executives. The use of only three typologies reflects the scant research that has been conducted to examine the distinctive nature of the role of the chief executive (Klimoski & Koles, 2001; Porter & Nohria, 2010). This dearth is caused by two facts. First, as will be discussed in more detail below, some scholars have disregarded the individual value and contribution of the chief executive, proposing that the top team as a whole (including the CEO as part of the team) should be the unit of analysis in studies analysing the effects of executives to organizational outcomes (Hambrick, 2007; Hambrick & Mason, 1984), hence diminishing research attention to the CEO role. Second, many studies examining the CEO post include other managerial levels, hence regarding differences only as a matter of frequencies (e.g., Hales, 1986), which has
reduced even further our understanding of the role of the chief executive (Glick, 2011; Lafley, 2009).

As illustrated in Figure 2.1, the three typologies utilized here comprise two organizing principles in their categorization of the CEO role. First, Mintzberg (1973) seemed to utilize a process perspective in his grouping of the ten roles into the three broad categories of interpersonal roles, informational roles and decisional roles since the first category of roles establishes the background in which the next set of roles can operate. Thus, it is only through the contacts that the CEO develops through the interpersonal roles that he or she can acquire and later disseminate information about the organization and the external environment. Similarly, the chief executive later grounds his or her decisions based on the information acquired in the second set of roles.

Second, both Jonas III et al. (1990) and Hart and Quinn (1993) seemed to utilize a context perspective as organizing principle for their typologies (see Figure 2-1). The latter authors considered two contexts: a boundary context between the internal milieu of the organization and the external environment, and a change context between flexibility/spontaneity and predictability/structure, thus organizing the roles CEOs perform into a two-by-two matrix. In contrast, Jonas III et al. (1990) only considered the change context as organizing principle for classifying the roles that chief executives enact. Yet, instead of considering this context as a dichotomy, they took into account three aspects of the change context: continuity, novelty and transition. Interestingly, by organizing their typologies of the CEO role as a balance between change and stability, both Jonas III et al. (1990) and Hart and Quinn (1993) highlighted the “paradox of administration” embedded in the work of the CEO, that is, “the tension between, on the one hand, the search for tight alignment between the organization and the environment in order to reduce uncertainty, and, on the other hand, the search for decoupling from that same extant environment in order to retain flexibility for responding to various possible future contingencies” (Alvarez & Svejenova, 2005, p.64). Hence, according to these two typologies, the chief executive role can be described in terms of two paradoxes: (1) external/internal and (2) change/continuity.
In portraying the role of the CEO through paradoxes, it is important to consider another important paradox that has not been addressed by these two typologies, and yet have been highlighted by some authors as an important aspect of the CEO role, the tension between the substantive and the symbolic domains of the chief executive’s role (Finkelstein et al., 2009; Gupta, 1988; Romanelli & Tushman, 1988). As explained below, by considering the CEO role through these paradoxes, the three typologies considered here coalesce so that both context and process perspectives are combined. In the remainder of this section, I explain each of these paradoxes separately for simplicity; yet, as it can be observed from the following discussion, this separation is artificial as many of the tasks and functions of the CEO encompass more than one paradox.

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**Figure 2-1 Typology of CEO Roles**

In portraying the role of the CEO through paradoxes, it is important to consider another important paradox that has not been addressed by these two typologies, and yet have been highlighted by some authors as an important aspect of the CEO role, the tension between the substantive and the symbolic domains of the chief executive’s role (Finkelstein et al., 2009; Gupta, 1988; Romanelli & Tushman, 1988). As explained below, by considering the CEO role through these paradoxes, the three typologies considered here coalesce so that both context and process perspectives are combined. In the remainder of this section, I explain each of these paradoxes separately for simplicity; yet, as it can be observed from the following discussion, this separation is artificial as many of the tasks and functions of the CEO encompass more than one paradox.
2.2.2.1 EXTERNAL & INTERNAL PARADOX

The first dichotomy, the contrast between the internal and external milieu of the firm, can be described as a boundary spanning role, in which the CEO “operates at the boundary between their organization and their external environment” (Finkelstein et al., 2009, p.19). The CEO is unique in this position because the chief executive can adopt a comprehensive perspective that encompasses the whole firm; whereas other executives, including those that comprise the top management team, perceive external events and trends through the lenses of the perspective of their functions and/or departments. Consequently, the CEO has the responsibility of “defining the meaningful outside” to the rest of the company (Lafley, 2009). Hence, an important facet of the boundary spanning role – labelled monitor by Mintzberg (1973) – is to scan and analyse the external environment to determine emerging economical, societal and technological developments that can impact the organization’s current and future growth and performance (Klimoski & Koles, 2001; Zaccaro, 2001). In monitoring the outside, the CEO also scans and analyses the company itself to determine the alignment between the firm and external environmental and the resources that the organization has – or needs to acquire – in order to enable it to adapt to the changes occurring outside (Zaccaro, 2001). Naturally, individuals throughout the corporation are likely to contribute their assessments of external changes and developments to the chief executive, sometimes through information inputs and sometimes through proposing and championing strategic initiatives (e.g., Burgelman, 1983; Wooldridge, Schmid, & Floyd, 2008); nevertheless, it will be the responsibility of the CEO to collate these potentially disparate views and produce a unified picture for the whole organization.

Another facet of boundary spanning involves the interaction with important external constituencies, such as the board of directors, investors, the press, regulators and financial analysts. Within this facet, the CEO enacts several roles, which have been initially uncovered by Mintzberg (1973) and later corroborated by other authors. First, the chief executive functions as liaison, developing an external network of acquaintances that not only provides information, advice and favours (McDonald, Khanna, & Westphal, 2008;
Mintzberg, 1973) but also potentially offers social support to the CEO (McDonald & Westphal, 2011). Second, the chief executive operates as a *negotiator*, acting on the behalf of the firm in important negotiations, particularly with regulators (Greenfeld, Winder, & Williams, 1988; Steiner, 1983). Third, the CEO serves as a *spokesperson*, broadcasting information about the organization’s goals, strategies and policies to outside constituencies; a role that is particular pertinent when the chief executive seeks to avoid concerns in the event of controversial policies or the disclosure of low earnings (Westphal, Park, McDonald, & Hayward, 2012). In addition, in this role, the CEO also manages the impression of financial analysts about the legitimacy of the organization’s actions, hence encouraging a positive evaluation of the firm’s stocks (Westphal & Graebner, 2010). Interestingly, managing the impressions and expectations of financial analysts can be considered a paradox in itself, since a study of the work behaviour of eight CEOs showed that chief executives need to balance between building a realistic expectation about the future earnings of the organization and creating interest and motivation for shareholders to invest in the firm (Tengblad, 2004). Finally, the CEO acts as a *figurehead*, symbolically embodying the organization to outside constituents (Mintzberg, 1973). A consequence of this symbolic representation of the firm in modern times is the emergence of celebrity CEOs in the press (Hayward, Rindova, & Pollock, 2004).

2.2.2.2 CHANGE & STABILITY PARADOX

The second dichotomy, the contrast between change and continuity, is directly connected with the contrast between the internal and external environments, since it is the need to align the organization with the external environment that propels organizational change (Romanelli & Tushman, 1988). Yet, even when changes are binding, the chief executive must strike a balance between stability and evolution since “part of the role of the CEO is to simultaneously embody the status quo and to question it. As custodian of the firm’s history he or she strives to define the strengths of the enterprise by acting as a force for stability and an expression of its culture. Equally concerned with the future, he or she
regularly asks the frame-breaking questions, challenges organizational norms, and plays
the maverick to stimulate creativity and innovation” (Jonas III et al., 1990, p.40).

The achievement of this balance, however, is not simple and some authors suggest that this
“paradox of administration” cannot be performed by a single individual because the
dualities in the tension between short-term and long-term objectives, or between past and
future, require a behavioural and cognitive capacity that is rare in executives (Alvarez &
Svejenova, 2005). In contrast, other scholars consider that executives can and should
“embrace the tension between old and new and foster a state of constant creative conflict
at the top” (Tushman, Smith, & Binns, 2011, p.76). Hence, it has been advocated that
chief executives vary in their capability to maintain an adaptive stance in regards to
organizational change: while some individuals are open to initiate organizational change in
the face of transformations in the external environment, others “develop a strong personal
attachment to existing policies and profiles which effectively impedes change in
organizational strategy and the systems and practices which support it” (Geletkanycz, 1997, p.615). This resistance towards change, labelled commitment to the status quo, has been associated with the tenure of the CEO (Hambrick, Geletkanycz, & Fredrickson, 1993), his or her values (Geletkanycz, 1997), and personality (Delgado-García & De La Fuente-Sabaté, 2009; Nadkarni & Herrmann, 2010).

Aligning the organization to the external environment consists of altering the
“fundamental pattern of present and planned resource deployments and environmental
interactions that indicate how the organization will achieve its objectives” (Hofer &
Schendel, 1978, p.25; cited in Rajagopalan & Spreitzer, 1996). These objectives are
usually conceptualized through a strategy, since “the major importance of strategic
management is that it gives organizations a framework for developing abilities for
anticipating and coping with change” (Bracker, 1980, p.221). Two perspectives have been
put forward regarding how top managers, like the chief executive, promote changes in the
strategy of the organization: the choice perspective and the social learning perspective
(Wooldridge et al., 2008).
The *choice perspective* assumes that it is the role of the “dominant organizational power-holders” (Child, 1972, p. 11), such as the CEO, to formulate the strategy of the organization; whereas the role of other organizational members, such as middle managers, is to provide informational input that might assist with the definition of the strategy as well as to implement the strategy that has been passed down (Wooldridge et al., 2008).

In contrast, the *social learning perspective* assumes that the distinction between strategy formulation and implementation is artificial, and hence proponents of this perspective consider that strategy “is less a process of choice and more a matter of social learning, that is, managers and others in the organization learn how to adapt to a changing environment” (Ibid, p. 1193-4). Thus, in the social learning perspective, strategy formulation is conceptualized as taking place through a series of independent strategy initiatives that are championed by middle managers, and the role of top executives, like the CEO, is to select and endorse among these strategy initiatives, to establish performance standards, and to develop overarching organizational objectives.

Interestingly – albeit these two perspectives take on significant contrasting views on the role of other organizational members in the development of the organization’s strategy – within both perspectives, the role of the chief executive can still be conceptualized as “the principal leader and architect of the firm, as the individual ultimately responsible for the formulation and implementation of company strategy” (Hutzschenreuter et al., 2012, p. 730). This is because while in the choice perspective the CEO, together with other top executives that constitute the “dominant coalition”, is considered to directly develop the strategy of the organization; in the social learning perspective, the CEO can be viewed to indirectly formulate the strategy of the organization by creating the context that shapes how members of the organization make strategic choices in their everyday actions and decisions. In fact, several empirical studies have demonstrated the association between characteristics of the chief executive and the strategy of the organization (e.g., Jensen & Zajac, 2004; Miller & Shamsie, 2001; Nadkarni & Herrmann, 2010), which corroborates the idea that CEOs do impact the strategy of the organization.
The direct and indirect influence of the chief executive in the strategy of the organization lead us to the last paradox of the CEO role, the substantive versus the symbolic, since the chief executive most important tool for indirectly influence the strategy of the organization is likely to be the symbolic power of the post.

2.2.2.3 SUBSTANCE & SYMBOLISM PARADOX

The third dichotomy, the contrast between the substantive versus the symbolic aspects of the CEO role, is directly connected with the paradox of change and stability, since the CEO operates through his or her engagement with these two aspects of the post to promote change or strengthen stability in the organization. The impact that a chief executive has in the organization can be divided into: (1) the substantive or direct influence; and (2) the symbolic or indirect influence (Hunt, Boal, & Sorenson, 1990).

The substantive facet of the CEO’s influence is connected with the formal power of the post of the chief executive, who is held accountable for the actions and outcomes of the organization (Gupta, 1988). This aspect is related to the content of the CEO’s decision-making and is, therefore, linked to the skills, traits and background experience that a chief executive brings to the role (Hunt et al., 1990). Through his or her substantive influence, the chief executive can accomplish context creation, which indirectly impacts bottom-up strategy, through several mechanisms such as: (1) the appointment of key executives who “are much closer to the taking of concrete and important organizational actions” (Gupta, 1988, p.155); (2) the choice of the structural configuration, which influences not only how individuals in other levels of the firm perceive and manage everyday decision-making but also how they enact their positions and relationships (Burgelman, 1983); (3) the allocation of resources, which determines the selection of which bottom-down strategic initiatives are implemented (Wooldridge et al., 2008); and (4) the dispensing of rewards through performance standards and measurements, which encourages particular behaviours (Bartlett & Ghoshal, 1993). In addition, through his or her formal power, the CEO can also formulate the strategy of the organization, as suggested by the choice perspective.
Hence, CEOs might impact the organization through a direct, substantive, influence, which stems from the formal power of the post (Gupta, 1988) and operates through organizational activities that have a physical referent such as budget, resource, and organizational structure (Gupta, 1988; Hunt et al., 1990; Pfeffer, 1981; Romanelli & Tushman, 1988). However, it has been suggested that the indirect influence of the post is “of far greater importance to the CEO’s role than the direct exercise of power” (Porter & Nohria, 2010, p.443) since “the CEO’s job is uniquely invested with the greatest need, and the greatest potential for indirect influence” (Ibid, p.444).

The symbolic influence of the CEO role stems from the visibility of the position, which “provides CEOs with an almost unique power to personally shape the expectations and values of individuals both inside and outside the organization” (Gupta, 1988, p.158). Outside the organization it is believed that “the persona of the chief executive plays a role akin to that of the architecture of the company headquarter. The image of the CEO and of the building’s façade speaks of the quality of the organization on the inside” (Useem, 1999, p.154). This occurs for two reasons. First, CEOs as “the most visible members of an organization (…) give a face to an otherwise abstract social category, resulting in outsiders viewing managers as the organization” (Scott & Lane, 2000, p.47). Second, humans have a natural tendency, bias or assumption to attribute to leaders “the causes, nature and consequences of organizational activities” (Meindl & Ehrlich, 1987, p.92). This belief in the importance of leaders for organizational life has probably been increased by the new emphasis of the media that has turned CEOs into a new type of celebrity (Hayward et al., 2004) and that has incentivized this personification by emphasizing “the personal habits and attributes of individual CEOs, often going into more depth about these matters than about details of a firm’s strategy or finances” (Khurana, 2002, p.74).

Inside the organization the visibility of the CEO role likely occurs for three reasons. First, even though the interaction of insiders and outsiders differ in several dimensions (Fanelli & Misangyi, 2006), insiders are also likely to commit the attribution error of considering the leader as “a central organizational process and the premier force in the scheme of organizational events and activities” (Meindl, Ehrlich, & Dukerich, 1985, p.79). Second,
research has shown that organizational members are influenced by the opinions and reactions that external stakeholders have of the organization (Dutton & Dukerich, 1991). The personification of the CEO as the organization by the media, journalists and other external stakeholders might influence the perception of organizational members about the discretion and effect of the CEO in organizational life. Finally, the institutionalization of roles establishes the expectation that individuals in certain positions should define and structure the reality of organizational life to others (Smircich & Morgan, 1982). The CEO role, as the preeminent leader of the organization, has the responsibility “to provide explanations, rationalizations and legitimation for the activities undertaken in the organization” (Pfeffer, 1981, p.4) thus providing meaning to organizational members about organizational life (Gupta, 1988; Pfeffer, 1981). Indeed, executives shape organizational action through the creation of “symbols, myths, and heroes to shape common interpretations, values and frames of reference” (Keck & Tushman, 1993, p.1315) and through the use of symbolic actions that “influence the attitudes, beliefs, perceptions or value of stakeholders” (Fanelli & Misangyi, 2006, p.1052). As a consequence, organizational members are likely to be captive audience to the CEO communication (Fanelli & Misangyi, 2006), and to be on the lookout for the added meaning embedded in the individual’s actions, behaviours and words that might convey “surplus messages to observers who are trying to detect the executive’s intentions, values predispositions and where he or she is headed” (Finkelstein et al., 2009, p.19).

Apart from a few exceptions, there has been very little research on the symbolic aspect of the CEO role (Finkelstein et al., 2009). Perhaps the most telling outcome of the symbolic influence of the CEO relates to the culture of the organization, since chief executives have been considered to be “the primary sources, transmitters, and maintainers of organizational culture” (Tsui, Zhang, Wang, Xin, & Wu, 2006, p.114). The link between the CEO and organizational culture have been highlighted by many authors (e.g., Davis, 1984; Schein, 2004; Trice & Beyer, 1991); and recently empirical evidence has corroborated this connection by showing a relationship between the culture of the organization with the personality (Giberson et al., 2009), values (Berson, Oreg, & Dvir,
Chief executives are likely to shape and create the culture of the organization through “symbolic management”, which occurs through the management of meaning that takes place when CEOs convey “values, ideas and ideals through continuous dialogue with others” (Jonas III et al., 1990, p.36).

Lafley (2009) provides an interesting example of how CEOs might influence organizational culture through the management of meaning. He, who redefined the core values of Procter & Gamble in his first year as chief executive, relates that “the challenge was to understand and embrace the values that had guided P&G over generations – trust, integrity, ownership, leadership, and passion for winning – while reorienting them toward the outside and translating them for current and future relevance” (p.61-62). Thus, he promoted the same values in the organization, but provided a new interpretation of what these values meant. For instance: “Trust had come to mean that employees could rely on the company to provide lifetime employment; we redefined it as consumer’s trust in P&G brands and investor’s trust in P&G as a long-term investment. A passion for winning was often a matter of intramural competition; we redefined it as keeping promises to consumers and winning with retail customers” (p.62).

2.2.2.4 COMBINING CEO PARADOXES

In sum, I considered three typologies to examine the role of the chief executive. One of these typologies utilized process as organizing principle (Mintzberg, 1973); while the other two categorizations considered as organizing principle the contrast between two paradoxes: the paradox between the internal and external milieu, and the paradox between change and stability (Hart & Quinn, 1993; Jonas III et al., 1990). Interestingly, by also including the paradox between the substantive and the symbolic influence (Finkelstein et al., 2009; Gupta, 1988; Romanelli & Tushman, 1988) as a category for encapsulating the CEO role, one can observe that there is a process in which chief executives operate within these paradoxes. First, chief executives need to be attuned to what is happening with the external environment not only to determine the alignment of their organizations with changes in trends, competitors, society, and markets; but also to
establish important connections with individuals who either provide information and advice or who publish information about their firms, such as the press and financial analysts, that can be helpful or detrimental to how their companies are perceived by stakeholders and the public in general. Second, CEOs need to take that information inside their organizations and determine not only the need of formulating a new strategic direction (as postulated by the choice perspective), but also the value of selecting and endorsing strategic initiatives championed by middle managers (as postulated by the social learning perspective). In promoting change – originated either through a top-down or a bottom-up proposal – chief executives, as “custodians of the organization’s history”, cannot forget the essence of the company: its culture and identity. Thus, in order to promote change, through a new strategy or through the re-interpretation of some of organization’s values that had become disconnected with the present context of the firm, CEOs need to operate through a balance between symbolic and substantive actions.

2.3 CEOS AND THE TOP MANAGEMENT TEAM

The balance of these paradoxes, with their correspondent roles, emerges partly from the social complexity that the CEO encounters by being positioned at the centre of conflicting expectations emanating not only from the various subsystems within the organization but also from external constituencies (Tengblad, 2004; Zaccaro, 2001). The CEO needs to juxtapose the pressures coming from the different organization’s stakeholders, who ultimately correspond to the constituencies that influence the role of the CEO, in order to fulfil his or her job effectively (Nadler & Heilpern, 1998). Hence, in order to understand the CEO post, we also need to take into account its relationship with other roles. In particular, the relationship between the roles of chief executive and members of the top team has been highlighted in the strategic management literature as particularly influential for our understanding of the CEO job. Historical theoretical developments in this field of inquiry have been instrumental in shaping research not only on the unique contributions of the CEO role but also on CEO succession. In this section, I first summarize these developments and then I address how chief executives influence the top team.
2.3.1 RESEARCHING TOP EXECUTIVES

Research on top executives has been surprisingly scarce in the leadership literature (Day & Lord, 1988; Lowe & Gardner, 2000). In the strategic management literature, interest in the senior cadre of organizations has ebbed and flowed throughout the history of this discipline (Finkelstein et al., 2009). The strategic management field originated from the notion that top executives are the primary shapers of the fate of their firms and their job differs significantly from the work of other managers (Hambrick & Chen, 2008). But, possibly in an attempt to increase the legitimacy of the field, the emphasis on senior executives was later abandoned in favour of a more “techno-economic framework” (Finkelstein et al., 2009; Hambrick & Chen, 2008).

The resurgence of the interest of strategic management scholars in senior executives seems to have developed from two landmark publications. First, the classic article on “strategic choice” by Child (1972) underscored that “power-holders within organizations decide upon courses of strategic action. This ‘strategic choice’ typically includes not only the establishment of structural forms but also the manipulation of environmental features and the choice of relevant performance standards” (p.2). This publication was highly influential at the time, capturing the attention of several scholars; yet it did not bring forth research on the topic because Child did not identify who were the power-holders in the organization (Finkelstein et al., 2009). Then, later, in the second landmark publication that stimulated interest in senior executives, Hambrick and Mason (1984) posited their Upper Echelon Theory, which was “a central catalyst” in surging the interest in top executives (Carpenter et al., 2004).

Interestingly, both publications revived ideas proposed by theorists of the Carnegie School (Cyert & March, 1963; March & Simon, 1958); and Hambrick and Mason (1984) also built on Child’s concept of strategic choice in developing their theory. The Carnegie School postulated a theory of decision making that “placed particular emphasis on cognitive processes” (March & Simon, 1958, p.5), thus laying the foundations for the application of cognitive principles in the study of managers and organizations (Hodgkinson & Sparrow, 2002). In particular, they underscored the limits of human cognition and
advanced the idea of *bounded rationality*, which suggested that complex decisions in organizations are influenced “by the uncertainties and ambiguities of life, by the limited cognitive and affective capabilities of human actors, by the complexities of balancing trade-offs across time and space, and by threats of competition” (March & Simon, 1993, p.2). Thus, under conditions of uncertainty, that is, conditions in which decision-makers are required to weigh two guesses: “a guess about uncertain future consequences and a guess about uncertain future preferences” (March, 1978, p.587), decisions and choices are influenced by the decision maker’s cognitive biases and limitations (Cyert & March, 1963; March & Simon, 1958). In addition, the Carnegie School also advanced the concept of the *dominant coalition*, that is, the idea that there is a powerful group of individuals in the organization who, through bargaining and politics, define the collective goals in the enterprise (Cyert & March, 1963).

Adopting these ideas and taking them one step further, Hambrick and Mason (1984) proposed the *Upper Echelon Theory*, which is composed of three main tenets. First, the theory postulated that – given that senior executives deal with complex, uncertain situations in which information cannot be known, but only interpretable (Cyert & March, 1963; March & Simon, 1958; Mischel, 1977) – organization outcomes become “reflections of the values and cognitive bases of powerful actors in the organization” (Hambrick & Mason, 1984, p.193). In other words, the decisions and actions of senior executives are based on their personalized interpretations of the situation, which are shaped by their cognitive biases and predispositions; and these interpretations impact the outcomes of the organization (Hambrick, 2007; Hambrick & Mason, 1984). Second, the Upper Echelon Theory posited that, since these cognitive biases and predispositions are formed by one’s experiences, personality and values, researchers can utilize executives’ observable characteristics – such as age, education, tenure in the organization, and functional background – as valid proxies for the executives’ cognitive frames. Finally, the theory advocated that the unit of analysis of studies on the upper echelon should be the top team, and not the individual chief executive.
Perhaps because it outlined clear theoretical and methodological frameworks for the study of senior executives, the Upper Echelon Theory generated a surge of interest in research on top executives (Carpenter et al., 2004). Following the tenets of the theory, combined with the difficulties of collecting psychometric data from senior executives, the recommendation of focusing on demographic characteristics as the main source of data was taken overwhelmingly, in such a way that it became the predominant methodology for studying senior executives (Lawrence, 1997). In addition, researchers focused on the top management team rather than on the individual top executive. On doing so, CEOs and other top executives were usually considered together so that the importance of the top executive and the top team became indistinguishable (Hambrick, 1994). This tendency has produced an important gap in the literature because “although there is a large and growing literature on TMTs, few studies have focused specifically on the relationship between the executive leader and his or her team, and specifically how executive leaders manage or lead their teams” (Zaccaro, 2001, p.193).

Hence, even though the Upper Echelon Theory has been developed under the principles of cognitive processes, it placed these processes within a “black box”. This has been the main shortcoming of the theory, which have been highlighted by several scholars (e.g., Carpenter et al., 2004; Lawrence, 1997), and it has become such an important issue in the literature that nowadays “the black box criticism is so common among reviews of journal submissions that the majority of UE [Upper Echelon] studies contain a paragraph or two in the discussion section addressing this important and recurring limitation” (Carpenter et al., 2004, p.763).

As a consequence, several studies have started to address this “black box”, focusing on the mechanisms and processes that underpin the impact of top team demographics on the organization’s outcomes (e.g., Papadakis & Barwise, 2002; Pitcher & Smith, 2001; Smith et al., 1994). Albeit the relationship between demographics and these processes and mechanisms is complex (Smith et al., 1994), an interesting consequence of these studies has been not only to highlight the need to distinguish among individuals of the corporate elite (e.g., Jensen & Zajac, 2004), but, most importantly, to uncover the effects of the
CEO in influencing top management team dynamics (Carmeli, Schaubroeck, & Tishler, 2011; Peterson, Smith, Martorana, & Owens, 2003). Thus, after years being considered as one more member of the top management team, the CEO is finally regaining his or her position as “the preeminent executive leader” (Gupta, 1988, p.158).

In sum, due to historical and theoretical developments in the field of strategic management, research on top executives have followed the tenets of the Upper Echelon Theory, which posited that organizations are a reflection of the collective work of the top management team as a whole and not the CEO in isolation, thus disregarding the individual value and contribution of the chief executive, and suggesting that the top team as a whole (including the CEO as part of the team) should be the unit of analysis in studies analysing the effects of executives to organizational outcomes (Hambrick, 2007; Hambrick & Mason, 1984). Nevertheless, this disregard for the uniqueness of the CEO role does not seem to have external validity, as it is inconsistent with the significance given to the post in practice (Klimoski & Koles, 2001). In addition, even though the importance given to the individual CEO might be somewhat exaggerated (Meindl, 1995; Meindl et al., 1985), “mounting evidence suggests that in studying executives collectively, important individual-level effects have been overlooked” (Carpenter et al., 2004, p.768). In fact, research has shown that individual differences among chief executives impact differently the dynamics of the top management team (Peterson et al., 2003). I address the impact of CEOs on the top team in the next section.

2.3.2 INFLUENCE OF THE CEO ON THE TOP TEAM

Chief executives influence the top management team in two ways. First, chief executives are usually responsible for appointing members of the top team (Gupta, 1988) – albeit with some restrictions arising from other stakeholders, such as the board of directors (West & Schwenk, 1996) and other members of the top team (Shen & Cannella, 2002a). This large influence of the CEO on the composition of the top management team is likely to reflect his or her biases and preferences (Finkelstein et al., 2009). In fact, Finkelstein et al. (2009) even suggest that, although there is a scarcity of studies connecting the characteristics of the management team with the preferences of the CEO, they “would
expect CEO effects on TMT to be more readily discernible empirically because CEOs can change the makeup of their team more easily than they can the organization’s strategy and performance” (p.372).

Second, chief executives are responsible for establishing the interaction of the top management team (Cannella & Holcomb, 2005; Finkelstein et al., 2009; Pitcher & Smith, 2001). For instance, Arendt, Priem, and Ndofor (2005) proposed a model of decision-making which “does not negate the value of research conducted using either the CEO or TMT model but posits instead a third approach that might prove more authentic for a wide range of firms” (p.682). As can be seen in Figure 2.3, the CEO-Adviser Model can be positioned between the CEO model, which assumes that the chief executive alone “gathers and processes information, develops a strategy, and then directs implementation throughout the firm” (p.682), and the TMT model, which is built on the ideas of the Upper Echelon Theory and posits that “TMT members bring key information to the group, together develop and evaluate alternatives, resolve disagreements to reach consensus, and jointly participate in implementing strategy” (p.684). In the CEO-Adviser Model, the chief executive is considered to be the “principal decision maker”, which is in line with the notion that the CEO is ultimately the individual accountable for the results and performance of the firm (Finkelstein et al., 2009). Yet, the CEO has a host of trustable advisers, whom he or she can rely on for information, advice and consultation when making decisions (Arendt et al., 2005). These advisers are likely to be members of the top management team, but they can come from any place, both within and outside the organization.

The utilization of a particular model of decision-making by the senior cadre of the organization might be influenced by macro and micro aspects of the organization; nevertheless, the most important factor shaping which decision-making model is used is likely to be the chief executive him- or herself (Arendt et al., 2005).
The case study conducted by Pitcher and Smith (2001) illustrates why this might be the case. These authors examined the changes that occurred within the top management team of a single organization in different eras. The CEO in the first era had a participative style of decision-making, seeking the advice of the top management team, and thus likely followed either the TMT model or the CEO-Adviser Model of decision-making. In the second era, however, a member of the top team was selected as CEO; and, after his
appointment, the interaction and engagement of the top team in the decision-making of the organization changed radically. The top team was no longer consulted in strategic decisions, and thus the CEO model was likely to be utilized in that firm. These two men had very different personality profiles, as measured by an adjective list, and had different attitudes and beliefs towards strategy (Pitcher & Smith, 2001); yet the context of the organization remained the same, thus suggesting that macro aspects of the corporation might be less impactful than micro aspects, such as the personality and leadership style of the CEO (Arendt et al., 2005).

This example suggests that the appointment of a new chief executive might change the engagement of the top management team in the decision-making process of an organization. Moreover, Arendt et al. (2005) suggested that new chief executives might rely less on the formal advisory system of the firm and more on their informal advisors than more established chief executives, because new CEOs need to build an understanding of the new power and informational structure that has developed with their appointment. Thus, even if a chief executive is more likely to apply the CEO-Adviser Model, the way in which this individual make decisions might be temporarily influenced by how long he or she has been appointed as chief executive.

In sum, several authors have underscored the pivotal role that CEOs play in the dynamics of the top management team, either through determining its composition or through establishing its processes (Cannella & Holcomb, 2005; Finkelstein et al., 2009; Pitcher & Smith, 2001). One characteristic that seems paramount for top team processes is the leadership style of the CEO (Finkelstein et al., 2009), which might influence the dynamics of the top management team in several ways. First, it might influence which decision-making model the CEO is likely to use (Arendt et al., 2005). The top management team will be less likely to engage in the decision-making process of the organization “if the CEO does not encourage open debate, is autocratic, or does not tolerate dissent” (Finkelstein et al., 2009, p.136). Second, it has been show that TMT behavioural integration, which can be defined as “the degree to which the group engages in mutual and collaborative interaction” (Hambrick, 1994, p.188), is associated with CEO empowering leadership
(Carmeli et al., 2011). Finally, the leadership of the chief executive might also influence top team processes through the articulation and communication of a compelling vision, since members of the top team are likely to frame their actions and decisions through that vision (Finkelstein et al., 2009).

Now that I addressed the elements of the CEO role, including its relationship with the top management team, I will examine the CEO succession literature, which directly focus on the transition from the incumbent to a new chief executive.

2.4 CEO SUCCESSION

Reviews of the CEO succession literature usually examine the succession event through its key components: antecedents and causes (Will succession occur?); processes (How will succession occur? That is, by what process?); actors (Who will be selected?) and consequences (What will the consequences be?) (Finkelstein et al., 2009; Pitcher et al., 2000). Given that the aim of this study is to understand the transition of new CEOs into the role, I focus this review on the consequences of succession. After all, in the phenomenon of interest of the study, succession has already taken place and the actors have already been selected.

In general, most of the efforts of this literature regarding the consequences of succession have been, since its conception, dedicated to examining the “bottom line” of appointing a new chief executive (Finkelstein et al., 2009). Accordingly, empirical studies investigating the outcomes of CEO succession have focused mostly on the analysis of organizational performance, survival and change (Giambatista et al., 2005). The literature examining the process in which new CEOs transition into the role is scarce and, according to Hutzschenreuter et al. (2012) and Denis, Langley, and Pineault (2000), can be divided into two main perspectives: a leader-focused perspective and an organizational-focused perspective.
2.4.1 LEADER-FOCUSED PERSPECTIVE

The *leader-focused approach* – also called the “managerial control” and “transformation” (Denis et al., 2000), “deviance” (Fondas & Wiersema, 1997), or “leader internal impetus” (Hutzschenreuter et al., 2012) – conceptualizes the succession event as a process of “taking charge”, in which new chief executives promote their strategic agenda and take control of their new post (e.g., Gabarro, 1987; Gioia & Chittipeddi, 1991; Kelly, 1980; Rowe, Cannella, Rankin, & Gorman, 2005; Simons, 1994). This perspective is founded on the principles of cognitive psychology and on two assumptions: (1) that changes in the organization after the succession event are instigated by the new chief executive; and (2) that these changes occur due to cognitive differences between the predecessor and the new CEO, which then lead to strategic differences (Hutzschenreuter et al., 2012).

Two main arguments have been put forth to examine these cognitive differences: the cognitive commitment argument, which juxtaposes the old and new chief executives; and the cognitive argument, which compares two types of successor, insiders and outsiders (Hutzschenreuter et al., 2012). Both arguments derived from the concept of bounded rationality (Cyert & March, 1963; March & Simon, 1958) and have been utilized by supporters of the Upper Echelon Theory (Hambrick & Mason, 1984) since they provide a particular demographic characteristic – CEO tenure and CEO origin, respectively – as the catalyst to explain cognitive differences emanating from the new chief executive that lead to changes in the organization after succession (see section 2.3.1, *Researching Top Executives*, for a discussion of these theoretical concepts).

The *cognitive commitment argument* contends that tenure influences the ability of CEOs to make changes in the organization (Datta, Rajagopalan, & Zhang, 2003; Hambrick & Fukutomi, 1991; Hambrick et al., 1993). This perspective highlights the fact that CEOs “do not think, behave or perform uniformly over their tenure” (Henderson, Miller, & Hambrick, 2006, p.448). Long-tenured CEOs are believed to have become psychologically committed to the status quo, which is defined as “a belief in the enduring correctness of current organizational strategies and profiles” (Hambrick et al., 1993, p.402). Both organizational tenure and industry tenure might produce commitment to the
status quo. Regarding organizational tenure (as it pertains to the distinction between new CEOs and their predecessors), commitment to the status quo is caused by (1) psychological investment in the current organizational configuration, including its strategy, policies, staffing and structure; (2) commitment that occurs through socialization, as individuals are embedded in the organization’s communities; and (3) limited knowledge about possible alternatives, as prolonged acculturation generates common routines, habits, and information sources among individuals that lead to the development of a shared perspective (Ibid). The consequence of the commitment to the status quo is that firms with long tenured CEOs are likely to suffer from organizational inertia and lack of adaptation with the environment (Miller, 1991; Tushman & Romanelli, 1985). As long tenured CEOs become obsolete or “stale in the saddle” (Miller, 1991), the appointment of a new chief executive can bring to the organization novel paradigms, experiences and ideas that might promote the necessary realignment of the organization’s strategy to the external environment. This is particularly the case in industries of high dynamism, where CEOs can become obsolescent faster than those in more stable industries (Henderson et al., 2006). This argument indicates that a succession event always brings about changes in the organization, as new chief executives are not as committed to the status quo as long-tenure CEOs (Miller, 1993). Nevertheless, as results linking the performance of the organization with the succession of a new CEO are inconsistent (Giambatista et al., 2005; Kesner & Sebora, 1994), new chief executive might not always be beneficial to the organization (Henderson et al., 2006; Ndofor et al., 2009).

The cognitive argument provides a similar explanation but contrasts between two types of new chief executives: insiders new CEOs, who were promoted from within the organization, and outsider new CEOs, who were externally recruited (Helmich & Brown, 1972; Wen, 2009; Wiersema, 1992). Insider new CEOs are believed to have similar cognitive maps to their predecessor due to shared experiences and socialization. In addition, they are also presumed to be committed to prior decisions, which they were involved as members of the top management team, and thus, might be cognitively and
socially committed to it. Hence, outsiders are believed to be “cognitively open-minded, with low commitment to the status quo, able to envision and consider new courses of action, and socially and interpersonally unencumbered, with few attachments to internal executives and hence able to make major staffing changes” (Finkelstein et al., 2009, p.190). As a consequence, outsiders are believed to bring change whereas insiders are believed to “bring only little variation to the position of the CEO” (Hutzschenreuter et al., 2012, p.734).

Even though the distinction between insiders and outsiders continues to be the prevailing view for both literature and practice (Finkelstein et al., 2009), it is considered problematic by many authors (e.g., Ndofor et al., 2009; Shen & Cannella, 2002b; Zajac, 1990). First, it assumes that the complexities and multidimensionality of individuals’ cognitive map can be simplified into a straightforward dichotomy regarding the origin of the new CEO (Hutzschenreuter et al., 2012; Zajac, 1990). Second, it assumes that there is homogeneity among insiders and among outsiders, which might not be accurate: insiders might not share a similar cognitive map with their predecessors and outsiders might not be so different. For instance, Shen and Cannella (2002a) differentiated between two types of insider successors: followers and contenders. Follower successors are individuals promoted from within after the retirement of their predecessors. They are usually appointed by the outgoing CEO and thus are likely to be “heavily influenced and socialized by their outgoing CEOs and may share with them the same or similar strategic perspectives” (Ibid, p.720). In contrast, contenders are individuals who assume the CEO post after engaging in a power contest with the outgoing CEO. The dismissal of their predecessor indicates that they were successful in challenging the perspective that was championed by the outgoing CEO, suggesting that they were not socialized or influenced by the predecessor. Thus, as this example suggests, “it is unlikely that the basic insider-outsider distinction fully captures whether or not there is a change of cognitive maps with a leader succession event” (Ndofor et al., 2009, p.800), and scholars have advocated the need for researchers to go beyond the insider-outsider dichotomy to more accurately depict the differences that might exist in the cognitive maps of new and outgoing CEOs.
(e.g., Zajac, 1990). One such way was proposed by Ndofor et al. (2009) who advanced the concept of cognitive communities, which describe clusters of executives who are likely to have “highly similar cognitive maps” due to a “common set of socially-shared beliefs” that were developed through shared backgrounds, experiences and social interactions (p.801).

In sum, both the cognitive commitment and the cognitive arguments advocate that a new chief executive brings in a change in “the beliefs held by the new and departing leaders regarding how to achieve organizational success” (Ndofor et al., 2009, p.800). And these cognitive differences between the new CEO and the outgoing CEO result in strategic changes – or lack thereof when insiders are believed to share similar cognitive maps – that occur after the succession event (Hutzschenreuter et al., 2012). In other words, strategic changes are caused by potential differences that reside within the new CEO, who fully imposes on the organization his or her beliefs, perspectives and interpretation scheme, promoting a complete reorientation of both the strategic direction and the definition of roles when these differ from that of the outgoing chief executive (Denis et al., 2000; Fondas & Wiersema, 1997). Hence, this perspective seems to disregard existing organizational factors that might restrain the latitude that newly appointed chief executives have to make their mark (Denis et al., 2000) or even secure their position (Shen & Cannella, 2002a). As described next, the organization-focus perspective takes into account the influence of other organization actors.

2.4.2 ORGANIZATION-FOCUSED PERSPECTIVE

The organizational-focused approach – also called “assimilation” (Denis et al., 2000), “conformity” (Fondas & Wiersema, 1997), or “leader external impetus” (Hutzschenreuter et al., 2012) – considers organizational factors that might restrain or motivate the actions of the new CEO.

The main external factor cited in the literature is the mandate that the new CEO receives from the board of directors. The mandate articulates the idea that “newly appointed leaders do not function totally independently of their sponsors and of how those around
them expect them to function” (Gordon & Rosen, 1981, p.239). This is because the selection of a particular candidate to the CEO post is believed to reflect the expectations that the board has for the future of the organization (Westphal & Fredrickson, 2001). Accordingly, the mandate encompasses the expectations and attributions that the board has for the new CEO (Zajac & Westphal, 1996). In fact, Westphal and Fredrickson (2001) suggested that the board of directors may be responsible for defining the strategic direction that the organization will follow after the new CEO assumes the post. They observed that the experience of new chief executives no longer predicted the strategic changes that the organization would undertake in the beginning of the their tenures if the experiences of board members were taken into account. These authors argued that, in selecting a new CEO, boards assert their strategic preferences, formulating a strategic direction that matches the directors’ cognitive predispositions and biases about strategy, and then appointing a CEO who has experience in implementing that strategy. This view of the succession event, therefore, advances the idea that “new CEOs are primarily responsible for implementing strategies conceived by the board” (Westphal & Fredrickson, 2001, p.1132) and provides a different conceptualization of the role of the chief executive as “a person employed in performing an obligation” (Hutzschenreuter et al., 2012, p.737).

There are two ways in which the mandate is believed to operate. The main way researchers suggest the mandate operates is that, since it usually aligns with the individual’s expertise and competencies that earned the candidate the job, in following the mandate, the new CEO is basically applying his or her incoming cognitive maps into the organization (Hambrick & Fukutomi, 1991). The concept of the mandate, therefore, also conceptualizes the transition of the new CEO through a cognitive psychology lens. However, this perspective assumes that “while it is the new leader who initiates strategic change, the impetus to do so originates from factors external to the new leader” (Hutzschenreuter et al., 2012, p.737); whereas in the leader-focus perspective there is the assumption that changes emanate from the new CEO. In addition, this perspective (and the cognitive commitment argument mentioned above) also adopts the principles of the
CEO Life Cycle Theory (Hambrick & Fukutomi, 1991), which postulates that there are distinct “seasons” in the tenure of a chief executive that are characterized by particular patterns of behaviour, thought and performance. The theory proposes five discrete phases that influence the CEO’s cognitive paradigms, task knowledge, information diversity, task interest and power. The mandate is believed to be associated with the initial phase that a new CEO experiences in tenure (and the commitment to the status quo, mentioned above, is associated with the last phase).

Hambrick and Fukutomi (1991) advocated that in this initial phase, which they named Response to Mandate, new CEOs focus on a single agenda: responding to the mandate they received from the board of directors or the predecessor. This is because following the “marching orders” of the mandate is believed to be the best strategy for new CEOs to demonstrate early efficacy and develop an early track record. Indeed, it has been suggested that diverging from the direction of the mandate might increase the possibility of dismissal (Finkelstein et al., 2009). Finkelstein and colleagues (2009) proposed three reasons why this might be the case. First, regardless of how much an individual might have been groomed to the post, the promotion to the CEO role represents a major change to the individual’s responsibilities, tasks and skills (Charan, Drotter, & Noel, 2011; Lafley, 2009; Porter & Nohria, 2010). New CEOs are, therefore, operating outside the range of their habitual repertoire, and their lack of experience might increase the likelihood of mistakes and misjudgements. Following the mandate reduces the chances of these mistakes while the new chief executive is undergoing an intense period of learning (Gabarro, 1987). Second, the board of directors will intensely scrutinize the action of new CEOs in the beginning of their tenure, as the costs of a bad selection decision might be reduced when it is detected early. Going against their expectation of what should happen might, thus, provides grounds for them to consider that the individual was not a good selection. Finally, the smallest slip-up that an individual makes that is not consistent with the direction that the board envisioned might be evaluated more critically and harshly than similar missteps that follow what the board wants.
According to Hambrick and Fukutomi (1991), new CEOs are unlikely to deviate from their mandate since not only it provides a way to demonstrate their legitimacy and enhance their “political foothold” with the board of directors, but also, and most importantly, it usually aligns with their cognitive maps. These authors argue that this is the case because cognitive maps are composed of schemas, which are resistant to change (Fiske & Taylor, 1991). They believe that it is unlikely that new chief executives will engage in the difficult task of changing their schemas in the first phase of their tenure because all their cognitive resources are likely to be engaged in dealing with the novelty of the CEO role, and therefore they will be encouraged to unconsciously use their reliable schemas which most likely helped them to earn the CEO job (Hambrick & Fukutomi, 1991). This argument, however, conflicts with the role transition literature that indicates that newcomers often deal with the novelty of a role by changing an established assumption or schema to adjust to the new social context (e.g., Ashforth, 2001; Ibarra, 1999; Louis, 1980b).

Another way in which the mandate could operate would be through a socialization perspective in which the new CEO learns to see the world from the perspective of experienced insiders (Van Maanen & Schein, 1979), and thus fully internalizes the dominant cognitive belief system of the organization, accepting the expectations of the role by filling and correcting any gaps or limitations of the predecessor (Denis et al., 2000; Fondas & Wiersema, 1997). Hence, in this view, the new CEO would follow the “marching orders” of the mandate by adjusting their assumptions and schemas to adapt to those advocated by the board of directors.

To my knowledge the only direct evidence in the literature of the mandate comes from Vancil (1987)’s classic collections of interviews with incumbent CEOs, board members, chairmen, retired CEOs and potential candidates about the process of CEO succession. Several of the interviewees mentioned about the mandate they received for the board (and, in one case, the lack of mandate from the board). Vancil (1987) associated the mandate directly with strategic change, defining it as “a message to the new CEO concerning the magnitude, direction and pace of change that is expected” (p.261). In
considering the types of strategic change suggested by the mandate, Vancil (1987) classified the mandates of 16 CEOs in five categories, organized “from the most sweeping (deregulation) to the most benign (stay the course)” (p.261): (1) deregulation; (2) cultural shift; (3) functional shift; (4) restructuring; (5) stay the course. He also considered if there was any relationship between these categories and the origin of the new CEO. Interestingly, the only pattern he found was that all three cases of mandates dealing with deregulation were given to insiders who have been in the same organization for ten years or more. He suggested that this was the case because “deregulating companies, faced with open-ended, long-term change on many dimensions at once” (p.263) were in a better position by selecting an individual with a deep understanding of the organization.

It is important to notice several important aspects of Vancil’s (1987) study and the current conceptualization of the mandate in the literature. First, even though he classified the mandates into five categories, the literature later utilized a dichotomous clustering of change versus continuity (Barron, Chulkov, & Waddell, 2011; Graffin, 2006). Second, although the only correlation between CEO origin and type of strategic change communicated in the mandate that he found was long-time insiders receiving mandates dealing with deregulation, the literature started to assume that insiders would receive the message of continuity in their mandate and outsiders of change (Finkelstein et al., 2009). Finally, whilst Vancil (1987) pointed out that the message of the mandate is “usually more implicit than explicit” (p.261), the literature later described the mandate as “a clearly formulated assignment that the board of directors gives the new leader” (Hutzschenreuter et al., 2012, p.737). In addition to these discrepancies between the current literature and Vancil’s study, another noteworthy aspect about this classic study is that it was conducted in the era of managerial capitalism, a time which both the conceptualization of the CEO role and the process of CEO succession were different from the ones in today’s investor capitalism era (Khurana, 2002), which might directly impact the meaning, importance and implications of the mandate to current new chief executives.
In sum, when considering the transition of new CEOs into the role, two main perspectives have been put forth. The *leader-focused perspective* assumes that new chief executives “take charge” of the organization by imposing into their organizations their cognitive maps and by promoting their strategic agenda. Changes in the organization, thus, emanate from the new CEO, whose cognitive map might differ slightly or significantly from that of outgoing chief executives. The *organization-focused perspective* contends that new chief executives operate as “a person employed in performing an obligation” (Hutzschenreuter et al., 2012, p.737) set forth by the board of directors, through the mandate, to make the changes the board desires and expects. The prevailing view of this latter perspective is that the board selects new CEOs whose experiences, skills and expertise match with their desired mandate; and thus, by following the mandate, new chief executives are simply applying their existing cognitive maps into the organization. If the board desires changes, they likely select an outsider whose cognitive map differs from the outgoing CEO. And if they desire stability, they select an insider. Another (yet untested) view within the organization-focused perspective is that, similar to other newcomers, new CEOs adapt themselves into the new social context and thus follow the mandate by amending their cognitive maps to fit those of the organization.

Denis et al. (2000) offered an intermediate alternative between these two perspectives. They argued that new CEOs integrate into the role through a mutual adjustment trajectory between the organization and the individual. They observed in their longitudinal case study on the transition process of one new outsider CEO assuming the post in a large hospital that both the new chief executive and the organization adjusted their initial pre-existing values and beliefs about the institution and the CEO role. The way in which this adjustment was achieved varied drastically between the two domain groups that constitute the hospital: whilst the CEO first underwent a period of assimilating the ideas of the prestigious and influential medical staff and then slowly promoted his ideas, reformulating them to “fit with dominant interests” (p.1080); he initiated his interaction with the administrative staff on the opposite way. With this latter group, the new CEO announced, during the first weeks of his tenure, several initiatives that would require a major cultural
change. This produced resistance and negative emotions in that group that only subsided through a subsequent “mutual adjustment”. Hence, the new CEO in the Denis et al. (2000) study seemed to utilized both a leader-focused and an organization-focused approach “by taking into account both the organization’s effect on the leader and the leader’s effect on the organization” (p. 1094).

2.5 RESEARCH GAP: PROCESSES & MECHANISMS OF CEO ROLE TRANSITION

“Our understanding of mechanisms underlying succession phenomenon is limited” – Ndofor et al. (2009), p. 799

Notwithstanding the significant advance that the Denis et al. (2000) study provides to our understanding of the process that new CEOs undergo in transitioning into the role, the CEO succession literature mostly “remains silent concerning the processes through which leaders become integrated over time” (Cabrera-Suarez, 2005, p. 73) and consequently, “our understanding of mechanisms underlying the succession phenomenon is limited” (Ndofor et al., 2009, p. 799). A noteworthy gap that does not seem to be address in the Denis et al. (2000) study, in particular, and in the CEO succession literature, in general, is the potential transformational experience that the transition to the pinnacle of the organization might entail to the individual.

Whilst research on other role transitions have shown “a profound transformation” (Hill, 2003, p. 5) on individuals experiencing role transitions, most of the CEO succession seems to rest on the assumption that new chief executives simply drawn on their existing cognitive maps to take on the CEO role. For instance, in the leader-focused perspective, it is implicit in the cognitive argument that insider new CEOs are not affected by the transition and hence will act the same as they did when they were members of the top management team, bringing to the organization little change. In the organization-focused approach, Hambrick and Fukutomi (1991) posited that new CEOs do not change their schemas, or cognitive maps, during the Response to Mandate phase since all their cognitive resources will be dealing with the novelty of the role. In other words, this latter perspective considers that learning occurs with the transition to the CEO post; however,
this learning seems to involve only an adaptation of their existing knowledge (the reliable schemas that have helped them earn the CEO appointment).

When considering the learning that new chief executives undertake in CEO transition, most authors cite the classic study of Gabarro (1987), who investigated the process of “taking charge” (thus adopting the leader-focused perspective) that new CEOs embark on in the beginning of their tenure. He described five alternating stages of learning and action that new chief executives undertake in their first 36 months. Gabarro (1987) defined learning as “the orientation work of figuring out a new assignment or situation as well as the assessment and diagnostic work of determining how to improve the organization’s performance” (p.13). Thus, the learning that Gabarro (1987) examined is associated with accumulating organization-specific knowledge in order to take action, i.e., to make changes that influence the performance of the organization. On a similar vein, Denis et al. (2000) depicted two learning mechanisms that the new outsider CEO in their case study applied with the two organizational domain groups: immersion, where the new CEO learned by listening and observing, and experimentation, where the new CEO learned by trial and error. It seems, therefore, that regardless of the perspective that addresses the process in which new CEOs take on the role, learning in the CEO succession literature currently refers exclusively to acquiring knowledge about the strategies, values, goals and expectations regarding changes in the new organization. No changes or learning is considered regarding the individual in the role, though.

Hence, albeit the unique characteristics of the CEO role (as described in detail in section 2.2. The CEO Role), there has been hitherto no study examining the learning – and potential personal changes – that individuals might experience when they assume the role of chief executive. Notwithstanding all the unparalleled paradoxes, complexities and pressures that an individual is likely to encounter for the first time when assuming the CEO post, it is as if the transition to the pinnacle of the organization has no influence on the individual. Indeed, there seems to be an implicit assumption, both by scholars and by practitioners, that new CEOs come ready for assuming the post. For example, in their
study adopting an organizational learning lens, Rowe et al. (2005) stated that this perspective

“should not be interpreted as meaning that new leaders take time to learn ‘how to do things here’. Indeed, our intent is to argue that new leaders take time to lead the organization to reconstruct (learn) new ways to ‘do things here’” (p. 202).

In other words, this view assumes the leader-impetus approach and disregards that new CEOs might need to adjust to the social milieu of the new organization – as described by Denis et al. (2000) –, and to the CEO role itself. This perspective about the transition of new CEOs into the role is in direct contrast with the transformational experience documented for other role entries. For instance, Hill (2003) has shown that there is a “profound transformation, as individuals learn to think, feel and value as managers” (p.5). Similarly, Ashforth (2001) argued that “to exit a role and enter another is to switch personas – and if one identifies with the role, to switch the very conception of self” (p.51).

2.5.1 RESEARCH QUESTION

This study seeks to address this gap in the CEO succession literature by examining the subjective experience that new CEOs undergo when they transition to the chief executive role. A detailed review of the literature showed that the subjective experience of new CEOs during their transition into the role have not hitherto investigated in academia. In fact, whilst many studies examine if succession changes (or not) the organization, there is no examination of whether succession changes (or not) the new CEOs themselves and what conditions would engender such change and personal learning. Hence, there is a chasm in our understanding of the transition process that new chief executives experience when they assume the CEO role. To address this gap, the objective of this study is to understand the transition process that new CEOs undergo when they assume the role of chief executive in organizations by answering the following research question:

How do new CEOs experience their transition into the chief executive role in the first 18 months of tenure?

The focus of the study is on the individual new CEOs and their subjective experience during their transition into the post. I explore the perspectives of new chief executives
about their transition into the role to understand how they assume the pinnacle position in an organization, with its inherent paradoxes, complexities, and challenges.

2.6 CHAPTER SUMMARY

In this chapter, I reviewed our scholarly knowledge about the CEO role and CEO succession, exposed the gap in the extant literature regarding the subjective experience that new chief executives undergo in transitioning to the CEO role, and framed the research question that underpinned this study. In the next chapter I describe the methodology applied to investigate how individuals take on the role of chief executives.
CHAPTER 3: METHODOLOGY

3.1 CHAPTER OVERVIEW

In this chapter I describe the methodology employed to conduct this study. Methodology conveys the assumptions and perspectives that academics bring with them to the research endeavour, supports the selection of procedures for collecting data, and frames the way in which knowledge is generated (Hatch & Yanow, 2008). Accordingly, in section 3.2, I describe the ontological and epistemological positions that underpin my stance as a researcher and informed the manner in which this investigation was conducted. Second, in section 3.3, I address the rationale for selecting a qualitative study design. In section 3.4, I describe the study participants and the steps of data collection. Finally, in section 3.5, I explain the process in which the data was analysed.

3.2 PHILOSOPHICAL PERSPECTIVE

“It is better to choose a philosophy of science than to inherit one by default”, Van de Ven (2007), p.36

Akin to an artist painting a canvas, the way a researcher sees the world – that is, the philosophical perspective that moulds his or her perception of reality – will influence the way he or she understands and approaches the phenomenon under investigation (Hatch & Yanow, 2008). Thus, it is essential for a social researcher to recognize what types of connections he or she believes are possible among social reality, social experiences, and the ways a researcher can investigate this reality and these experiences, because these philosophical attitudes not only shape how a researcher sees the world but also the strategies that he or she utilizes in the production of knowledge (Blaikie, 2007; Chia, 2002).

The beliefs underlying a philosophical perspective inform us about the nature of reality (ontology) and the ways in which reality can be investigate (epistemology) that a researcher invariably brings to a scientific endeavour. In this thesis, I adopt a realist ontology and a constructivist epistemology. In the reminder of this section I describe what each of these positions mean in relation to my research.
3.2.1 ONTOLOGICAL STANCE

In social science, ontological assumptions (beliefs about the nature of reality) incorporate claims about what constitutes social reality that establish the “kinds of things do or can exist, the conditions of their existence, and the ways in which they are related” (Blaikie, 2007, p.13). Ontological beliefs can be located within a continuum ranging from idealism to realism (Ibid). Researchers adopting different stance within the idealist ontology deny the notion of an objective and impartial social reality separated from human interaction and believe in the existence of multiple realities that are constantly being constructed and reconstructed through social interactions. In the most outer limit of the idealist ontology is the belief that there is no external social reality; whereas other less extreme idealist stances accept the idea that some reality exists separate from human subjectivity. In contrast, researchers adopting different stances within the realist ontology believe that there is an objective reality that is independent of human cognition. In the most outer limit of the realist ontology is the belief that only what can be observable and measured exists; whereas other views – moving toward the middle of the idealism-realism continuum – consent to the idea that human cognition might have an effect on our ability to comprehend reality.

In this middle ground space, Pawson (2006) argues that there is a dichotomy in social science between two tribes of researchers who adopt realism “on the matter of whether social science should primarily be a critical exercise or an empirical science” (p.18). The former perspective, which is associated with researchers who espouse critical realism, assumes that “the primary task of social science is to be critical of the lay thought and actions that lie behind the false explanations” (p.19). Even though some authors consider critical realism to be “the most important manifestation of realism” in social science (Maxwell & Mittapalli, 2010, p.150), this study does not adopt this expression of realism since it does not espouse the emancipatory objective of transforming the status quo that is indicated in the ‘critical’ element of critical realism (Bryman, 2008). Rather, I adopt the realism approach espoused by the second group of social scientists “who have tried to develop realism as an empirical method” (Pawson, 2006, p.19). This second stream is not designated by a particular nomenclature and different names have been adopted to describe this “looser amalgam of researchers” (Ibid): empirical realism,
emergent realism, scientific realism, experiential realism, subtle realism, natural realism; among others (Maxwell, 2012; Pawson, 2006).

The unifying characteristic of these realist positions is the existence of a real world that is independent of our perceptions, concepts, constructions and theories (Maxwell, 2012). This ontology assumes that “human behaviour has a real physical existence free of agents’ conception of that behaviour” (Healey & Hodgkinson, 2014, p.772) which implies that an entity can exist without being acknowledged, constructed or understood through linguistic tools and discourse, as it is usually assumed by researchers adopting an idealist ontology. Furthermore, this perspective also assumes that mental states and attributes, such as emotions, beliefs, and values, are part of the real world and not “simply abstractions from behaviour or constructions of the observer” (Maxwell & Mittapalli, 2010, p.156). Thus, while idealists accept the notion of multiple realities that are constantly being created and re-created through discourse, this perspective of realism assumes that “there are different valid perspectives on reality” (Maxwell, 2012, p.9) and that we perceive and structure our concepts to a large extent through language, yet these are not constructed by it.

The objective of this study is to understand the transition process that new CEOs undergo when they assume the chief executive post in organizations. This aim and its resultant research question, How do new CEOs experience their transition into the chief executive role in the first 18 months of tenure?, imply a focus on the perceptions and experiences of the new chief executives interviewed in this study. Adopting the realist stance described above indicates that the beliefs, thoughts, values, and perspectives of the new chief executives are considered to be not only real but also part of the phenomenon of interest that this research aims to understand.

### 3.2.2 Epistemological Stance

Epistemological assumptions (beliefs about how knowledge about reality can be known) assert what type of knowledge is feasible, “what can be known”, and the criteria that determine the adequate processes to acquire legitimate and reliable scientific knowledge (Blaikie, 2007). Epistemological beliefs rest on ontological beliefs regarding the nature of reality, since assumptions regarding the existence or denial of objective reality demarcate the ways in which knowledge can be obtained (Hatch & Yanow, 2003). Accordingly, the adoption of the realist
ontology in this study, as described above, entails the use of a *constructivist epistemology* (Maxwell, 2012).

The utilization of the term constructivism is confusing, since some authors have used it interchangeably with interpretivism and constructionism, epistemologies that are more applicable to studies adopting idealist ontologies (e.g., Blaikie, 2007; Charmaz, 2005; Denzin & Lincoln, 2005). In this study, constructivism and constructionism are considered to refer to different epistemologies. Constructivism, which originated from the works of developmental psychologists Piaget and Vygotski, relates to mental constructions and the ways in which internal cognitive processes are believed to influence how individuals make sense of reality and develop their own perspectives of the external world (Bouwen & Hosking, 2000; Uhl-Bien, 2006). In contrast, constructionism relates to social discourse and the ways in which communication processes are believed to function “as the vehicle in which self and world are in ongoing construction” (Bouwen & Hosking, 2000, p.268).

In view of the role of one’s mental frames in fashioning an individual’s perspective of the external world, the adoption of a constructivist epistemology assumes that “our understanding of this world is inevitably a construction from our own perspective and standpoint and there is no possibility of attaining a ‘God’s eye point of view’ that is independent of any particular viewpoint” (Maxwell & Mittapalli, 2010, p.146). Consequently, “scientific theories neither mirror nor correspond to reality” (Keller, 1992, p.73), but “are grounded in a particular perspective and worldview, and all knowledge is partial, incomplete and fallible” (Maxwell & Mittapalli, 2010, p.150).

In sum, in this study I take on the view that humans – including researchers – cannot perceive nor interpret events without the influence of their mental models and worldviews. As a consequence, I assume a subjective, constructivist epistemology, since I cannot consider that the study is independent of my own frames of reference about the phenomenon I am investigating. However, due to these frames of reference, I cannot accept a subjective, idealist, reality. My own preferences and experiences – which have been informed by my training in Neuroscience and Experimental Psychology prior to the PhD in Organizational Behaviour – go against this notion of reality. I believe that my frames of reference impact how I perceive reality (epistemology), but not reality itself (ontology). Furthermore, I concur with the historian of
science Evelyn Fox Keller (1992) in that reality is “vastly larger than any possible representation we might construct. Accordingly, different perspectives, different languages will lead to theories that not only attach to the real in different ways (that is, carve the world at different joints), but they will attach to different parts of the real – and perhaps even differently to be same parts” (Keller, 1992, p.74). Hence, this research is grounded in the assumption that, as researchers, our goal is to provide images and concepts that help us comprehend a fragment of the real and that, hopefully, “facilitate our actions in and on that world” (Ibid). This research, therefore, aims at understanding the CEO transition process in order to hopefully assist newly appointed chief executives to navigate the precarious beginnings of a CEO tenure.

The adoption of a constructivist epistemology has two implications for the design of this research. First, given that “no position or theory can claim to be a complete, accurate representation of any phenomenon” (Maxwell, 2012, p.ix), the aim of the study is not to seek for the type of generalizability usually achieved in quantitative studies, but to look for insights and suggestions that may be valuable for new chief executives taking up the role. Second, within a constructivist epistemology, there is an assumption that one’s perspective of the world changes in view of new experiences and understandings. Hence, the nature of the phenomenon that I am researching is such that the perspectives of the new CEOs are changing as they go through the transition process. The design of the study takes this into account by collecting data in real time in order to garner the developing understandings of the new CEOs as their transition process unfolds.

3.3 RESEARCH DESIGN

In this section I explain why a qualitative study design was selected. First, I describe historical influences of the CEO succession literature that have been responsible for the current state of this field of inquiry. Then, I connect the nature of the study – to explore the subjective experience of new chief executives in their transition into the role – both to the gap produced by the widespread adoption of the Upper Echelon Theory and to the need to conduct qualitative studies to get inside the “black box” that the methodology proposed by this theory produced.
3.3.1 THE CASE FOR QUALITATIVE RESEARCH IN CEO SUCCESSION

“When it comes to executive succession, there is little that we know conclusively, much that we do not know because of mixed results, and even more that we have not yet studied”. – Kesner and Sebora (1994), p.327

Although the succession of a new chief executive officer is likely one of the most significant events in the history of an organization (Finkelstein et al., 2009; Kesner & Sebora, 1994), the quote from Kesner and Sebora (1994) above still is as accurate a depiction of the CEO succession literature today as it was 22 years ago (Giambatista et al., 2005; Pitcher et al., 2000). The deficiency in our understanding about the CEO succession process does not stem from a scarcity of studies on the topic or from the consequence of being a nascent field of inquiry. On the contrary, the extensive CEO succession literature has a long tradition, emerging from studies in the 1960s (e.g., Grusky, 1960, 1963). Since then, it has attracted a wide range of scholars for a variety of disciplines – such as sociology, organizational theory, economics, organizational behaviour and strategy. This ample set of interests in CEO succession has produced an extensive body of work; however, it has also lead to a lack of consistency in constructs and perspectives, engendering a disjointed literature that has been described as “diffused and often chaotic” (Kesner & Sebora, 1994, p.327).

One of the reasons for this fragmentation is that the theoretical and methodological perspectives utilized in this literature have been established during the classic studies of the 1960’s (Kesner & Sebora, 1994). Methodologically, scholars researching CEO succession have relied almost exclusively on quantitative data, collected from secondary and archival data, with “no attempt to collect or analyse primary data provided by the CEOs themselves” (Zajac, 1990, p.218). Theoretically, Giambatista et al. (2005) concluded from their review of the literature that “much succession research to date is still either largely atheoretical in nature or launches into the methods section with a cursory review of the three succession theories” (p.982). The “three theories of succession”, postulated in the 1960s, offer alternative explanations for the impact of succession on the performance of an organization. They argue that a new leader would affect organizational performance positively (common-sense theory; Grusky, 1963), negatively (vicious circle theory; Grusky, 1963), or have no real effect (ritual scapegoating theory; Gamson & Scotch, 1964). Giambatista et al. (2005) contend that scholars need to outgrow the
debate of the traditional three theories because their dilemma is non-existent as all of them are correct depending on the context in which succession takes place.

Besides the three traditional theories, theoretical development has slowly progressed in the field (Giambatista et al., 2005). Yet, following a positivist approach, scholars usually theorize and hypothesize from within their own disciplinary perspectives, creating constructs and variables that emerge from the particular theories that populate their specific disciplines. Thus, “finance scholars and, to a lesser extent, strategists lean on agency theory, and learning theory; organization theorists look at change, inertia, learning and power; and even organizational behaviour scholars demonstrate interest in succession through leadership” (Ibid, p.981). As a result, studies in the field have produced a myriad of variables whose studies have generated inconclusive results as to their effect on CEO succession.

A consequence of these historical and disciplinary influences is that the CEO succession literature has not been affected by the inductive surfacing of constructs and themes that might emerge from qualitative analysis (Edmondson & McManus, 2007), and qualitative studies have, for most part, dwelled in the periphery. Thus, there is an important gap, particularly in relation to key process and to the relationships among variables (Kesner & Sebora, 1994), which prompted scholars to recently call for the need to conduct qualitative research (e.g., Datta & Rajagopalan, 1998; Finkelstein et al., 2009; Giambatista et al., 2005; Kesner & Sebora, 1994; Pitcher et al., 2000; Zajac, 1990) in order to produce “a clarification of the overall picture and an account of the missing and/or extraneous pieces” (Kesner & Sebora, 1994, p.362) that make up the important puzzle that is CEO succession.

In sum, even though the literature on CEO succession is extensive, there seem to be – as the quote from Kesner and Sebora (1994) in the beginning of this section suggests – a large gap in knowledge that needs to be empirically explored in this literature. One of the most important gaps is methodological, as most studies have been quantitative and have generated inconsistent results, which prompted several claims by scholars for the utilization of different methodologies, such as “longitudinal, process, clinical, quantitative and psychological” (Pitcher et al., 2000, p.625). This suggests the need to conduct qualitative studies to address this gap.
In addition to the plethora of constructs that resulted from the influence of multiple disciplines and historical trends, another significant impact in the CEO succession literature was the introduction of the Upper Echelon Theory (Hambrick & Mason, 1984). As described in Chapter II (see section 2.3.1, *Researching Top Executives*), the Upper Echelon Theory was a major catalyst in a surge of interest in research on senior executives (Carpenter et al., 2004). This theory postulated a clear methodological agenda that was widely adopted: that the focus of research should be the top management team as a whole (and not the individual CEO) and that demographic characteristics (such as educational background, age, and tenure) could be utilized as valid proxies to understand the cognitive biases and predispositions of senior executives (Hambrick, 2007; Hambrick & Mason, 1984).

The benefit of utilizing demographic characteristics as proxies to infer the cognitive orientation of top executives is obvious: it provides access to psychometric data from a population – the senior managers of large organizations – that is very unapproachable (Finkelstein et al., 2009; Hambrick, 2007; Wiersema & Bantel, 1992). Nevertheless, there are two issues with the applicability of these indirect measurements. First, both the theoretical and empirical validity of demographic characteristics as proxies for cognition have been challenged (Lawrence, 1997; Pettigrew, 1992). Second, the utilization of these demographic characteristics created a “black box” mentality in the field, which has overlooked the cognitive processes that underpin the meaning of these demography proxies for the phenomena under study (Hunt et al., 1990; Lawrence, 1997). Adopting a qualitative research design allows me to address the shortcomings produced by this “black box” mentality (Lawrence, 1997) since a qualitative approach provides the researcher the opportunity to “step beyond the known [about CEO succession] and enter into the world of participants [the new CEO], to see the world from their perspective and in doing so make discoveries that will contribute to the development of empirical knowledge” (Corbin & Strauss, 2008, p.16).

Similarly, the espousal of the top management team as the appropriate unit of analysis has also hampered our understanding of the transition process that new CEOs undergo when assuming the role because it disregarded the uniqueness of the chief executive, reducing the focus on research that examined the distinctive nature of the CEO role (Klimoski & Koles, 2001).
Accordingly, “it has been several decades since there has been a study of the nature and challenges of the CEO’s role” (Porter & Nohria, 2010, p.434). By focusing on the subjective experience of newly appointed chief executives, this study focuses on the individual CEO as its unit of analysis, thus addressing another research gap produced by the methodological agenda postulated by the Upper Echelon Theory.

In sum, there is a chasm in our understanding of the transition process that new chief executives experience when they assume the CEO role. This gap has been generated by historical, multidisciplinary and methodological influences, which prompted scholars to focus on variables related to the antecedents to succession, to the events of the succession, and/or to the consequences of the succession (Pitcher et al., 2000) and their relationship with demographic characteristics of senior leaders. Consequently, there is a dearth of knowledge regarding the processes and mechanisms that new CEOs experience during their transition into the role (Cabrera-Suarez, 2005; Ndofor et al., 2009). For this reason — notwithstanding that the CEO succession literature has been categorized as a maturing field, which usually evaluates and augments its concepts through reconceptualization and critiques of extant theory (Giambatista et al., 2005), and is likely to benefit from hybrid studies that merge quantitative and qualitative data in order to determine the relationship between new and established concepts (Edmondson & McManus, 2007) — the most suitable methodology to explore the research question, How do new CEOs experience their transition into the chief executive role in the first 18 months of tenure?, seems to be a qualitative, exploratory study that allows emerging categories to surface. I now turn to the research methods that were utilized to collect and analyse the data.

3.4 DATA COLLECTION

In this section I describe the process of data collection utilized for this study. First, I describe the new chief executives who participated in the study. Second, I explain why I selected semi-structured interviews as the most appropriate method to uncover the experience of new CEOs during the transition into the post and how this method was employed.

3.4.1 STUDY PARTICIPANTS

The sample consisted of 19 newly appointed chief executives. There were two criteria of selection. The first criterion was that the new CEOs had to be in the first year of their tenure at
the onset of their involvement in the study and in the first 18 months of their tenure at the conclusion'. This criterion was put in place because I wanted to capture the experience of the new CEOs in the transition into the role while they were in the midst of that process. Research that focused on the transformational experience that individuals undergo while transitioning from an individual contributor to a managerial position indicates that the first year in tenure is a period of extensive personal learning (Hill, 2003). Although the passage to a first-line management position and the passage to a CEO position are considerable different, they both represent significant qualitative shifts in skills, job requirements, time horizon and work values (Charan et al., 2011) and thus it is likely that any personal learning that individuals might undergo during the transition to the CEO role will be similarly intense during this period. The advantage of collecting data in real time as the process unfolds is that the lack of knowledge regarding the outcome reduces biases, defences and filtering that occur when one retrospectively relates events (Van de Ven, 2007). This is particularly relevant in the case of CEO succession, given the high rate of early dismissals of chief executives (e.g., Ciampa, 2005; Lucier et al., 2005), because experiences that can easily be evaluated as success or failure are more likely to suffer from biases in retrospective accounts (Van de Ven, 2007). Research suggests that the first 18 months of the tenure of a new CEO are a critical period for the transition of newly appointed chief executives as approximately 40% of new CEOs are dismissed within this time (Ciampa, 2005). This period also represents the timeframe that the new CEOs studied by Gabarro (1987) executed the most significant changes in the business. Hence, the first 18 months of tenure seemed to constitute a critical time in the transition of new CEOs into the role. Collecting data within this critical period, before the new CEOs are able to label the transition process as successful (individual remained in post after 18 month) or unsuccessful would allow me to uncover factors that could later be edited, forgotten or disregarded in order for them to render their successful or unsuccessful story coherent.

The second criterion was that the organization in which the new CEOs assume the post had to have a board of directors, and thus chief executives in very small organizations, which usually do not have a board, were excluded from the study. This criterion was put in place because the

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1 As described in more detail in the next section, this concluding timeframe was added after data collection commenced since the study was initially designed to encompass a single interview in the first year of tenure.
literature suggests that dealing with the board of directors is an important characteristic of the CEO role. The relationship between the CEO and the board is complex because instead of dealing with one or two bosses, the chief executive needs to manage the expectation and obtain support from a “group of bosses” (Porter & Nohria, 2010). For instance, new chief executives that participated on the Harvard Business School New CEO Workshop described that they spend at least 10 per cent of their time managing the board of directors (Ibid). Hence I wanted to ensure that the organization of the new CEOs had an established governance structure that was in place to monitor and evaluate the new chief executive.

Furthermore, albeit it did not represent a criterion selection per se, for practical reasons all new CEOs interviewed had offices located in the UK, either in London or within approximately two hours’ drive from London. This restriction allowed me to conduct the interviews in person. In addition, it also ensured that all interviewees had to follow similar corporate governance principles (some variability existed due to different ownership structures), as regulation for corporate governance varies in different countries. For instance, all the interviewees assumed solely the CEO role, and not the role of chairman, so there was no case of CEO duality in the sample.

In addition to these two selection criteria and geographic restriction, care was taken to ensure that the sample comprised both insiders and outsider new CEOs. This demographic characteristic was taken into account because of the importance that the CEO succession literature assigns to CEO origin (see Chapter II, section 2.4, CEO Succession). For this study, I defined outsiders as individuals who were not working in the executive rank of the organization at the time of appointment. With this classification, the data comprised seven insider new CEOs and twelve outsider new CEOs. Nevertheless, this simplistic dichotomy has been criticized in the literature (e.g., Guthrie & Datta, 1997; Pitcher et al., 2000), and different authors have utilized different criteria to define outsiders, such as individuals with fewer than two year’s employment in the organization (Cannella & Lubatkin, 1993) and individuals who have never worked in the firm (Boeker & Goodstein, 1993). Indeed, Finkelstein et al. (2009) suggested that there are “degrees of outsiderness”, which, as illustrated in Figure 3-1, were clearly represented in the data collected for this study. Participants varied from more than 20 years working for the company to individuals who have been hired from a different industry. The
shaded area in Figure 3-1 highlights individuals in this continuum who could be clustered either as insiders or outsiders depending on the classification criteria utilized. The dotted line shows how I divided the interviewees according to CEO origin.

**Figure 3-1 Level of Outsiderness of Study Participants**

Given the contextual differences that are embedded within a single, seemingly simple, characteristic (CEO origin) and given that “the differences among chief executive officers (…) are at least as profound as the similarities among them” (Gupta, 1988, p.148), no attempt was made to control for other individual demographic characteristics (such as prior experience as chief executive, age, and functional background) or organizational characteristics (such as organizational size, industry, and organization context prior to succession).

As illustrated in Table 3.3-1, the sample encompassed a wide range of individual, organizational and contextual situations. For instance, regarding organizational characteristics, as illustrated in Table 3.3-1 a wide range of industries and organizational sizes were present in the sample. Regarding individual characteristics, three of the 19 new chief executives in the sample had held the post of CEO prior to this appointment. For the majority of interviewees, the transition to the post represented the first time in which they assume the CEO role; whilst, for the three individuals with prior CEO experience, because they were outsiders, the transition was about assuming the position in a new organization. Given the perception of the CEO as the
preeminent leader of the organization and the contextual differences that make each chief executive role unique (see Chapter II, section 2.2, CEO Role, for a full discussion), it was noteworthy to include these individuals into the study to uncover potential processes and mechanisms that are associated with assuming the top leadership position in the organization versus those associated with assuming the CEO role for the first time.

Finally, regarding context, only five of the 19 new chief executives interviewed were appointed to run successful organizations (see Table 3.3-1). On these five, only one organization selected an outsider to be the new CEO. In this organization, the chairman was acting as interim CEO for 8 months prior to the appointment of CEO#14, suggesting the unavailability of internal candidates. Of the 14 organizations that faced financial (and other) difficulties prior to the succession of a new CEO, three selected an insider as the new chief executive (CEO#1, CEO#6 and CEO#12). However, it is interesting to notice that two of these individuals were in the organization for about 2 years: one of them (CEO#12) explicitly joined the organization with a view of becoming the CEO, while the other (CEO#6) believed that he was initially hired with a view of taking the CEO post when the time came, although this view was never openly discussed. The only insider (CEO#1) who was in the organization for a long period of time (more than 10 years) and became CEO of a struggling organization was instrumental in orchestrating a new strategic direction for the company, which cumulated in his appointment.
<table>
<thead>
<tr>
<th>CEO #</th>
<th>I/O</th>
<th>Prior CEO Experience</th>
<th>Organizational Industry</th>
<th>Number of Employees</th>
<th>Reason for Succession</th>
<th>Organizational Context Prior to Appointment</th>
<th>Individual Context Prior to Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO#01</td>
<td>I</td>
<td>No</td>
<td>Information Technology</td>
<td>&lt;50</td>
<td>Predecessor became chair</td>
<td>Organization faced some financial difficulties</td>
<td>As a member of the TMT, he proposed strategic reformulation to firm, which led to structural changes. These structural changes culminated in his appointment as CEO</td>
</tr>
<tr>
<td>CEO#02</td>
<td>O</td>
<td>No</td>
<td>Consultancy</td>
<td>70</td>
<td>Predecessor retired</td>
<td>Organization had survived a major financial crisis. It was almost bought, which had negative consequences</td>
<td>Recruitment firm contacted him; he was not expecting the role and was surprised that organization was interested in him</td>
</tr>
<tr>
<td>CEO#03</td>
<td>I</td>
<td>No</td>
<td>Information Technology</td>
<td>10,000</td>
<td>Predecessor retired</td>
<td>Organization was successful before appointment</td>
<td>Predecessor was retiring and she was his preferred successor. She worked for a year as deputy CEO. It was not clear she was going to get the position while deputy, since firm looked at other candidates</td>
</tr>
<tr>
<td>CEO#04</td>
<td>I</td>
<td>No</td>
<td>Financial Services</td>
<td>1,560</td>
<td>Predecessor retired</td>
<td>Organization was successful before appointment</td>
<td>Predecessor was retiring and he was the selected successor recommended by the retiring CEO</td>
</tr>
<tr>
<td>CEO#05</td>
<td>O</td>
<td>No</td>
<td>Foundation Trust</td>
<td>&lt;50</td>
<td>Some board members were not happy with predecessor, but official story is that predecessor was moving to portfolio career</td>
<td>Organization was underperforming</td>
<td>He applied for job listed in Headhunter website. He was looking for a position</td>
</tr>
<tr>
<td>CEO#06</td>
<td>I</td>
<td>No</td>
<td>Construction</td>
<td>500</td>
<td>Firm *had a difficult financial crisis and as a crisis</td>
<td>Organization was in financial crisis</td>
<td>Work for organization for 2 years before being appointed. Natural</td>
</tr>
<tr>
<td>CEO#</td>
<td>I/O</td>
<td>Prior CEO Experience</td>
<td>Organizational Industry</td>
<td>Number of Employees</td>
<td>Reason for Succession</td>
<td>Organizational Context Prior to Appointment</td>
<td>Individual Context Prior to Appointment</td>
</tr>
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<tr>
<td>#07</td>
<td>O</td>
<td>No</td>
<td>Retail</td>
<td>3,000</td>
<td>Founder took over as chairman</td>
<td>Organization was in financial difficulties and founder needed a successor</td>
<td>Internal candidate. He believed he was originally hired with a view of taking the CEO post when the time came</td>
</tr>
<tr>
<td>#08</td>
<td>O</td>
<td>No</td>
<td>Charity</td>
<td>&lt;50</td>
<td>Predecessor chose to leave for another job</td>
<td>She discovered after assuming the post that organization was financially worse than the BOD suspected</td>
<td>Someone on the board sent her the job description, suggesting she should apply. She wasn’t looking for a job</td>
</tr>
<tr>
<td>#09</td>
<td>O</td>
<td>No</td>
<td>Financial Services</td>
<td>150</td>
<td>Replace the founder. Founder was first involved as an executive and then became NED of firm</td>
<td>Organization was growing, but faced funding and management challenges</td>
<td>Headhunter contacted him about the job. He wasn’t happy where he was and had started taking calls</td>
</tr>
<tr>
<td>#10</td>
<td>O</td>
<td>Yes</td>
<td>Information Technology</td>
<td>80</td>
<td>One of the two founders became the chairman and the other continued to be involved in some projects</td>
<td>The business went “through some real business challenges” and “things needed to be changed as a result of that”</td>
<td>Became CEO by invitation of the BOD</td>
</tr>
<tr>
<td>#11</td>
<td>I</td>
<td>No</td>
<td>Telecommunication</td>
<td>20,000</td>
<td>Predecessor “decided to go off” to another job</td>
<td>Business was growing before appointment</td>
<td>When predecessor decided to leave, he was offered the position</td>
</tr>
<tr>
<td>#12</td>
<td>I</td>
<td>No</td>
<td>Financial Services</td>
<td>1,000</td>
<td>Predecessor was an expatriate who rotated back to the HQ country</td>
<td>“Our business hadn’t been performing very well, so we needed to make some short, sharp changes, and also to get some successes going”</td>
<td>Joined as CFO 2 and a half years ago with a view of succeeding the CEO</td>
</tr>
<tr>
<td>#13</td>
<td>I</td>
<td>No</td>
<td>Consultancy</td>
<td>500</td>
<td>Predecessor retired</td>
<td>Organization was successful before appointment</td>
<td>He was the deputy CEO for 5 years and the natural successor</td>
</tr>
<tr>
<td>CEO#14</td>
<td>O</td>
<td>Yes</td>
<td>Financial Services</td>
<td>300</td>
<td>Chair was acting as interim CEO for 8 months. Previous CEO stepped down</td>
<td>Growing business, owned by private equity organization</td>
<td>He worked in the past with the chairman who approached him about the job. Later, a head hunter contacted him as the chairman distanced himself during the selection process</td>
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<tr>
<td>CEO#15</td>
<td>O</td>
<td>No</td>
<td>Energy</td>
<td>180</td>
<td>Predecessor stepped down</td>
<td>Org was in financial difficult and had a failed IPO a few years prior to his appointment</td>
<td>One of the board members (and investor of the firm), who was his boss in the past, contacted him about the post</td>
</tr>
<tr>
<td>CEO#16</td>
<td>O</td>
<td>No</td>
<td>Government</td>
<td>2,500</td>
<td>Predecessor resigned</td>
<td>Organization &quot;was deemed to be failing&quot;</td>
<td>He applied for the job. He was considering what to do next when position became available</td>
</tr>
<tr>
<td>CEO#17</td>
<td>O</td>
<td>Yes</td>
<td>Energy</td>
<td>100</td>
<td>Unclear why predecessor left. New CEO believed he was asked to leave (fired)</td>
<td>Organization was in trouble</td>
<td>Contacted by recruitment firm. He was looking for a new position, as the firm he was CEO was vulnerable to a hostile takeover</td>
</tr>
<tr>
<td>CEO#18</td>
<td>O</td>
<td>No</td>
<td>Financial Services</td>
<td>11,000</td>
<td>Predecessor retired 10 months prior to appointment. Global CEO was acting as interim</td>
<td>Industry faced changes in regulatory environment</td>
<td>Contacted by recruitment firm</td>
</tr>
<tr>
<td>CEO#19</td>
<td>O</td>
<td>No</td>
<td>Transportation</td>
<td>8,000</td>
<td>Predecessor retired</td>
<td>Organization was in financial difficulties and board has lost faith in management team</td>
<td>Contacted by recruitment firm. He was not looking for a job since he was happy where he was</td>
</tr>
</tbody>
</table>
This individual, organizational and contextual variability was not considered detrimental to the study. Rather, given the exploratory nature of the study, variability in the sample was considered valuable since it is likely to strengthen the generalizability of this study by taking into consideration contextual differences that are inherent to the CEO role (Gupta, 1988; Kotter, 1982), thus increasing the probability that the findings would be pertinent to most CEO transitions. Hence, whilst in the famous study about the process of “taking charge” of new CEOs, Gabarro (1987) purposely aimed at maximizing diversity within interviews in dimension such as organizational size and type of business, I did not purposely seek for the diversity in organizational and individual characteristics found in the sample. But I welcomed it.

The sampling was opportunistic. Access to study participants was attained in two ways. First, through contacts and networking I was able to approach some new CEOs who agreed to take part of the study (N=5). Second, when the first approach did not yield a significant number of interviewees, I located new CEOs through the Internet and sent potential study participants a letter inviting them for join the study (N=14). With the latter approach, my response rate was 22 per cent. Given that the average response rate of senior executives for questionnaire surveys is 32 per cent (Cycyota & Harrison, 2006), this approach was deemed successful. After all, involvement in this study required both personal and time commitments that are significant higher than that of a questionnaire.

Besides the interviews with these 19 newly appointed CEOs, additional interviews were conducted with seven other chief executives. These interviews were conducted in the beginning of the study and access to these individuals was obtained exclusively through personal contacts and networking. Data from these interviews were excluded from the study because they did not fulfill the inclusion criteria: four individuals were excluded because they were interviewed after the first year of their tenure; one individual was excluded because his organization did not have a legitimate board of directors; one individual was excluded because he was an interim CEO; and, finally, the remaining individual was excluded because his organization merged during the process of scheduling and conducting interviews, and he lost his position as CEO in the new merged firm.
As described in more details below, the phases of data collection and analysis were iterative. The final number of participants in the study reflected category saturation, when no new data emerged from new interviews (Corbin & Strauss, 2008). The small number of interviews is characteristic of this type of research. For instance, Gabarro (1987) interviewed 17 participants in his classic study on the process of “taking charge” by new CEOs, Smerek (2010) interviewed 18 new college presidents in his PhD thesis, and Hill (2003) interviewed 19 new first-line managers.

3.4.2 SEMI-STRUCTURED INTERVIEWS

The focus of the study was on the individual new CEOs and their subjective experience during their transition into the post. As a consequence, semi-structured interviews were deemed the most appropriate method of data collection as this type of interview allows the researcher “to understand the world from the subjects’ point of view, to unfold the meaning of their experiences, to uncover their lived world prior to scientific explanations” (Kvale & Brinkmann, 2009, p.1).

Data collection entailed two semi-structured interviews with the 19 newly appointed chief executive, for a total of 38 interviews. All first interviews were conducted within the first year of the participant’s tenure (average of 5 months; range from 1 to 11 months) and all second interviews were conducted within the first 18 months (average of 11 months; range from 6 to 18 months) of the new CEOs tenures (see Figure 3-2, first interviews in light blue; second interviews in dark green). The interval between the first and second interview ranged from three months to thirteen months (see Figure 3-2). This variability in the interval between interviews occurred because, due to the difficulty in obtaining access to the study population, I initially considered conducting a single interview with each participant. In designing the study, I was aware that ideally a longitudinal study – that is, one in which data is collected either at pre-defined intervals or within a continuous period with all participants – would be the most effective way to understand the transition process of new chief executives as it would allow me to study the transition process of newly appointed chief executives over time (Van de Ven, 2007). In reality, though, my experience indicated that it would be nearly impossible to gain access to a significant
number of new CEOs, who would consent to a series of time-staggered interviews, within the timeframe of the PhD. The difficulty in scheduling the interviews with the new CEOs, who agreed to participate in the study, and the need to reschedule interviews, sometimes several times, reinforced this initial assessment. An alternative design could have been to conduct a single longitudinal case study, following a similar strategy as the one pursued by Denis et al. (2000). This option was not selected as the design of the study because, in considering the strengths and weaknesses that different research strategies offer in terms of generalizability (Van de Ven, 2007), I believed that a study that encompassed a larger number of individuals’ accounts of CEO transition would be more valuable for theorizing about the process that new chief executive undergo in the beginning of their tenure, since it would allow me to take into consideration contextual differences that are embedded in the CEO role. After all, in researching the nature of positions of multifunction responsibilities, like the CEO post, Kotter (1982) found that the differences among the 15 individuals he studied “were in many ways greater than similarities” (p.7) and that even posts “that look very much alike on the surface can present the incumbent manager with a very different set of challenges and dilemmas” (p.1). A single longitudinal case study examining the subjective experience of a single new CEO in transitioning into the role could, therefore, reveal unique strategies, learning and challenges that were specific to the context of that particular individual. Hence, in considering the tradeoffs of different research designs, I deemed more useful to select one which would allow me to build a more general view of the transition process that is shared by different new CEOs who were facing distinctive demands, problems and challenges in their particular contexts to see what is common, despite inherent differences. And thus I embarked on the study with a view of collecting data from a single interview on the experience of newly appointed chief executives as they were undertaking the first year of their tenure.

The possibility of adding a second interview to the study originated from the participants themselves. In the end of the interview, many new CEOs expressed that the interview had been helpful to them and that they were willing to contribute to another session. To illustrate, CEO#4 stated that he “found the session quite thought provoking and it actually made
me think about some things that I had not considered before”. A second interview would be invaluable to add depth of understanding about the transition process of the new CEOs, since it allowed me not only to ask the participants to elucidate prior statements and emerging themes but also to observe how the new CEOs had (potentially) change their own perspectives about the role, the organization and themselves after some time in the post. Thus, after a number of interviewees conveyed the interest to partake in another session, I modified the design of the study by requesting a second interview to individuals who had already been interviewed and by adding a second interview in my invite for new contacts. I also added as a criterion that all second interviews were conducted within the first 18 months of the new CEOs’ tenures given that the literature highlights this as a critical period in the transition of new CEOs into the role (Ciampa, 2005; Gabarro, 1987).

The corollary of this midcourse change in design was that the interval between the first and second interviews for individuals who were interviewed in the beginning of the study tended to be larger than for individuals who joined the study after this adjustment was made. In terms of data analysis and interpretation, the resulting variability in the interval between interviews precluded any information regarding changes over time to be accurately ascertained in this study. In other words, data interpretation regarding potential stages, phases or sequence of events in the transition process of new CEOs – which would be a natural product of a truly longitudinal study (e.g., Langley, 1999; Van de Ven, 2007) – was not possible to be accurately discerned in the data because the interviews were not conducted at the same tenure and interval for all participants. Rather, data interpretation assumed a cross-sectional look at the data, focusing on the real time experience of newly appointed chief executives as their transition process unfolded within a distinct timeframe of the new CEO’s tenure.
The duration of the interviews ranged from 45 minutes to two hours for the first interview and from 30 minutes to one hour for the second interview. Variability in duration was due to the difficulty of access to some of the participants’ schedule and, in some cases, due to unexpected events that occurred in the day of the interview. Time is a rare commodity for CEOs who have endless demands for time and attention (Porter & Nohria, 2010; Tengblad, 2012). For this reason, I considered this variability in the duration of the interviews to be part and parcel of the nature of interviewing the study.
population, who is notoriously difficult to access (e.g., Hambrick, 2007; Pettigrew, 1992).

All first interviews followed the same interview protocol while, for the second interviews, an interview protocol was developed for each participant in order to address aspects that were not covered in the first interview as well as to clarify or deepen the understanding of comments or emerging themes from the individual’s first interview. The interview protocol for the first interviews was developed by *thematizing*, that is, “developing a conceptual and theoretical understanding of the phenomena to be investigated in order to establish the base to which new knowledge will be added and integrated” (Kvale & Brinkmann, 2009, p.106). I utilized the CEO role and CEO succession literatures as my basis of knowledge to generate questions that would be relevant for the experience of new chief executives in the post. In addition, I also included general questions about the appointment and the transition. The questions were arranged in six themes (see Appendix A). The first theme was about the context of the appointment, where I asked participants about their experiences in the selection process. The second theme was about their expectations about the role, where I inquired about their prior conceptualization about the CEO role and how they developed their view about what it meant to be the CEO. The third theme comprised questions about the transition process per se, where I probed their experience and learning about assuming the role, their engagement with the organization, and their actions. Themes four and five focused on the mandate and the relationship with the board of directors, respectively, which are highlighted in the CEO succession literature to be of major concern for new chief executives. Questions in these themes were about their engagement with the board of directors, their perceptions about expectation of the board of directors about them, and the formal and informal directives they received from the board. Finally, the last theme was about their current perceptions about the CEO role, including the surprises they encountered, as well as their emotions, concerns and challenges about being the CEO.

I did not follow the order of these themes during the interviews. Given the exploratory nature of the study, I used the themes as a framework to help me pose relevant questions.
that seemed to be pertinent to the experience of each individual. Accordingly, the questions in the interview protocol served as samples from which I draw from in instances where the conversation halted. Thus, I allowed the new CEOs to lead the conversation, probing deeper with follow-up questions about issues and experiences they commented, and using the questions in the interview protocol as prompts to stimulate further reflections from the participants. As the themes addressed in the interview protocol focused on general aspects of the CEO role and the transition, the new chief executives often addressed them in their reflection without any prompting and thus, in many instances, my role as interviewer was to encourage the participants to reflect more deeply on their experience.

I started each interview reinsuring participants about the total confidentiality and anonymity that characterized their involvement in this study (which had been mentioned during the initial contact and scheduling of the interview) and asking them if they had any questions before we started. After addressing any questions posed by participants (which usually involved understanding more the nature and objectives of the study), I asked permission to record the interview (which was granted in all interviews). In addition to these ethical considerations, this research project also received approval from the Cranfield School of Management Ethics Committee prior to any data collection.

For the second interview, I developed an individualized interview protocol for each study participant. In this personalized protocol, I included themes that were not covered in the first interview, questions about interesting topics they had previously mentioned, clarifications about particular statements, and queries about emerging themes that had surfaced from preliminary data analysis of all interviews conducted up to that point in time. Thus, with this individualized second protocol, I was able to cover all the themes that were part of the first interview protocol with all study participants, as well as probe about emerging themes that arose from the iterative process of data analysis and collection.
All interviews were tape recorded and transcribed. Prior to the second interview, the first interview of each participant was transcribed and I conducted a preliminary analysis in order to develop the personalized second interview protocol.

3.5 DATA ANALYSIS

In this section, I depicted the process of data analysis, which followed three phases: immersion, dissection and synthesis.

3.5.1 DATA IMMERSION

The first phase of data analysis was to become sensitized and immersed in the richness of the data. Sensitivity through immersion is important as it “enables a researcher to grasp meaning and respond intellectually (and emotionally) to what is being said in the data in order to be able to arrive at concepts that are grounded in data” (Corbin & Strauss, 2008, p.41). I began the analysis of each interview by listening to the interviews, by either transcribing them or reviewing their transcription (I transcribed the first 10 interviews and utilized a transcribing service for the remainder). During this process, I also added reflective remarks (Miles & Huberman, 1994) within the text, which involved first thoughts, questions and impressions about the data.

3.5.2 DATA DISSECTION

The second step of data analysis was to dissect the data into conceptual categories by coding the data. Coding describes the process of condensing meaningful chunks of data of different sizes (word, phrases, sentences and even whole paragraphs) by assigning tags or labels to them that summarize and describe their information (Miles & Huberman, 1994). In this phase, provisional first-order codes (Corbin & Strauss, 2008; Corley & Gioia, 2004) were generated from the raw data, remaining close to the words and statements of the new CEOs. Thus, this phase corresponded to open coding, that is, the “breaking data apart and delineating concepts to stand for blocks of raw data” (p.198), as described by Corbin and Strauss (2008).
I employed a template analysis approach (King, 1998, 2004) to code the data of this study into conceptual categories. Template analysis refers to “a varied but related group of techniques for thematically organizing and analysing textual data” (King, 2004, p.256) that builds a provisional list of codes that serve as a template to examine and interpret the textual data. These a priori codes can derive from different sources, such as the research question, the extant literature, and a conceptual framework being tested by the researcher (Miles & Huberman, 1994). This approach is flexible to encompass a range of more or less developed a priori templates. The template is then applied to the data and codes are modified, added or deleted to incorporate the themes and concepts expressed in the data.

King (1998) recommends building the initial template from the interview protocol that guided data collection and from the examination of a subset of the data. I examined ten interviews (the first interviews of CEO#1 to CEO#10) to construct the initial template. This process was very iterative. I went back and forth through the interviews, to allow themes to emerge from the data. Each set of codes derived from an interview was compared and contrasted with themes emerging from others. This way I avoided forcing pre-existing categories into the data. I also experimented with different ways of managing the data (for instance, using N-Vivo, Excel and paper copies) to determine the way in which I was most confident and comfortable to conduct the final coding. After the initial template was developed, I applied it to the full set of transcripts. I followed a code-driven analytic strategy, in which I focused on a particular code (or group of related codes) and I coded all the interviews for that particular code (or group of codes). Then I selected a new code and did the same again. For this process, I printed all interviews with wide margins and, following Miles and Huberman (1994), I coded the interviews with three to six letter abbreviations for each code. This procedure seemed to increase the reliability of my analysis for several reasons. First, this procedure compelled me to go through each interview numerous times, allowing me to reflect on the text, and thus, to ratify my coding continuously. Second, as I moved through different interviews looking for instances of a particular code, I was able to get a deeper understanding of the meaning and dimension of that code, and also to form an initial view of the similarities and differences.
across participants. Finally, I was able to discern new codes and to modify existing ones easily, as I was able to observe emerging themes through several interviews. Examples of coding are presented in Appendix B.

In addition, given the iterative process of the study, data collection was still taking place whilst I was coding the data using the evolving template. This allowed me to incorporate questions on these themes in the interviews of many participants, which help me in developing a deeper understanding of them. This iterative process between data collection and data analysis also allowed me to determine when category saturation (Corbin & Strauss, 2008) was achieved, that is, that data from new interviews were not producing new categories.

### 3.5.3 Data Synthesis

The last stage of data analysis consisted of consolidating the categories that emerged from the previous step in order to synthesize the data into a coherent story. In this phase, second-order concepts and aggregate theoretical dimensions (Corbin & Strauss, 2008; Corley & Gioia, 2004) were generated through increasing levels of synthesis of the data. Thus, this phase corresponded to both axial coding (“the act of relating concepts/categories to each other”, p.198) and integration (“the process of linking categories around a core category and redefining and trimming the resulting theoretical construction”, p.263) as described by Corbin and Strauss (2008).

This phase commenced with the production of provisional visual models that aimed at capturing and summarizing my evolving understanding of the relationship between the codes and categories that emerged from coding. These models (and associated text created as working drafts of the results chapter) came under scrutiny by a three-person academic panel (the PhD panel) who critiqued, challenged, and offered alternative perspectives to the emergent models. In this phase, categories were consolidated and became more abstract, generating second-order concepts (and thus moving data analysis from open to axial coding; Corbin and Strauss, 2008). Yet, integration into a core category that connects other categories and codes into a unifying story that theoretically encompassed
the findings of the study was not achieved at this point. In other words, after generating several working models, which were evaluated by the academic panel, some level of abstraction with the data was achieved, but I could not hitherto synthetize the data into more abstract aggregate theoretical dimensions. Thus, I was at the juncture of the data analysis process that Corbin and Strauss (2008) described as “the time the researcher begins thinking about integration, he or she has been immersed in the data for some time and usually has a ‘gut’ sense of what the research is all about even though he or she may have difficulty articulating what that ‘something’ is” (p.106).

Integration of the data was achieved through a different strategy. Given that “good stories are central to building better theory” (Pentland, 1999, p.711), I developed accounts of individuals’ transition processes as such stories could be discerned from the interview data to help me articulate the unifying theoretical explanation that would synthesise the categories and themes from the study into a single story. Such an approach is often utilized in qualitative research, and is employed in different ways depending on the goals of the researcher (Langley, 1999). Since the objective of these accounts was to facilitate my own sense making about the data, helping me to tease out the unifying story that integrates the categories and themes that had emerged from the previous phases of data analysis, and not to dissect the data, I only selected the story of four participants, two insiders and two outsiders. The number and choice of these stories were, thus, based on the fact that they served as clarifying tools to elucidate the significance of the categories that emerged from the other phases of data analysis. Four stories enabled me to compare stories within each of the two sub-groups of the sample (insider and outsider new CEOs). Within each category of CEO origin, I selected stories that differ in a particular domain that could be of theoretical interest. Thus, four stories seemed to be a suitable number to highlight similarities and differences between and within the two groups to draw out an emergent theoretical understanding of the data.

In the case of the two outsiders, the distinction criterion was prior experience as CEO, since it could be noteworthy to determine if prior CEO experience would impact the account of a new CEO about the transition process. Hence, I selected the story of
CEO#10, the most experienced individual in the sample, and CEO#19, who had no prior CEO experience. In the case of insiders, the data of two participants (CEO#3 and CEO#4) presented a very interesting opportunity. These two individuals had almost identical demographic characteristics in many dimensions (such as tenure in the organization, organizational context during appointment, process of appointment), which means that studies utilizing demographic characteristics to investigate the transition of new CEOs would invariably group these two individuals together. And yet, they seemed to act and perceive their transition very differently. Hence, I selected to recount the stories of these two individuals to try to tease out what made their experiences so different and yet so similar.

I constructed these four accounts by developing a detailed chronicle of each new CEO’s experience from the raw data. The resulting stories comprised a mix of quotations and text that connected these excerpts into a coherent story. Thus, in developing these stories, I was building a retrospective account of the events described in both interviews without the biases and filtering that are usual with retrospectively related events (Van de Ven, 2007) both because I was not the protagonist of the story and because the building blocks of the story were already described in the interviews.

These stories underscored the concept of identity as a potential “central category” (Corbin & Strauss, 2008) to provide the unifying story around which the other themes and concepts in the data could be integrated. Once this theoretical core category was identified, I examined how it related not only to the first-order codes and second-order concepts that emerged from the previous phases of data analysis but also to existing organizational theory. Interestingly, there is a consensus in both the role transition and the socialization literatures that assuming a new role poses significant identity challenges in the individual, and thus identity is considered to be the milieu in which role transitions influence the individual (Ashforth, 2001; Pratt et al., 2006). Despite that, the concept of identity had hitherto dwelt in the periphery of my analysis. In the CEO succession literature, only two articles take into account the socialization literature (Denis et al., 2000; Fondas & Wiersema, 1997), but those studies disregard the individual experience of
the new CEO. In fact, in the beginning of the study I reviewed the role transition and socialization literatures; however, since these bodies of inquiry mostly examine individuals entering the workforce (Cooper-Thomas, Anderson, & Cash, 2012), this literature did not resonate with me then. The experience of graduates entering the workforce for the first time seemed to be too remote from any account in the literature regarding the transition of individuals to the pinnacle of the organization and the summit of one’s professional career. As described in Chapter II, the CEO succession literature either conceptualizes the succession event as a process of “taking charge” or as an engagement process between the chief executive and the board of directors, with new CEOs developing their powerbase and political foothold in the beginning of their tenure. As a result, the only aspect of the socialization and role transition literatures that seemed, at the time, to have any application to the transition of new CEO into the role were: (1) the different adjustment trajectories described by Denis et al. (2000) and Fondas and Wiersema (1997), that I used as the organizing principle to my review of the CEO succession literature (thus dividing it in leader-focused perspective and organization-focused perspective); and (2) the concept of role theory that deals with the expectation of role senders to the transition of individuals of the role, that I took into account in the interview protocol (in themes four and five) by asking questions about the mandate and the relationship of the new chief executives with the board of directors (e.g., Hambrick & Fukutomi, 1991).

In addition to validation from the role transition and the socialization literatures, a re-examination of the first-order codes and second-order concepts that were generated from the analysis of the data from all 38 interviews indicated that identity provided a theoretical framework that connected the different categories into a coherent story. Thus, even though the concept of identity emerged from an examination of the story of only four new CEOs, this core concept seemed to explain and integrate the codes and categories that emerged from the accounts and experiences of all new chief executives interviewed. As a consequence, the themes and concepts that emerged from the previous steps were reorganized utilizing the identity lens and new aggregating theoretical dimensions were
generated. Some codes and categories that did not fit with the one story were edited from the study and the remaining themes were restructured using the “central category” (Corbin & Strauss, 2008) of identity.

3.6 CHAPTER SUMMARY

In this chapter I described the methodological approach adopted in this study, including the ontological and epistemological stances of the researcher, the selection of study participants, and methods of data analysis. The data suggests that the personal experiences of new chief executives in transitioning to the CEO role involve a process in which new chief executives build their new identity as CEOs. I describe this process in details in the next two chapters.
CHAPTER 4: THE CEO IDENTITY CONSTRUCTION PROCESS

4.1 CHAPTER OVERVIEW

This study seeks to understand the transition process that new CEOs undergo when assuming the post of chief executives. The focus of the study was the individuals and the ways in which they perceived and experienced their transition into the CEO role. In the previous chapter I described how I collected and analysed data from the 38 interviews conducted with 19 newly appointed CEOs during the first 18 months of their tenure. The findings of this study are presented in the next two chapters.

In this chapter, I describe the themes and concepts that emerged from the data. In the next chapter, I move beyond the description of the main themes to theorize about the CEO identity construction process. The current chapter is structured as follows. First, in section 4.2, I present an overview of the study’s findings. Then, the subsequent sections are organized according to the three high-level theoretical dimensions that were derived from synthesizing the first-order and second-order themes into more abstract and theoretical categories (see Figure 4-1): the persona of the CEO (section 4.3), the personal identity of the new CEO (section 4.4), and the organizational identity (section 4.5). Finally, in section 4.6, I provide a summary of the data before moving into a deeper level of analysis in Chapter 5.

4.2 FINDINGS OVERVIEW

Figure 4-1 portrays the data structure showing the conceptual transition that emerged from increasing levels of synthesis of the data (Corbin & Strauss, 2008; Corley & Gioia, 2004). The first-order themes were derived from the raw data and remained close to the words and statements of the new CEOs (e.g., comments referring to the CEO being an enabler and not an operator). The second-order concepts describe an intermediate level of abstraction, representing factors (e.g., challenges of the CEO role) that compose the main constructs, which were further consolidated as the three aggregate theoretical dimensions (e.g., the persona of the CEO). Thus, as illustrated in Figure 4-1, the analysis and subsequent theoretical synthesis of the data indicate that, in assuming the CEO role, new
chief executives engage with three interrelated identities that they utilize as subtract to build their own identity as CEO: the persona of the CEO, which represents the “self-in-role”; the personal identity of the individuals assuming the CEO role, which represents the idiosyncratic traits that differentiate an individual from others; and the organizational identity of the company wherein they assume the post, which represents the collective identity of the social group that comprises the organization.

Hence, the findings show that the CEO identity construction process involves three interrelated identities. The presence of these three elements is not unique to the transition of individuals into the CEO role as other role entries also involve a negotiation between the role, the individual and the organization (Ashforth, 2001; Nicholson, 1984; Wrzesniewski & Dutton, 2001). Nevertheless, as will be described in more details below, my research indicates that the characteristics, the interactions and processes connecting these elements are unique to the transition into the CEO role given the distinct position of the chief executive within the organization.

More specifically, the data suggests that the persona of the CEO encompasses three characteristics of the CEO role that the new chief executives described being different from other roles (and other identities, such as that of being a member of the top management team): the perception of the CEO as an embodiment of the organization, the particular challenges that were embedded in the tasks and responsibilities of the CEO role, and the lack of specificity of the role, which gave the new chief executives leeway for their personal identity to influence how they enacted the role.

2 The term persona originated from Jung’s theory of psyche to describe the public aspect of an individual’s personality that one assumes when interacting with others (Stein, 1998). Jung (1953) defined it as “kind of a mask, designed on the one hand to make a definite impression on others and, on the other, to conceal the true nature of the individual (cited in Goss, 2015, p.88). The persona is thus the self that we present to others in a particular context as we assume a particular role in that circumstance, since “the goal of the persona is to present a version of ourselves that fits the situation we are in; it is like having different sets of clothes for different occasions” (Goss, 2015, p.88). The term persona has been incorporated in popular parlance to indicate “the person-as-presented, not the person-as-real” (Stein, 1998, p. 110). As indicated in quotes below, the term was used by some interviewee to describe ways of being in the context of enacting the CEO role.
Figure 4-1 Overview of Data Structure (Bold text signifies section sub-headings)
Due to this latter characteristic of the CEO role, the new chief executives described that they were able to permeate their personal identity through their enactment of the role in ways that were not possible in other roles. The data indicates that their personal identity impacted the CEO identity construction process in three ways (see Figure 4-1). First, through a process of individualized internalization of the role, in which the new chief executives reported utilizing self-aspects, such as their sense of authenticity as well as their values and beliefs, as guides to help them uncover what it meant to be the CEO for themselves. Second, through a process of representing, in which the new chief executives seemed to actively express their personal identity to organizational members, through actions such as communicating their personal brand and implementing symbolic changes. Finally, through a process of validation, in which the new chief executives believed they received an endorsement from the board of directors to use their personal identity as an important substrate to construct their CEO identity.

In addition to their own personal identities and the CEO persona, the new chief executives also described that the identity of the organization had an impact in their identity construction process. In particular, three themes emerged from the data that were associated indirectly (the culture of the organization and the mandate) or directly (the organizational purpose) with the identity of the organization.

In remainder of this chapter, I describe in detail how the new chief executives engaged with each of these three interrelated identities and their corresponding elements and processes in the CEO identity construction process that characterized their experience in transitioning into the role.

4.3 PERSONA OF THE CEO

According to identity theory, “a role cues or connotes a certain persona” (Ashforth, 2001, p.27). As illustrated in Figure 4-2, three aspects of the persona, or “self-in-the-role”, of the CEO emerged from the data: (1) the persona of the CEO as the embodiment of the organization; (2) the challenges of the CEO role, which the new chief executives needed
to learn to operate from within this new social role; and (3) the lack of specificity associated with the role.

4.3.1 THE CEO AS THE EMBODIMENT OF THE ORGANIZATION

In representing the persona of the CEO, the new chief executives noticed that they had to adopt “a certain demeanour or persona as you walk around the office” (CEO#12). In other words, in assuming the post of chief executives, the new CEOs also accepted a new identity that was related to the role. This social identity was experienced as being very different from the identity associated with the role of being a member of the top team. To illustrate,

Actually moving into the CEO position, it made me accept that responsibility a lot more, whereas when I wasn’t chief executive, it wasn’t my role to listen to other people’s idea (…)
Now I’m responsible, I’m the leader of the team and it’s [my role to] take care of the team.

Figure 4-2 Structure of Persona of CEO Dimension
Thus, CEO#1 believed that in assuming the chief executive role, he also assumed the identity of “the leader of the team”. With this new identity, he now perceived himself as responsible for “taking care of” other members of the top management team, whereas, prior to the appointment, as a member of the top management team, he didn’t “listen to other people’s idea” and interacted with them in a competing way (“this is a playground, do or die”). Similar to CEO#1, other interviewees also expressed that for them the transition from being a member of the C-suite team to the role of CEO was “an enormous change” (CEO#13) and a “quantum leap” (CEO#19).

One reason for this quantum leap could be because the “ontological expectation” – that is, the expectation of what a role incumbent identity should be (Kreiner, Hollensbe, & Sheep, 2006) – that different stakeholders have of the identity of the CEO is that the chief executive is the embodiment of the organization. One new chief executive described this expectation as follows:

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The CEO role, I don’t know what the right word is, but is, it’s a visible representation of your organization internally and externally, and your persona and demeanour and the way you operate. So you carry the brand in a way that no other role carries it. So you’ve got to be conscious of that. And you carry that brand whether it’s with politicians or competitors or brokers or staff. You visibly represent what the business stands for – CEO#12
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Two themes emerged from the data regarding the embodiment of the CEO role: (1) Being scrutinized; and (2) Looking the part.

### 4.3.1.1 BEING SCRUTINIZED

Many of the new CEOs interviewed described feeling that members of the organization were continuously and closely examining their behaviours, actions, and even attire. For instance,

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Whatever I do, what I wear, whether I’m in the lift, whether I’m walking through, everybody, everybody watches you. What I say in a meeting, how I say in a meeting is constantly watched. I think what I do will override, whatever rules we have will be overridden if I do something contradictory. So, for me, what I do and I say is, is constant symbolic, you know, is constantly picked up. And, it’s, it’s astonishing to see how much people pick it up and what they pick up – CEO#3
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This scrutiny, of feeling “a bit of an exhibit at the zoo” (CEO#14), was experienced not only by outsider new CEOs, who were new to the organization, but also by insider new CEOs. For instance, CEO#3, who is quoted above, was in her organization for ten years before being appointed the chief executive. Yet, she still experienced the constant attention that the organization paid to “whatever I do, what I wear, whether I’m in the lift, whether I’m walking through”. This suggests that this close examination of organizational members is associated with the title of CEO and not with the novelty of a new member in the organization.

Many interviewees indicated that there were both risks and opportunities associated with this scrutiny. On the one hand, CEO#19, for instance, recounted that his previous boss gave him the advice that he “no longer [had] the luxury of publicly brainstorming” because “people [would] hang on your every word”. On the other hand, that scrutiny allowed the new CEOs to impart their self-definitions into the organization through simple, but symbolic, actions. For instance, CEO#18, an outsider new CEO, narrated that when he arrived in his new organization, one member of the top management team expressed that in this organization “a chief executive only turned left when he goes out of the lift” because this “was the way to his office” and thus the previous CEO could avoid “everyone [that] came to see the chief executive”. The new CEO mentioned that he started doing the opposite, turning right out of the elevator, an action that had “a disproportionately positive effect, because it said to people I was prepared to come out and engage in conversation”.

There are feasibly two reasons why organizational members scrutinized the actions and behaviours of their new chief executive. First, organizational members could be paying attention to the actions of the new chief executives because the title of CEO represents the embodiment of the organization. As a result, in assuming the CEO role, these individuals were now perceived to embody the attitudes and behaviours of the group’s identity; and organizational members then started paying attention to their behaviours, actions and even attires to establish the new nature of the organization. In other words, their actions, attitudes and beliefs were perceived to be influential and prototypical of the group because of the ontological expectation that the individual in the CEO role represents the embodiment of the organization. This was apparent, for instance, in the ways the new
CEOs perceived this scrutiny, since it was their belief that their actions would have a disproportional effect in the perception of organizational members.

Second, it is also possible that organizational members might also be paying attention to the nuances of the new CEOs’ actions and words because members of the organization did not have the opportunity to engage in the selection of their new leader. Therefore, they could want to corroborate for themselves that the new CEO is indeed a valid representation of the organization.

In sum, the new chief executives described feeling that organizational members scrutinized their actions, behaviours, and attitudes. This likely occurred because now the new CEOs were perceived to embody the nature of the group.

4.3.1.2 LOOKING THE PART

Given that part of the identity of the chief executive is to embody the organization, by representing it to internal stakeholders and to carry the brand to external stakeholders, the new chief executives were conscious that they needed to “look the part” (CEO#12). Some individuals mentioned that they viewed the role as embodiment of the organization and, in recognition of that, they mentioned that they altered their actions because of “the power that the title has on how people perceive you” (CEO#19). The new CEOs reported a variety of aspects of their behaviours that they modulated in order to play the part of being the chief executive. For instance,

You have to respect the office. This is not by accident that I wear a tie. I think as CEO there’s something. I think it’s a respect for the office of the CEO. I don’t mean the physical office. It’s all about, so it’s all linked to the CEO office, the role itself brings with it trappings of power I suppose. It’s partly power, it’s also, organizations do need a post to look to. And I mustn’t forget, I think if I wandered in here in a pair of jeans and a t-shirt and sat at a desk like everybody else, you know, it’s not, you’ve got to keep some of that – No, let me describe this better, okay? It’s not the magic, but it’s the trappings, it’s the office, you know, the unspoken symbols, it’s symbolism, isn’t it? It’s very, very important in an organization, it really is. I’m always wary that when I walk through that door, I’m the CEO. I don’t mean that in a pompous way. And people look to me for leadership, for setting standards. So there is another way of thinking about it, this is a, I’m playing a role here, being a CEO is a performance, you are sort of acting, in the sense, you become a persona. When I come in here, I’m the CEO. I have to set standards – CEO#15
Thus, CEO#15 was conscious that his attire (wearing “a tie” and not showing up “in a pair of jeans and a t-shirt”) would send a message regarding the persona of the CEO that he was now “acting”. He believed it was important to “respect the office of the CEO” because the “unspoken symbols” that he now embodied through the role. In addition to his attire, CEO#15 also seemed conscious of the message his behaviours would send, and therefore he refrained from sitting “at a desk like everybody else”. This suggests that he believed that he needed to keep some distance, to not being seen to act like everybody else in the organization in order to enact, or play the role of the chief executive, who is the individual who “set standards” in the organization.

In addition to their attire and behaviours, another important aspect for enacting the persona of the CEO was through emotional regulation. A few interviewees mentioned the need to regulate their emotions since the organization would interpret whatever emotion they displayed as a barometer to how the organization was doing. One interviewed reported this emotional regulation work as follows:

So when I walk out that door, no matter what phone call I’ve come off, the smile hits my face, I’m saying hello, I’m talking to people, and doesn’t, you know, I’ve left whatever I need to leave in the office, because you bring it out, you bring it to the organization, and the organization moral drops. Even if you’ve had a bad day, when you have a bad day, you can’t have the organization have a bad day. That’s important – CEO#12

So CEO#12 believed that he needed to display positive emotions to the organization (“the smile hits my face”) even when this was not the emotional state he was in (“I’ve left whatever I need to leave in the office”), since he believed that the emotion he displayed to organizational members would be translated into the emotion of the organization (“you can’t have the organization have a bad day”). This display of positive emotion, however, could not be completely dissociated from the reality of the issues that the organization was facing. CEO#12 described this as “giving off a positive sense of, without being unrealistic. If I can put it that way, that maybe things aren’t going so well, but you still need to give off a positive sense of, that the organization is in good hands”.

Hence, in assuming the persona of the CEO, the interviewees indicated that they needed to modulate their attire, behaviours and even emotions in order to manage the perception
of organizational members about what the organization is like. In other words, in assuming the identity of the CEO, the new chief executives also became the embodiment of the organization and, as a consequence, their behaviours, attires, and emotions would “give an impression of what the organization is like” (CEO#12) to the different stakeholders.

4.3.2 CHALLENGES OF THE CEO ROLE

In addition to changes in their behaviour due to the demeanour that they believed was fit to the role, the new chief executives also described particular challenges that were embedded in the tasks and responsibilities of the CEO role, which seemed to pose some constraints to their actions. These challenges encompassed aspects of the persona of the CEO, since they represented ways of being in the role. Thus, for the new CEOs, these challenges highlighted some of the key differences between being a member of the top team and being the CEO, since the 16 new chief executives interviewed who had experience in the top team but not in the CEO role described experiencing them for the first time. In particular, the new chief executives described these challenges as aspects of the CEO role that they had to come to grips with and needed to learn how to operate from within these boundaries in order to be an effective CEO. In other words, they were related to “ways you have to behave as a CEO to get things done” (CEO#6), and thus were part of the “self-in-role”.

There were four challenges of the CEO role that the interviewees acknowledged they needed to overcome to be effective: (1) how to cope with their feelings of isolation and accountability associated with being the ultimate decision maker of the organization; (2) how to let go of being involved in the operational side of the business and delegate responsibility of delivering to the top team; (3) how to structure their time so that they could handle the pressures of short-term urgencies and focus on the long-term direction of the organization at the same time; and (4) how to create mental space to reflect on the “big strategic decisions” while handling the constant switch to “minute decisions”.

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4.3.2.1 BEING THE ULTIMATE DECISION MAKER & LONELINESS IN THE TOP

The most cited difference between the CEO role and other C-suite roles was related to being the ultimate decision maker in the organization. Many new chief executives expressed that it was significantly different moving from being “one of” the top management team to the being the person who is the ultimate decision maker in the organization. For example, one interviewee reported how the weight of the responsibility of the role had an emotional toll on him in the beginning of his tenure:

*I think that’s probably the biggest thing, actually, is the level of personal accountability or responsibility that comes with the territory. I always felt very accountable for my own organization in my previous roles, but the big strategic decisions of the company in which I was a participant ultimately fell upon the chief executive to sign up for. That was the nature of being the, sort of the buck stops here moment. And while I felt very much a part of that team, it was always very true that when it came to push came to shove, at the end of the day, that the person who was accountable for the strategic direction of the company was in fact the CEO. – CEO#19*

Some interviewees connected the challenge of being the ultimate decision maker with loneliness in the CEO role. For instance,

*you’ve got to make difficult decisions and a lot of your decisions have got consequences for people, and that can be tough to do. And you often have to do that in isolation, because you need to guard confidentialities closely. So that aspect can be tough, and it was one of the things that I found quite difficult then and now, that you’re kind of on your own much more. Even though you’re captain of the team, you’ve got to separate yourself from that – CEO#14*

The quote above suggests that part of the loneliness that many individuals experienced in the role was associated with a need to distant oneself from others in order to make difficult people’s decision, which might impact those with whom the CEO could interact. Another aspect of the loneliness associated with being the ultimate decision maker was related to having no feedback regarding their actions. As one individual expressed “there isn’t the same ability to get the same input in what you are doing” (CEO#4). Hence, a distinctive characteristic of the CEO role is there are no peers. As an experienced interviewee, who was assuming the CEO role for the third time, described:

*The most difficult aspect of the job for a chief executive to understand is that they are, although they like to feel that they’re part of the team, they’re actually on their own. They’re not part of a board team, they’re different. They’re not part of a senior management team, they’re different. They’re not part of any team. They’re just on their own. And you’d love to believe, in
fact you persuade yourself that you are not on your own. But you actually really are, and you need to change your mindset and say “I am the person who needs to make the decisions”. — CEO#10

Hence, an important aspect of transitioning — and assuming — the role of the CEO is the absence of other individuals who are in the same role in the same social group.

4.3.2.2 ENABLER & NOT OPERATOR

The second most cited difference between the CEO role and a TMT post was that, as CEO#6 described, “as a chief executive you have to become an enabler and not a doer, so everything you do has to be done through other people”. Many of the new chief executives interviewed indicated that it was an important realization that in order to be an effective CEO, they were no longer “responsible for actually delivering things” (CEO#4) because now they had “move[d] further away from being operational” (CEO#6). In fact, many realized that as chief executives

you’re sort of responsible for everything really, in some ways you’re responsible for nothing. At headline level, you’re responsible for everything that’s going on, but you’re not really doing anything yourself, it’s all done by other people or largely done by other people — CEO#7

Some interviewees mentioned that it was difficult

going through the process of moving from managing the process to managing the process through other people. [Because now] you have to rely on the people in your business to execute stuff that you want executed. You cannot execute it yourself. So if we decide to go down a certain route, (...) you have to rely on the fact that we have the right team doing it, that’s the biggest change — CEO#6

Thus, while the challenge of being the ultimate decision maker highlights the loneliness that individuals felt in assuming the CEO role, since they were no longer within a social group of equals; the challenge of being an enabler and not an operator emphasized the value of the social milieu of the organization and the role of the chief executive in “set[ting] standards” through symbols such as their attire (CEO#15), through their behaviours and through their emotions, and no longer directly producing results.

4.3.2.3 TIME MANAGEMENT

Given that the CEOs, at the same time, felt responsible for everything and responsible for nothing, some interviewees mentioned that time management was a significant challenge
of the role. There were two facets regarding this challenge. First, given that “you don’t arrive as a CEO and get a job description” and that apart from “deliver[ing] some results (…) how you actually go about it is very much your own view” (CEO#4), a new CEO needs to be careful “where you’re going to spend your time, because you could spend, being this master of all trades, you can spend your time, if you want to [in] (…) what interests you”, and thus “how you use your time becomes very important” (CEO#12). Second, there is a real “time starvation” (CEO#17) in the CEO role due to the need to balance short-term urgencies with long-term needs. Thus a new CEO needs to be careful not to “spend your entire life dealing with the problems that come up that day” because otherwise “you won’t do your job as a chief executive driving the company and doing strategies” (CEO#17).

4.3.2.4 OSCILLATION FROM THE SUBLIME TO THE RIDICULOUS

Associated with the challenge of time starvation, the last challenge that interviewees mentioned was regarding the sheer diversity of issues that one needs to deal with as a CEO. As CEO#8 eloquently described, as a chief executive “you go from the sort of sublime to the ridiculous”, that is, from “minute decisions to big strategic decision” (CEO#3). The new CEOs considered this oscillation challenging not only because the variety of issues consumes time but also because this constant “sort of flip” depletes the mental space to focus on long-term strategy.

These four challenges seemed to highlight for the new chief executives the perception of the position of the CEO as the “ultimate leader” of the organization. The new CEOs believed that the CEO is responsible for embodying the nature of the group, setting its frame, culture, vision (hence they feel they “are responsible for everything that’s going on”). They believed that the CEO enables organizational members with a direction to mobilize their energy into a cohesive group (hence they are enablers). In order to provide this cohesiveness and alignment among all the elements of the organization, they believed that the CEO is involved in issues of different magnitudes (hence, needing to oscillate throughout all aspects, from “the sublime to the ridiculous”) and thus time becomes limited (hence the issue of time management). Because of the responsibility of setting, enabling and involvement, they believed the CEO no longer have time to actually execute
particular actions (hence they are no longer operators, and in that sense, they feel that they are “responsible for nothing”). In sum, these four challenges depicted the perspectives of the new chief executives regarding how the identity of the CEO, which they were now assuming, manifested in concrete terms the embodiment and leadership of the organization.

4.3.3 LACK OF SPECIFICITY OF THE CEO ROLE

The third aspect that the interviewees mentioned about the persona of the CEO is that it lacks specificity regarding the particular behaviours stakeholders expect the role occupant to do. One interviewee expressed this aspect of the chief executive role by noting, “you don’t arrive as a CEO and get a job description. It’s not like any other job” (CEO#4). He believed that “you need to deliver some results”, but “how you actually go about it is very much your own view”. Another individual recounted that during an appraisal with the organization’s chairman, after searching for a description of the role and realizing that “there are no real ones of quality”, he reported that

I ended up using a number of sources and crafting something that resonated with myself. And maybe the surprise [about the role] is how actually you can make the role work that you want it to be. And actually, and also, because you are at the top of the tree, nobody will really tell you you’re doing anything wrong – CEO#1

A similar result was found in a study on the nature of positions of multifunction responsibilities that do not have lateral relationships within the organization, such as the CEO role. For the 15 individuals investigated, Kotter (1982) indicated that the position did not “come with a blueprint of what the incumbent should do. Job descriptions, when they do exist, tend to be vague and to emphasize end results rather than necessary actions” (p.59). Furthermore, while in his study, Kotter (1982) demonstrated a similarity in behaviours adopted by the role incumbents; in this research, the new chief executives interviewed seemed to share a similar conceptualization – albeit vague – of what the CEO post entailed. In fact, I asked all interviewees “how do you describe the role of the chief executive?” and all the answers were associated with representing the embodiment of the organization and setting a tone. Many used the word leader. Some offered an analogy with being the captain of a ship.
The similarities among the descriptions utilized by the new CEOs interviewed suggested that their conceptualization of what the role entails likely originated from external sources. Indeed, most interviewees mentioned that the way in which they enacted the chief executive role was by “put[ting] into practice is what you’ve seen your best role models do” (CEO#10). In other words, when asked how they formed their views about the CEO role, both insiders and outsiders new CEOs referred back to old experiences and old bosses, who they considered both as positive or negative role models. All individuals seemed to create a “composite” of things that these positive or negative models did (or did not do) that resonated with them, and to apply these examples into how they enacted in the role, as illustrated in the quote below.

What I tried to do was to look back on all my experiences from, I’ve worked in a number of different businesses, worked for a number of different types of leaders, what I thought worked for them that would work for me, in terms of being successful. (…) I think a jigsaw would apply to [how I learned to be a chief executive] so bits are like that, go like that, I would change that, and this. – CEO #12

Watson (2008) defined social-identities – such as the “managerial identity” (or in this case, the CEO identity) – as “cultural, discursive or institutional notions of who or what any individual might be” (p.131). The new CEOs seemed to be selecting from among the various roles models they interacted in their working lives, “significant elements of external and socially available discursive notions” (Watson, 2008, p.128) of the CEO identity to build their own particular “jigsaw” (CEO#12) or “best practice” (CEO#10) of what they perceived the CEO identity to be.

Interestingly, whilst there are multiple, often competing and conflicting social-identities (e.g. role models) for other corporate personas – such as the “managerial identity” – due to pressures and powers towards dominant discourses for that social identity, the identity work of individuals assuming these roles usually “occurs in the context of the ways in which other people attempt to tell us who or what we are” (Watson, 2008, p.130). The distinction in assuming the CEO role, therefore, seems to be that, “not like any other job” (CEO#4), the new chief executives (who assumed many managerial positions in their career paths towards their CEO appointment) perceived a freedom to “make the role work that you want it to be” (CEO#1) that they did not seem to have experienced in assuming
other managerial roles. Thus the social pressures and powers towards a dominant discourse seems to be reduced when one assumes the CEO role “because [when] you are at the top of the tree, nobody will really tell you you’re doing anything wrong” (CEO#1).

Hence, apart from the personification of the organization, setting the tone of the organization, and being responsible and accountable for the results of the organization, the new CEOs believed that they had no specific description of what the role entailed, and they described a freedom in building the own definition of the role that they had not hitherto experienced in other managerial roles.

4.3.4 SUMMARY OF THE PERSONA OF THE CEO

In sum, the data suggests that the persona of the CEO, which describes the “self-in-role”, encompasses three characteristics of the CEO role that the new chief executives described being different from other roles (and other identities, such as that of being a member of the top management team): the perception of the CEO as an embodiment of the organization; the particular challenges that were embedded in the tasks and responsibilities of the CEO role; and the lack of specificity of the role, which gave the new chief executives a lot of leeway for their personal identity to influence how they enacted the role.

The impact of these three characteristics of the CEO role in the CEO identity construction process can be summarized into a set of specific questions, depicted in Table 4-1, that new chief executives likely need to address in transitioning into the role and in building their CEO identities.
Table 4–1 Questions Summarizing Persona of CEO Influence in the CEO Identity Construction Process

<table>
<thead>
<tr>
<th>PERSONA OF THE CEO</th>
<th>QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO AS EMBODIMENT OF ORGANIZATION</td>
<td>Being Scrutinized&lt;br&gt;What messages is the organization picking up in my actions and words? How is the organization interpreting my actions, words and behaviour?</td>
</tr>
<tr>
<td></td>
<td>Looking the Part&lt;br&gt;How are my behaviours, attire, and emotions giving an impression of what the organization is like internally and externally? How do I embody the demeanour or persona of the CEO as I walk around the office and interact with different stakeholders?</td>
</tr>
<tr>
<td>CHALLENGES OF THE CEO ROLE</td>
<td>Ultimate Decision Maker &amp; Loneliness&lt;br&gt;How do I cope with feelings of isolation and accountability associated with being the ultimate decision maker of the organization?</td>
</tr>
<tr>
<td></td>
<td>Enabler &amp; Not Operator&lt;br&gt;How do I let go of being involved in the operational side of the business and delegate responsibility of delivery to the top team?</td>
</tr>
<tr>
<td></td>
<td>Time Management&lt;br&gt;How do I structure time to deal with both short-term urgencies and long-term direction of organization?</td>
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<td></td>
<td>Oscillation from the Sublime to the Ridiculous&lt;br&gt;How do I create mental space to reflect on big strategic decisions while handling the constant switch to minute decisions?</td>
</tr>
<tr>
<td>LACK OF SPECIFICITY OF ROLE</td>
<td>How do I define the CEO role to myself and others? Who are my role models and how do they influence the way in which I enact the CEO role?</td>
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4.4 PERSONAL IDENTITY

If I’m leading an organization, I own the organization. I am only happy, and I can only be held responsible, when I put behaviours in place, which I live and breathe and I want to happen. Otherwise I can’t say this is a company which I’m proud to lead. And, you know, if those behaviours lead to the company underperforming, then the chairman should remove me from office. But you can’t expect a leader to compromise on his principles or the way he likes doing things. – CEO#6

Not all interviewees expressed as vehemently as the new chief executive from the quote above, yet all of them indicated, in one way or another, how their beliefs, values and experiences impacted their take on the role. Indeed, the notion that “the way a business operates largely does come from who the leader is in the business and how they operate” (CEO#7) and that “the first port of call is you as an individual” (CEO#10) was an overarching theme throughout the interviews.
The new chief executives seemed to be able to “permeate” their personal identity into the enactment of the role because, as evident in the data, there is no real specific definition of the role of the chief executive. This lack of specificity in the CEO role might occur because, as suggested by identity theory, the influence of different situations shape how a role is enacted (McCall & Simmons, 1978; cited in Kreiner et al., 2006). Mischel (1977) conceptualized the idea of “situational strength” by probing “When are situations most likely to exert powerful effects and, conversely, when are person variables likely to be most influential?” (p.346). He distinguished between strong situations and weak situations. In strong situations, there are clear expectations regarding the behaviour that individuals should enact, limiting the ability to express their personalities. In contrast, in weak situations, there are no clear expectations regarding the behaviour that individuals should enact and thus “behaviours are more likely to reflect relevant personality traits” (Cooper & Withey, 2009, p.63). Chief executives are believed to operate in a weak situation, since the circumstances that they encounter “are typically ambiguous, contradictory, and far-flung, and they emanate from various parties who have their own motives. As a result, the situations that executives face are not knowable; they are only interpretable” (Finkelstein et al., 2009, p.3).

Research has shown that when individuals assume a role embedded in a strong situation, such as the role of a priest, they are likely to face “identity intrusion” in which the identity in the role “was asking too much of their personal identities and/or they had to give up important parts of themselves to be good priests” (Kreiner et al., 2006, p.1041). After all, there are clear social expectations as to how priests in general should behave. The new chief executives in this study – who are embedded in a weak situation (Finkelstein et al., 2009) – described experiencing an opposite type of identity intrusion, where their personal identity was intruding into the role instead of the role intruding in their personal identity. In other words, instead of experiencing, like the priests, a “perceived invasion of one’s personal identity by the social identity” (p.1041), the new chief executives seemed to experience an invasion of one’s social identity (the CEO role) by the personal identity. This is because, as illustrated above, there are no clear expectations as to how a chief
executive should behave, as so there is a lot of leeway for the individuals’ personal identity to influence how they enact the role.

The findings of this study indicate that there are three ways in which the personal identity of the new chief executive permeates into the CEO role (see Figure 4-3). First, in a process of individualized internalization, the new chief executives seemed to utilize aspects of their personal identity, such as their values, beliefs and sense of authenticity, to guide them in enacting the CEO role. Second, in a process of representing, the new chief executives seemed to use aspects of their personal identity to communicate to the organization who they are and what they stand for as CEOs. Finally, in a process of validation by the board of directors, the new CEOs described feeling validated that their personal identity was a legitimate substrate with which they could build their identity as chief executives. In the remainder of this section, I describe each of these processes in detail.

Figure 4-3 Structure of the Personal Identity Dimension
4.4.1 INDIVIDUALIZED INTERNALIZATION

The first way in which the new chief executives reported that their personal identity impacted their CEO identity construction process was through a process of individualized internalization of the role, in which they described utilizing aspects of their personal identity to guide them in enacting the CEO role.

The data suggests that there were three aspects of their self-concept that the new CEOs utilized as guides to help them uncover what it meant to be the CEO for themselves: (1) their beliefs and values as parameters for action; (2) their sense of authenticity; and (3) differences between themselves and their predecessor.

4.4.1.1 BELIEFS & VALUES AS PARAMETERS FOR ACTION

One way in which the personal identity of the new chief executives seemed to be invading their enactment of the CEO role was through many of the changes they implemented in the beginning of their tenure. Many interviewees mentioned that they executed changes that were based on their beliefs about how a business should be run. For instance, CEO#4, an insider, implemented a major organizational restructure in the beginning of his tenure, because “he [his predecessor] sat a certain style for the way he wanted those companies to be run, which isn’t the style that I want to adopt”. While his predecessor managed the three divisions that comprise the organization separately, he didn’t “think that was the right way to run it. I thought that, I think, I believe that, that there is much more benefit in running a more holistic organization”. Consequently, in his first interview, three months into his tenure, he had executed several changes based on the concept of “a holistic organization”. In order to run the firm with “an integrated management team”, he mentioned that he had combined the management meeting of the divisions, appointed a new HR director for the whole company, merged the intranets so that “everybody sees the same news, the same information”, changed all the reporting lines, and restructured the remuneration scheme of the management teams of the divisions so that all were financially motivated to act in a similar way.
In addition to their beliefs, the new chief executives interviewed also referred to their values as important parameters for the actions and behaviours. For instance,

So from my perspective relationships are important, so that comes through in the way I operate; performance is important, so that comes through; being organized timely and efficient is important, so that comes through; and being approachable, that comes through. So I have what I’d call the things I stand for, and I try to live those values (…). So that clarity has helped me by being able to apply my values to the role, and as CEO you can do that much more holistically than you can as a functional – because if you’re the head of the organization, then you have more freedom to do that, no one is telling you “this is the way you should do things”. - CEO #12

In the quote above, CEO#12 is directly connecting his ability to express his values in the enactment of the CEO role (“live those values”) with the lack of specificity, or expectations, about how a chief executive should behave (“if you’re the head of the organization”, “no one is telling you ‘this is the way you should do things’”). This quote illustrates the weak situation that the new chief executives experienced in the beginning of their tenure, as there was no feedback, no peers, no prescriptions as to how exactly they should behave. On the one hand, this lack of specificity about the role had some drawbacks, as indicated by the feelings of loneliness, the inability to turn off from the organization, and the lack of feedback about how one was doing in the role that many interviewees recounted. On the other hand, many, like CEO#12, expressed a freedom to input their values and beliefs in the role that they had not hitherto experienced.

4.4.1.2 AUTHENTICITY

Another indication that the personal identity of the new chief executives was intruding in their enactment of the CEO role was related to the notion of authenticity. Many of the new chief executives remarked that they were enacting the role by being authentic to whom they are, that is, to their personal identities. Issues regarding authenticity were mentioned in two contexts. First, some new chief executive indicated that by communicating their values to their organizations through their actions and changes, they were remaining authentic to their “true selves”. For example, an outsider new chief executive (CEO#19) recounted that one of his first actions in the organization was to “change that perception, that senior leadership is aloof or distant and not trustworthy”, a
perception that had been uncovered in the “most recent employee survey about their feelings about the company”. He believed that “a new leader is the perfect opportunity to completely blow that [perception] up” and thus he “create[d] opportunities to demonstrate” his values of being “straightforward”, “honest” and “open” to the organization. In demonstrating these values to the organization, he believed he was being authentic because

that’s actually pretty much who I am, so it’s kind of nice that’s exactly what was needed. (…).
I don’t think I can be different to that anyway, but it’s helping the organization and the people in the organization see that, that is who the new CEO is, and that they can trust, and that will always be the case – CEO#19

The second context in which authenticity was mentioned was regarding decision-making. Some interviewees reported that they relied on their values and their authenticity to make difficult decisions. For instance, CEO#3, an insider, reflected “there were decision points I had to take where (…) the only way to do it was reacting to it authentically”. She recalled a particular crisis in the organization in which

I was caught in the middle of a storm. And then in that sense you just need to, you can’t say yes to everybody, so you need to, you end up working out your own, to say “this is what I can live with”. (…). So in that sense, crisis, probably problems like that, business issues like that, are defining then your own style. So yeah, and then you’re working through that, so with every business decision I think you’re getting more confident, and you’re saying “this is me” and “this is what I need to do for the business”, “this is me and the business as it stands at this point in time”.

Thus, this new insider CEO relied on her authentic self (“reacting authentically”) to make difficult decisions in the business, that is, to perform one of the main responsibilities of the CEO role, which is to be the ultimate decision maker. Furthermore, in doing so, she was also indicated that she was able to “defining then your own style” of enacting the role.

The concept of authenticity seems relevant to the identity intrusion that can occur in the enactment of demanding roles. Thus, the priests in Kreiner et al. (2006) experienced a lack of “identity transparency” since they “believed that their ‘true selves’ often couldn’t be revealed to parishioners or the general public because those true selves were incongruent with what a priest should do, say or be” (p.1041-2). In contrast, while the priests suffered “perceived inability to show one’s identity to others” (p.1042), the new CEOs in this study recounted the opposite experience since expressing their personal
identity – through their values, actions and “true selves” – seemed desirable for the enactment of the CEO role.

4.4.1.3 DIFFERENCES FROM PREDECESSOR

Finally, another important way in which the personal identity of the new chief executives influenced the role was observed by the emphasis of many new insider CEOs interviewed (and even some outsiders) regarding the differences between them and their predecessor. Five of the seven new insider CEOs (and three of the 12 new outsider CEOs) interviewed expressed how particular differences between themselves and the previous incumbent influenced some of the changes they executive in the organization after assuming the post.

For example,

the founder [predecessor] is a very emotional individual, and I think has the perception of me coming in as being rather a more mechanical administrator, mainly because I look like that to him, because he’s very disorganized and not very systematic in the way he does things. So I’m very different, I don’t get very emotional, or if I do I don’t show it. And so he’s the sort of person who would just ring up people and chat to them or bang his fists on the table and it’s not what I would do. (...) If he [the founder] doesn’t see emotion, he doesn’t see things, everybody stopping everything and focusing on this one issue, he doesn’t think it’s being addressed. He’s just got a very different perception about how things should be managed –

CEO#9

Thus, CEO#9 believed that the way in which he and his predecessor (who, as a founder of the organization, stayed involved in the business after the succession took place) displayed and utilized emotion in the enactment of the role varied significantly, influencing their perceptions “about how things should be managed”. In addition, he also indicated that they had different personalities, as he believed the predecessor perceived him to be “a more mechanical administrator”, whilst he perceived the predecessor to be “disorganized and not very systematic in the way he does things”.

The differences between the new CEOs and their predecessors seemed to be related to their beliefs about how an organization should be run (as in the example of CEO#9, who differently from his predecessor believed organizations should not be managed through emotional outbursts, or as in the example of CEO#4 who changed the organization based
on his belief that the way his predecessor had structured the divisions of the business was not “the right way to run it”) or related to different styles of leadership. For instance,

“He [predecessor] was managing us individually. So there was not a strong team sense necessarily between the team, but he was such an experienced CEO, he was just managing us individually and the company was working. I let the team discuss more out of two reasons. [Firstly], because I like the team to work very well but secondly I just don’t have the experience, so I rely on the team to discuss decisions through”. – CEO#3

In this case, CEO#3, perceived a difference between herself and her predecessor that was based on the predecessor’s experience as chief executive (“he was such an experienced CEO”) as well as preferences regarding the way she would like the team to interact (“I like the team to work very well”). These differences seemed to encourage her to change the dynamics of the top management team, putting in place team building events so that the team would get to know her as the CEO and “they [the team] also get to know each other as well because as a team we haven’t worked together”.

As the examples above portray, the differences that the new chief executives emphasized between themselves and their predecessor engendered changes in the organization (such as restructuring of divisions, as in the case of CEO#4, and new dynamics within the top management team, as in the case of CEO#3). The influence of personal features on the enactment of the CEO role in the beginning of their tenure is noteworthy because the dominant view in the literature is that an insider succession indicates the desire of stability by the board of directors and that an insider succession will lead to less changes than an outsider succession (Finkelstein et al., 2009; Wiersema, 1992). An insider succession is believed to maintain the status quo of the organization because an insider would be committed to the previous decisions that he or she would have been involved as a member of the top team and would share a similar cognitive map with the predecessor due to their experience working together (Wiersema, 1992). Yet, many of the changes implemented by the new insider CEOs in this study seemed to originate from idiosyncratic differences between them and their predecessor, which cannot be captured in the dichotomy between insiders and outsiders. If an individual’s personal identity is relevant for his or her enactment of the CEO role, then even individuals who have a shared history (as is the case of insiders and their predecessors) will have characteristics that differentiate them, which
can lead to important changes in the organization, as the ones mentioned in the examples above. In support of this argument, it is interesting also to note that, similar to the qualitative study conducted by Simons (1994), this study did not observe significant differences between the changes mentioned by the new insiders and those mentioned by the new outsider CEOs. Hence, an insider CEO succession might not bring the stability to the organization that is usually assumed in the literature (Finkelstein et al., 2009).

### 4.4.2 REPRESENTING

In addition to utilizing self-aspects, such as their beliefs, values, and sense of authenticity to construct a representation of themselves in the role, the new chief executives also described that they were actively and persistently communicating to the organization “this is who I am, this is where I come from, this is what I stand for” (CEO#10) through a process of representing who they are as chief executives to the organization.

For outsider new CEOs, when they commence of the role, they already interacted with the members of the board of directors, who have evaluated these individuals for their suitability to the role. However, interactions with organizational members had been minimal or non-existent. For most part, CEO selection is done in secrecy (e.g., Khurana, 2002) and all new outsider CEOs recounted that with the exception of a few individuals who were either part of the interview process or part of a due diligence exercise done by some of the new CEOs, they had not engaged with the organization prior to commencing the role. Hence, most of the organization did not know who these new CEOs were until they started their tenure. Consequently, it is natural that these individuals would engage in some way of communicating to the organization about themselves. Interestingly, though, the representing process was an activity that both insiders and outsider new CEOs described engaging in. Many interviewees mentioned that in the first weeks after commencing in the role, they were actively communicating to the organization “this is who I am, this is where I come from, this is what I stand for” (CEO#10). This was true not only of outsiders, who were new members of that social group, but also of insiders. For instance, an insider who had been in her organization for a decade before being appointed to the CEO role mentioned that
“a large part of your first quarter is just to get to know the clients, to get to know the suppliers, meet them in your new role, because of course you know a lot of them before. And of course to go out to the organization saying “this is who I am, as CEO”, so a lot of what I did was saying “this is me as a CEO”. — CEO#3

The need for an insider new CEO to go around the organization conveying “this is who I am, as CEO” is particularly relevant to the CEO identity construction process because it highlights the importance of the new CEO’s personal identity to the process. Thus, albeit insider new CEOs have been in the organization prior to their appointment, when they assume the chief executive position, due to the nature of the role, it seems that their self-definition suddenly becomes important for the definition of the group. In other words, it might be as important for a new insider CEO to communicate to the organization “this is who I am as the CEO” as it is for an outsider, because, although organizational members have had contact with them for many years, they do not know the new insider chief executives in that capacity, so it is not just about the individual, but it is the individual in the CEO role, which seems to be significantly different from when the individual was a member of the top team.

Some of the ways in which the personal identity of the new CEOs permeated into the enactment of the role (such as using their authentic selves as parameter for making decisions, and using their values and beliefs as parameters for their actions, behaviours and some of the changes they implemented in the organization) seemed to be associated with the ways in which the new CEOs interpreted and perceived the role for themselves. In other words, they did those things because, due to the lack of specificity about the role, the way they saw fit to enact the role was using their values, beliefs and authentic self as parameters. These self-aspects intruded the role for their own personal internalization of what being the CEO entailed. In addition, in representing themselves to the organization, some self-aspects seemed to not only help the new chief executives to embrace the identity of the CEO, but, most importantly, seem to help them to directly communicate their personal identity to the organization. Three aspects of representing emerged from the data: (1) Personal brand; (2) Being a human being; and (3) Symbolic changes.
4.4.2.1 PERSONAL BRAND

One way in which some of the new CEOs interviewed described actively representing themselves to the organization was through building a “personal brand” about themselves in the organization. For instance, CEO#19 reported that one of his objectives in the beginning of his tenure was to “try and create a bit of a brand for me personally, within the company”. This personal brand – which expressed to the organization his personal characteristics of being “straightforward”, “honest” and “open”, which were the “core to who I am anyway” – was directly associated with some of the changes he wanted to instigate in the organization (such as changing the perception of organizational members that “senior leadership is aloof or distant and not trustworthy”). Furthermore, he believed that this personal brand was an important task of the role, as the quote below illustrates

*To some extent any CEO effectively has to build their brand, define who they are both externally and internally and decide what are they, probably you can’t actually decide, demonstrate what are your personal attributes in a way that people understand and know them, and that becomes your brand. I don’t think you can be anything that you’re not* – CEO#19

Another new chief executive who was conscious about the need to engage in representing himself to the organization directly connected this activity with being endorsed as a leader of the organization

*I think any chief executive needs a way of telling a story about who they are, where they’re from, what they’re going to do. So when I went round and met staff, I talked to them about who I was, where I was from, I talked to them about my upbringing, about my family background, my values and what was important to me. (...) I think people want to know that they’ve got leaders that have got values and those values are genuine and authentic, and what do those values come from. (...) Just because I got the job and I got chief exec on my door, it doesn’t mean that people think I’m in charge. So you’ve got to win respect, you’ve got the win the right to be viewed as that, and the authority doesn’t come when the offer letter comes, when the salary cheque arrives, the authority comes from people accepting your leadership. And they’re only going to accept your leadership, in a really sustainable way, if you connect with their values.* – CEO #16

As both quotes above indicate, these interviewees expressed that the representing process was something embedded in assuming the role, something that “any chief executive” needs to engage in. So it was not something particular to their context, but something that they believed was inherited to the role. This makes sense since most of the interviewees
associated being a CEO with being the leader of the organization and research suggests that the influence of leadership is related to representativeness to a social group (e.g., Haslam, Reicher, & Platow, 2011).

4.4.2.2 BEING A HUMAN BEING

In addition to communicating through a personal brand their values, experiences and behaviours, many new CEOs mentioned that they were representing themselves to the organization by expressing their “humanness”. These individuals believed that it was important that the organization perceived them as “human beings”. They utilized a variety of communication tools, such as personal blogs, newsletters and memos to convey this message that they were indeed “human”. For instance,

*I started a fortnightly blog, which I made very human (…) The very first couple of paragraphs, I used were about transition to CEO, but actually the biggest transition in my life was my son going to university, which people, everybody has experienced that, and they could sort of completely empathize with that. And therefore it made me just another human person, human being, who’d got a big transition in their life, which is, you think is the job, but actually isn’t, there are other stuff going on. And the feedback on that was ‘oh, that’s’, they feel they know me, I think, because of that, because I’ve used that human side of me to get across the person, not just the CEO, I thought. And that’s very important to me, that they see me as a human being – CEO#12*

Thus, being “seen as a human being” seemed to be important for the new CEOs because it helped them to connect with individuals in the organization. New chief executives might need to communicate to the organization that they are just human beings like other members of the organization because the ontological expectation of embodying the organization that is associated with the CEO role might separate and distinguish the new chief executives from the group. The new chief executives probably need to reduce this separation for two reasons. First, they might have to present themselves to organizational members as “credible human individuals” in order “to establish and maintain interpersonal relationships upon which successful performance of their jobs depends” (Watson, 2008, p.122). Second, the social identity theory of leadership advocates that for a leader to be effective, he or she needs to be perceived as the group prototype (Haslam et al., 2011; Hogg, 2001; Hogg & Terry, 2000). The position as the in-group prototypical members is a valuable one since these individuals are perceived to embody the attitudes and
behaviours that other members conform to, thus exerting more influence than less prototypical members. In order to be seen as prototypical, new CEOs likely need to mitigate this distance between them and the organization, and a way to do this is to remember organizational members that they are human beings, just like “one of us”.

Interestingly, both insider and outsider new CEOs indicated that they were communicating this humanness to organizational members, suggesting that there is a fundamental shift that occurs when an individual assumes the CEO role because these insiders were, prior to the appointment, perceived to be members of the social group and “credible human beings”, but after the appointment these new insider CEOs seemed to feel the need to remember organizational members that they are still “one of us” despite the change in role.

4.4.2.3 SYMBOLIC CHANGES

A final way in which the new CEOs described representing themselves to the organization was through specific changes that they executed. For instance, CEO#10 reported that he conveyed “what I stand for” by “try and find some small examples and use those as the means by which people get an idea of who you are”. Thus, one of the first things he did in the organization was to “get rid of offices” since his “belief is [that] you should be doing that sort of thing much more in an open environment”. The idea was that this change

combined with going round and then being visible to people all of the time, never using the phone here, walking to people’s desks and going to talk to them, encouraging them to come to your desk sends out a message that you are 1) approachable and 2) that you want everybody to be treated equally.- CEO#10

Similarly to the example above, many of these symbolic changes described by the new CEOs seemed to involve everyday actions of the group, such as structure of meetings, reports, and rituals. The new CEOs described these changes as “very small actions that create large effect” (CEO#10), because they seemed to produce a “massive signalling content” (CEO#15) to the organization about the way in which the new CEOs operate, that is, their self-definition. These symbolic changes were in stark contrast with many other changes – such as operational, structural, and strategic – that the new chief executives mentioned required the buy-in of organizational members and took time to be
implemented in the organization. In contrast, symbolic changes seemed to have an almost immediate “effect (…) on people and their perceptions” (CEO#13). These symbolic changes likely had this “large effect” in the organization because they seemed to directly tap into the visible manifestations of the organization’s culture, which usually communicate and objectify the identity of the organization to organizational members (Ravasi & Schultz, 2006).

These symbolic changes were also implemented by new CEOs who were not consciously representing themselves to the organization. Indeed, some interviewees were surprised by the effect of these changes, which suggests that they were not consciously tapping into visible manifestations of the organization’s culture. For instance, CEO#13, an insider, mentioned about changing the way in which promotions were communicated and celebrated in the organization

“I’ve been quite surprised about things that I’ve decided to do, which in the grand scheme of things I don’t think are huge, but the effect that they have on people and their perceptions [was] – CEO #13

Similarly, CEO#15, an outsider, described his motivation to changing the operations report in the organization was for personal reasons and, like CEO#13, the signalling content that this change had in the organization surprised him.

“I do actually think the most significant, and this might sound cheap, but it really isn’t, the most significant thing I’ve done in the first three weeks was to institute daily and weekly reporting of the operations directly to me. And I hadn’t appreciated the massive signalling content that has to the organization. (…) I didn’t introduce this for the signalling content, I did it because I wanted to know what the hell was going on in the company. But I’m pleased that it’s had a bigger impact of refocusing people’s mind– CEO #15

Thus, while some individuals seemed to consciously implement symbolic changes to communicate to the organization what they stand for as CEOs, other implemented these changes without consciously been aware of its communicative effect.

In sum, the new chief executives interviewed represented their personal identity to organizational members through many ways, such as building a personal brand, instigating symbolic changes, and expressing through memos and blogs that they, like other organizational members, are also human beings. Both outsiders and insiders engaged in
this representing process, indicating that this process is part and parcel of assuming the role of chief executive in an organization and not an activity executed by new members of the social group.

Research suggests that, in order to be perceived as an effective leader, an individual needs to demonstrate his or her prototypicality in the group through representing one’s self-definition (Haslam et al., 2011). One of the new CEOs interviewed directly connected the need to communicate his personal life story and his values to organizational members with being endorsed as leader of his new firm. Other individuals were less conscious about actively representing themselves to the organization. Yet, given the scrutiny that the new CEOs experienced, even actions and behaviours that the new chief executives were not consciously communicating nevertheless seemed to convey to the firm messages about who the new CEO is and, indirectly, through the embodiment of the CEO as the organization, who the organization could be. This was observed, for example, in the signalling effect that changes that tapped into the visible manifestations of the organization’s culture had even when the new CEOs were not conscious about utilizing them to represent themselves. In sum, sometimes consciously and sometimes unconsciously, the new CEOs believed that they were directly affecting the perception of organizational members about not only what they stand for, but also what the organization should now stand for after their appointment.

4.4.3 VALIDATION BY THE BOARD

The final way in which the new chief executives reported that their personal identity impacted their CEO identity construction process was through a process of validation that they perceived receiving from the board during the appointment process.

Most of the stories narrated by the new chief executives seemed to have some element of the CEO feeling validated that their characteristics were desirable to the organization, as the interviewees believed that their views, behaviours, experiences, values, and personalities were exalted and endorsed by the board during the appointment process. For instance, CEO#2, an outsider, recounted feeling “flattered” and “humbled” during the
selection process, as he was “hearing all these positive messages about how I’m the right person for the role”. He described that during the interviews, it became clear that there was a lack of clarity regarding the direction of the organization since he “had to answer questions that were sort of contradictory or at least they represented dilemmas for the organization”. He believed he was successful in addressing these dilemmas “by communicating my experience to them [the interviewees] in pretty explicit ways but in some subtle ways as well”. Another way that he potentially addressed these dilemmas was by communicating “during the interview process, that this [the CEO role] represents an opportunity for me to bring all of my life and work experience to bare in one, in a role”. In other words, during the interview process, he was able to show how his personal characteristics (“all of my life and work experience”) were what the organization was looking for to answer its dilemmas concerning the lack of clarity in direction. Similarly, CEO#19, also an outsider, reported that during his also long interview process, he learned how his personality (his “skills and action orientation that I bring to the work place”) and beliefs (“things I would do were I to get the job”) were “very much what they [the board] were looking for”.

Interestingly, even when the interview process did not praise a specific characteristic (values, behaviours, personality, experiences, etc.) of the new chief executive, the new CEOs also seemed to feel validated. For instance, CEO#4, an insider, who had a very straightforward appointment process in replacing his retiring predecessor, describe how he felt validated in being “good enough” for the role:

I was extremely pleased because, while I knew, if I was being honest, while I knew there were no other internal candidates, you never know whether you’re necessarily good enough to do the job, and whether they don’t do an external recruitment benchmarking and such. He [the predecessor] could easily have said to me “hi, I’m retiring. I’m going out to do an external recruitment process. And in the next 6 months, you’ll find out who your new boss is”. –CEO#4

In sum, most of the stories narrated by the new chief executives interviewed seemed to have some element of the new CEOs feeling validated by the board that their characteristics were desirable to the organization. Because this study focuses on the subjective experience of the new CEOs, it is beyond the scope of this study to make an assertion regarding the board’s intentions during the selection process. Yet, the interpretation of the new CEOs is that they felt that by being appointed as the new chief
executive, they were validated as possessing the right characteristics for the enactment of the role and that their personal identity was desirable as the personification of the organization.

### 4.4.4 SUMMARY OF PERSONAL IDENTITY

The personal identity of the new chief executives seemed to be a paramount aspect of the way in which they enacted the CEO role. They seemed to utilize aspects of their personal identity not only to construct a representation of themselves in the role, but also to socially construct their identity as CEO within the social milieu of the organization. On the one hand, the new CEOs seem to utilize their values, beliefs and authentic sense of self to help them in making difficult decisions, to support them in discerning what changes they should implement in the organization, and to guide them in uncovering what it means to be the CEO for themselves. On the other hand, the new chief executives also seemed to be actively expressing their personal identity to the organization, by conveying their personal brand, by communicating their humanness, and by instilling symbolic changes that communicated what types of behaviours they would like to instil in the organization. Moreover, it seems, through their perception of being validated by the board of directors during the appointment process, that they perceived an endorsement for using their personal identity as the substrate to construe their identity as chief executive.

DeRue and Ashford (2010) posit that individuals construct their identity as leaders through three levels of self-construal: individual internalization, relational recognition and collective endorsement. Individual internalization refers to “a state where individuals come to incorporate the identity of leader or follower as part of their self-concept” (p.629). Relational recognition refers to the adoption of reciprocal role identities, so that individuals recognize the role relationship among them (who assumes the leader identity and who assumes the follower identity in a particular situation). Individuals assume the reciprocal roles of leader and follower through a cyclical and mutually reinforcing interplay between the identity work of claiming an identity (asserting that identity) and granting that identity (accepting and reinforcing a claim) to a particular individual. As a reciprocal and reinforcing pattern of claiming and granting becomes establish among
individuals, collective endorsement occurs as others in the wider social context start to perceive the claimer to have that particular identity (of leader or of follower).

In utilizing their personal identity as substrate to build their identity as CEOs, the new chief executives seemed to be engaging in individual internalization of the role by permeating aspects of their self-concept (such as their values and their sense of authenticity) into the role. Most individuals seemed conscious that they were utilizing self-aspects, such as their values, beliefs and sense of authentic self to enact the role. In fact, most new CEOs seemed to believe that “the first port of call is you as an individual” (CEO#10) and “the way a business operates largely does come from who the leader is in the business and how they operate” (CEO#7). As will be explained in more details in the next chapter (Chapter 5), the transition to the CEO post seemed to promote the individuality of the new chief executives and they seemed to be conscious of the importance of utilizing their sense of self as the “first port of call” of how to enact the role.

They also seemed to be engaging in the identity work of claiming by communicating aspects of their self-concept (through their personal brands, their humanness and through symbolic changes) to organizational members as the process of claiming “refers to the actions people take to assert their identity” (DeRue & Ashford, 2010, p.631). Moreover, since claiming a particular identity also occurs through displaying particular identity cues (such as looking the part), this suggest that in the CEO identity construction process, new chief executives claim their identity as CEOs both by acting in ways that fit the demeanour of the CEO, as expected by the perception of the CEO as the embodiment of the organization, and by communicating that their personal identity also fits the definition of CEO.

Finally, the feelings of validation by the board perceived by the new CEOs seems to entail a form of granting, as the new chief executives perceived the actions of the board during the appointment process as a permission to utilize their personal identity to enact the role.

Consequently, while in the leadership identity construction process, claiming and granting are related, the data of this study suggests that these might be dissociated in the CEO
identity construction process. The new CEOs seemed to believe that they received granting by the board, through a process of validation; then, they seemed to claim their validated personal identity with actions towards organizational members. This difference might occur because, even though the identity of leader and the identity of CEO are related, they are not interdependent (e.g. one can be a leader without being the CEO). In particular, the identity of leader differs from that of the CEO in that the identity of leader is “ambiguous, dynamic and contextual” (DeRue & Ashford, 2010, p.630). In other words, in a given situation, it might not be obvious who the leader is (unless leadership and hierarchical position are connected and well-defined), and who is the leader might dynamically vary according to the social context in which individuals are embedded. The identity of CEO is less context-specific. The chief executive of a particular organization continues to be the CEO independent of the situation in which the individual is, being it interacting with members of his or her organization (in which case, he or she might also be perceived as the leader of that particular group), with members of the board, or with other CEOs in a network event. Nevertheless, the identity of CEO and the identity of leader have one important characteristic in common: there is “no clear definition or meaning across people” (p.630) of what means to be the leader; similarly, as mentioned earlier, the new CEOs in this study also indicated that there is a lack of specificity defining the role of the CEO. Indeed, many of the new CEOs described the role of the CEO through the other ambiguous identity of leader, suggesting that even though they are not interdependent, there is a strong association between being the CEO and perceiving oneself as the leader of the organization.

In sum, the findings of this study indicate that there are three ways in which the personal identity of the new chief executive permeates into the CEO role. One is associated with how the new CEOs utilize their personal identity in order to enact the role for themselves (beliefs & values as parameters for action; authenticity; and differences from predecessor). The second one is how they use their personal identity to communicate with others what they stand for as CEO (representing). Finally, the third aspect is how others grant them permission to utilize their personal identity to enact the role (validation by the board).
These three aspects of the personal identity intrusion that the new chief executives experienced in transitioning into the role can be summarized in the questions presented in Table 4-2.

Table 4-2 Questions Summarizing Personal Identity Influence in the CEO Identity Construction Process

<table>
<thead>
<tr>
<th>PERSONAL IDENTITY</th>
<th>QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDIVIDUAL INTERNALIZATION</td>
<td>Beliefs &amp; Values as Parameter</td>
</tr>
<tr>
<td></td>
<td>How do my values and beliefs impact the way I enact the CEO role?</td>
</tr>
<tr>
<td></td>
<td>How do my values and beliefs impact the changes I instigate in the organization?</td>
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<tr>
<td></td>
<td>How do my values come through in my actions, words and changes I implement?</td>
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<tr>
<td></td>
<td>Authenticity</td>
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<tr>
<td></td>
<td>Am I acting authentically? How do I communicate my authentic self to the organization?</td>
</tr>
<tr>
<td></td>
<td>Are my actions, behaviors and changes I implement in sync with my values and authentic self?</td>
</tr>
<tr>
<td></td>
<td>How do I remain authentic to myself in making difficult business decisions?</td>
</tr>
<tr>
<td>REPRESENTING</td>
<td>Difference with Predecessor</td>
</tr>
<tr>
<td></td>
<td>How do I differ from my predecessor in terms of behavior, values and style? How does that impact my team and the organization?</td>
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<tr>
<td></td>
<td>Personal Brand</td>
</tr>
<tr>
<td></td>
<td>What do I stand for as CEO?</td>
</tr>
<tr>
<td></td>
<td>What is my personal brand as CEO and how am I communicating/creating my personal brand as CEO?</td>
</tr>
<tr>
<td></td>
<td>How do I communicate &quot;this is me as CEO&quot; externally and internally in the organization?</td>
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<tr>
<td></td>
<td>Human being</td>
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<td></td>
<td>How am I expressing my humanness to organizational members?</td>
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<tr>
<td></td>
<td>Am I seen as &quot;one of us&quot; in the organization?</td>
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<tr>
<td></td>
<td>Symbolic Changes</td>
</tr>
<tr>
<td></td>
<td>What symbolic changes am I (or can I) implementing?</td>
</tr>
<tr>
<td></td>
<td>What is the signaling effect of the changes I am instigating in the organization?</td>
</tr>
<tr>
<td></td>
<td>How am I affecting the visible manifestations of the organizational culture?</td>
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<tr>
<td>VALIDATION BY BOD</td>
<td>What aspects (if any) of my self-concept did the board validate during the appointment process?</td>
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<tr>
<td></td>
<td>How are those aspects impacting the way I enact the CEO role?</td>
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</tbody>
</table>

4.5 ORGANIZATIONAL IDENTITY

Thus far, the story of how new CEOs take on their new role seems to indicate that, apart from some behavioural changes to fit the demeanour and challenges of the role, the new chief executives had sovereignty regarding how they enacted the role. This is far from the truth, though. The data presented thus far indicates that there is no specific general prescription about how a CEO should behave, and that the personal identity of the new CEO is an important element for them to build their identity as chief executives. However, the data also reveals that there is a third element of the CEO identity
construction process, the identity of the organization, which binds the enactment of the role to the perspective of the organization.

The data from this study indicates that there were three organizational aspects that were involved in the CEO identity construction process: (1) the organizational culture; (2) the mandate; and (3) the organizational purpose (see Figure 4-4). These three organizational aspects were condensed into the umbrella of organizational identity, as one is directly connected with the identity of the organization (organizational purpose) and the other two (the mandate and the culture of the organization) are theoretically connected with the concept of organizational identity. Before I depict the data, it is important to quickly draw on the literature to explain why these three organizational factors were connected within this aggregate theoretical dimension.

<table>
<thead>
<tr>
<th>First order themes</th>
<th>Theoretical categories</th>
<th>Aggregate theoretical dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements about how organizational aspects influence the way in which the new CEOs enacted the role.</td>
<td>Organizational Culture</td>
<td>Org Identity</td>
</tr>
<tr>
<td>• Comments about the need to act within the boundaries of the culture of the organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• References about making cultural changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Statements about the mandate or directive given by the board of directors about what they expect them to execute in the role.</td>
<td>Mandate</td>
<td></td>
</tr>
<tr>
<td>• Discussions about the generic element of the mandate and the need for new CEOs to interpret it.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Statements about making changes about the mission or “what we are here to do” as an organization</td>
<td>Organizational Purpose</td>
<td></td>
</tr>
<tr>
<td>• Comments about needing to take into account the DNA or the purpose of the organization when making changes</td>
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</table>

**Figure 4-4 Structure of Organizational Identity Dimension**

Organizational identity “refers to how organizational members perceive and understand *who we are* and/or *what we stand for* as an organization” (Hatch & Schultz, 2000, p.15). The culture and identity of an organization are connected in two ways: (1) organizational members are likely to perceive the identity of the organization through the lens of the culture of the organization (Corley, 2004; Hatch & Schultz, 2000); and (2) organizational members utilize the visible manifestations of culture to interpret and evaluate the identity.
of the organization (Ravasi & Schultz, 2006). This is because the implicit pattern of shared beliefs, values, and assumptions of an organization’s culture are usually manifested in “cultural expressions”, such as artefacts, rituals, stories, sagas and attires (e.g., Martin, 2002; Schein, 2004; Trice & Beyer, 1984). These visible manifestations of culture usually communicate and objectify the identity of the organization to organizational members because they “tend to reflect – and be interpreted by members as evidence of – an organization’s distinctiveness” (Ravasi & Schultz, 2006, p.451). In addition, because the organization’s answer to who we are and what we stand for is shaped by the beliefs, values and assumptions of its culture (Hatch & Schultz, 2000), “cultural practices and artefacts served as a context for sensemaking and as a platform for sensegiving by providing organizational members with a range of cues for reinterpreting and revaluing the defining attributes of the organization through a retrospective rationalization of the past” (Ravasi & Schultz, 2006, p.451).

The relationship between the mandate and the identity of an organization has not hitherto been directly established in the literature; yet, they can be connected through the concept of strategic change. Strategic change has been defined as “a difference in form, quality, or state in an organizational entity over time that alters the company’s alignment with its environment” (Hutzschenreuter et al., 2012, p.730). The literature on CEO succession argues that new chief executives are prompt to instigate strategic changes in the organization through the mandate, which expresses the expectations of the board for a particular strategic direction and/or desired changes in the organization (Vancil, 1987; Westphal & Fredrickson, 2001). As the process of strategic change involves the processes of strategic formulation and implementation (Mintzberg, Ahlstrand, & Lampel, 2009) and the identity of an organization has been directly linked to strategic formulation and implementation (Gioia, Price, Hamilton, & Thomas, 2010; Narayanan, Zane, & Kemmerer, 2011), the concepts of mandate and organizational identity are indirectly related.

In the remainder of this section, I depict how the organizational culture, the mandate, and the organizational purpose impact the CEO identity construction process.
Two themes emerged from the data in regards to the culture of the organization. First, many new outsider CEOs described the need to understand the culture of their new organization, suggesting some deference to it in the enactment of the role. They mentioned that the first days and weeks in the role consisted in meeting as many members of the organization as possible and listening to their concerns, histories, views and ideas for the organization. This learning then seemed to be employed to modulate both their enactment of the role and the changes they instigated in the organization.

For instance, CEO#10 reported that it was important to “pause and think about every reaction you make to a situation” during the beginning of his tenure because he would “not understand all of the nuances that exist in the culture of an organization”. He was, thus, careful not to “react without thinking” because it “could be disastrous” to behave in a way that “people thought was very odd culturally”. Thus, he seemed to be conscious in examining how his enactment of the role would be interpreted through the lens of the organization’s culture (“pause and think about every reaction you make to a situation” – CEO#10) so that the way he was enacting the role was not perceived by organizational members to be “odd culturally”.

In addition to not acting in ways that could be misinterpreted through the lens of the culture of the organization, this consciousness about the culture of the organization was also demonstrated by making sure that changes initiated by them were consistent with the culture of the organization. For instance, CEO#19 reported that in the beginning of his tenure, his objective was to “understand how things work in this company” before making any changes because he believed

\[
\text{it’s presumptuous to walk into any organization with a set view on how things should be. This organization has got [20+] years of history, it’s incredibly successful in certain ways, and until you can figure out what caused those things to be really, really successful, I think it’s extremely risky to start breaking stuff}
\]

Later, he implemented a new organizational design that “eliminate[d] a senior layer altogether”. This change could have been considered to be inconsistent with the culture of the organization because
Nevertheless, even though “action on people is inconsistent with the culture” of the organization, he also realized that “flattening the management structure, which is what I’ve really done, is actually more consistent with this culture than the management really was”. In fact he believed that “in a lot of ways one of the distrusts of management at the lower levels of the company comes from the management culture wasn’t living up to the company culture” which is “a pretty Egalitarian culture”.

As these examples illustrate, the new CEOs seemed to enact their roles with deference to the culture of the organization. They seemed conscious that it was important to learn about “the way that the organization ticks” (CEO#18) in the beginning of their tenure in order to behave and make changes that were in harmony with at least some aspects of the organizational culture. Thus, even though, as described in the section of Persona of the CEO, the CEO role is embedded in a weak situation and lacks specificity regarding the particular behaviours that stakeholders expect of the role occupant, the behaviours exhibited by the new CEO could not affront the culture of the organization.

The second aspect that emerged in regard to the culture of the organization was about changing that culture. Thus, even though the new outsider CEOs indicated that they needed to operate through the culture of their new organization, many of these same individuals also mentioned that cultural change was something that they were tackling during the beginning of their tenure. For example, CEO#19, who believed executed an organization redesign that was consistent with the Egalitarian culture of the organization but was inconsistent with the history of the organization of not letting people off, also mentioned that he was focusing on changing some aspects of the organizational culture. He mentioned that while “customer service culture is amazingly strong, the decision making culture and accountability of decisions and speed are not”, and so he was tackling “the culture problem” that was

well understood by those further down the organization, and some of those views might be exaggerated, but I think at core for the most part the people in the organization do a great job
serving our customers, do understand the weaknesses we have in our decision making and leadership processes, and that’s what I’m trying to effect change on

Thus, even though the new chief executives interviewed were cognizant that they needed to operate through it, so that their behaviours and changes would not be misinterpreted through the lens of the culture of the organization, they also believed that they were in a unique position to affect the culture of the organization.

4.5.2 THE MANDATE

The literature usually highlights the restriction imposed to a new CEO by the mandate, conceptualizing this instruction, assignment or mission given by the board as the “marching orders” that a new chief executive needs to follow in order to demonstrate to the board early efficacy (Hambrick & Fukutomi, 1991). Indeed, Finkelstein et al. (2009) suggested that diverging from the direction of the mandate increases the possibility of early dismissal. And Hutzschenreuter et al. (2012) affirmed that “the mandate argument strictly speaking reduces the CEO to a person employed in performing an obligation. In other words, the new leader is merely a means to an end employed by the board of directors” (p.737).

To my knowledge, this study is the first one to directly ask the opinion of new chief executives about the mandate they received from the board. By describing the mandate as “marching orders”, the literature implies that the mandate is a clear message of what the new CEO needs to do in order to demonstrate early efficacy to the board of directors. Nevertheless, results indicate that the mandate is not as “clear-cut” (Hutzschenreuter et al., 2012) as suggested by the literature. Rather, many of the new chief executives interviewed described the message of the mandate to be “generic” (CEO#4), “broad” (CEO#10) and “loosely defined” (CEO#14). Only a few of the new CEOs interviewed perceived the mandate to contain a clear message of what the board anticipated to happen after they assume the post. Furthermore, even when they did receive a clear mandate, the new CEOs did not believe they were as restricted to act as indicated by the literature since they mentioned that learning about the mandate was just the starting point for determining what changes they would implement in the organization. In other words, the
new CEOs needed to interpret the information in the mandate to translate them into specific actions. For instance,

> What needs to be changed to achieve that higher growth rate [the mandate] is a largely subjective thing. You can have an opinion, I can have an opinion and all of my staff can have an opinion. There’s no simple answer to what needs to be changed. The first simple answer I came up with was if I can reduce the attrition and I can carry on recruiting at the same rate, then I will increase growth, and so far that is ok, that’s the easiest one in some sense. (...) So it’s not a bolt for me to bang on about in a certain sense, you know, there’s a problem with staff retention etc., but my perception was that there was. — CEO #13

> You get very little direction from the PLC board. You need to deliver some results, and the objectives they set are a very broad brush. How you actually go about it is very much your own view — CEO #4

Interestingly, some interviewees mentioned that the message of the mandate should indeed depict only a generic idea about the direction of the organization because they believed that the value of a new CEO was to determine the specific ways in which the organization would realize its goals. For instance, one of the new CEOs interviewed connected the idea of adding value as a CEO to interpreting, from the board’s mandate, the direction that the organization would follow

> Some people [in the board] see a position rosier than others, some people regard an issue or don’t recognise a particular issue that needs to be resolved. I mean, in the end of the day, that is where you are going to add value or otherwise, because if all you did was to come into a chief executive’s role and carry on where somebody had left off, well that person might just as well have carried on. I mean, you have to come in, make a difference and try and improve value your way. — CEO #10

By interpreting the generic message suggested by the mandate, the new CEOs were able to input their experiences, values, and beliefs in defining the strategic direction that the organization would take. In other words, they were able to connect their personal characteristics with the changes they implemented (or were considering implementing) even when these changes might have been originally alluded in the generic message of the mandate.

**4.5.3 ORGANIZATIONAL PURPOSE**

Although the new CEO did not directly utilized the term “organizational identity”, the notion of “who we are and/or what we stand for as an organization” (Hatch & Schultz,
2000, p.15) was mentioned by some new chief executives. Similarly to the culture of the organization, two themes emerged regarding the concept of “who we are” as an organization. First, in addition to cultural changes (which were almost pervasive in the data, with 14 of the 19 new CEOs interviewed describing changing the culture of the organization), a few of the new chief executives interviewed also expressed that they were implementing changes in the identity of the organization. To illustrate,

*I think we changed the mission of the organization, and I think we’re much clearer about what we’re here for and therefore what that means that we should do. (…) In a sense, that change of mission, has set a direction of travel about what it is that we should do.* – CEO#5

Hence, even though CEO#5 did not directly articulated the notion of organization identity, by redefining “what it is that we should do”, he was likely changing (or attempting to change) the identity of the organization.

Second, also similar to the culture of the organization, some new CEOs also mentioned the need to operate through the identity of the organization in order to make implement changes. For instance, CEO#3 seemed to associate the identity of the organization as its “DNA” which needs to be taken into account in order to implement “the changes I want”:

*an organization has a DNA (…), I think you need to work with that DNA. […] need to work out how do I use that, to make the change I want* – CEO#3

As the quote from CEO#3 alludes, and suggested in the literature (e.g., Narayanan et al., 2011; Ravasi & Schultz, 2006), by formulating and implementing a new vision to the organization, some new chief executives believed that they needed to take into account the identity, or “DNA” of the organization. Interestingly one of the chief executives in the study made this connection explicitly:

*Instead of sort of in a way coming in with my vision (…) I think that it’s important to listen and discern what the vision is, and the meaning of the organization and the story of the organization, the purpose of the organization, all connected with that. And it’s important to clarify that, and hold that clear and be able to articulate it on behalf of the organization and with the organization.* – CEO#8

Thus, CEO#8 was conscious that she would be able to formulate a vision to the organization (“discern what the vision is”) through understanding what the “the meaning”, “the story” and “the purpose” of the organization were. In other words, that she would be able to
formulate a new vision through understanding the identity of the organization, which describes the meaning and purpose of the organization (this is what we stand for). Furthermore, she also was conscious of her role as the CEO in embodying and expressing to the organization its identity, by being able to “hold that clear and be able to articulate it on behalf of the organization and with the organization”.

Hence, in interpreting the mandate, formulating a strategic direction or vision for the organization, and implementing changes, the new CEOs seemed to consider both their personal identity (through their values, beliefs, experiences, and authentic selves) and also the culture and identity of the organization.

4.5.4 SUMMARY OF ORGANIZATIONAL IDENTITY

In sum, the data suggests that there are three elements associated with the identity of the organization that might bind the enactment of the CEO into the organization: the mandate, the culture and the identity of the organization. The latter two aspects influenced the CEO identity construction in two opposing ways: first as elements that the new CEOs needed to operate through in their enactment of the role; and second, as elements that were in their purview to modify. The mandate was described by the new CEOs as generic, will-defined and highly interpretable, which contradicts the current conceptualization in the extant literature.

The impact of these three organizational aspects in the CEO identity construction process can be summarized into a set of specific questions, depicted in Table 4-3, that new CEOs likely need to take into consideration in transitioning into the role.

The relationship between these organizational aspects and the CEO identity construction process are discussed in detail in Chapter V.
Table 4-3 Questions Summarizing Organizational Identity Influence in the CEO Identity Construction Process

<table>
<thead>
<tr>
<th>ORGANIZATIONAL IDENTITY</th>
<th>QUESTIONS</th>
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</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>Am I acting and making changes that take into consideration the culture of the organization? What cultural changes do I believe I need to implement in the organization? How are those changes congruent with other aspects of the organization’s culture?</td>
</tr>
<tr>
<td>Mandate</td>
<td>What is my mandate? How I am interpreting my mandate?</td>
</tr>
<tr>
<td>Organizational Purpose</td>
<td>Who are we as an organization? What are the distinct, central and enduring characteristics of the organization and how can I promote them?</td>
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4.6 CHAPTER SUMMARY

In this chapter I described the main themes and concepts that emerged from the data. The findings of this study show that in assuming the CEO role, new chief executives engage in a CEO identity construction process that involves three interrelated identities that the new chief executives utilize as framework through which to build their own identity as CEO.

One of the identities involved in the CEO identity construction process was the persona of the CEO, which represents the identity of the self-in-role. The interviewees described three characteristics of the CEO role that the new chief executives perceived to be different from other roles and other identities, such as that of being a member of the top management team. First, in assuming the CEO role, the new chief executives also assumed the ontological expectation of the identity of the CEO as the embodiment of the organization. In representing the embodiment of the organization, the interviewees described that they felt their actions, behaviours and even attires were being scrutinized by organizational members. In addition, they were also conscious that they needed to ensure that they were looking the part and sending the correct messages to the organization to “set standards” and “given an impression of what the organization is like”. Second, there were four challenges of the CEO role that were embedded in the unique tasks
and responsibilities of the CEO role which the new chief executives reported they needed to learn to operate from in order to be effective in the role. These challenges seemed to highlight the perception of the CEO as the ultimate leader of the organization. Finally, the new chief executives perceived a lack of specificity of the CEO role, which, apart from being the embodiment and ultimate leader of the organization, has no particular description. Although the ways in which the new chief executives conceptualized the CEO role were based on a jigsaw of past role models they observed throughout their careers, the new chief executives nonetheless described experiencing a freedom to make the role their own in a way that they had not hitherto experienced in their corporate life.

Due to the lack of specificity of the role, the new chief executives seemed to utilize their personal identities as a critical framework to build their identity as CEO. The new chief executives described three ways in which their personal identity permeated the way in which they enacted the role. First, the new CEO engaged in a process of individual internalization, in which they utilized self-aspects, such as their sense of authenticity as well as their values and beliefs, as guides to help them uncover what it meant to be the CEO for themselves. Thus, the new CEOs seemed to employ their values, beliefs and authentic sense of self to help them in making difficult decisions, to support them in discerning what changes they should implement in the organization, and to help them enact the role. Second, in a process of representing, the new CEOs seemed to utilize aspects of their personal identity to socially construct their identity as CEO within the social milieu of the organization. Thus, they seemed to actively express their personal identity to the organization, by conveying their personal brand, by communicating their humanness, and by instilling symbolic changes that communicate what types of behaviours they would like to instil in the organization. Finally, in a process of validation by the board, the new CEOs seemed to perceive an endorsement by the board of directors, during the appointment process, that their personal identity was a suitable substrate with which to base the enactment of their identity as CEO. Thus, the perception of being validated by the board seemed to entail a form of granting, as the new chief executives perceived this validation as permission for the personal identity intrusion into the role.
The last identity involved in the CEO identity construction process was the **identity of the organization**, which represents the collective identity of the social group that comprises the organization. Three aspects of the identity of the organization seemed to influence the transition of the new chief executives. First, the new CEOs described a dual-relationship with the **organizational culture**. On the one hand, they mentioned the need to operate within cultural boundaries, by understanding it (in the case of outsider new CEOs), acting in ways that would not be interpreted to be “odd culturally”, and by instigating changes that are consistent with the culture of the organization. On the other hand, the new chief executives also commented on their perceived ability to change the culture of the organization. Indeed, many new CEOs interviewed believed that they had already instilled cultural changes in their organizations in their brief tenures. Second, even though the literature emphasizes the “marching orders” of the **mandate**, the new CEOs perceived it to be generic, broad and loosely defined or highly interpretable, suggesting that the mandate is less influential in the transition of new chief executives into the role than the extant literature advocates. Finally, some interviewees described a dual-relationship with the **organizational purpose**, which, similar to the culture of the organization, the new CEOs believed they were needed to work through it, but they could also alter, since they perceived as part of their role to hold the meaning and purpose of the organization clear and “to articulate it on behalf of the organization and with the organization”.
CHAPTER 5: DISCUSSION

5.1 CHAPTER OVERVIEW

In this chapter, I move beyond the description of the main themes that emerged from the data, as presented in the previous chapter, to theorize about the identity construction process of new CEOs.

The structure of this chapter is as follows. First, given that one of the key findings that comes out of this study is the importance of identity for the transition of newly appointed chief executives into the role, in section 5.2, I provide a brief review of the identity literature as it pertains to the process of identity construction in organization life. This body of inquiry was not included in the literature review presented in Chapter II because it was not salient in the CEO succession literature. The findings of this study indicate, however, that the identity lens is an important perspective to understand the transition process that new chief executives experience, and thus this lens is succinctly summarized here. This brief literature review follows the structure suggested by Pratt et al. (2006), and thus examines three distinct bodies of inquiry: (1) the role transition literature; (2) the socialization literature; and (3) the identity work literature.

With this in place, I analyse the findings of this study in relation to these bodies of literature, also following Pratt et al. (2006) framework. Thus, in section 5.3, as per the role transition literature, I examine the mode of adjustment that new chief executives experience when assuming the CEO role. In particular, I analyse the five elements of the CEO role that emerged from the data as relevant to the CEO identity construction process: the unique challenges of the CEO role; the perception of the CEO as the embodiment of the organization; the relationship between the CEO role and the culture of the organization; the lack of specificity of the CEO role; and the mandate. In section 5.4, as per the socialization literature, I analyse aspects of the socialization of new chief executives that emerged from the data. In particular, I argue that new chief executives engage in a process of representing, which seems to be opposite from the process of socialization other newcomers usually experience. In section 5.5, as per the identity work
literature, I describe the identity demands and identity tensions that new chief executives experience in building their identity as the CEO. Finally, with all the elements in place, in section 5.6, I present the CEO identity construction model.

5.2 A BRIEF REVIEW OF THE IDENTITY CONSTRUCTION LITERATURE

Three bodies of literature address the identity construction process that individuals engage in organizational life: role transition, socialization, and identity work. According to Pratt et al. (2006), these bodies of literature usually examine three aspects of the identity construction process: (1) what conditions cause identities to change when individuals enter a new role (role transition literature); (2) how organizations actively shape the identity of members (socialization literature); and (3) how individuals actively construct their identity (identity work literature).

In order to situate the CEO identity construction process within the identity literature, in this section I utilize this framework to review the key issues of these bodies of inquiry as it pertains to the process of identity construction. In summarizing these bodies of literature, connections between them and the CEO succession literature are provided. It is important to notice that, although these connections were latent in the extant literature, they were only brought to light by the findings of this study.

5.2.1 ROLE TRANSITION

As an individual transitions into a new role, different aspects of the organization, the role and the individual align to form the particular way in which the newcomer adapts into the position. On the one hand, commencing a new role usually entails uncertainty and surprise (Louis, 1980b), stimulating the newcomer to adjust to the situation, which encourages personal change in the individual’s incoming identities (Hall, 1971, 1995). On the other hand, individuals are often proactive in learning about the role and in shaping it to support their interests and aspirations, thus promoting role innovation (Nicholson & West, 1988; Wrzesniewski & Dutton, 2001). Given these two adjustment processes, the transition of an individual into a new role usually involves change: the individual might
adapt by altering the role to fit oneself or might change oneself to fit the role (Ashforth, 2001).

Research has shown that these two adjustment processes, role innovation and personal change, are independent and usually weakly correlated (Ashforth & Saks, 1995; Black & Ashford, 1995). In his theory of role transitions, Nicholson (1984) proposed that these two processes interact to develop four modes of work adjustment (see Figure 5-1). In Replication, both the individual and the role remain the same. The newcomer makes very few changes to his or her identity or behaviour to fit the new role or new organization, and does not change the requirements of the role. Thus, the newcomer “performs in much the same manner as in previous jobs and also in much the same manner as previous occupants” (Nicholson, 1984, p.176). In Absorption, “the burden of adjustment is borne almost exclusively by the person” (Ibid). The newcomer makes no adjustments to the way in which the role is enacted, and changes him or herself in order to absorb the demands of the new role. The personal changes that an individual undertakes to adjust to a new role might range from small modifications in their behaviour, routines, habits and skills to major transformation in the individual’s values, frames of reference, and identity (Nicholson & West, 1988). In some cases, the newcomer has his or her personal identity completely stripped out of them and develops a new identity that is shaped in the image of the organization (see Pratt, 2000). In Determination, the newcomer “actively determines elements in the content and structure of the role” (Nicholson, 1984, p.176), transforming the role to fit his or her skills, needs and identity. Finally, in Exploration, changes occur both in the role and in the individual, so that there is a mutual adjustment between the situational demands of the role and the individual. The personal change that an individual might undertake during role transition can be reactive to the situation or might be proactive, entailing changes that are broader than the ones suggested by the need to fit in the organization and/or the role (Ashforth, 2001).
The particular mode of adjustment that a newcomer undergoes during role transition directly influences the identity construction process that he or she undertakes when entering a new role. For instance, Pratt et al. (2006)’s investigation of the identity formation process of medical student during residency illustrates a case of absorption, as the medical students transformed their professional and personal identities to fit the work that they performed. Similarly, the CEO identity construction process is also likely to be influenced by the mode of adjustment that new chief executives undergo when transitioning into the role. Prior literature suggests all possible modes of adjustment (see Figure 5-1). Replication is implied in many accounts of insider succession, where it is believed that new insider chief executives – due to their shared experience with the predecessor and commitment to prior decisions they were involved as member of the top management them – “bring only little variation to the position of the CEO” (Hutzschenreuter et al., 2012, p.735). Absorption is suggested in studies that adopt the organizational-focused approach, where the new CEO is views simply as “a means to an
end employed by the board of directors” (Ibid, p.737). *Determination* is implied in studies that conceptualize the succession event as a process of “taking charge”, in which new chief executives promote their strategic agenda and take control of their new post (e.g., Gabarro, 1987; Gioia & Chittipeddi, 1991; Kelly, 1980; Simons, 1994). Finally, in their longitudinal case study of a new outsider CEO, Denis et al. (2000) observed *Exploration*, as both the new chief executive and the organization shifted their perspectives and beliefs about the organization and the CEO role.

As the mode of adjustment impacts the identity construction process a newcomer experiences (Pratt et al., 2006), the possibility – within the CEO succession literature – of all these modes of adjustment for a new chief executive suggests the possibility (or not) of new CEOs building a new identity when transitioning into the post. After all, the type of adjustment a new CEO undergoes when transitioning to the post would indicate that the identity of the new chief executives does (or does not) undergo changes. In cases of absorption or exploration, the new chief executive would be likely to experience high levels of personal changes (as illustrated in Figure 5-1), which then would suggest the need to engage in the process of identity construction as the identity of new chief executive would likely be highly influenced by the transition. In the case of replication or determination, the new chief executive would be likely to experience low levels of personal changes (Figure 5-1), which then would suggest the need to engage in such a process is likely absent or reduced. This latter case would indicate that the identity of new chief executives is not greatly influenced by the transition, which then would support the implicit assumption within the CEO succession literature (as discussed in section 2.5, *Processes & Mechanisms of CEO Role Transition*) that new CEOs come ready for assuming the post.

Therefore, in order to understand the CEO identity construction process, it is important to understand what conditions stimulate new chief executives to change (or not) their identities when they enter the role. The mode of adjustment that an individual experiences when transitioning to a new role depends on three aspects: (1) the requirements of the role; (2) the socialization utilized by the organization to actively shape
the individual’s adjustment into the role; and (3) the individual psychological predisposition towards role innovation or personal change (Nicholson, 1984). The requirements of the role that impact the mode of adjustment of a newcomer involve the constraints and demands characteristic of a specific position (Ibid), and thus attributes of the CEO role itself are likely to influence the mode of adjustment that new chief executives experience. Similarly, the attributes of the socialization process that new CEOs undergo when entering into the role are also likely to influence the mode of adjustment. In the next section, I address the process of socialization and its potential influence on the CEO identity construction process.

5.2.2 Socialization

The socialization of a newcomer is the process that tries to mould the individual towards the social group, since the objective of socialization is for the individual to become integrated and adjusted into the organization (Ashforth, Sluss, & Harrison, 2007; Bullis & Bach, 1989). As such, socialization can be defined as the process by which an individual develops the skills, knowledge, perspectives, values, expected behaviours and modes of thinking that are customary and desirable within a particular organization to occupy a particular organizational role (Louis, 1980b; Van Maanen & Schein, 1979). The socialization literature focuses on the ways in which organizations “actively engage in shaping member’s identity” (Pratt et al., 2006, p.237). Yet, given that roles are “flat abstractions” that come to life by the enactment of a unique individual (Ashforth, 2001, p.195), in the process of learning ‘the ropes’ of the position and becoming an effective and contributing member of the organization, the newcomer also develops a personal stance to the post (Fisher, 1986; Louis, 1980b). This moulding of the individual to fit their new organizational setting is desired not only by the organization but also by the newcomers themselves. Individuals “are predisposed to internalize organizational messages about what the role and organization are about” (Ashforth, 2001, p.182) because in defining themselves within the new social group, they strive to fulfil the motives for identity, meaning, control and belonging.
Hence, “organizations influence the identity construction process” (Pratt et al., 2006, p.256). The degree in which organizations have an impact on the identity construction process of the individual varies regarding the context in which the individual is socialized into the organization. Different organizational tactics and normative controls will encourage the newcomer to “overlay these situated identities on their incoming identities” (Ashforth, 2001, p.167) that the individual brings to the organization. In the remainder of this section, I describe how these two aspects of socialization in organizations impact the identity construction process.

5.2.2.1 SOCIALIZATION TACTICS

Socialization tactics “refers to the ways in which the experiences of an individual in transition from one role to another are structured for him by others in the organization” (Van Maanen & Schein, 1979, p.34). Given that the experiences and information that the organization presents to the newcomer through its socialization practices impact the adjustment of the individual into the organization, (Jones, 1986), Ashforth (2001) has argued that socialization tactics “are largely responsible for galvanizing personal change” (p.149). Socialization tactics are clustered into two polar groups: institutionalized socialization and individualized socialization (Jones, 1986). The experience of these types of socialization tactics influences the way in which newcomers engage with the role: individualized socialization is positively correlated with role innovation; whereas institutionalized socialization is associated with personal change, organizational commitment and organizational identification (Ashford & Saks, 1996). Hence, when newcomers experience institutionalized socialization they tend to move towards the mindset of the organization; whereas individualized socialization tends to move the role towards the individual.

While tactics imply a deliberate process, in their theoretical analysis of the effects of CEO socialization in the individuals’ orientation to initiate strategic change, Fondas and Wiersema (1997) argued that “the processing of people at the top of organizations is taken for granted, subtle, and rarely discussed or institutionalized” (p.576). Consequently, according to these authors, all the socialization practices that new CEOs experience in the
beginning of their tenure are clustered within the pole of individualized socialization. Thus, in terms of context, the socialization of new CEOs is *individual* because the new chief executive does not have a cohort of individuals going through the same experience as him or herself, and is *informal* because the new CEO learns the responsibilities of the role on the job (Fondas & Wiersema, 1997). In terms of content, the socialization of CEOs is *random* because there are no discernible career steps that one can take to attain the position of chief executive, and is *variable* because there is no fixed timetable of events that describe the progress a new CEO will undergo in assuming the role (Ibid). In terms of social aspect, the socialization of new CEOs constitutes an *investiture* process because selection into the CEO role is an affirmation of the individual’s incoming skills, qualities and characteristics (Fondas & Wiersema, 1997), and it is *disjunctive* because the new CEO is not socialized by an experienced member, who functions as a role model to the newcomer.

These two latter socialization tactics, investiture-divestiture and serial-disjunctive, are particularly pertinent for the influence that socialization tactics have on the identity of newcomers (Ashforth, 2001). Research has shown that investiture-divestiture tactics have a significant impact on personal change as a way of adjusting into a new role, with investiture being negatively correlated with personal change and divestiture positively correlated (Ashforth & Saks, 1996; Black & Ashford, 1995). The majority of businesses prefer investiture processes, since they value specific abilities, knowledge and attributes that newcomer’s bring to the role, particularly in the case of executives; nevertheless, these organizations still encourage individuals to identify with the organization and the role, that is, to “overlay these situated identities on their incoming identities” (Ashforth, 2001, p.167). One way that organizations achieve this is by simultaneous applying both investiture and divestiture processes in different aspects of an individual’s identity. Another way is by simultaneously utilizing investiture processes with institutionalized tactics in other dimensions in order to “facilitate a clear sense of what the organization purportedly represents and how one should construe events” (p.167). For the CEO role, however, it is unclear the extent to which organizations utilize any type of institutionalized
tactics since, as discussed in more details in Chapter II (see section 2.2.2, *Similarities in the CEO Post*) it is part of the responsibility of the chief executive to “facilitate a clear sense of what the organization purportedly represents and how one should construe events” (Ibid). Due to this characteristic of the CEO role, it is possible that the socialization of new CEOs might differ from that of other newcomers in this dimension.

Regarding serial-disjunctive tactics, a particular way organizations might promote the overlay between the individual’s incoming identities with the new situated identity the organization promotes is through a serial socialization, in which an experienced member functions as a role model for the newcomer. Recent research has shown that relational identification, where the newcomer identifies with their supervisors, leads to organizational identification (Sluss & Ashforth, 2008; Sluss, Ployhart, Cobb, & Ashforth, 2012), which suggests that the presence of a role model, such as a supervisor, during the transition period might influence the way in which newcomers shape aspects of their identities to fit the new social context. The impact of an immediate supervisor on the socialization of newcomers could be an important distinction between the transition of new CEOs and the transition of other senior executives. After all, the socialization of most senior executive positions is likely to be characterized by individualized tactics, that is, it is likely to be individual (versus collective) because most senior positions are unique (for instance, there is only one CFO in the organization); informal (versus formal) because these executives would learn their responsibilities while enacting the role; random (versus sequential) because there is also no precise steps one normally takes to become, for instance, a vice-president as there is, for instance, to becoming a surgeon; variable (versus fixed) as it is unlikely that the organization has established stages for the individual to assume the new post; and investiture (versus divestiture) since organizations utilize executive search firms to find individuals with unique abilities and knowledge to fulfil senior positions. However, senior executives – differently from their CEOs – are likely to be socialized within the organization by their supervisors, the chief executives themselves, and consequently they are likely to be encouraged to identify with the organization, by
assimilating at least some aspects of the organization’s identity into their own, through their relational identification with the CEO.

CEOs do not have direct supervisors in the same way as other roles in the organization. In fact, one noteworthy characteristic of the CEO role is that it places the individual between social groups: the organization and the board of directors (Kakabadse & Kakabadse, 2008). The values and beliefs of the organization and the board are likely to be related (Lightle, Baker, & Castellano, 2009) and research has shown that board members identify with the organization they participate (Golden-Biddle & Rao, 1997). Yet, the social characteristics of the board as a group provide board members with a strong group identity within the board (Khurana, 2002), and hence any socialization that a new CEO might experience by board members (such as the chairman) might not socialize the new chief executive into the organization, but rather to the cohesive and distinct group that characterizes the board.

In sum, socialization tactics are ways in which organizations structure the transition process of newcomers. These tactics influence the way in which an individual engages with the new role, with institutionalized socialization tactics promoting personal change, and individualized socialization tactics encouraging role innovation. Whilst the socialization of most senior executives is likely to be characterized by individualized tactics, the socialization of new chief executives is likely to differ from that other senior executives in two ways. First, new CEOs are unlikely to experience relational identification, which occurs when a newcomer’s identification with his or her supervisor leads to organizational identification (Sluss & Ashforth, 2008; Sluss et al., 2012), because the CEO role lacks a direct supervisor (Kakabadse & Kakabadse, 2008) with whom new CEOs could identify. Second, as the preeminent leader of the organization, chief executives are responsible for providing meaning to organizational members about organizational life, thus defining and structuring what constitutes reality to other organizational members (Gupta, 1988; Pfeffer, 1981), which suggests that new CEOs might not experience investiture in the same way other newcomers do.
This latter characteristic of the CEO role also relates to the other mechanism that organizations utilize to actively shape the identity of members, normative controls, to which I now turn.

5.2.2.2 NORMATIVE CONTROLS

Normative controls have been defined as “the attempt to elicit and direct the required efforts of members by controlling the underlying experiences, thoughts, and feelings that guide their actions (...) a sort of creeping annexation of the worker’s selves” (Kunda, 1992, p.11-12). Normative controls operate through external controls (such as reward systems, budgets and information systems) and symbolic management practices (such as strategies, mission statements, visions, advertising, role models, stories and rituals) and are enacted locally in order to “shape how individuals make sense of the organization and their role within it” (Ashforth, 2001, p.157). Normative controls have been associated with the process of organizational socialization (Dickmeyer, 2001) as socialization aims at integrating the newcomer as an accepted member of the organization, that is, as an individual who thinks and behaves as a member of that particular social group (Ashforth et al., 2007). In fact, research has shown that normative controls help with organizational identification (Karreman & Alvesson, 2004).

In his longitudinal study of 10 newly appointed chief executives, Simons (1994) found that new CEOs utilize formal control systems as a way to promote strategic changes in the organization. The utilization of these control systems by new chief executives suggests that new CEOs might experience the effects of normative controls in their process of organizational socialization in a different way than other newcomers do.

In sum, the distinctive relationship between the CEO role and normative controls – as well as socialization tactics – suggests that the socialization experienced by new chief executives is likely to differ significantly from that of other newcomers. Furthermore, as organizations actively shape the identity of organizational members through these processes, this also suggests that the identity construction process that new CEOs engage when transitioning into the role is likely to also be unique to the role. The identity work
literature addresses how individuals actively engage in the identity construction process construct. I review this final body of inquiry in the next section.

5.2.3 IDENTITY WORK

Identity work describes the sum of activities that people engage to construct, maintain, revise, strengthen and repair their identities in a particular social context (Alvesson & Willmott, 2002; Snow & Anderson, 1987; Sveningsson & Alvesson, 2003). Identity work underscores the impact that social identities have on personal identity, as individuals engage in identity work in order to maintain a coherent, distinctive and authentic sense of self and to manage the balance between personal and social identities (Kreiner et al., 2006; Watson, 2008). Kreiner et al. (2006) showed that individuals engage in identity work to achieve an optimal balance between their personal identity and a particular social identity, so that the human needs of inclusion and uniqueness are simultaneously fulfilled. Achieving this optimal balance is important as it precludes identity dysfunction, reduces stress, supports healthy identity processes, and enhances well-being and self-esteem. A focus on one’s personal identity might lead to loneliness, isolation, and a lack of “a communal sense of ‘we’ for the disconnected ‘me’” (Ibid, p.1033), whereas a focus on one’s social identity might lead to the depersonalization of the individual, “blurring the ‘me’ into the ‘we’” (Ibid).

While identity work is likely to be an on-going and continuously process, some circumstances trigger a more conscious process of identity work as these situations promote tensions, challenges or gaps in the individuals’ current conceptualizations of the self (Ashforth, Harrison, & Corley, 2008; Sveningsson & Alvesson, 2003). Transitioning into a new role is one of such circumstances. Identity work is required to help the newcomer to build a situated identity in the new social context that maintains the individual’s sense of authenticity notwithstanding the changes he or she might be experiencing and that creates a “culturally appropriate self” that is acceptable within the new social group (Ibarra & Barbulescu, 2010). Another circumstance that heightens identity work in organizational life is the position of the individual in the corporation. Whilst all individuals in organizational life experience identity work, as work requires
individuals to assume “corporate personas” that differ from other identities they engage in their life, identity work is particularly relevant in the case of managers, who need to “act as the voice or the face of the corporation” (Watson, 2008, p.122). Indeed, Kreiner et al. (2006) argued that individuals who have challenging and demanding occupations, such as those that are in the public eye, are particularly susceptible to experience powerful identity demands and tensions. These authors defined identity demands as “situational factors that pressure individuals toward extreme integration or segmentation of personal and social identities” (p.1034) and identity tensions as “stresses and strains experienced by an individual in relation to the interaction between her or his personal identity and a given social identity” (Ibid).

This suggests that – given the high visibility of the CEO post and the symbolic influence that the role confers to the individual (see discussion in section 2.2.2.3, Substance & Symbolic Paradox) – CEO turnover is likely to be a period of heightened identity work for individuals assuming the chief executive role. Nevertheless, the CEO succession literature has not hitherto addressed the identity work that new CEOs likely experience when transitioning to the post. The identity work literature, thus, supports the findings of this study that identity is an important lens to understand the transition process of new chief executives.

In addition, the identity work literature points out some of the issues likely to be embedded within the CEO identity construction process. First, powerful identity tensions and identity demands are likely to be prevalent in the CEO identity construction process since individuals in prominent and demanding positions, such as the CEO role, are prone to experience strong pressures and stresses regarding the interface between their personal and social identities (Kreiner et al., 2006). Second, the CEO identity construction process is likely to impact not only the identity of the new chief executive but also the identity of the organization itself since not only “the ways in which organizational strategists shape their own lives and identities and the ways in which they contribute to the strategic shaping of the organization are more closely related to each other than the academic literature has tended to recognized” (Watson, 2003, p.1305), but also organizational
“identity and strategy are reciprocally related such that identity is enacted and expressed via strategy and inferred, modified, or affirmed from strategy” (Ashforth & Mael, 1996, p.19). Hence, in engaging in a process of identity construction in transitioning into the post, new chief executives are likely to shape not only their own identity but also the strategy and, consequently, the identity of the organization.

5.2.4 SUMMARY OF THE REVIEW OF THE IDENTITY CONSTRUCTION LITERATURE

The three bodies of literature that address the identity construction process that individuals engage in organizational life were succinctly reviewed in this section and key issues to the CEO identity construction process were identified.

First, the review of the role transition literature underscores the need to understand the circumstances that would condition new chief executives to experience (or not) personal change. In particular, the role transition literature suggests that both the requirements of the role and the socialization process of newcomers influence the mode of adjustment an individual experiences. And thus, it is important to address both how the CEO role itself and the socialization of CEOs impact the CEO identity construction process.

Second, the review of the socialization literature indicates that the socialization process of new CEOs is likely to be unique due to the position of the chief executive, which suggests, in turn, that the CEO identity construction process that new chief executives experience in transitioning into the role is likely to be unique to the role.

Finally, the review of the identity work literature suggests not only that the process of building their identity as CEOs is likely to be an important process for individuals assuming the post; but also that this process is likely to be characterized by powerful identity demands and tensions and by an interplay between the identity of the new chief executive and the identity of the organization.

In the remainder of this chapter, I analyse how the findings of this study relate to these three bodies of literature and then I present the CEO identity construction process model.
5.3 ROLE TRANSITION & THE CEO IDENTITY CONSTRUCTION PROCESS

The data of this study suggests that five elements of the CEO role are pertinent for the CEO identity construction process. The characteristics of these five elements are unique to the position of the chief executive: the distinct challenges of the CEO role and the perception of the chief executive as the personification of the organization (both of which represent role novelty requirements that are particular to the CEO post); the lack of specificity of the role that allowed the new chief executives to imbue their self-definition into the organization in a way they had not experienced in other organizational roles, and the interpretable, but not clear, mandate (both of which represent role discretion requirements that are distinctive to the CEO); and the dual aspect relationship between the CEO role and the culture of the organization.

In Chapter IV, three of these elements (challenges of the CEO role, CEO role as embodiment of the organization, and lack of specificity of the CEO role) were clustered within the persona of the CEO, which denotes the self in role, whereas the other two elements (organizational culture and mandate) were aggregated within the organizational identity dimension. Yet, as will be explained in more details below, inasmuch as the requirements of the role that impact the mode of adjustment of a newcomer involve the constraints and demands characteristics of a specific position (Nicholson, 1984), in addition to being part of the identity of the organization, both the mandate and the culture of the organization can also be considered aspects of the requirement of the CEO role.

As aspects of the requirement of the CEO role, these five elements collectively stimulated personal change and role innovation in most new chief executives interviewed. As illustrated in Figure 5-2, on the one hand, the new chief executives described that certain aspects of the CEO role, such as the challenges of the role and the perception of the CEO as an embodiment of the organization, influenced them to undergo personal changes. On the other hand, they reported that other characteristics of the role (such as the lack of specificity of the role) influenced them to innovate the role as they saw fit. Moreover, two characteristics of the CEO role, the mandate and the interaction between the CEO and the
culture of the organization, seemed to promote personal change and role innovation simultaneously. It is interesting to notice that, as mentioned above, these latter two elements can be characterized both as elements of the CEO role and as elements of the organizational identity. Their dual classification – and dual impact – in the adjustment of new chief executives into the role allude to a dual influence of the organization in the CEO identity construction process, a point to which I will return later.

![Figure 5-2 Impact of the CEO Role in Personal Change and Role Innovation in CEO Transition](image)

These opposing influences to undergo both role innovation and personal changes, stimulated by these different aspects of the CEO role, suggest that the mode of adjustment that new chief executives experience during their transition to the role entails exploration. Hence, even though the way in which the extant CEO succession literature currently conceptualizes the CEO transition process indicates that all modes of adjustment are feasible for a new chief executive (as described in section 5.2.1, *Role Transition*), the findings of this study indicate that the transition to the CEO role stimulates the exploration mode of adjustment. That is, most of the new chief executives interviewed could be placed in the top-right quadrant of Figure 5-1.
In the remainder of this section, I describe in detail how these five elements of the CEO role promote personal change and/or role innovation and thus impact the CEO identity construction process. As illustrated in Figure 5-3, I start by focusing on the two role novelty requirements that individuals face when they transition to the CEO role (challenges of the role and perception of the CEO as the embodiment of the organization). Second, I depict how the organizational culture, which functioned both as role novelty and role discretion requirements for the CEO role, influenced the new chief executives’ transition into the role. Finally, I address the other two elements of the CEO role discretion: the lack of specificity of the CEO role and the mandate (see Figure 5-3).

**5.3.1 CHALLENGES OF THE CEO ROLE**

The succession literature suggests that, regardless of how much an individual might have been groomed to the post, the promotion to the CEO role represents a major change to the individual’s responsibilities, tasks and skills (Harris & Helfat, 1997; Kotter, 1982). Yet, given that the literature is usually silent regarding the experiences of individual actors
in making the transition to the CEO post, and given that the literature often examines the 
CEO as if he or she is another member of the top management team (e.g., Hambrick, 
2007), very few studies actually describe what are the tasks, skills and responsibilities that 
are unique to the CEO role. As described in more details in Chapter IV (section 4.3.2, 
Challenges of the CEO Role), in transitioning into the post, the new chief executives 
interviewed reported four challenges embedded in the tasks and responsibilities of the 
CEO role that they perceived to be unique to the post: (1) how to cope with their feelings 
of loneliness and accountability associated with being the ultimate decision maker; (2) how 
to let go of being involved in the operational side of the business, delegating the 
responsibility of delivering things to the top team and becoming an enabler for others; (3) 
how to structure their time so that they could handle the pressures of short-term 
urgencies and focus on the long-term direction of the organization at the same time; and 
(4) how to create mental space to reflect in the “big strategic decisions” while handling the 
constant switch to “minute decisions”.

The novelty of a role has been defined as “the degree to which the role permits the 
exercise of prior knowledge, practiced skills, and established habits” (Nicholson, 1984, 
p.178). For the CEO role, the concept of role novelty, which is considered to be 
particularly pertinent for the adjustment of a newcomer into the role (Ibid), was partly 
encapsulated in the data by these four particular challenges that the new chief executives 
described as being unique to the role. This is because these challenges not only highlighted 
for the interviewees some of the key differences between being a member of the top team 
and being the CEO; but, most importantly for this discussion, they also posed some 
constraints in their actions, and thus, stimulated the new chief executives to undergo 
personal changes in order to effectively operate in the role.

Accordingly, many new chief executives reported that they needed to let go of prior 
habits, skills and needed to develop new ones to be effective in the CEO role. For 
instance, learning to be an enabler and no longer an operator meant that these individuals 
had to let go of the skills that led them to the position – delivering results for the 
organization – and to develop new ones, which required personal change. To illustrate,
CEO#4 revealed that “the first couple of months [he] found quite difficult” because in his previous role he was “much more used to be hands on”. Yet, even though “there’re things you don’t want to go let go of”, he learned that as CEO “if you carry on being involved in some much detail, you’re just going to fail”. Thus, in the first few months of his tenure as CEO, he “realize[d] that you did in the past” will not work, since “you’ve got to be more remote”. As he came to the realization that in the CEO role one has to “be able to operate differently”, he changed the way he perceived himself in the organization. He started seeing himself as “the captain of the ship” who “doesn’t touch anything, doesn’t touch any of the buttons, doesn’t turn the wheel, doesn’t do anything. He has a set of first offices and crew that he absolutely trusts, but they run the ship day to day”.

5.3.1.1 TYPE OF CHANGES

The personal changes promoted by these four unique challenges of the CEO role seemed to fall into two categories: cognitive and emotional changes. Cognitively, the transition into the role stimulated the development of new knowledge and skills that the new chief executives had to learn to adjust to the CEO role. These included developing skills associated with dealing with investors, the press, stakeholders and the board of directors, as well as learning aspects of the business they had not previously dealt with. For instance, CEO#7, whose former role was as CFO, remarked that there were

> Certain areas that I needed to make sure that I really understood, because you come out of a certain function or functions, as I’ve worked in, and you’re not prepared for everything that might be thrown at you – CEO#7

Therefore, the development of these skills and knowledge seems to be associated with the “absolute variety of what you deal with as a CEO” (CEO#3) which was encapsulated in the perception of the new chief executives as being “responsible for everything that’s going on” (CEO#7).

Emotionally, in addition to representing new skills and knowledge that the new chief executives had to learn to adjust to the CEO role, these challenges – in particular the challenge of being the ultimate decision maker in the organization – represented not only
a cognitive adaptation to the CEO role, but an emotional and visceral adjustment to being the chief executive. For instance, CEO#19, reported that

I always knew that going from “one of” to “The” was going to be a big deal. But I still underestimated it, particularly on my own feelings that that creates on me personally. I feel a great sense of responsibility and accountability for people’s jobs, the financial success of the company, I mean all the various things that a CEO is responsible for. – CEO#19

Not all interviewees experienced these two types of personal change. Indeed, the data suggests that there might be a relationship between the type of change experienced in adapting to these four challenges of the CEO role and characteristics of the individual’s previous role (see Figure 5-4). In particular, the degree of similarity between the previous role and the position of chief executive in regards to the level of complexity and responsibility of the role seemed to be pertinent. The Stratified Systems Theory divides the hierarchical levels of an organization into different strata that vary according to the increasing levels of complexity that individuals at higher strata need to consider (Jacobs & Jacques, 1987; Jacques, 1989; Jacques & Clement, 1991). The progression from one stratum to the next indicates that there is an increase both in terms of task complexity, such as time span of decisions, and in terms of the complexity of the required cognitive process that the individual needs to operate (Jacobs & Lewis, 1992). Based on their interviews, the new chief executives in this study seemed to fall within three clusters regarding the difference between the level of complexity of their prior position and their current CEO role. First, in the case of the three interviewees with prior CEO experience (CEO#10, CEO#14, and CEO#17), the level of complexity they were dealing now was likely smaller (in a lower stratum) than the one they dealt with in the prior position because these three individuals transitioned from being chief executives of larger organizations to being CEO of smaller organizations than the ones they previously led. Second, in the case of the interviewees without previous CEO experience, some individuals were likely to be dealing now in an equivalent level of complexity as their former roles. This is likely to be the case of individuals who moved from being a member of the top team of a large organization to assume the CEO role in a smaller organization. For instance, CEO#15, who moved from being country manager for a multinational to being the chief executive of a medium size business, mentioned that his “last role did have
many elements of taking personal accountability of all aspect of a part of the business, which has helped me prepare for this one as well”. Finally, in other cases of individuals without prior CEO experience, the cognitive complexity between the individual’s prior role and the CEO’s role is likely to be larger, and thus the appointment as chief executive represented an increase in complexity. Given that within an organization the level of complexity that the responsibilities and tasks of the CEO role engage is likely to be qualitatively different from other roles (Jacobs & Lewis, 1992), the transition of insider new CEOs are likely to fall within this latter category.

![Figure 5-4 Relationship between Type of Personal Change and Characteristics of Previous Role](image)

As illustrated in Figure 5-4, the level of complexity and responsibility that the new CEOs had in their previous roles seemed to influence whether an individual experienced cognitive changes associated with the four challenges of the CEO role. Individuals whose prior role had higher or similar levels of complexity as their current CEO role were less likely to undergo the development of new knowledge and skills associated with the challenges and responsibilities of the CEO role. For instance, CEO#9, who changed from running a big division within a multinational to become the CEO of a small privately-equity owned company, reported that many of the challenges he faced in the new role were “things that I had handled in my previous career”. In contrast, as the quote from CEO#7 above indicates, individuals whose prior roles were in a lower level of complexity (as was the case of insider new chief executives as well as of outsider new CEOs who moved from
functional positions, such as CFO, to the CEO role) described not being “prepared for everything that might be thrown at you”, and thus had to develop new knowledge and skills to deal with the “huge variety of minute decisions to big strategic decision” (CEO#3) that they were responsible as chief executives. This is not to say, however, that new chief executives whose prior role had higher or similar levels of complexity as the CEO role did not learn something new in the role. After all, as CEO#14, who had prior CEO experience, declared “you’re always going to learn, any way”. The difference here is, as CEO#14 pointed out “whether it’s learning as a chief executive as opposed to just learning new business skills. I think [for me] it’s more new skills and new experiences”. Thus, individuals whose prior job had higher or similar levels of complexity as their current CEO role still developed new business skills in the new job, but they were less likely than individuals whose prior job had lower levels of complexity to undergo cognitive changes regarding learning about the role itself.

Furthermore, the level of complexity and responsibility that the new chief executives had in their prior roles did not seem to influence the experience of undergoing the emotional and visceral adjustments associated with assuming the CEO role. In this case, only individuals with prior CEO experience – but not those whose prior role seemed to have a similar level of complexity as their current CEO post – did not report going through emotional adjustments in transitioning to the role. This likely occurred because, due to their prior experience in the role, these unique challenges were not novel for these three individuals, who had encounter them as chief executives of other organizations. For instance, CEO#14 mentioned he “learnt some lessons from the first time around [as CEO], and I’ve tried to apply them here”. In particular, among the lessons he described learning from this first experience as chief executive in another organization included the challenge of being the ultimate decision maker and the loneliness associated with it and the challenge of managing time as CEO, as illustrated, respectively, in the two quotes below:

*When you’re the chief executive, it’s kind of lonely, because (...) you’ve got to try and keep a safe distance from your colleagues because you never know when you’ve got to have a difficult conversation. For me, that was one of the big things I learnt when I was chief executive for [name organization] for five years. Initially I wanted to be everyone’s friend. And then I*
realized — as I said, I turned over half of my senior management team — and if you get too close to people, those more difficult conversations are more difficult to do” – CEO#14

The reflective thinking time is one of the biggest challenges I think all chief executives must face, and you’ve got to be diligent and disciplined to create the time. Again, another lesson I learnt from my previous chief executive role was that I wanted to make myself available all the time. (...) In this job, I’ve learnt that lesson, and I always keep the start of the day and the end of the day pretty much clear – CEO#14

Thus, CEO#14 seemed to have learnt how to cope with some of the unique challenges of the CEO role, such as the loneliness associated with being the ultimate decision maker (“you’ve got to try and keep your distance”) and the need to structure his time in order to focus both on short- and long-term issues (“you’ve got to diligent and disciplined to create the time”), in his previous experience as chief executive. For this reason, CEO#14, as well as the other two interviewees with prior CEO experience, didn’t seem to undergo any personal changes regarding the unique challenges of the role. In other words, these challenges were not perceived to represent role novelty demands for these three individuals due to their prior CEO experience and, as such, they didn’t encourage personal changes. Nevertheless, as will be described in more detail below, their prior CEO experience did not preclude these three individuals from undergoing personal changes as they once more assumed the post of chief executive, since other aspects of the CEO role — such as the perception of the CEO as embodiment of the organization and the relationship between the CEO and the culture of the organization — promoted personal changes irrespective of prior CEO experience.

For individuals without prior CEO experience, even though their previous roles might have helped some of them to cognitively prepare to the chief executive role (by exposing them to similar levels of cognitive complexity as the CEO role), these prior experiences did not preclude them from undergoing the emotional adjustment of being the chief executive. For instance, CEO#19, who moved from having “50,000 people working for me” as a member of the top team of a very large organization to being the CEO in a “company of only 8,000” described that

The single biggest thing is I didn’t realize emotionally how much more of that weighted the responsibility would bear on me personally. – CEO#19
Thus, notwithstanding that the level of complexity and responsibility that CEO#19 had in his previous role is likely to be similar to his current CEO appointment, he nevertheless seemed to have experienced an emotional adjustment to dealing with the challenge of being the ultimate decision maker. In addition, this emotional adjustment occurred even though CEO#19 believed that, prior to commencing the role, he “felt like I got a pretty good view into some of the challenges associated with being the CEO”. This indicates that, even though the new chief executives might have developed beliefs about the CEO role from vicarious observations obtained from directly dealing with chief executives in their previous roles, these observations were likely developed from “the necessarily myopic perspective of their own role-bounded dealings with role occupants” (Ashforth, 2001, p.160). Hence, these direct interactions with occupants of their CEO role in their previous positions seemed to constitute “a pale imitation of the experiential grasp” (Ibid) of being the CEO, as their inferences about the role did not prepare them for the emotional and visceral experience of assuming the role.

This contrast between viscerally experiencing the CEO role (something that only those with prior CEO experience had) and developing an intellectual understanding of the role were also observed in the case of the three insider new chief executives who were appointed as heir apparent prior to their appointment. Usually, a way to circumvent the gap between the intellectual and the experiential understanding of a position is through the utilization of apprenticeships, internships and interim positions (Blau, 1988). For new CEOs, these experiences usually occur through the nomination as an heir apparent (Cannella & Shen, 2001). Of the seven insider new CEOs in the sample, three individuals (CEO#3, CEO#12, and CEO#13) took on some of the responsibilities that are usually in the purview of the chief executive prior to their appointment, with two of them (CEO#3 and CEO#13) officially assuming the post of “deputy CEO”. These three individuals indicated that this preparation to the chief executive role was extremely beneficial because it allowed them to “learn how to play in a very safe way CEO” (CEO#3). However, this preparation did not seem to eradicate the learning that took place in the role. For instance, in discussing his transition to the post, CEO#13 declared “in some ways it’s quite a
small change [from deputy CEO to CEO], and in other ways it’s an enormous change”. This suggests that the promotion to the heir apparent position likely helped these individuals to grasp some of the cognitive complexities of the CEO role, for instance by helping them “to get to know the business” (CEO#3) beyond their functional or divisional perspective; however, given the symbolic nature of the role, the position of heir apparent did not seem to prepare them for the emotional and symbolic aspect of the role. The reaction that these individuals perceived from the organization after the promotion, as well as their own experiences, seem to indicate that there is a fundamental shift that occurs when an individual is appointed to the CEO role that is not present even in the promotion as heir apparent.

One way in which this fundamental shift, that seems to occur with the appointment as CEO, was observed in some individuals was as a transformation in perspective about the organization and about themselves. These individuals described this change in perspective as “put[ting] on a different set of clothes and act differently” (CEO#1) or “as you wake up the next morning as CEO and you see the world in a different light” (CEO#12). This immediate shift in awareness, which transformed their behaviours and perceptions, was described by insider new chief executives, since for them the appointment led exclusively to a change in role, whereas the transition of new outsider chief executives also included a change in organization, that is, a new “world” to learn about. This change in perspective by insider new CEOs is particularly pertinent since the literature suggests that the appointment of an insider denotes a continuation of previous strategic direction, because, as past member of the top management team, the insider new CEO was involved in the formulation and implementation of the previous strategy and, thus, might be cognitively and socially committed to it (e.g., Finkelstein et al., 2009). Nevertheless, this change in perspective is likely to translate into organizational changes. For instance, CEO#12 described that this shift in perspective made him change his perception about past organizational decisions that he was involved as a member of the top management team:

There were two or three things that I stopped doing particularly that had been previously, as part of the executive, I’d been part of agreeing to do, and I said [to the BOD] “I feel quite, in some ways, torn because I’ve been part of the team that agreed to do this and I don’t want to do it anymore, now I’m CEO”. (…) That shift of hat does give you a different perspective, and
therefore totally natural that something you’d supported as CFO, you might say “I don’t want to do it as CEO, I want to do something different”. (...) It’s a natural congruence here that feels, fits, so that, that came together in a, as I said, put that different hat on and saw things in a different light – CEO#12

In sum, the transition to the CEO role involves a high degree of role novelty, which encourages personal change in individuals assuming the role for the first time. An aspect of the CEO role novelty was encapsulated by the interviewees as unique challenges of the role, which required new set of skills, knowledge and perspectives. Insiders were likely to describe an immediately shift in awareness that came with the transition. This shift in perspective seemed to encompass not only facets of the organization (which led them to discontinue initiates that they had originally been part of as members of the top management team) but also, and most importantly, facets of the self as they now perceived themselves to be leaders of the organization. This change in perspective about the self in the role (and in some cases the personal changes the new chief executives reported, particularly the emotional adjustments to the CEO role) indicates that new CEOs are likely to engage in an identity construction process in transitioning to the CEO role.

5.3.2 CEO AS EMBODIMENT OF THE ORGANIZATION

Chief executives often personify the organization they lead (Porter & Nohria, 2010). This personification occurs due to the symbolic influence the role has on the organization (see discussion in section 2.2.2, Similarities in the CEO Role). A consequence of this personification is that the CEO role confers to new chief executives unprecedented prominence both inside and outside the organization that individuals are unlikely to have experienced in any other organizational role. As described in more details in Chapter IV (section 4.3.1, The CEO as Embodiment of the Organization), the interviewees perceived the conspicuousness that the CEO role confers to an individual in two ways. First, the new chief executives reported feeling conscious of the symbolic meaning that their actions and words would have in the organization. Second, they described feeling that organizational members were constantly scrutinizing their actions, behaviours, and words.
The embodiment of the CEO role had, thus, two effects in the CEO identity construction process. First, the new chief executives were conscious of the messages that their actions, behaviours, decisions, and words would have on the organization; and, consequently, they altered their behaviour in response to it. In other words, the new chief executives underwent some personal change in transitioning to the CEO role because, as the embodiment of the organization, they were conscious that their actions and words would convey implicit messages for the organization regarding the patterns of behaviours and values that they were now encouraging in the organization. These personal changes varied in magnitude. For some individuals, it was simply a matter of restraining from “the luxury of publicly brainstorming” (CEO#19) or making sure that they “look the part” (CEO#12). In other cases, the changes were more profound, as in the case of individuals who engaged with executive coaches to address particular aspects of their behaviour that they believed could hamper their effectiveness in the role. For instance, CEO#6 mentioned that he and his coach were working on “my blind spots and my behaviour”, which in his case focused on empathy and the impression he gave other people. To illustrate:

I think the blind spots for me are, it comes under the empathy, and the empathy, sometimes I’m unaware of the effect of what I’m saying has on other people. So if I’m debating with you, you will say something to me, and I will react to it in a certain way which you may think I haven’t, I don’t care or I don’t respect your point of view. And obviously as the CEO it’s very important that I don’t give that impression, and that’s what we’ve been working on – CEO#6

The personal changes described by the new chief executives to embody the persona of the CEO seemed to be initiated by the individuals themselves, based on things they perceived they needed to change. Thus, these personal changes seemed related to the embedded messages they were aware they would send with their behaviours, words and actions to the organization.

The second effect that being the embodiment of the organization had for the CEO identity construction process was that it placed the individual at the epicentre of the organization. This observed in the data through the scrutiny that the new chief executives experienced. To illustrate, CEO#16 stated that as CEO
You can’t make a throw away comment because somebody will listen to that, and experience it as an instruction or as a specific comment in some way, and therefore I need to be careful and considerate of what I say and how I say it, and I am very mindful of that. – CEO#16

Thus, because of the scrutiny that the new chief executives experienced, they reported that they modulated their behaviour. In particular, the new CEOs seemed conscious that organizational members would be paying attention to their actions and words and, consequently, they regulated those as to avoid misinterpretations. So they regulated themselves, so that, as mentioned by CEO#16 above, “a throw away comment” would not be misinterpreted and become “an instruction” or an undesired message.

The attention that the new CEOs perceived that their actions and word had on organization members seemed to confer to the new chief executives a prominence akin to that received by prototypical members. Usually an individual striving for the leadership position reflects on the nature of the group in order to later embody the attitudes and behaviours of the group’s identity, which then would allow him or her to be perceived as a prototypical member of the group (Haslam et al., 2011; Hogg & Terry, 2000). The position as the in-group prototype is a valuable one since prototypical members, by embodying the attitudes and behaviours that group members conform to, are bestowed with valuable social benefits, such as social attractiveness, positive evaluation, and influence (Hogg & Terry, 2000). The more prototypical an individual is perceived to be to a particular social group, the more likely he or she will be able to influence the group. According to the social identity theory of leadership, the gradient of prototypicality perceived among group members – whereas some individuals best epitomize the similarities within the in-group and the differences with the out-group than others – is at the heart of the influence that constitutes leadership (Haslam et al., 2011; Hogg, 2001; Van Knippenberg & Hogg, 2003). In the case of individuals assuming the CEO post, it seems that, due to the symbolic nature of the role, the new CEOs were already perceived to be influential and thus organizational members seemed to be paying attention to them as if they already embody the attitude and behaviours of the group’s identity. Hence, embodying the persona of the CEO role seemed to confer influence to the new CEOs.
even before they demonstrate their prototypicality to the group. This influence is likely symbolic and indirect.

Interestingly, the personal changes that the new CEOs reported undergoing to enact the persona of the CEO did not seem directly related to the social identity of the group, which would confer to them perceptions of prototypicality, but were more associated with their own views as to the changes and messages they wanted to communicate to the organization. So the personal changes that occurred here are more about personal development. The new CEOs seemed to be undergoing personal changes to modulate their behaviour and their presentation to organizational members in order to manage the perception of organizational members about what the organization is like. In other words, these personal changes were not performed to move the behaviours, actions and potentially identity of the new chief executive towards that which was considered to be prototypical of the group. Instead, the new CEOs seemed to be undergoing personal changes to fit more what they considered should be the right message to the group, instead of incorporating messages that were already there. This suggests the presence of a process within the CEO identity construction process that does not take into account the nature of the social group they were appointed to lead. Furthermore, this also suggests that the new CEOs were trying to influence the organization, through the messages they were conveying about what the organization is like with their actions, behaviours and words.

5.3.3 ORGANIZATIONAL CULTURE

Extant literature suggests that the relationship between the CEO role and the culture of an organization has two different facets. On the one hand, chief executives have been considered to be “the primary sources, transmitters, and maintainers of organizational culture” (Tsui et al., 2006, p.114). The impact of CEOs in the organizational culture have been highlighted by many authors (e.g., Davis, 1984; Schein, 2004; Trice & Beyer, 1991); and recently empirical evidence has corroborated this link by showing a relationship between the culture of the organization and the personality (Giberson et al., 2009), values (Berson et al., 2008) and leadership behaviours (Tsui et al., 2006) of the CEO. On the other hand, it has been conceptualized that the culture of an organization might impact the
discretion, or latitude of action, that CEOs have in selecting a particular course of action for the organization since established modes of operation in the organization will sanction some actions that are congruent with the culture of the organization and will prohibit non-congruent ones (Hambrick & Finkelstein, 1987).

These two contradictory facets of the relationship between the CEO role and the culture of an organization were found in the study, as described below.

5.3.3.1 IMPACT OF THE ORGANIZATIONAL CULTURE IN THE CEO

As mentioned in details in Chapter IV, many new chief executives described the importance of understanding “the way that the organization ticks” (CEO#18) and of adapting both the changes they implemented and their behaviours in order to avoid acting in ways that would be considered to be “culturally odd” (CEO#10). Hence, the culture of the organization influenced some new CEOs who believed that they needed to “be flexible and not try to change the organization to suit me. I have to change to suit the organization” (CEO#15).

This tailoring of their actions and changes suggests that the culture of the organization acted as a constraint to the new chief executives, thus constituting a role discretion element of the CEO role. New chief executives likely need to operate in congruence with the culture of the organization for two reasons. First, acting or instigating changes that go against the culture of the organization might undermine the endorsement of the new CEOs as leaders of the organization. The social identity theory of leadership postulates that a new leader, or an individual striving for the leadership position, must develop a deep and thorough appreciation for the group’s history and culture in order to act in ways that help them to be recognized to have the influential position of the prototypical member (Haslam & Platow, 2001; Haslam et al., 2011). The symbolic nature of the CEO role means that individuals in the position are already perceived to be influential since organizational members seemed to be paying attention to them as if they already embody the attitudes and behaviours of the group’s identity. Nevertheless, this initial level of influence needs to be solidified in order for organizational members to endorse the new CEO as leader of the organization. After all, this initial level of influence is not power, but
a prominence due to the symbolic nature of the role. Hence, a flip side of the initial perceived influence that new chief executives experience in the beginning of their tenure is that organization members are likely to be evaluating if the individual is behaving as the leader of the organization. In order to be endorsed as the leader, new CEOs need to develop real influence in the group by representing the nature of the group (Haslam et al., 2001; Reicher, Haslam, & Hopkins, 2005). And a leader can only exert influence through the values, beliefs, norms and cultural symbols that belong to a particular social group (Haslam et al., 2011). CEO#16, for instance, was very conscious of the need to connect with the values of organizational members in order to develop real influence as the leader of the organization, as the quote below illustrates

Just because I got the job and I got chief exec on my door, it doesn’t mean that people think I’m in charge. So you’ve got to win respect, you’ve got the win the right to be viewed as that, and the authority doesn’t come when the offer letter comes, when the salary cheque arrives, the authority comes from people accepting your leadership. And they’re only going to accept your leadership, in a really sustainable way, if you connect with their values – CEO#16

Second, the organizational culture is usually considered one of the elements that influences the managerial discretion a CEO has in making choices and decisions (Hambrick & Finkelstein, 1987). Promoting initiatives that go against the culture of the organization might trigger powerful stakeholders to withdrawal from the organization or resist the new CEO’s initiative, which would then result in “a major loss of influence” (Hambrick & Finkelstein, 1987, p.375). One of the interviewees was warned by the board of directors about the dangers of disregarding the history of the organization, as illustrated in the quote below.

“The board said to me last time ‘just be slightly careful (...) that you are too aggressively slagging off what went before because, uh, it’s before that everybody in the organization has signed up to and presided over so you are almost by definition criticizing their stewardship of the organization. So you just need to be slightly careful about how you do it’. So my card was marked to be, I think the phrase was “don’t pretend this is ground zero and you’re starting from scratch, build on the positives of what was there before rather than saying it was all awful” – CEO#5

This “build[ing] on the positives of what was there before” suggests that the implicit assumptions, values and beliefs of the organization are likely to be paramount for the new chief executive to determine what initiatives and changes will be acceptable by the
organization. After all, as the notion of “taking charge” suggests (see section 2.4.1. Leader-Focused Perspective), new CEOs could potentially “come in, make some big grand changes and shout it from the rooftops, but you could, you could quickly lose the organization” (CEO#15). Therefore, many CEOs were conscious that they “must listen and understand the organization you have” (CEO#15).

Hambrick and Finkelstein (1987) postulated that CEOs in general need to assess their own discretionary power in the organization, as what actions are allowable or unacceptable by powerful stakeholders in an company “are primarily unstated and untested, rather than expressed and explicit” (Hambrick & Finkelstein, 1987, p.374). These unstated rules are likely to be embedded in the culture of the organization as the constraints that limit the discretion of a chief executive are determined by perceptions that powerful stakeholders have of the “radicality” of a particular action. Interestingly, the data of this study suggests that assessing their discretionary power is not an easy task for new outsider chief executives as the new CEOs reported difficulties in gaining cultural-relevant information when one reaches the pinnacle of the organization. This was because, given the symbolic nature of the role, the new CEOs described experiencing a type of deference from other organizational members. As these individuals seemed to “place too much reliance on [the] words” (CEO#19) of the new CEOs, the interviewees reported that it was difficult to gain information as people were “so eager to impress”. Due to this deference and eagerness to tell the new CEO information that organizational members believed the new leader wanted to hear, CEO#10 (who was the most experienced individual to participate in the study, having been the CEO of two PLCs and been a chairman of another organization before his current CEO post) believed that there was a “window of opportunity” for new chief executives to acquire information about the organization that only lasts “a week to ten days” after assuming the post because “people don’t really know you” and “they haven’t heard your opinion about anything”. After this period, “you begin to lose” the opportunity for people to open up to you because

*people then believe that they understand what you want and start to change their response to what you want to hear rather than what they would really like to tell you – CEO#10*
So CEO#10 believed that the longer a new chief executive is in the organization, the more people will have learned about the individual and consequently, the more they will say what they believe the CEO wants to hear. This notion of a narrow window of opportunity to acquire untainted information about the organization might hinder the ability of new outsider CEOs to acquire cultural-relevant information, a limitation that does not occur with other newcomers since these individuals are unlikely to experience the degree of scrutiny that the new chief executives felt in assuming the CEO role. Indeed, in comparing other role transitions she had experienced with the one to the CEO role, CEO#8 said that “if you go into an organization in the middle of an organization, (...) you sort of keep your head down until you work out how the lay of the land, but people here were examining everything that I did”.

In sum, the culture of the organization seems to act as an element of the CEO role discretion as new chief executives need to operate in ways that are congruent with it in order to ensure that they are acting both within their discretionary bounds and in ways that help them be accepted as leader of the organization. However, the transition to the CEO post does not seem to compel new chief executives to consider the organizational culture, as obtaining cultural-relevant information is actually harder for them than for other newcomers, given the deference and eagerness to impress that they experienced from other organizational members. This suggests that new CEOs need to be cognizant to the need of operating in ways congruent with the organizational culture, even though the process they experience in assuming the post does not compel them to do so.

5.3.3.2 IMPACT OF THE CEO IN THE ORGANIZATIONAL CULTURE

Although the culture of the organization seemed to be a component that many new CEOs believed they needed to operate in harmony with, they did not see culture as an immutable aspect of the organization. Most interviewees mentioned about either conducting or wanting to conduct cultural changes in the organization. In other words, the new chief executives perceived the culture of the organization as a source of role innovation.
The way in which the interviewees approached this cultural change varied in the sample regarding the extent to which the new CEOs took into consideration the existing organizational culture. Some individuals were less cognizant than others about the importance of making cultural changes that built on the existing organizational culture. Instead, these individual seemed to make changes that built on their personal characteristics. For instance, when describing changes in the organization CEO#5 mentioned, in the second interview, 11 months into his tenure, that the company was

*I think it’s more fast-moving, it’s more pacey, we’re trying to do more (...). I think we’re more willing to be sharp-elbowed, in other words, we’re more willing to be a bit more confrontational (...). I think we’re a bit more ambitious.* – CEO#5

Interestingly, all these adjectives (“fast-moving, pacey, sharp-elbowed, confrontational, ambitious”) were characteristics that CEO#5 also used to describe himself throughout the interviews. Indeed, he believed that “I do think this organization is absolutely reflecting my kind of personal, my characteristics of working”. In imbuing his personal characteristic in the organization, there was no mention about how the culture of the organization was before.

In contrast, other new CEOs believed that cultural changes needed to take into account the existing organizational culture. To illustrate, when discussing cultural changes, CEO#18 declared that

*I think all I’m doing is articulating something that was naturally part of the way the culture felt and that was part of what was appealing to me joining. (...) For example, we have a very strong [name org] community trust program (...) a lot of people feel that a big part of what they do is also a part of being in the community and working with people in the community and helping those less privileged than ourselves. So if you didn’t have that kind of underpin of that value set, then talking to people about protecting people’s futures wouldn’t resonate in the way that it has done. And actually it fits underneath [org name]’s overall value set. (...). So I’m not trying to create something different, I’m just articulating it in a way that’s relevant for the UK staff.* – CEO#18

Thus, CEO#18 believed that it was important to conduct cultural changes that took into account what is underneath the organization “overall value set”, and articulated his desired cultural change (“protecting people’s future”) with the value of “working with people in the community”.

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The latter way of addressing cultural changes is likely to be more effective. This is because, according to the social identity theory of leadership, great leaders usually weave familiar aspects of the group’s culture with less common ones to craft innovative patterns that does not infringe “what we know about ourselves”, thus crafting “the new out of the elements of the old and thereby to present revolution as tradition” (Haslam et al., 2011, p.149). Yet, despite of that, the transition of new CEOs into the role does not seem to promote awareness towards the need to operate in ways that are congruent with the history and culture of the organization. This was evident in the data by the difficult the new outsider CEOs described in acquiring cultural-relevant information. This was also evident by the lack of specificity of the CEO role, which highlighted the importance of the new CEO’s personal identity for the enactment of the role, as described in the next section.

5.3.4 LACK OF SPECIFICITY OF THE CEO ROLE

The CEO role is considered a high discretion position in the organization (Fondas & Wiersema, 1997), and the findings of this study highlight the importance of this characteristic to the process of identity construction of new chief executives. The interviewees expressed the lack of specificity to the role, noting, for instance, that there are no descriptions and no indication regarding how one should enact as a CEO. Due to this lack of role specificity, some new chief executives described crafting their own definition of the role either with their chairman or with the top management team. These individuals created their own definition of the CEO role for several reasons: as a way for the new CEO and the chairman to develop a form of appraisal of the individual’s work; as a way to delineate and define the boundaries between the responsibilities of the CEO and the chairman; and as a way for the new CEO and the top management team to improve the dynamics of the team. Regardless of the reason, the new chief executives expressed that the role description that they fashioned was something that resonated with them, which indicates a high degree of discretion and latitude to innovate the role as they saw fit. In fact, some individuals expressed that the discretion within the CEO role were “not like any other job” (CEO#4) and that they were able to “make the role work that you want it to be”
(CEO#1). This is important for our understanding of the CEO identity construction process since role discretion has been shown to be an important element in work-identity integrity strategies that individuals engage in identity construction processes (Pratt et al., 2006).

Furthermore, as it is characteristic of other high discretion roles, all the interviewees engaged in role innovation. This was the case of both insiders and outsiders. Insiders would have been able to follow the practice of their predecessors as they had experienced how the previous incumbent performed his or her role. Nevertheless, all insiders underwent role innovation, even in cases where there was a desire to maintain the status quo. For instance, CEO#3 described her succession as a “very seamless transition” where she was

“If one is really honest my day is copying, probably very much of what his [the predecessor] was, and this is twofold. In one hand, that is because that is what I’d observed and therefore it gives me a structure to learn, until I have developed my own style. But also it, again is the message to the organization, you know, stability”. [After all] “it’s a very successful company, so I’m saying, it would be frivolous as a new CEO to come in and, and change everything, because it’s working. So it’s, what we’re saying is evolution, but not revolution”.

Nevertheless, even in this case, role innovation was observed. In her first interview, four and a half months into her tenure, she had modified some dimensions of the role, such as her interaction with the top management team, the structure and schedule of core meetings and the manner in which she communicated with the organization. Furthermore, as the comment regarding developing “my own style” suggests, she seemed to expect to adapt the role to fit her personal identity. Accordingly, additional changes to the way she enacted the role, such as the way she interacted with the board of directors, was observed in her second interview, 14 months into her tenure.

Interestingly, not only the insider new CEOs didn’t seem to follow the practices established by their predecessor (which, as members of the top management team, they had familiarity), but also, and most importantly, many highlighted the ways in which they differed from their predecessor. This distinction between themselves and their predecessor seemed pertinent for the new CEOs for their enactment of the role, since
even some outsiders, who had some knowledge about their predecessor, underscored dissimilarities between them and the previous role incumbents. This suggests that the ability to change the role to more closely align with one’s personal identity was considered an important aspect of the CEO identity construction process. This was observed, as in the quote below, in the many accounts from the new chief executives about leaving their mark in the organization and adding value their ways.

*I mean, in the end of the day, that is where you are going to add value or otherwise, because if all you did was to come into a chief executive’s role and carry on where somebody had left off, well that person might just as well have carried on. I mean, you have to come in, make a difference and try and improve value your way.* – CEO#10

Furthermore, the importance of the new CEOs’ personal identity for the enactment of the CEO role and for the process of CEO identity construction was also observed by the scrutiny that insiders experienced after assuming the post. Albeit the insider new chief executives worked in the organization prior to their appointment (sometimes for more than a decade), and thus have been part of that social group, when they assumed the CEO position, it seemed that their personal identity suddenly became important for organizational members. In other words, because of the influential and symbolic aspect of the role, when an individual is appointed to the CEO role, members of the group start paying attention to the new CEO’s personal identity. Consequently, the new insider chief executives expressed the importance of communicating to the organization “*this is who I am as CEO*” (CEO#3) as much as the outsider new chief executives, who were new to that social group.

In sum, the CEO role was perceived by the new chief executives to be highly discretionical. This was independent of organizational and environmental aspects associated with managerial discretion (Hambrick & Finkelstein, 1987), as individuals from different industries, organizational size, organizational age, etc., seemed to experience a lack of specification regarding how the CEO role should be enacted. Indeed, role innovation was ubiquitous in the data, as all interviewees described ways in which they have done adaptations to the role to fit their own preferences.
In addition to the lack of specificity of the CEO role, another aspect of CEO role
discretion is the strategic direction of the organization since for chief executives
“discretion encompasses choice of the firm’s strategic direction” (Fondas & Wiersema,
1997, p.574). The ability (or lack thereof) of the new chief executive to select the
strategic direction of the organization is described in the literature by the concept of the
mandate, to which I turn now.

5.3.5 MANDATE

In theorizing about the CEO identity construction process, the mandate is an important
aspect of the CEO succession process because, according to the organization-focused
perspective of CEO succession (see section 2.4.2. in Chapter II), the mandate might have
a crucial impact in the discretion of new chief executives in adjusting into the role by
reducing the chief executive to an employee of the board. Despite this importance, to my
knowledge, this study is the first to directly examine the perception of newly appointed
chief executives about the mandate. The results of this study indicate that the new CEOs
did not perceived the mandate to be as “clear-cut” (Hutzschenreuter et al., 2012) as
suggested by the current literature. As described in Chapter IV, most of the interviewees
described the message of the mandate as generic and ambiguous. Even when the new
CEOs perceived to have received a clear mandate, it usually expressed particular
expectations of the board for the new chief executive to obtain a specific organizational
performance (for instance, the growth of the organization’s revenue by some percentage).
Furthermore, even when new CEOs believed they had received a clear mandate from the
board, the interviewees indicated that they needed to interpret the information in the
mandate to translate them into specific actions. The findings of this study, therefore,
support Vancil (1987)’s assertion that the mandate is “usually more implicit than explicit”
(p.261). Moreover, by focusing exclusively on the perception of new chief executives in
the beginning of their tenure, it also extends the conceptualization of the mandate by
exposing the fact that the mandate was perceived to be highly interpretable by the new
CEOs. In other words, even when the new CEOs perceived to have received a clear
mandate, they still believed that they had the discretion to select the way in which the goal of the mandate would be realized.

In sum, the mandate functioned both as an aspect that fostered and reduced the discretion that the new chief executives had to enact their role in the beginning of their tenure. The mandate provides some boundaries and limits to new CEOs, as they need to consider its message – implicit or explicit. Consequently, they might need to adapt some aspects of themselves (i.e., by developing new skills or knowledge) in order to fulfil the mandate. This adjustment of new chief executives is likely to be small, however, as board of directors are likely to select CEOs who have the experience to realize a specific goal (Hambrick & Fukutomi, 1991; Westphal & Fredrickson, 2001). Thus, particularly in cases where the new CEOs perceived to have received a clear mandate, it reduced the new chief executives’ ability to determine the goals to be achieved in the role. Nevertheless, all interviewees – including those who received a clear mandate – indicated that they were responsible for determining the means to achieving its objectives, and thus they were able to innovate the way in which they enacted the role. This conceptualization of the mandate has important ramifications of the CEO identity construction process as it shows that the potentially most limiting factor of the CEO role is not as restrictive as currently illustrated in the literature. This suggests that new chief executives do not adjust into the role through absorption. Rather, they engage in role innovation even when it comes to the mandate, by inputting their interpretation into the means in which it can be achieved.

5.3.6 SUMMARY OF ROLE TRANSITION & CEO IDENTITY CONSTRUCTION PROCESS

The identity construction process that newcomers undertake when transitioning to a new role is influenced by the particular mode of adjustment that the individual experiences when assuming the post. This study shows that different aspects of the CEO role influence the mode of adjustment of a new CEO by promoting personal change and/or role innovation.
The interaction between these different aspects of the CEO role indicates that the CEO identity construction process that individuals undergo when assuming the post of chief executive involves (or should involve) an exploration – and transformation – of both the individual and the role. In other words, the fact that different aspects of the CEO role promote both personal change and role innovation suggests the need to engage in the process of identity construction, as the identity of new chief executives would likely be highly influenced by the transition. Furthermore, the fact that particular characteristics of the CEO role promoted personal change whereas others promoted role innovation suggests that new chief executives both influence and are influenced by the transition into the role. This, in turn, hints that there are two directions of influence in the CEO identity construction process, as will be described in more detail below.

In the next section I address how the socialization of new chief executives differs from that of other newcomers and how this impacts the CEO identity construction process.

5.4 THE SOCIALIZATION OF NEW CEOS

As the brief review of the socialization literature above suggests, the socialization process that new chief executives undergo in the beginning of their tenure differs significantly from the socialization of other newcomers. The results of this study indicate that one of the main difference between the socialization of new chief executives and that of other newcomers is that new CEOs are responsible for the practices associated with normative controls. Many of the changes initiated by the new CEOs in the sample modified the external controls that reflect an organization’s normative control (such as reward systems). In addition, many of the actions described by the new chief executives in this study can be classified under practices of symbolic management.

For instance, all but one of the new CEOs interviewed mentioned that they were formulating (or planning to formulate) a new vision and/or strategic direction for the organization, which corroborates the view that “leader succession entails strategic change” (Hutzschenreuter et al., 2012, p.729). Moreover, many mentioned about modelling particular behaviours to be adopted in the organization. For example, CEO#5 believed
that as a CEO “you’re the role model, so you absolutely need to behave in the way that you think the rest of the organization should behave”. The new CEOs believed that modelling behaviours was a powerful way of influencing the organization to act similarly to them. CEO#16 illustrated how a simple behaviour by the new chief executive can be disseminated into the organization:

People told me before that communication between senior managers and staff was poor, now every Friday I write out a letter to every single member of staff, where I set out what the important things are that we’ve been dealing with this week, what I think, what the next steps are, and it might be anything. (...) [So] I’m trying to behave in a different way, to shape the culture of the organization, and in a consequence now a number of other managers write out letters to their staff at the end of each week. So it has a knock on, people see what the benefit of it is, and are looking to repeat it. – CEO#16

These results, therefore, corroborate and extend the findings from Simons (1994) who conducted a longitudinal study with 10 new CEOs (5 insiders and 5 outsiders) in the first 18 months of their tenure to investigate their use of formal control systems as a way to implement the strategy of the organization. This author found that all of the 10 new CEOs in his study utilized control systems to promote strategic change in the organizations, with no differences between insider and outsider in the implementation of formal control systems. Simons (1994) argued that the utilization of these formal control systems encouraged the unlearning of old behaviour patterns and belief systems in the organization and the learning of a new frame of reference associated with the strategic changes the new CEOs were implementing. Interestingly, while socialization is most commonly recognized as a learning endeavour, in which the newcomer learns the ropes of the new job and new organization (Ashford & Nurmohamed, 2012), Simons (1994) in fact asserted that the new CEOs “used management control systems to teach and test the new agenda” (p.187) they were promoting to the organization. The metaphor of the new CEO as a teacher is in direct contrast with that usually associated with a newcomer who is learning the ropes of the role and the organization. My research corroborates the assertion of Simons (1994) since many of the new CEOs interviewed connected the utilization of normative controls with conducting changes in the culture of the organization. For instance, CEO#6 indicated that he implemented a new remuneration structure in the organization in order to encourage a “performance culture” in his organization. He believed
that through this new bonus structure he had sent a “message [that] has been loud and clear” to the organization about the way that he expected organizational members to perform. Indeed, while discussing how he was instilling a performance culture in the organization, he directly connected it with the concept of teaching the organization:

> What I’m trying to teach people is you’ve got to push the boundaries, you’ve got to question what we’re doing, you’ve got to question all the time, you’ve got to think of a way of doing things better. And you will do things wrong, but unless you push those boundaries, we can’t hope to outperform [the competition].

Thus, through the concept of cultural change and “teach people” in the organization, CEO#6 seemed to be encouraging the company to unlearn old behaviour patterns and beliefs systems about the way one should perform in the organization.

Hence, while the socialization of other newcomers is influenced by normative controls that encourage them to “remake themselves in the image of the desired members” (Ashforth, 2001, p.157), promoting a fusion of the newcomer into the organization, the socialization process of new CEOs is not only devoid of normative controls, but also – and most importantly – the results of this study indicate that these organizational normative controls are substrates that new chief executives utilize in the process of CEO identity construction to promote an intimate fusion between the personal identity of the new CEO and the organization the individual has been appointed to lead. In deploying these normative control mechanisms during their transition into the role, the new CEOs seemed to intend to have the organization remake itself – at least partially – in the image of the personal identity of the new CEO. Thus, instead of a fusion of the individual with the organization, there seems to be an influence – or attempt – into fusing the organization with the individual. To illustrate, CEO#10 described that in the first weeks on the job he demonstrated “what I stand for” by “tr[y]ing and finding small examples and use those as the means by which people get an idea of who you are”. One of these examples was

> “going around and then being visible to people all of the time, never using the phone here, walking to people’s desks and going to talk to them. Encouraging them to come to our desk sends out a message that you are, one, approachable and, two, that you want everybody to be treated equally” – CEO#10
Thus, CEO#10 was an approachable individual. He demonstrated this personal attribute to the organization, with examples of his own behaviour to send the message that “I want everybody to behave in that way”, that is, a message that he expected organizational members to act similarly to his characteristic of approachability.

5.4.1 THE REPRESENTING PROCESS

This attempt to fuse the organization with the individual seemed to occur because, due to the weak situation in which CEOs are embedded and the resulting lack of specification of the CEO role, the new CEOs experienced intrusion of their personal identity into the role (see Chapter IV, section 4.4, Personal Identity). In this personal identity intrusion, the new chief executives seemed to utilize their personal identity not only to enact the role for themselves (such as using their authentic selves as parameters to make organizational decisions, and using their values and beliefs as parameters for the behaviours they were role modelling to the organization as well for the changes they were implementing) but also to communicate their personal identity to the organization. As described in more details in Chapter IV, both insider and outsider new CEOs described several ways in which they were communicating “this is who I am as CEO” (CEO#3) to the organization. In representing their self-concept to the organization, the new chief executives believed they were communicating not only messages about whom they were as CEO but also who the organization should be. In other words, through representing, the new CEOs were expressing to the organization values, behaviours, and modes of thinking that they wanted to imbue in the organization. In doing so, the new chief executives believed they were directly affecting the perception of organization members about what they as CEO stand for and also what the organization also should stand for. Hence, representing seemed to be the way in which the new CEOs promoted the symbolic management practices associated with normative controls – such as promoting particular values and behaviours in the organization. To illustrate, CEO#6 stated that “one thing I’ve done since I’ve arrived as chief executive is to open up a culture where you’re free to challenge”. Instilling this challenge culture was “slow” and driven by “my behaviour and my executive’s behaviour” since he believed that
“unless you as a chief executive demonstrate that behaviour yourself, it will never work”. Furthermore, he wanted to instil this culture of challenge because

I like challenge. I like people to tell me what they’re thinking and what they believe, so that we can have a debate about what the right course of action is

Thus, this new CEO was instilling a “culture where you’re free to challenge” because it was one of his beliefs about how a business should operate that people in the organization should engage in a debate about what they were doing. He was trying to impart this new behaviour in the organization through role modelling (“demonstrate that behaviour yourself”), that is, through representing his beliefs to the organization in his own behaviours. In doing so, he believed that the organization was slowing adopting this culture of challenge.

Hence, the process of representing that the new chief executives engaged seems to be the opposite from the process socialization that other newcomers usually undergo. After all, while socialization denotes the process in which a newcomer learns the values, perspective, expected behaviours and modes of thinking that are customary and desirable within a particular organization, representing denotes the process in which the new CEO – a newcomer – instils the values, perspectives, expected behaviours and modes of thinking that he or she desires the organization to adopt.

This study focused on the experience of the new chief executives during their transition to the post, and thus it was beyond the scope of this study to determine how effective or successful the new CEOs were in imparting these changes in the organization. Nevertheless, many of the interviewees believed that their organizations had indeed adopted some of these characteristics, which stemmed from their personal identities. Furthermore, the scrutiny process that the new CEOs described experiencing during their transition into the post – including insider new CEOs who were not new to that social group – suggests that organizational members were at least attentive to the actions, behaviour and words of the new CEO. This attention and prominence is likely to facilitate the adoption of any changes that the new chief executive might want to promote in the organization as it places the new CEO at the epicentre of the organization. As mentioned earlier in this chapter, this position in the organization is likely to be akin that of the in-
group prototypical member. Since prototypical members embody the attitudes and behaviours that other group members seek to conform (Hogg & Terry, 2000), if the new CEO is indeed perceived by the new organization as prototypical (as suggests both by the results of this study and the literature on the symbolic aspect of the CEO role; see section 5.3.2, CEO as Embodiment of the Organization), then it is very likely that new CEOs have a powerful impact on the perceptions, emotions and behaviours of organizational members. This might, in turn, impart the changes that the new CEOs perceived their organizations were undertaking towards the values, perspectives and accepted behaviours that they were communicating through the representing process.

The process of representing does not indicate, however, that new CEOs are able to completely disregard the history, culture and identity of the organization. After all, a leader can only exert influence through the values, beliefs, norms and cultural symbols that belong to a particular social identity (Haslam et al., 2011). Hence, in the same way that the process of socialization of a newcomer utilizes the newcomer’s incoming identities to overlay the situated identity of the role and the organization, the process of representing likely needs to utilize the existing organizational identity in order to overlay the personal identity that new CEOs bring to the organization. The need for new CEOs to operate within the boundaries of the identity of the organization was observed in the data through the three organizational aspects that seemed to bind the way in which the new chief executives enacted the role with the perspective of the organization. Thus, as described in Chapter IV (see section 4.5, Organizational Identity), the new CEOs reported that: (1) they modulated their behaviours (and, consequently, the messages that they were communicating in them) so that they would not act in ways that could be considered “odd culturally” (CEO#10); (2) they were conscious that they “need to work with [the] DNA” of the organization to “make the changes I want” (CEO#3); and (3) they needed to take into account the mandate, albeit often generic and ambiguous, of the board of directors.

In sum, whereas a newcomer usually experiences the process of socialization that encourages the newcomer to overlay their incoming personal identity with the situated identity that is promoted by the organization (Ashforth, 2001); in their transition to the
role, new CEOs seem to engage in the process of representing, which, in contrast with
the socialization process, seems to teach the organization the values, behaviours and modes
of thinking that the new chief executives bring to the organization, thus promoting an
overlay of the new CEOs’ personal identity into the identity of the organization. The
process of representing might influence the organization for two reasons. First, due to the
perception of the CEO as the embodiment of the organization, organizational member
seemed to be paying attention to the action of the CEO, so that “what I do and I say is, is a
constant symbolic, you know, is constantly picked up” (CEO#3). Second, new CEOs are
responsible for the practices associated with normative controls and execute changes both
in the external normative controls (such as reward systems) and in the internal normative
controls (such as in the vision of the organization). Through these two mechanisms (the
scrutiny of organizational members of the new CEOs’ actions and words, and the use of
normative control), the new chief executives seemed to impart – or at least attempting to
impart – their personal identity in the organization. Nevertheless, since “symbolic
meaning is culturally specific” (Zott & Huy, 2007, p.73), in order to effectively utilize
normative controls, new CEOs need to operate within the boundaries of the culture and
identity of the organization, by acting in ways that are not considered “odd culturally” and
by making changes that “work with [the] DNA” of the organization. Furthermore, regardless
of the symbolic power that the CEO role might have on the organization, the organization
still needs the chief executive to integrate into its existing history and culture – an
organization cannot completely remake itself with the succession of each and every new
CEO. And the chief executives themselves, in order to fulfil the psychological motives of
identity, meaning, belonging and control (Ashforth, 2001), also need to identify with the
new role and the organization. As a consequence, while the identity construction process
of most individuals entering a role is influenced by the organization (e.g., Pratt et al.,
2006), in the case of new CEOs, the results of this study suggest that this influence is bi-
directional.

I now turn to the identity work that new CEO undergo in the CEO identity construction
process in order to describe how this bi-directionality takes place.
5.5 IDENTITY WORK IN THE CEO IDENTITY CONSTRUCTION PROCESS

The findings of this study suggest that, similar to other role transitions (e.g., Ashforth, 2001; Ibarra, 1999; Pratt et al., 2006), individuals assuming the CEO role undergo identity work, which has been defined as the “range of activities that individuals engage in to create, present, and sustain personal identities that are congruent and supportive of the self-concept” (Snow & Anderson, 1987, p.1348). Furthermore, the data shows that this identity work is characterized by strong identity demands and identity tensions.

The situational demands reported by the new CEOs were associated with the expectations for the CEO identity and the strength of the situation they encountered in assuming the role. Identity expectations refer to the expectations that stakeholders have regarding what an incumbent should do or say (functional expectations) and how an incumbent should be (ontological expectations; Kreiner et al., 2006). The new CEOs described that there was a distinct lack of specification regarding the CEO role. They reported that apart from being the personification of the organization, setting its tone, and being responsible and accountable for its results, they had no specific description of what the role entailed. The new CEOs arrived at the role with no specifications regarding what they should do and where they should spend their time. As mentioned by the interviewees, by being accountable for everything, they were able to choose where to spend their time and where to concentrate their energy. There was no area that was not in the purview of the new chief executives, which gave them freedom to determine how they would enact their role. Indeed, there was significant variability in the sample in terms of how the new CEOs dealt with matters that are usually considered to be within the scope of the role.

For instance, even though all but one of the interviewees mentioned that they were formulating and/or implementing a new vision for the organization, when and how they were doing this varied considerably within the sample. This variability did not seem to be explained fully by the context of the organization in which the new chief executives were appointed to lead. Rather they were likely to be related to individual preferences and dispositions. An example of this is the contrast between CEO#3 and CEO#4. These two
new chief executives had very similar demographics and circumstances. They were both insiders new CEOs, who had worked in the organization for about a decade before being promoted to the CEO post and who were chosen by their retiring predecessor to succeed them. Both of them had a demographic factor that differentiated them from their predecessor (CEO#3, a different gender; CEO#4, a different educational background), which placed them at a similar degree of “outsiderness” from their predecessor (Finkelstein et al., 2009). And both of them were appointed to run successful large organizations that were nested within an even larger multinational. Nevertheless, their experiences and perspectives of how they should enact the role were opposite in many instances. For instance, CEO#4 believed that his appointment indicated change and the need to set a new agenda. Thus he developed a new strategic roadmap for the organization and implemented many aspects of this new strategy in the first three months of his tenure. In contrast, CEO#3 undertook a seamless transition in which she was initially copying the structure that her predecessor left and was mostly making “very small changes” in areas “which needs tackling”. She was still planning to discuss a new long-term strategy for the organization with the top team when I last interviewed her, 14 months into her tenure.

This difference in attitude between CEO#3 and CEO#4 did not seem to stem from communications with the board of directors, as both of them reported not receiving a specific mandate regarding what the board expected them to achieve as well as feeling that “you’re reporting but you are not guided, (...) most of the time you are actually running [your organization] on your own” (CEO#3).

Hence, the data shows that the expectations for the CEO identity seemed to lack functional expectations regarding the new chief executives’ actions and words. The interviewees expressed the lack of specificity to the role, noting, for instance, that there are no descriptions and no indication regarding how one should enact as a CEO and that they experienced a high degree of discretion and latitude to innovate the role as they saw fit. Nevertheless, as described in section 5.3.1, Challenges of the Role, a lack of functional expectations for the new CEOs’ actions does not mean that the CEOs were not bound by particular constraints and demands in order to effectively operate in the role. In other
words, even though there were no specific actions that stakeholders expected the new
CEOs to operate (for instance, when they should instigate a renewal of strategic direction
of the organization), the tasks and responsibilities of the role nonetheless compelled the
new chief executives to develop new habits, skills and knowledge that were inherent in
the functions of the role. For instance, in regards to the challenge of letting go from being
an operator and becoming an enabler of people, CEO#6 expressed that there was a
“journey of being operational and thinking you can do things yourself to know that you have to do it
with others, through other people”. Thus, with “the realization that you can’t do everything
yourself”, he described changing the way in which he used to work to effective operate in
the CEO role:

\[ I \text{ am the sort of person that works very swiftly and, rightly or wrongly, my natural instinct is to make change very quickly and I have purposefully stood back and made that change less quick than I ordinarily do. } \]

Hence, in terms of assuming the identity of the CEO, the new CEOs described a lack of
specificity in terms of enacting the role; yet, in terms of effectively operating in the role,
there were particular challenges (such as being an enabler and no longer an operator) that
the new chief executives needed to overcome to successfully perform the role. These
challenges, as the case of CEO#6 illustrates, promoted some personal changes in the
habits, skills and knowledge that the new chief executives used to have in previous roles.

The findings of this study also suggest that there is a lack of ontological expectations that
specifies the ways in which a CEO should be. This was observed, for instance, in the
validation that the new chief executives experienced receiving from the board of directors
during the appointment process that their personal identity were suitable representation of
the role. The new CEOs described how they felt that their views, behaviours,
experiences, values, and personalities were praised and endorsed by the board during the
appointment process. To illustrate,

“The mandate, to an extent it was a mandate, was one of, it’s quite a seductive line, isn’t it?
We think, [name new CEO] you’d be great at doing this, you’re just the guy we want, but we
really want you to drive performance and then grow the firm” – CEO#15
The endorsement of personal identity of the new CEO (that is, who the individual is) as a bona fide exemplar of the CEO role suggests that there is no particular mould that an individual striving to the CEO role must fit. After all, the qualities and attributes that the new CEOs felt validated varied within the sample. This notion has strong validity with our general conceptualization of the CEO role, as individuals with a range of characteristics – from the intense, demanding, autocratic, impatient, stubborn, tyrannical and even cruel Steve Jobs (Katzenbach, 2012) to the affable, easy-going, relaxed and self-deprecating Jeffrey Immelt (Davidson & Bolmeijer, 2009) – have successful enacted the CEO role. A contrast to this conceptualization of the CEO is the role of a priest, the challenging occupation analysed in the Kreiner et al. (2006) study. An individual without a nurturing, reliable and patient personality would likely not fit the ontological expectations that most people have of a priest; yet, for the CEO role, there is no particular way of being that an individual needs to prescribe in order to fit the “mould” of the CEO role, with both Jobs and Immelt being suitable representatives of the role.

CEO#1 suggested that this lack of ontological expectations occurred “because there’s such lateralness in defining the role, your personality is allowed to exploit that lateralness”. Indeed, the lack of identity expectations for the CEO role seems to be associated with the other situational demand reported by the new CEOs. Whereas occupations such as priest are embedded in a strong situation “in which all individuals involved clearly understand the behaviours certain people are to enact” (Kreiner et al., 2006, p.1040), chief executives are embedded in a weak situation in which there are no clear parameters of action and individuals need to choose between “two rights” (CEO#12). As there are no right answers, the decision between choosing, for instance, to initiate a new strategic direction in the beginning of their tenure (like CEO#4) or to first establish the trust and credibility in the organization before considering a new strategy (like CEO#3) depends on so many complex variables and uncertainties that can only be interpretable by the chief executive.

The notion that chief executives (and other senior executives) operate in a weak situation has been the focus of classic studies in strategic leadership (Child, 1972; Cyert & March, 1963; Hambrick & Mason, 1984; March & Simon, 1958); yet, it has not been hitherto
associated with the CEO identity construction process. As detailed in Chapter II, the concepts of weak situation (Mischel, 1977), bounded rationality (Cyert & March, 1963) and strategic choice (Child, 1972) have founded the cognitive argument, which contends that strategic changes after succession originate from cognitive differences between the new CEO and the predecessor (Hutzschenreuter et al., 2012). My research supports this argument, but refutes the notion that these cognitive differences can be captured by the distinction between insiders and outsiders. The difference between CEO#3 and CEO#4 are a perfect example as to the limitation of this distinction, as demographically these individuals are almost identical, and yet their experiences and perspectives regarding how they should enact the role differed significantly. Hence, while the data of this study corroborates the cognitive argument, it also highlights that the identity demands experienced by the new chief executives veered their identity construction towards individuality. More than an allowance for the CEO’s personality to exploit the lack of identity expectations or “lateralness”, as suggested by the statement of CEO#1 above, the data suggests that this exploration might represent a requirement of the CEO identity construction process, as observed, for instance, by the way in which the new chief executives emphasized differences between themselves and their predecessors.

Thus, while the cognitive argument contends that insiders new CEOs would be likely to maintain the status quo due to similar experiences and perspectives with their predecessor (Hutzschenreuter et al., 2012), the data of this study suggests that the CEO identity construction process disposes new chief executives to express their individuality, distinguishing themselves from their predecessors. The impact of the CEO identity construction in the actions of the new chief executives regarding strategic changes are clear in the contrast between CEO#3 and CEO#4. On the one hand, CEO#4 seemed to start his tenure with a need to differentiate himself from his predecessor. He stated that his core expectation about being the chief executive was that “I wanted to do a very differently to the way that he [the predecessor] did it” because “he sat a certain style for the way he wanted those companies to be run, which isn’t the style that I want to adopt”. In other words, in the process of constructing his identity as the CEO, differentiating himself from the
predecessor seemed to be important for him to enact the role. On the other hand, CEO#3 described that in the beginning of her tenure her “day is copying, probably very much of what his was, and this is twofold. In one hand, that is because that is what I’d observed and therefore it gives me a structure to learn, until I have developed my own style. But also it, again is the message to the organization, you know, stability”. In other words, in the process of constructing her identity as the CEO, she utilized the example set by her predecessor to learn how to enact the role while she was defining her own style. Yet, even this “copying” by CEO#3 was not void from expressing her individuality because, although she described her succession to be a “very seamless transition”, the way in which she enacted the role differed from her predecessor in many instances (such as her interaction with the top management team and the way she communicated with the organization) right from the beginning. Furthermore, even in her case, where the desire for maintain the status quo is implied, the notion of developing “my own style” indicates a path towards individuality in constructing her identity as CEO.

Perhaps due to these strong identity demands that pressured the new CEOs towards individuality, the interviewees reported experiencing two forms of identity tensions that also encouraged the expression of their personal identity: personal identity intrusion and identity transparency.

First, given that the CEO role was “ill-defined” (CEO#1), with no clear specification or description of the role, the new chief executives reported that they were able to “permeate” their personal identity in the enactment of the role. As described in details in Chapter IV, there were several ways in which this “infusion” of personal identity occurred, such as executing changes based on beliefs about how a business should be run and utilizing their values as parameters for decision making. This infusion seems to entail a type of identity intrusion that goes beyond the “preservation of personal identity” that Kreiner et al. (2006) contrasted with the intrusion of social identity experienced by the priests in their study, in which there was a “perceived invasion of one’s personal identity by the social identity” (p.1041). The data of this study suggests that the identity construction process that the new chief executives experienced in the transition to the role
involved not only a preservation of their personal identity, but also, and most importantly, they seemed to be using their personal identities as a framework for enacting the role, which suggests an invasion of one’s social identity by the personal identity. This was observed, for instance, in the accounts about building a personal brand about who they were as CEOs that “demonstrate what are your personal attributes in a way that people understand and know them, and that becomes your brand” (CEO#19). In other words, in building their brand, the new CEOs seemed to be using their “personal attributes” (their personal identities) to develop a description of what the role is within their enactment, infusing their personal attributes in the definition of what the role is. Thus, while for CEO#19 the chief executive is someone who is honest, straightforward and open; for CEO#2, the chief executive is someone who is nurturing, calm and supportive.

Second, the new CEOs also described experiencing identity transparency, where there is a perceived ability to express one’s identity to others (Kreiner et al., 2006). As described in Chapter IV, the new CEOs reported that being authentic or “true” to themselves was an important aspect of enacting the CEO role. The concept of authenticity was mentioned in communicating through their actions and changes their values to the organization and in making difficult decisions where the only way of selecting “two rights” (CEO#12) was “reacting to it authentically” (CEO#3). Hence, in constructing their identity as CEOs, the new chief executives reported not only the ability to express who they were while in the role, but also, and most importantly, the ability to imbue their personal identity in the enactment of the role by infusing their self-expression in the organization through changes and decision-making.

In sum, the data indicates that the identity demands and tensions experienced by the new CEOs in the transition to the role steer them towards an unbalance towards individuality. This dynamism toward individuality might be a new phenomenon in the transition of chief executives into the role associated with changes in the conceptualization of the CEO role that emerged with the investor capitalism era. After all, while in the era of managerial capitalism the personality and features of the CEO were not important aspects of the role, in the current era of the investor capitalism the conceptualization of the CEO role is one
that promotes a CEO whose individuality, personality and charisma are celebrated in the business media (Khurana, 2002). This celebration of the new chief executive’s personal identity, which was evident in the identity demands (lack of specificity of the role and weak situation) and tensions (personal identity intrusion and identity transparency) that the new CEOs experienced in the transition to the role, poses a danger to their adjustment into the organization. This is because, like all newcomers, new CEOs still need to integrate into the organization. And yet, there is a risk in the CEO identity construction process that the new chief executive might forget that this is the case. The results of this study not only highlight the pressure towards individuality that the CEO identity construction promotes, but it underscores the need for new chief executives to be cognizant of the existing organizational culture and identity in order to promote themselves in ways that ties them to the organization. Several interviewees, who reported personal changes to act in ways that fit the new organization and the role, emphasized this requirement of the CEO identity construction process.

Interestingly, Kreiner et al. (2006) suggested that infusing self-aspects into tasks and symbolically casting oneself in the role are integrating tactics that help the individual to “fuse the ‘me’ with the ‘we’ to varying degrees, moving the individual closer to identity integration” (p.1046). For new CEOs, however, these two actions can only be considered to be integrating tactics insofar as they connect the new CEO with the organization. In other words, without a representation of the self that connects the personal identity of the chief executive with the identity and culture of the organization, the CEO cannot be said to be integrating into the organization. This is because, as mentioned by so many of the interviewees, the main aspect of the CEO role is to be the leader of the organization and new chief executives will only be endorsed as leaders if they represent the nature of the group. Representing the nature of a social group entails constructing a coherent story that connects different facets of the self with the nature of the social group in order for members of the group to perceive the individual as prototypical (Haslam et al., 2011). Consequently, to be endorsed as leaders, and thus to integrate into the organization, new CEOs need not only to infuse elements of their personal identities into tasks and cast
themselves emblematically, but also to ensure that these elements and this symbolic embodiment are connected with the culture and identity of the organization.

The data shows that some of the new CEOs interviewed seemed conscious of the need to ensure the link between their self-representation (that infused themselves in tasks such as changes implemented, decision making, and role modelling behaviours) and the organization. Others were not. For instance, CEO#2 described how he utilized his past experiences to interpret the changes he believed the organizational needed (“[I was] hearing things said or observing things that were little cues to me that (…) reminded me of other situations, or that, that it was familiar to me”); however, he seemed to fail to connect these experiences (and other personal characteristics that he infused into the role) to the culture of the organization. In fact, when discussing the culture of the organization, this individual mentioned issues embedded in the culture and changes he believed were necessary; however, in his interviews, there was no indication that he valued (or had demonstrated a respect to) the culture of the organization. In contrast, CEO#19, who mentioned his new organization’s culture was “excellent”, narrated how he learned from an employee engagement survey that organizational members “trust [in] senior management” was “extremely negative” and, as a consequence, he created opportunities to demonstrate to the organization his values of being “straightforward”, “honest” and “open”, which “actually pretty much who I am”, thus connecting aspects of himself with the desire of the organization to have more trustworthy management.

As a consequence of the differences in their representing, these two individuals seemed to have opposing experiences regarding their attempts to effect change in the organization.

Whereas CEO#19 mentioned that the comments he received regarding his organizational restructuring were in the lines of “about time someone make some concrete decisions and position us to go forward, I always knew there were too many layers of management”; CEO#2, stated many times (particularly in the second interview, 12 months into his tenure) the challenges and resistance he was facing with the culture of the organization:

_I’m really telling you more about problems in trying to grow the organization than I am addressing the question, (…) but I continue to be surprised by the limitations of the organization by its inwardlookingness –CEO#2_
For this reason, it could be surmised that the struggles faced by this latter individual were, in part, related to the fact that he did not try to fuse his personal identity with aspects of the organization. In other words, even though he was infusing self-aspects into different tasks, he was not connecting these self-aspects with the culture or identity of the organization. In failing to do so, it can be said that this individual was unlikely to be integrating into the organization. Although data from the organization would be necessary to confirm this, his struggles and problems support this argument. An addition support to this claim is that this individual was dismissed from the post 20 months after his appointment[^1]. In contrast, as of the writing of this thesis, CEO#19 continues to lead his organization.

Hence, the results of this study show that new CEOs experience strong identity demands (lack of specific of the role and weak situation) and identity tensions (personal identity intrusion and identity transparency) during their transition into the role that veers them towards a misbalance that promotes individuality. This disequilibrium likely poses a risk in the integration of new CEOs into the organization as integrating tactics such as infusing self-aspects into tasks and symbolic casting oneself in the role (Kreiner et al., 2006) only promote integration if new chief executives connect these tactics with aspects of the organization’s culture and identity. This is because, as underscored by most interviewees, the main aspect of the CEO role is to be the leader of the organization. And to be endorsed as leader of the organization – that is, to integrate into the organization as its leader – new CEOs need to represent the nature of the group they were appointed to lead. In other words, while the CEO role is “ill-defined” (CEO#1) and “how you actually go about it is very much your own view” (CEO#4), there is one ontological expectations that stakeholders and CEOs alike have of the role, which is that the chief executive is the leader of the organization. And if the CEO is to lead and personify the organization, whom the CEO is and how he or she acts needs to be connected with the organization they were appointed to lead.

[^1]: According to information posted on the website of his organization
This suggests that integration into the organization might not occur if the CEO does not consciously promote the link with the organization. The variability within the data regarding how the new chief executives took into account the organization’s culture, history and identity into their enactment of the role and into the changes they implemented suggests that it is the responsibility of the CEO to foster his or her own integration into the new organization. Given that new CEOs need to consciously consider the link with the collective, whilst suffering identity demands and identity tensions that veer them towards individuality, this might lead to a higher degree of failure to integrate into the organization than for other newcomers, which might explain the high levels of dismissal experienced by new CEOs (Lucier et al., 2005; Ocasio, 1994; Shen & Cannella, 2002a).

In sum, identity demands produce specific identity tensions that need to be counter by tactics (integrating or segregating) that restore the balance between the individual and the social identity (Kreiner et al., 2006). In the case of the new chief executives, the identity demands promoted by the weak situation in which new CEOs are embedded and by the lack of specificity of the role produce identity tensions of personal identity intrusion and identity transparency. This imbalance towards individuality needs to be offset by integrating tactics, such as representing the nature of the group and symbolically casting oneself in role. In promoting balance between the individual and the collective, new CEOs are likely to (1) be endorsed as leaders of the organization; (2) be able to influence the culture of the organization; and (3) have less resistance towards the changes they initiate.

### 5.6 THE CEO IDENTITY CONSTRUCTION PROCESS MODEL

The results of this study indicate that the CEO identity construction process differs significantly from that which other newcomers undergo when transitioning to a new post. In particular, while the socialization of a newcomer encourages the individual to engage in identity work that promotes the moulding of the individual’s incoming identity to one that helps the individual to be integrated into the organization (Ashforth, 2001; Pratt et al., 2006), several aspects of the CEO role and the socialization of new CEOs seems to
produce a bi-directional influence between the personal identity of CEO and the organizational identity.

The occurrence of this bi-directional influence has been previously speculated in Scott and Lane (2000) theoretical model about the process of organizational identity construction. These authors argue that, “organizational identity and [top] managers’ identities are likely to overlap to a greater extent than do those of other organizational employees” (p.48) because of the higher visibility and unique position of top managers as representatives of the organization to other stakeholders. Furthermore, they posited that in the dynamic and iterative process of organizational identity construction, senior managers utilize impression management tools not only to portray a desired organizational image for other stakeholders, but also to discover and define for themselves what the “true organizational self” (p.45) is. Within the image that they build for others

“managers are laying claim to or affirming cherished views of their own identities (“I am this kind of person; therefore, I lead an organization that has these kind of attributes, and, because I lead this kind of organization, I am this kind of person”).” – Scott & Lane, 2000, p.48

In other words, Scott and Lane (2000) postulated that, in the organizational identity construction process, top leaders intertwine their own identities and the identity of the organization. Similar to this study, Scott and Lane (2000) seem to relate the symbolic aspect of the CEO role (the unique and visible position of top managers as representatives of the organization) as a reason for the fusion between the personal identities of top managers (“laying claim to or affirming cherished views of their own identities”) with the identity of the organization. Also concurrent with this study, these authors also argued that this fusion is constructed through the use of normative controls (impression management tools), which help top managers “understand and define the meaning of their organization for purposes of their own self-definition, as well as for purposes of organizational goal attainment” (p.45).

Hence, there seems to be a high degree of similarity between the mechanisms uncovered in this study, which suggests a bi-directional influence between the organization and the new chief executive in the process of CEO identity construction, and the mechanisms proposed by Scott and Lane (2000) for the role of top managers in the organizational...
identity construction process. Interestingly, while Scott and Lane (2000) argued that the claim that top managers make regarding their own identities for the organization occurs due to the high visibility of the role, the data for this study indicates that another characteristic of the post, the lack of specificity of the CEO role, is also an important element for the bi-directional influence between the CEO’s and the organizational identities. As illustrated in Figure 5-5, both the high visibility of the role and the lack of specificity originate from the weak situation in which the CEO role is embedded. Thus, one way to interpret the data is that the weak situation in which the role is embedded is the main aspect of the CEO role that influences the CEO identity construction, from which two parts of the CEO identity construction process spring from: an individual aspect and an organizational aspect.

In the individual aspect, the identity demand that originates from the weak situation in which chief executives are embedded seems to lead to the lack of specification of the CEO role, which means that there are no ontological expectations regarding whom the CEO should be or how the CEO should act. Because of this lack of specificity, new CEOs experience an identity tension in which their personal identities intrude on the enactment of the role. In other words, new CEOs experience intrusion of their personal identity into the role due to the weak situation in which CEOs are embedded and the resulting lack of specification of the CEO role. In this personal identity intrusion, the new chief executives utilize their personal identity for the enactment of the role in two ways.

First, they engage with aspects of their personal identities to develop their own understanding of the role for themselves (individual internalization), experiencing identity transparency, in which they remain authentic to their values, beliefs and sense of true selves while making organizational decisions, implementing changes in the organization and enacting the role. This internal process is likely to be influenced by both the validation process and the challenges of the CEO role (as portrayed in the inner circle in Figure 5-5). The process of validation influences this individual internalization since it functions as a form of granting, in which new CEOs felt validated that their personal identity was a legitimate substrate to construe their identity as CEO. The challenges of the role influence
this individual internalization since tasks and responsibilities of the role might compel new CEOs to undergo personal changes in order to effectively operate in the role. Some personal changes might also be promoted by the culture of the organization and the perception of the CEO as embodiment of the organization, and thus these two factors might also influence the individual internalization process (as illustrated by the faint arrows in Figure 5-5).

Second, through the process of representing, new chief executives communicate who they are as CEO to the organization, conveying the values, behaviours, and modes of thinking that they want to imbue in the firm. I argue that the process of representing that the new chief executives engage in their transition to the role is opposite from the process socialization experienced by other newcomers because – while socialization denotes the process in which a newcomer learns the values, perspective, expected behaviours and modes of thinking that are customary and desirable within a particular organization – representing denotes the process in which new CEOs instil the values, perspectives, expected behaviours and modes of thinking that they desire the organization to adopt.

In the organizational aspect, the identity demand that originates from the weak situation in which chief executives are embedded seems to lead to the symbolic influence of the CEO role. This is because the weak situation in which CEOs are embedded hinder the ability of individuals to ascertain cause to organizational outcomes. The inability to explain a particular outcome triggers the natural tendency, or bias, to attribute leaders as responsible for those outcomes (Meindl et al., 1985), which engenders the symbolic influence of the CEO role. In other words, due to the attribution error that occurs due to the weak situation in which the CEO role is embedded, chief executives start to have a symbolic influence in the company. This symbolic influence confers to the CEO unprecedented prominence inside and outside the firm, which culminates in the perception of the CEO as the embodiment of the organization. In turn, the belief that CEOs personify the organization causes organizational members to scrutinize the actions of the new chief executive. This scrutiny might occur for two reasons. First, in assuming the post of chief executive, the words, actions, attitudes and beliefs of new CEOs are
perceived to be influential and prototypical of the group because of the ontological expectation that organizational members have the individual in the CEO role represents the embodiment of the organization. Second, organizational members could be scrutinizing the actions of the new CEO in order to ascertain if the new chief executive is an acceptable leader for the organization.

Organizational members likely evaluate and interpret the actions of new CEOs through the lens of their organizational culture. Thus, the way in which organizational members will scrutinize the actions, words, and changes that new CEOs instigate occurs through the lens that the culture of the organization confers them. Moreover, even though, due to the symbolic nature of the role, new CEOs seemed to already be perceived as influential and organizational members seemed to paying attention to them as if they already embody the attitudes and behaviours of the group’s identity, this influence is likely to be temporary. This is because a leader needs to bring into fruition a definition of identity that actualizes the group’s social identity in order to solidify their position of influence (Drury & Reicher, 2005). Consequently, through their cultural lens, organizational members are likely to evaluate new CEOs according to their ability to represent the nature of the group by “defining what the group is, (…) defining one’s own self, or (…) defining both in order to achieve a consonance between the two” (Haslam et al., 2011, p.209). In other words, they will be evaluating if the new CEO acts in ways that affirm and promote the organizational identity.

Hence, the individual and organizational aspects of the CEO identity construction process originate in the weak situation in which the CEO role is embedded and converge again in the intersection between the identity of the organization and the process of representing. I argue that for new CEOs to influence the organization, the process of representing needs to utilize the existing organizational identity in order to overlay the personal identity that the new CEO brings to the organization, in the same way that the process of socialization of a newcomer utilizes the newcomer’s incoming identities to overlay the situated identity of the role and the organization.
Figure 5-5 The CEO Identity Construction Process Model
Nevertheless, the data shows that the identity demands (weak situation and lack of specificity of the role) and identity tensions (personal identity intrusion and identity transparency) experienced by the new chief executives veered their identity construction towards individuality. Furthermore, two other characteristics of the transition of new chief executives are also likely to promote their individuality. First, the literature suggests that all the socialization practices that new CEOs experience in the beginning of their tenure are clustered within the pole of individualized socialization (Fondas & Wiersema, 1997). Second, the data of this study indicates that acquiring cultural-relevant information is not as accessible for new CEOs as it is for other newcomers.

This disequilibrium towards individuality likely poses a risk in the integration of new CEOs into the organization since integrating tactics such as infusing self-aspects into tasks and symbolic casting oneself in the role (Kreiner et al., 2006) only promote integration if the new chief executives connect these tactics with aspects of the organization’s culture and identity. This is because there is one ontological expectation that stakeholders and CEOs alike have of the role, which is that the chief executive is the leader of the organization. And to be endorsed as leader of the organization – that is, to integrate into the organization as its leader – a new CEO needs to foster a representation of self that connects the personal identity of the chief executive with the identity and culture of the organization. This suggests that the integration of new chief executives into the organization cannot occur if the CEO does not consciously promote the link with the organization. The variability within the data regarding how the new chief executives took into account the organization’s culture, history and identity into their enactment of the role and into the changes they implemented suggests that it is the responsibility of the CEO to foster his or her own integration into the new organization. In promoting this link between their personal identity and the culture, history and identity of the organization, new CEOs are likely to (1) be endorsed as leaders of the organization; (2) be able to influence the culture of the organization; and (3) have less resistance towards the changes they initiate. Conversely, not restoring the balance towards the collective might lead to early dismissal of the new CEO.
5.7 CHAPTER SUMMARY

In this chapter, I examined the findings of this study in relation to the three bodies of literature that have addressed the process of identity construction in organization life in order to build theory regarding the CEO identity construction process. This analysis uncovered that the CEO identity construction process embraces a host of dualities. First, in building their identity as CEO, new chief executives experience a duality between personal change and role innovation, prompted by different aspects of the CEO role. Second, new CEOs face a duality between their personal identity and the identity of the organization. The results of this study indicate that this latter duality produces a bi-directionality of influence in the CEO identity construction process that is unbalanced towards the individuality of the new chief executive due to the strong identity demands (lack of specificity of the role and weak situation) and identity tensions (personal identity intrusion and identity transparency) that they experience in the transition. As a consequence, new chief executives face one final duality: the need to promote the balance between expressing their individuality and promoting the identity of the organization.

These dichotomies in the CEO identity construction process are fitting to the role, which is composed of contrasting forces that the individual needs to balance in enacting the role: the paradox between the internal and external environment, the paradox between change and stability and the paradox between the substantive and symbolic aspects of the CEO role (see section 2.2.2, Similarities in the CEO Post). Nevertheless, these dichotomies represent a new way of understanding CEO succession. In the next chapter I address how the findings of this study contribute to the CEO succession literature.
CHAPTER 6: CEO SUCCESSION & THE CEO IDENTITY CONSTRUCTION PROCESS

6.1 CHAPTER OVERVIEW

“As researchers, we must craft our experience in the field so as to contribute theoretically; to make a difference in extant literature” – Golden-Biddle and Locke (2007), p.17.

The findings of this study were presented in the previous two chapters. In chapter IV, the themes and concepts that emerged from the data were described. In chapter V, the data was analysed in relation to the bodies of literature that have addressed the process of identity construction in organizational life in order to develop the CEO identity construction model. In this chapter, I situate the findings of this study within the CEO succession literature in order to articulate the ramifications that the CEO identity construction process has for our understanding of the succession of chief executives.

This chapter is organized according to specific themes within the CEO succession literature about which the CEO identity construction process shed new relevant theoretical insights. In particular, in section 6.2, I examine how the findings of the study help us understand the different perspectives that have been put forward to explain how new chief executives assume the post. In sections 6.3 and 6.4, I focus on the “black box” generated by the widespread adoption of the Upper Echelon Theory recommendation to use demographic characteristics to describe cognitive differences between either successor and their predecessors or insiders and outsiders. In section 6.3, I offer a new way to conceptualize these differences, and in section 6.4, I address how this new conceptualization impacts our understanding of the insider-outsider dichotomy.

In each section, I offer propositions that speculate new ways to understand these themes within the CEO succession literature. These propositions go beyond the data of this study, yet they are a logical extension of the findings and new lens that this study brings to the CEO succession literature. They are, thus, presented as suggestions for future studies.
6.2 LEADER-FOCUSED VERSUS ORGANIZATION-FOCUSED PERSPECTIVES

As described in Chapter II, there are two main perspectives in the CEO succession literature that postulate how new chief executives transition into the role. On one extreme, proponents of the leader-focused approach assume that new chief executives “take charge” of the organization by imposing in their organizations their cognitive maps and by promoting their strategic agenda (e.g., Gabarro, 1987; Gioia & Chittipeddi, 1991; Kelly, 1980; Rowe et al., 2005; Simons, 1994). On the other extreme, proponents of the organization-focused approach posit that new CEOs operate as “a person employed in performing an obligation” (Hutzschenreuter et al., 2012, p.737) set forth by the board of directors, through the mandate, to make the changes the board desires and expects. A middle perspective was put forward by Denis et al. (2000) who contend that new CEOs integrate into the organization through a mutual adjustment trajectory between the organization and the individual.

The results of this study suggest that the organization-focused perspective is an unlikely mode of adjustment for new CEOs for two reasons. First, the perception that the new chief executives had about the mandate as a generic, ill-defined message that needed to be interpreted by them refute the notion, put forward by the organization-focused perspective, that new chief executives operate as simple employees that implement the strategic agenda set by the board of directors. Second, due to the misbalance that the new CEOs experienced towards expressing their individuality, it is unlikely that the transition of new chief executives into the role can involve the absorption mode of adjustment (which would be the mode of adjustment associated with the perception of the CEO as an individual following the directions set by the board), since this would entail that new CEOs make no adjustments to the way the role is enacted and fully incorporate the values, frames of reference and behaviours of the organization (e.g., Nicholson & West, 1988; Pratt, 2000). In fact, the data shows several aspects of the transition of new CEOs that preclude this mode of adjustment, such as the emphasis made by many of the new CEOs regarding the way in which they differed from their predecessors, the desire of the new
CEOs to “leave their mark” in the organization, and the process of representing, which opposite from the process of socialization, new CEOs try to imbue their own values, frames of reference and behaviours into the organization.

In support of the findings of this study, the organization-focused perspective seems to also go against the new conceptualization of the CEO role, advocated in the investor capitalism era, in which “individuality has become a desired attribute, not a liability” (Khurana, 2002, p.71) in the enactment of the role. In fact, it is possible that at the time Vancil (1987) made his classic interviews that uncovered the concept of the mandate, the transition of new CEO could in fact be characterized by absorption where the chief executive was a mere employee for the board of directors. After all, in the managerial capitalism era that dictated business at that time, “CEOs could afford to be bland and colorless” (Khurana, 2002, p.73). The findings of this study, which demonstrate a misbalance towards individuality and negate the notion of the CEO as someone following the directions set out by the board of directors, might reflect a change in the way new chief executives transition into the role that is congruent with changes in the way the CEO role is currently conceptualized.

Furthermore, the findings of this study also suggest that, although the leader-focused perspective could be a likely mode of adjustment adopted by new chief executives, this approach might not promote the integration of the new CEO into the organization. On the one hand, new chief executives experience strong identity demands (lack of specificity of the CEO role and weak situation), identity tensions (personal identity intrusion and identity transparency) and socialization practices that promote their individuality. These pressures towards expressing their individuality might encourage new CEOs to “take charge” of the organization. On the other hand, however, the findings of this study also suggest that for new chief executives to successfully influence the organization, they need to overlay their personal identity into the existing organizational identity. This is because, despite the lack of specificity of the CEO role, there is one ontological expectation that stakeholders and CEOs alike have of the post, which is that the chief executive is the leader of the organization. Thus, even though “the capacity for influence over
organizational activity normally associated with the notion of ‘leadership’ is more evident in ‘transformation’ [the determination mode of adjustment] than in ‘accommodation’ [exploration] and is absent altogether in “assimilation [absorption]” (Denis et al., 2000, p.1068), a new CEO who approaches his or her integration through the process of transformation, or “taking charge”, is unlikely to mobilize the energy of the group beyond coercion and personal interests (Ellemers, Gilder, & Haslam, 2004). Thus, a failure to promote a link between their self-representation and the organization’s culture, identity and history might hinder their endorsement as its leader.

New CEOs might, therefore, approach their transition through “taking charge” (the determination mode of adjustment), as suggested by the leader-focused perspective, but this approach is likely to result in resistance towards their initiatives and changes, lack of endorsement of their leadership, and inability to influence the organization’s culture. In some cases, it is possible that determination, or “taking charge” might result in a successful integration of the new CEO; however, it can be surmise that this would only be the case in very small organizations, with weak cultures and identities. In most organizations, exploration and the bi-directionality of influence is likely to be the most effective way for a new CEO to transition into the role. Indeed, one can argue that a new CEO who is coming to an established organization and is attempting to adjust through determination is not upholding his role as the custodian of the organization’s history, culture and identity. The organization’s culture and history needs to be taken into account when building their identity as CEO.

Hence, this supports the following proposition:

Proposition I: Effective integration of new chief executives into the role and the organization is characterized by an exploration mode of adjustment.
6.3 IDENTIFICATION AS PROXY FOR THE COGNITIVE DIFFERENCES OF NEW CEOs

By following the tenets of the Upper Echelon Theory (Hambrick & Mason, 1984), studies addressing the consequences of CEO succession have focused mainly on investigating the effects that the transition of individuals who differentiate in two particular demographic characteristics, namely CEO tenure and CEO origin, engender in the organization. These demographic characteristics are believed to encapsulate the cognitive differences that new CEOs bring into the role (Hutzschenreuter et al., 2012). Given that the changes that new chief executives promote into the organization are believed to originate from these cognitive differences, the concept of “cognitive differences” between insiders and outsiders and between new and old CEOs seem to be paramount for our current understanding of CEO transition.

Many researchers have condemned the use of these demographic characteristics as proxies to describe the complexities and multidimensionality of cognitive differences that new CEOs might bring to the post (Ndofor et al., 2009; Shen & Cannella, 2002b; Zajac, 1990). Nonetheless, the source of these cognitive differences has hitherto been left inside a “black box” that is kept shut by methodological and historical influences, since even these latter authors still relied on secondary and quantitative data as the source for their studies. Consequently, our understanding what these cognitive differences entail remains rudimentary.

By directly investigating the subjective experience of newly appointed chief executives in transitioning into the role, this study allowed us to peek inside this “black box” and expose what might potentially be underneath these cognitive differences. In particular, given that the findings of this study underscored the bi-directionality of influence between the new CEO’s personal identity and the identity of the organization, I offer the following propositions:

Proposition II: The new CEO’s identification with the organization can be used as a proxy for the cognitive differences that he or she brings into the role.
Proposition III: The level of change promoted by a new CEO depends on his or her level of identification with the current proposed identity of the organization in the beginning of their tenure.

Although these propositions have not been hitherto directly formulated in the literature, Fondas and Wiersema (1997) indirectly implied about them when they mentioned that a new CEO’s “psychological investment and involvement” with the organization were associated with the degree of strategic change that a new CEO would implement in the beginning of his or her tenure, with new chief executives who have less investment and involvement being more likely to implement strategic changes in the organization at the beginning of their tenure than those with more psychological investment and involvement.

In general, organizational identification defines “the perception of oneness with” the company (Ashforth & Mael, 1989, p.21), whereas CEO organizational identification, in particular, describes “the degree to which a CEO’s self-identity is intertwined with the identity of his/her organization, or the degree to which the CEO defines him-/herself in terms of the attributes of the organization” (Boivie, Lange, McDonald, & Westphal, 2011, p.551). According to Scott and Lane (2000), “identification occurs when people perceive an overlap between themselves and perceived organizational image” (p.50). Given that the findings of this study suggest that, in building their identity as CEO, new chief executives seem to promote, through the process of representing, an overlay of their personal identity into the identity of the organization, the extent to which the personal identity of the CEO already overlaps with the current organizational identity in the beginning of their tenure seems paramount for their CEO identity construction process.

In other words, while the dominant view in the CEO succession literature contends that CEO origin determines the degree of change that a new chief executive will bring to the organization, with outsider new CEOs promoting more changes than insiders (Finkelstein et al., 2009), the findings of this study suggest that, given the importance of identity for the transition process of new chief executives into the role, the degree of change that new CEOs bring to the organization might be associated with the extent to which new chief executives identify with the current organizational identity at the time they assume the post. Hence, the identification of the CEO with the organization might be a better
predictor to determine the extent to which the appointment of a new chief executive leads to organizational changes, instead of the demographic characteristic of CEO origin (insider or outsider).

The relationship between CEO organizational identification and change is illustrated in Figure 6-1. Three scenarios are likely: new CEOs might not identify with the current identity of the organization, might identify slightly with the organizational identity, or might identify highly. If the new chief executive does not identify with the organization, so that there is nothing in common between the new CEO’s personal identity and the identity of the organization, it is unlikely that the new CEO will integrate into the organization. This is because, although the CEO identity construction process promotes the individuality of the new CEO through strong identity demands (lack of specificity of the role and weak situation) and identity tensions (personal identity intrusion and identity transparency), the bi-directionality of influence indicates that new CEOs need to overlay aspects of their personal identity in the current organizational identity. Hence, if there are no points of commonality between the personal identity of the CEO and aspects of the organizational identity, it will be improbable that the new chief executive will be able to infuse aspects of his or her personal identity into the identity of the organization. Consequently, it is unlikely that this individual will integrate into the organization, and early dismissal may occur.

This suggests that some degree of identification with the organization’s identity might be necessary for a CEO to integrate into the firm. As portrayed in Figure 6-1, if a small degree of identification between the new chief executive and the identity of the organization exists, the new CEO is likely to promote significant changes; whereas in the case of a high degree of identification with the organization, the new chief executive likely will not promote significant changes. Hence, the degree of change instigated by new chief executives might depend on the extent to which they identify with the current organizational identity.
In sum, while the extant literature suggests that the underlying dynamic that dictates the outcomes of CEO succession to the organization is the origin of the CEO (insider versus outsider), the findings of this study point to another possible dynamic that might influence the outcomes of CEO succession: the identification of the new chief executive with the organization at the time of appointment. In other words, CEO organization identification...
might be a better predictor to determine whether new CEOs are likely to make significant changes in the organizational strategy after assuming the post.

### 6.4 INSIDER-OUTSIDER DICHOTOMY

Many authors have highlighted that “it is unlikely that the basic insider-outsider distinction fully captures whether or not there is a change of cognitive maps with a leader succession event” (Ndofor et al., 2009, p.800). One of the problems of utilizing this simplistic dichotomy to represent the complexities and multidimensionality of individuals’ cognitive difference is that it assumes that there is homogeneity among insiders and among outsiders, which might not be accurate: insiders might not share a similar cognitive map with their predecessors and outsiders might not be so different (e.g., Shen & Cannella, 2002b). Given that, as proposed above, organizational identification might encompass the cognitive difference that a new CEO brings to the organization, the following propositions follow:

*Proposition IV: The cognitive difference that matters between insiders and outsider new CEOs is their identification with the current organizational identity promoted by the predecessor CEO.*

*Proposition V: Insiders might promote as many changes as outsiders if they do not identify with the current organizational identity.*

*Proposition VI: The multiplicity of organizational identities that a particular firm has will determine if an insider can act as an “outsider”, that is, someone who will promote significant changes to the status quo.*

The utilization of organizational identification as the proxy for encapsulating the cognitive differences that new CEOs bring to the organization fits with the alternatives for the insider-outsider dichotomy suggested by both Ndofor et al. (2009) and Shen and Cannella (2002b). First, the concept of organizational identification is related to the concept of a cognitive community proposed by Ndofor et al. (2009), since individuals who identify with the same group are likely to have “shared mental models” (p.801). Second, Shen and Cannella (2002b) differentiated between two types of insider successors: followers and
contenders. Follower successors were defined as insider new CEOs who are appointed by and promoted after the retirement of their predecessors, and thus are likely to be “heavily influenced and socialized by their outgoing CEOs and may share with them the same or similar strategic perspectives” (Ibid, p.720). In contrast, contenders were defined as individuals who assume the CEO post after engaging in a power contest with the outgoing CEO. The propositions suggested here indicate that follower and contender insider CEOs might also be described through the identification with identity of the organization: followers are likely to identify with the organizational identity promoted by their predecessors, whereas contenders are likely to identify with a competing identity for the organization.

Interestingly, the definition of contender and follower insider new CEOs based on the context in which their predecessors left the post (dismissal or retirement, respectively) might not directly predict the identification of the new CEO with the organization. For instance, as described earlier, CEO#3 and CEO#4, both insider new CEOs, had many similar demographic characteristics. In particular, their predecessors, who retired, selected both for the post. Nevertheless, despite these similarities, their perspectives and experiences in transitioning into the role were radically different. With respect to changes, CEO#3 made “very small changes” in the organization and viewed her appointment as a “very seamless transition” from her predecessor to herself. In contrast, CEO#4 initiated his tenure by promoting a major strategic restructure in the firm because “he [his predecessor] set a certain style for the way he wanted those companies to be run, which isn’t the style that I want to adopt”. He believed that the divisions that comprise the company should be run as “a more holistic organization” and consequently he changed many aspects of the firm to promote this concept of a holistic organization. This suggests that CEO#4 did not seem to identify with the way in which his predecessor conceptualize the organization and hence, when he was promoted to the CEO post, he changed it to fit more with the way in which he conceptualized “who we are” as an organization.
In sum, CEO origin and CEO organizational identification might be correlated. Insider new chief executives, due to their previous socialization in the firm, are more likely to identify with it, but this might not necessarily be the case.

**6.5 CHAPTER SUMMARY**

In this chapter, I put forward six propositions that articulate how the findings of this study might change our current conceptualization of the CEO succession process. In particularly, I suggest that instead of the problematic dichotomy between insiders and outsiders, CEO organizational identification might better encapsulate the cognitive differences that new chief executives bring to the organization.
CHAPTER 7: CONCLUSION

7.1 CHAPTER OVERVIEW

In this final chapter, I conclude by providing an overview of the thesis. First, in section 7.2, I briefly reintroduce the current organizational problem that motivated this study. Second, in section 7.3, I present an outline of the study and summarize its finding. Third, in sections 7.4 and 7.5, I examine the theoretical and practical contributions of this study to academic knowledge and management practice, respectively. In sections 7.5 and 7.6, I consider the limitations of this research and suggest potential direction for future research. Finally, in section 7.7, I close the thesis by reflecting on my personal learning about the PhD journey.

7.2 RESEARCH PROBLEM

The objective of this study was to increase our understanding of the transition process of new CEOs into the pinnacle of the organization. With the current trend of fast tenures and early dismissals, CEO turnover has become a frequent organizational phenomenon. Yet, despite its profound significance to all stakeholders, there is very little that we know about the processes and mechanisms that underpin this critical change event. As a result, the appointment of a new chief executive in an organization has become a risky gamble that the board of directors has to take. Given the difficulties of evaluating how effective a particular candidate will be in the post, no one can predict the outcome of appointing a new CEO to the organization. Individuals who seem to be the most suitable candidates – such as Ron Jonhson when he transferred from an incredible accomplishment with the Apple store to lead JC Penney; or Douglas Ivester, who was a revered number two at Coca-Cola until his predecessor passed the baton to him – might turn out to be shocking (and costly) disappointments. The unpredictability of how an individual will prevail as the new CEO raises the need to better understand the process in which new chief executives embark on the position.

A review of the CEO succession literature underscored the scarcity of studies focusing on the impact that the transition to the CEO post has to the individual. Most of this body of
inquiry addresses the consequences of the transition process to the organization, and little attention has been given to the personal experience of the new chief executive. Indeed, most of the CEO succession literature rests on the assumption that new chief executives simply draw on their existing cognitive maps to take on the CEO role, notwithstanding the unique paradoxes, complexities and pressures that individuals at the pinnacle of the organization encounter.

This study addressed this important gap in our understanding about the transition of new CEOs into the role. In particularly I explored the subjective experiences of new chief executives in their transition to understand how they assumed the leading position in the organization. The following research question guided this study:

**How do new CEOs experience their transition into the chief executive role in the first 18 months of tenure?**

### 7.3 OVERVIEW OF THE STUDY & ITS FINDINGS

The objective of this study was to understand the transition process that new CEOs undergo when they assume the role of chief executive. This implied an emphasis on the subjective experience of the new CEOs whilst they assume the role. Therefore, I adopted a qualitative, exploratory research design, focusing on the individual new CEO as the unit of analysis. This research design allowed me to address two shortcomings produced by the widespread adoption of the methodological agenda proposed by the Upper Echelon Theory (Hambrick & Mason, 1984): (1) the creation of a “black box” mentality (Lawrence, 1997) in the field, which has disregarded the cognitive processes that underpin CEO succession; and (2) the espousal of the top management team as the appropriate unit of analysis, which has hampered our understanding of both the CEO role and the experience of new CEOs in assuming the post.

Data collection entailed two semi-structured interviews with 19 newly appointed chief executives, for a total of 38 interviews. All first interviews were conducted within the first year of the participants’ tenure and all second interviews were conducted within the first 18 months. The sample comprised seven insiders and twelve outsiders new CEOs.
No attempt was made to control for other individual demographic characteristics or organizational characteristics. Variability in the sample was considered valuable for the objective of the study. In fact, the design decision of collecting data from several individuals was selected to take into account contextual differences that are embedded in the role. This produced a more generalizable view of the transition process that is shared by new CEOs, despite their particular circumstances, than a single case study would provide.

Data analysis followed three phases: immersion, dissection and synthesis. The phase of data immersion encompassed the period in which I got familiar with the data and started to develop first impressions and reflections about the experience of the newly appointed chief executives. The phase of data dissection involved coding the data, generating first-order codes that remained close to the raw data. The phase of data synthesis consisted of consolidating these codes into second-order concepts and aggregate theoretical dimensions. This third phase comprised two steps. First, I produced provisional visual models that were then scrutinized by an academic panel. This step consolidated codes into an intermediate level of abstraction (thus moving data analysis from open to axial coding; Corbin & Strauss, 2008). Second, I developed accounts of the individual transition processes of four new CEOs in order to draw out a unifying story that could integrate the categories and themes that emerged from the previous phases. Once the theoretical core category of identity was recognized, both existing organizational theory and the first-order codes and second-order concepts generated from the analysis of the data from all 38 interviews were re-examined to assess the validity of identity as a theoretical framework, and aggregate theoretical dimensions were created.

The findings of this study show that, similar to other role transitions (e.g., Ashforth, 2001; Ibarra, 1999; Pratt et al., 2006), individuals assuming the CEO role undergo identity work. However, the identity work that new chief executives undergo in the beginning of their tenure, labelled here as the CEO identity construction process, differs significantly from that which other newcomers undergo when transitioning to a new post in two ways. First, the strong identity demands (lack of specificity of the CEO
role and weak situation) and identity tensions (personal identity intrusion and identity transparency) that new chief executives experience in their transition into the role veers them towards a misbalance towards individuality.

Second, due to the perception of the new CEO as the embodiment of the organization, new chief executives engage in the process of representing, which seems to be contrary to the process of socialization experienced by other newcomers. Whilst socialization denotes the process in which a newcomer learns the values, perspectives, expected behaviours and modes of thinking that are customary and desirable within a particular organization; representing refers to the process in which new CEOs convey to the organization the values, perspectives, expected behaviours and modes of thinking that they desire the organization to adopt. Furthermore, in the same way that the process of socialization of a newcomer utilizes the newcomer’s incoming identity to overlay the situated identity of the role and the firm, the process of representing seems to utilize the existing organizational identity in order to overlay the personal identity that the new CEO brings into the company.

The disequilibrium towards individuality that new chief executives experience might hinder their integration and their ability to influence the organization. The data suggests that new CEOs are responsible for fostering their own integration into the organization. Promoting a link between their personal identity and the culture, history and identity of the organization might help new CEOs to (1) be endorsed as leaders of the organization; (2) be able to influence the culture of the organization; and (3) have less resistance towards the changes they initiate. Conversely, not promoting a balance towards the collective might lead to early dismissal of the new CEO.

In sum, results indicate that, even though the CEO succession literature and practitioners alike implicitly assume that new chief executives come ready for assuming the post, CEO transition involves both personal change and role innovation, so that the individuality of the new chief executive, the identity of the organization and the unique challenges inherited into the CEO role are taken into account. In the following two sections, I examine how the findings of this study shed new light into our scholarly understanding of
CEO succession and provide practical insights and suggestions for new CEOs taking up the role and their board of directors.

7.4 IMPLICATIONS FOR THEORY

The extant CEO succession literature is based on a number assumptions: First, the appointment of a new CEO brings about changes to the organization based on differences between the cognitive maps of the predecessor and the successor (Hutzschenreuter et al., 2012). Second, similarities in these cognitive maps can be indirectly measured through CEO origin, and as such insider new CEOs are thought to engender less organizational change than outsider new CEOs (Finkelstein et al., 2009). Third, the appointment to the pinnacle position in the firm has no influence on these cognitive maps, as individuals simply draw on their existing cognitive maps to take on the CEO role (Hambrick & Fukutomi, 1991; Henderson et al., 2006). Learning in the CEO succession literature, therefore, is only considered as the acquisition of knowledge about the strategies, values, goals and expectations of the organization in order to effect changes that influence its performance (Gabarro, 1987), which might involve negotiating with the company the changes that will be promoted (Denis et al., 2000).

By exploring the subjective experience of newly appointed chief executives in their transition process, this study contributes to our scholarly understanding of the CEO succession process by demonstrating that these individuals undergo a CEO identity construction process in the first 18 months of their tenure. The discovery of this process has important ramifications for our understanding of the CEO succession process and for the assumptions that underpin this literature.

This study corroborates the first assumption, that the appointment of a new CEO brings about changes to the organization based on differences between the cognitive maps of the predecessor and the successor. The data of this study shows that new chief executives experience strong identity demands and tensions that pressure them towards individuality. In particular, the weak situation in which the CEO role is embedded – whereas the linkage between behaviours and outcome is unclear, and thus there is no clear parameter of action
that an individual needs to prescribe – seem to lead to a lack of specification of the CEO role, which means that there were no ontological or functional expectations regarding how new chief executives should be or act. Given these identity demands, the interviewees reported experiencing personal identity intrusion, in which they seemed to utilize their personal identity as the substrate to build their identity as CEO. Accordingly, many of the changes executed by the new CEOs were based on their personal beliefs about how a business should be run, their values, and their preferences. In other words, the data of this study shows that new chief executives utilize their incoming paradigms to make organizational changes, as predicted by the first assumption of the CEO succession literature.

Nevertheless, this study refutes the second assumption – which originated from the adoption of the Upper Echelon Theory in the CEO succession literature – that similarities in the cognitive maps of new CEOs and their predecessors can be indirectly measured by the distinction between insiders and outsiders. The findings of this study suggest that, due to the identity demands and tensions experienced by the new CEOs, the ability to change the role and the organization to more closely align with one’s personal identity is an important aspect of the CEO identity construction process. Accordingly, many of the changes implemented by the new insider CEOs in this study seemed to originate from idiosyncratic differences between them and their predecessors. Considering the use of the new CEO’s personal identity for the enactment of the role, a shared history might not be sufficient to predict similarities in the personal identities of new CEOs and predecessors. For this reason, I argue that identification with the organizational identity promoted by the predecessor might be a more accurate distinction to ascertain if a change in cognitive maps follows the appointment of a new chief executive (see sections 6.3 and 6.4. for propositions).

Finally, this study also rebuts the third assumption that “a CEO assumes office with a relatively fixed paradigm that changes little thereafter” (Henderson et al., 2006, p.447). This assumption that new chief executives simply apply their incoming cognitive maps, and therefore experience no personal learning or personal changes after assuming the post,
contradicts the fact that the promotion to the CEO role represents a major change to the individual’s responsibilities, tasks and skills (Harris & Helfat, 1997; Kotter, 1982). As described in the review of the CEO role literature, the post is characterized by a host of unparalleled paradoxes, complexities and pressures that individuals are unlikely to encounter in other positions. The findings of this study indicate that, notwithstanding the utilization of their incoming identities as substrate to build their identity as CEOs, new chief executives undergo personal changes in assuming the post. These changes are stimulated by particular requirements of the post, namely the challenges of the CEO role, the perception of the CEO as an embodiment of the organization, and the unique interaction between the CEO role and the culture of the organization. The degree of change experienced by the new chief executives interviewed varied, with some undergoing small adjustments in their prior habits, skills and preferences, whilst a few experiencing a fundamental shift in awareness that transformed their behaviours, perceptions and perspectives about the organization and themselves. This latter fundamental change occurred with insider new CEOs, which is pertinent to the view in the literature that an insider appointment denotes a continuation of previous strategic direction, due to a commitment of insider new chief executives to decisions they had participated as a member of the top management team (Wiersema, 1992). This suggests that even if new insider CEOs identify with the current organizational identity, changes in their perspectives and perceptions, which might occur with the transition to the role, can engender breaks from past decisions and commitments.

The finding that certain elements of the CEO role promoted personal change in the new chief executives, whereas others stimulated role innovation, suggests that new CEOs adjust to the organization through exploration. This, therefore, contradicts arguments in the literature that suggest that all modes of adjustment are possible within CEO succession (see section 5.2.1, Role Transition). First, while proponents of the organizational-focused approach conceptualize the chief executive as a mere employee that follows the direction set by the board of directors (Hutzschenreuter et al., 2012), the findings of this study highlight not only the pressures towards individuality that new chief executives
experience, but also their perception that the mandate is not as “clear-cut” a message as is suggested by the literature. Second, the notion that some succession events can be categorized as replication, where insider new CEOs “bring only little variation to the position of the CEO” (Hutzschenreuter et al., 2012, p.735), is unlikely given that many changes are implemented due to idiosyncratic differences between new CEOs and their predecessors. Finally, the conceptualization of the succession process as one of “taking charge”, proposed by the leader-focused approach, disregards the bi-directionality of influence that new CEOs experience in the CEO identity construction process and the role of the chief executive as custodian of the organization’s history, culture and identity. Thus, while the pressure towards the expression of their individuality and the difficulty of obtaining cultural-relevant information might drive new CEOs to approach their transition as “taking charge”, this might hinder their integration into the organization and might potentially lead to early dismissal.

In sum, the findings of this study highlight the importance of adopting an identity lens to our understanding of CEO transition. Given that organizational identity “has been found to serve as an important but usually subliminal guide for many consequential organizational activities, including strategic decision making and issue interpretation” (Gioia et al., 2010, p.1), it seems fitting that organizational identity seems to have a role in CEO succession. Yet, notwithstanding the role of organizational identity in organizational change, growth, survival and strategy (Narayanan et al., 2011) – which are matters deeply associated with the succession of a new CEO (e.g., Giambatista et al., 2005; Hutzschenreuter et al., 2012) – organizational identity has not been hitherto considered an element in CEO succession, in general, and in the transition of new chief executives into their role, in particular. This study provides the first exploration of this important connection.

### 7.5 IMPLICATION FOR PRACTICE

This study was instigated by the current trend of fast tenure and early dismissals as well as by the seemingly unpredictability of how an individual will prevail as the new chief executive. The extant CEO succession literature has very little guidance to offer to new
chief executives, to boards of directors and to potential CEO candidates about the transition and selection of new CEOs into the role. This study sought to overcome this gap.

The findings of this study highlight the paradoxes that new chief executives encounter when they assume the pinnacle position in the organization. The CEO identity construction process, with its identity demands and tensions, seems to encourage new CEOs to “take charge” of their companies, by promoting their values, perspectives, and modes of thinking into the organization through the process of representing. Organizational members, on the surface, seem to be a captive audience, so eager to impress the new chief executive and bestowing them a type of deference and attention that individuals are unlikely to have experienced in any other role in their careers. Believing in this flattery and assuming that as a new CEO one can indeed impose his or her worldviews in the organization, as if the individual has received a blank slate, unfortunately is a mistake that many new chief executives are likely to make. The various cases of hubris in the media attest to that. In fact, many of the new CEOs I interviewed assumed that their particular circumstances were unique because they were clasped by particular holds that tied them to the history of the organization, whereas they believed that other CEOs could do “that classic new chief executive thing [in which] you’re basically saying it’s all awful when actually it wasn’t” (CEO#5).

The problem with this approach is that this initial influence that new CEOs experience when taking on the role is not power, but a prominence due to the symbolic nature of the role. There is a danger in assuming that one is perceived as the leader of the organization due to this initial notoriety. Notwithstanding the attention, flattery and eagerness to impress that new CEOs experience in the beginning of the tenure, organizational members are likely evaluating the suitability of the new CEO to represent their interests. Hence, perhaps the most important insight that this study offers to new chief executives is to warn them about the perils of believing that the pull towards expressing their individuality is unhindered. There is a quieter – but as powerful – influence in the CEO
identity construction process that holds the enactment of the CEO role to the culture, history and identity of the organization.

The need to simultaneously express their individuality while at the same time promoting the identity of the organization represents a paradox of the role, since the tension between the personal identity of the new CEO and the organizational identity is likely to “exist simultaneously and persist over time” (Smith & Lewis, 2011, p.382). This suggests that new CEOs – and individuals striving for the post – would benefit from developing paradoxical thinking, that is, “a more fluid and holistic mindset that leverages the distinctions and synergies between elements in search or both/and solutions” (Ingram, Lewis, Barton, & Gartner, 2016, p.162). A paradoxical mindset might be helpful for new CEOs not only to cope with the paradox of belonging (Smith & Lewis, 2011) that seems to be paramount for the CEO identity construction process, but also to handle the other contrasting forces that are inherent in the role, such as the internal/external paradox; the change/stability paradox and the substance/symbolic paradox (see section 2.2.2, Similarities in the CEO Post, for a discussion of these paradoxes).

Furthermore, given the role of symbolic management practices in the process of representing, new CEOs – and those striving for the position – are likely to benefit from consciously developing their personal brands and applying impression management techniques (e.g., Rosenfeld, Giacalone, & Riordan, 2002) in their interactions with organizational members. The symbolic meaning embedded in the actions and words of new CEOs highlight the importance for new chief executives to consciously consider the messages that they might convey with every and single interaction they have with members of the firm – as well as with external stakeholders.

Finally, the findings of this study also draw attention to the fact that new CEOs do not come ready for assuming the post. It might be helpful for new chief executives to be cognizant that many of the skills and habits that helped them to be successful in their previous roles – and that probably helped them to secure the CEO position – might be ineffective in the CEO role. This study highlights some of the personal changes that individuals might undergo while building their identity as CEO. The questions presented
in the end of the discussion of each of the three interrelated identities that are involved in the CEO identity construction process (see Chapter 4) – and recapitulated in Table 7-1 – might encourage reflection on the themes, issues and novelties that new chief executives encounter in assuming the post.

Table 7-1 Questions for New CEOs to Consider in Transitioning into the Role

<table>
<thead>
<tr>
<th>PERSONA OF THE CEO</th>
<th><strong>Being Scrutinized</strong></th>
<th><strong>Looking the Part</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO AS EMBODIMENT OF ORGANIZATION</td>
<td>What messages is the organization picking up in my actions and words?</td>
<td>How are my behaviours, attire, and emotions giving an impression of what the organization is like internally and externally?</td>
</tr>
<tr>
<td></td>
<td>How is the organization interpreting my actions, words and behaviour?</td>
<td>How do I embody the demeanour or persona of the CEO as I walk around the office and interact with different stakeholders?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHALLENGES OF THE CEO ROLE</th>
<th><strong>Ultimate Decision Maker &amp; Loneliness</strong></th>
<th><strong>Enabler &amp; Not Operator</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>How do I cope with feelings of isolation and accountability associated with being the ultimate decision maker of the organization?</td>
<td>How do I let go of being involved in the operational side of the business and delegate responsibility of delivery to the top team?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Management</th>
<th>How do I structure time to deal with both short-term urgencies and long-term direction of organization?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oscillation from the Sublime to the Ridiculous</strong></td>
<td>How do I create mental space to reflect on big strategic decisions while handling the constant switch to minute decisions?</td>
</tr>
<tr>
<td>LACK OF SPECIFICITY OF ROLE</td>
<td>How do I define the CEO role to myself and others? Who are my role models and how do they influence the way in which I enact the CEO role?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERSONAL IDENTITY</th>
<th><strong>Beliefs &amp; Values as Parameter</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>INDIVIDUAL INTERNALIZATION</td>
<td>How do my values and beliefs impact the way I enact the CEO role?</td>
</tr>
<tr>
<td></td>
<td>How do my values and beliefs impact the changes I instigate in the organization?</td>
</tr>
<tr>
<td></td>
<td>How do my values come through in my actions, words and changes I implement?</td>
</tr>
</tbody>
</table>

| **Authenticity** | Am I acting authentically? How do I communicate my authentic self to the organization? |
|-----------------|Are my actions, my behaviours and the changes I implement in the organization in... |
For boards of directors, this study provides two recommendations. First, given the importance of the new CEO’s incoming personal identity for the CEO identity construction process, it might be helpful for boards of directors to take into account the values, beliefs, modes of thinking and organizational identification of CEO candidates while making a selection to the post. These characteristics might be more important than the financial wizardry of candidates in other firms for the successful integration of the new CEO into the organization. Second, after a candidate has been appointed, given that

| sync with my values and authentic self? |
| How do I remain authentic to myself in making difficult business decisions? |
| **Difference with Predecessor** |
| How do I differ from my predecessor in terms of behaviour, values and style? |
| How does that impact my team and the organization? |
| **REPRESENTING** |
| **Personal Brand** |
| What do I stand for as CEO? |
| What is my personal brand as CEO and how am I communicating/creating my personal brand externally and internally in the organization? |
| **Human being** |
| How am I expressing my humanness to organizational members? |
| Am I seen as “one of us” in the organization? |
| **Symbolic Changes** |
| What symbolic changes am I (or can I) implementing? |
| What is the signalling effect of the changes I am instigating in the organization? |
| How am I affecting the visible manifestations of the organizational culture? |
| **VALIDATION BY BOD** |
| What aspects (if any) of my self-concept did the board validate during the appointment process? |
| How are those aspects impacting the way I enact the CEO role? |
| **ORGANIZATIONAL IDENTITY** |
| **ORGANIZATIONAL CULTURE** |
| Am I acting and making changes that take into consideration the culture of the organization? |
| What cultural changes do I believe I need to implement in the organization? How are those changes congruent with other aspects of the organization’s culture? |
| **MANDATE** |
| What is my mandate? |
| How I am interpreting my mandate? |
| **ORGANIZATIONAL PURPOSE** |
| Who are we as an organization? |
| What are the distinct, central and enduring characteristics of the organization and how can I promote them? |
acquiring cultural-relevant information from organizational members is not as accessible for new chief executives as it is for other newcomers, it might be helpful for board members to assist new CEOs in learning about the history, culture, identity, beliefs, norms and symbols of the company.

For CEO candidates, in addition to some points suggested above, this study also highlights the importance of determining how one’s values and other important self-aspects fit with the culture and identity of an organization before accepting the post. As illustrated in Figure 6-1 (see section 6.3, Identification as Proxy for the Cognitive Differences of New CEOs), some degree of correspondence seems to be paramount for new CEOs to be able to enact the role authentically whilst promoting a link with the organization’s identity and culture.

7.6 LIMITATIONS OF THE RESEARCH

As all research endeavours, this study poses a number of limitations that might bear acknowledgement. First, this study purposely focused on the own accounts and subjective experiences of new CEOs in their transition into the role. As such, it relies on the interpretations and discernment of the study participants regarding their interactions with organizational members and the board of directors as they embarked in the role. It is possible that the new CEOs downplayed the influence and importance of organizational aspects in their transition into the role and overemphasized their own influence in the organization. For instance, most new chief executives interviewed believed that they had changed (or were in the process of changing) the culture of the firm; however, it is possible that organizational members did not perceive that to be the case. Thus, the importance given to the perspectives that the new CEOs brought with them to the post could have been due to the methodology selected for this study, as the interviewees might have inflated their own self-importance and influence during their transition process.

Second, the selection of study participants was opportunistic. I contacted newly appointed chief executives who, then, volunteered to get involved in the study. It is possible that this sub-sample of new CEOs differs from other new chief executives who did not agree to participate in the study. The variability in the sample regarding organizational context
prior to the appointment, the reasons why appointment took place, and the characteristics of the organizations sought to reduce this limitation. Indeed, the decision to select a design strategy that would encompass a larger number of individuals’ account of CEO transition than that conferred by a single longitudinal case study also aimed at mitigating this limitation and enhancing the study’s generalizability. Nevertheless, it is possible that the sample of study participants differs in important ways from those who decline involvement, which might have impacted the findings of this study. For instance, it is possible that new CEOs who agreed to partake on the study might have more latitude of action than those who did not, and thus were able to open their time and agenda to the researcher. New chief executives who did not experience this discretion in the role could potentially have stricter and clearer mandates than those of the new CEOs interviewed for the study. This would mean that they, indeed, operate in the role as simple employees of the board, as suggested by the organization-focus perspective of CEO succession. In contrast, it is also possible that other new CEOs suffer from hubris (e.g., Petit & Bollaert, 2011) and might consider themselves to be too special and valuable to take part in such a study. These individuals would be likely to transition into the role through determination, regardless of the organizational context in which they were embedded. Hence, the fact that the sample consisted of individuals who volunteer to participate in the study – despite the constrains of time that chief executives endure – might reduce the generalizability of the study, as it is possible that the study focused on the experience of a particular subset of new CEOs that do not represent the whole population. Furthermore, given that all new CEOs interviewed were located in the same geographical location, the findings of the study might not extend to individuals who follow different corporate governance regulations. For instance, the transition of newly appointed chief executives who also assume the post of chairman (CEO duality; Rechner & Dalton, 1991) might be different from the ones examined here. A final aspect of the population studied here related to the generalizability of the findings to other new CEOs is that the sample did not include “super corporation CEOs”, that is, individuals who lead large diversified corporations and thus are responsible for portfolio management and resource allocation of the different businesses that comprise the group (Gupta, 1988; Jacques, 1989). The transition process
of these individuals might differ significantly from the new chief executives studied here, who were responsible for deciding how the organization would compete and how the different functional areas would operate.

The generalizability of the findings of this study was likely affected not only by the study population, but also by the methodology employed in this study. Qualitative research will never achieve the kind of generalizability that is possible with the large populations that are analysed in quantitative research. In a study such as this, the aim was not as much generalizability as insight. In other words, the purpose of the study was to generate insight into the transition process of new CEOs that may have implications towards individuals taking up the CEO role. The design decision to include a larger number of individuals’ accounts of CEO transition than would be possible with a longitudinal case study approach was to ensure that these insights would be applicable to a variety of circumstances.

Finally, this data captured the experiences and perspectives of the new chief executives within a particular point in time of their transition into the role, namely the first 18 months. The decision of examining the transition of new CEOs within this timeframe might have influenced the findings of this study in several ways. First, as described in the methodology section, the timeframe of the interviews with regards to both the tenure of the new CEOs when interviewed and the interval between the two interviews limited the analysis of the study, since stages, phases or sequences of events within the CEO identity construction process could not be determined from the data. Second, notwithstanding the importance of the first 18 months for the transition of new chief executives (Ciampa, 2005), the transition of new CEOs is not complete at this time (e.g., Gabarro, 1987). Thus, the data does not follow the entire transition process of the new CEOs studied to determine the outcome of their transition. We do not know what happened next and, hence, it is beyond the scope of this study to establish if the new chief executives were successful in their transition into the organization and the role. Lastly, there are many ways of looking at a change process, like CEO transition. The selection of this timeframe assumes a macro view of change processes, in which change is conceptualized as “episodic, discontinuous and intermittent” (Weick & Quinn, 1999, p.362). The selection of a
different perspective from which the notion of transition would be analysed would likely influence the analysis and findings of this study. For instance, one could consider the transition of new CEOs from a micro level of analysis in which change is conceptualized as “continuous, evolving and incremental” (Ibid). From this latter perspective, the window of 18 months selected for this study would be seen to be rather arbitrary and the transition experience of new CEOs would be conceptualized as being an emergent, continuous process. That kind of perspective, however, would entail espousing a different ontological perspective than the one assumed in this study (Watson & Harris, 1999) which “privileges an ontology of movement, emergence and becoming in which the transient and ephemeral nature of what is “real” is accentuated” (Chia, 1996, p.581). Hence, the choice of conceptualizing the transition process from a macro view of change processes seemed to be more appropriate considering the realist perspective adopted in this study (as described in section 3.2, Philosophical Perspective).

7.7 AREAS OF FUTURE RESEARCH

In addition to testing the validity of the propositions suggested in Chapter VI, this study opens up several possible venues for future research.

First, while the findings of this study suggest that there is a bi-directional influence between the new CEO’s personal identity and the identity of the organization, this study focused solely on one of the parties involved in this dual influence, the newly appointed chief executives. It is important to address if other organizational members perceive the same impact on the organization’s culture and identity as the new CEOs interviewed did. Thus, an important future research stream is to understand the perspectives of different organizational members in regards to this bi-directionality of influence.

Second, the board of directors and the top management team are especially pertinent for the job of the CEO. Hence, it is important to understand how the interactions with these two groups influence the CEO identity construction process and the bi-directionality of influence that new chief executives perceive to have with the organization. For instance, Shen and Cannella (2002a) argued that disputes within the top management team might
culminate in the dismissal of a newly appointed chief executive. In addition, Scott and Lane (2000) suggest that power dynamics might be an important component of the organizational identity construction process. Hence, it is possible that new CEOs might need to negotiate with the top management team their personal identity intrusion and that power dynamics within the top team might influence how much a new chief executive is able to permeate his or her personal identity into the organization. A future research stream would be to consider the role of the top management team in the CEO identity construction process.

Third, another important stream of research would be to investigate how different organizational characteristics influence the CEO identity construction process. Even though the culture of an organization is usually not taken into account as a role discretion element by the role transition literature, the new chief executives considered it to be an important aspect of their adaptation to the role. As organizational culture is one of the elements involved in the managerial discretion (Hambrick & Finkelstein, 1987), it might be pertinent to investigate how different elements of managerial discretion impact the CEO identity construction process. For instance, individuals who assume the position in organizations with strong cultures might experience weaker identity intrusion than those who assume the post in organizations with weaker cultures. Conversely, CEOs who are appointed to firms within industries that award them more discretion (Hambrick & Abrahamson, 1995) might experience a stronger symbolic power within the company than individuals who assume the post in industries that confer CEOs less discretion, which might then impact the drive towards expressing their individuality. Furthermore, it might be interesting to determine if there is any relationship between different organizational and environmental factors that bound the managerial discretion of a CEO and the mode of adjustment that new chief executives experience during the transition into the role. As mentioned in Chapter V, most new chief executives in this study experienced exploration, where they underwent both personal change and role innovation. Yet, the degree of personal change varied significantly within the sample. This variability might have originated not only from the new CEOs’ prior experience but also from factors that
modulate the managerial discretion of the new CEO. Hence, it might be a fruitful area of research to examine how different managerial discretion factors influence the different aspects of the CEO identity construction process.

Finally, it might be important to further our understanding of the relationship between organizational identity and the CEO identity construction process. For instance, the strength of the organizational identity and the presence of multiple and conflicting identities within the firm might impact the CEO identity construction process and present fruitful area for future research.

7.8 PERSONAL LEARNING & REFLECTIONS

The metaphor of a journey is usually associated with pursuing the PhD degree. Like many, I embarked on the PhD with an awareness that it was going to be a long and lonely journey. That is the image conveyed by most. And, indeed, it is lonely since, notwithstanding all the people that make the journey and the study possible – from the new CEOs who shared their time and experience with me; from my supervisor and PhD panel who prodded me intellectually; to my family, friends and colleagues who provided support and encouragement – in the end, I was ultimately responsible for designing, interpreting and scripting the study.

And indeed, it is long. Particularly in my case, with the hiatus of a maternity leave, which paused the march for a while, yet left me in a limbo where I continued to think and feel that “I’m doing a PhD”.

Yes, reflecting on the journey that culminates with the completion of this thesis, the picture conveyed is correct. Lonely and long. But, somehow, I also visualized it to be straight. One long, single road. One step at a time. For many, many, and then many more steps. Nothing could be further from what I (and many of my colleagues who shared their hurdles, discomforts and doubts) experienced. Roller-coaster. Maze. Jigsaw puzzle. Those are the images that best describe my crossing. Nothing in the journey felt like a straight path, not only in terms of my own thinking, but also in terms of encapsulating and writing up the document in the end.
In particular, transforming the complexity of the data of the study and selecting – from the many fascinating themes – the single most interesting account was extremely challenging to me. There were many possibilities within the data and discerning what was the most compelling story the data was trying to tell was both perplexing and enlightening. Yet, when the final, budding, story of newly appointed chief executives building their identity as CEOs finally emerged from the many twists and turns of manipulating the data, it was almost as if I had opened my eyes abruptly. Suddenly, that story – which initially lay hidden so elusively within my data – became obvious and helped me to see not only my findings, but also the whole CEO succession literature in a new way.

Thenceforth, there was the challenge of portraying all that emergence and comings and goings of my own learning into a coherent, accurate and scholarly description of how I analysed the data. Once again, the path was not straight and one cannot fully depict all the minute curves of one’s trajectory within the labyrinth of qualitative data analysis. I summarized as well as I could the route I travelled, without overwhelming the reader with the details of my own trial and errors in how to deal with the immense amount of data that the study generated. In addition, producing draft after draft to the text was both humbling and enlightening. In the beginning, as yet one more draft received many comments and suggestions that required a complete overall, I started to become discouraged that perhaps I wasn’t good enough to conduct this type of research. It was only after reading Becker (2007) and Golden-Biddle and Locke (2007) and learning that even experienced scholars go through numerous drafts to produce the final products one reads in peer-review journals that I realized that it was part of the process of accomplishing this type of work. Later, after seeing the depth that these many drafts generated, I actually appreciated the transformation that occurred with each and every instance of working on the thesis. In fact, looking at it today – as I write these last words – I can see new places which I could go deeper in considering the interaction of my findings with existing organizational literature (as well as places where I could improve the clarity of the text).

I guess this is perhaps the nature of conducting research: it is never ending. Answering one question produces a multitude of others and looking back teaches one what could have
been done differently. In my case, I wish I had realized the importance of identity for CEO transition sooner than I did. In fact, a more defiant examination of the extant CEO succession literature might have helped me realize that if other fields of inquiry suggest that identity is paramount for role transition, why not for the CEO? When I look at the literature now, it is so obvious that identity would be involved, but that realization was not there in the beginning of the study. Hence, one of the things I would do different is to challenge more the existing literature. Hopefully this study will give the courage and confidence to do so. Another thing I would do differently is to hold the impulse, in the beginning of the analysis, of chopping down the data into its little bits (coding) and stay in the amorphous world of the bigger picture for a bit longer, perhaps by producing the accounts of the individuals’ story. This strategy perhaps would have helped me to uncover the central category of identity sooner than I did. Finally, in coding the data, I wish I had started with a more inductive way of coding in the beginning. Before I utilized the template developed from the first 10 interviews (as described in the methodology section), I attempted to code the data using a template that was based on the literature. In doing so, I felt that I was forcing the literature on the data and that made me very uncomfortable. After a while, I discarded that work and started afresh. Commencing from this more inductive approach would have eliminated much agony and saved much time!

All in all, these lessons are about allowing one to sit comfortably within the messiness of qualitative data. As I came from the natural science to embark on the PhD, my perspective of conducting research in the beginning of this study was very different from the way it is today. There is a kind of reassurance that the accuracy and materiality of quantitative research confers that is not present in qualitative data. Qualitative research feels risky, unstable, and volatile. Yet, it is also exciting and revealing. Despite all the unease that conducting a qualitative study engendered, I undoubtedly would choose the same methodology again. The knowledge and understanding I developed about the transition of new CEOs by doing the study were invaluable. Conducting the interviews with the new chief executives who participated in the study was inspiring. I learned not only much about their lives and experiences, but also something about myself during the interviews; I
discovered that I have a skill with coaching. I wanted to make sure that my interviews were useful to the CEOs themselves. I wanted them to get something out of it. And I was really, really pleased and humbled when many of them mentioned how valuable the interviews were. This showed me a part of myself, a skill that I didn’t know I had.
REFERENCES


Dickmeyer, S. G. 2001. The way things are done around here: The role of normative control acts in organizational socialization as seen in newcomers' sensemaking acts. University of Nebraska, Lincoln, Nebraska.


Mischel, W. 1977. The interaction of person and situation. In D. Magnusson, & N. S. Endler (Eds.), *Personality at the crossroads: Current issues in interactional psychology*.


## Appendix A: Interview Schedule

<table>
<thead>
<tr>
<th>THEMES</th>
<th>SAMPLE QUESTIONS</th>
</tr>
</thead>
</table>
| **1- Context of Appointment** | Tell me about your appointment as CEO of [name organization].  
How did you become the CEO?  
Was there anything surprising or puzzling in the process?                                                                                           |
| **2- Expectations about CEO Role** | What were your expectations about the CEO role?  
How did you come about forming this view about the CEO role?  
How have they changed since assuming the post?                                                                                                           |
| **3 - Transition Process** | How did you go about understanding the role?  
Could you describe your first days in the post?  
What challenges have you encountered in the role?  
What has been surprising or puzzling about being the CEO?  
How have your previous experiences helped you in assuming the CEO post?                                                                                |
| **4 - Mandate**             | Were there any formal or informal directives about what the board expected of you?  
How did you come about understanding what the board expected of you?  
How helpful was the mandate/that information to you?  
Did this information modify your actions or thoughts?                                                                                                      |
| **5 – Relationship with BOD** | Could you tell me about your interaction with the board?  
What has been surprising or puzzling about your interactions with the board?  
What challenges have you faced in your interaction with the board?  
Did you receive any form of help/support from the board in fulfilling your role?                                                                          |
| **6 – Being the CEO**       | What is your role as the CEO?  
What do you consider the most important aspects of your job? Why?  
What changes have you implemented since you took charge?  
What would you like to accomplish in this role?                                                                                                        |
Appendix B: Coding Scheme

The table below illustrates codes that emerged from the phase of data dissection, together with their description and the subsequent theoretical categories (generated in the phase of data synthesis) in which they were clustered. The aggregate dimensions that each theoretical category was later grouped are indicated by colour: green for Persona of the CEO, blue for Personal Identity and grey for Organizational Identity.

Uncoloured codes were used to support arguments, but were not synthetized into particular theoretical categories or dimensions. For instance, codes regarding context were utilized to describe the variability in the sample (see, for example, Table 3.3-1). Similarly, data regarding individual changes (CHG-IND) was used to understand how particular aspects of the CEO role impacted the new chief executives (see, for example, section 5.3.1, Challenges of the CEO Role).

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Theoretical Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTEXT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTX-APP</td>
<td>Appointment context</td>
<td></td>
</tr>
<tr>
<td>CTX-ORG</td>
<td>Organizational context</td>
<td></td>
</tr>
<tr>
<td>CTX-REA</td>
<td>Reason for succession</td>
<td></td>
</tr>
<tr>
<td>CTX-IND</td>
<td>Individual context prior to appointment</td>
<td></td>
</tr>
<tr>
<td><strong>CEO ROLE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROL-CHL:</td>
<td>Role challenge:</td>
<td></td>
</tr>
<tr>
<td>• ROL-LON</td>
<td>Loneliness</td>
<td>CHALLENGES OF CEO ROLE</td>
</tr>
<tr>
<td>• ROL-DEC</td>
<td>Decision making</td>
<td></td>
</tr>
<tr>
<td>• ROL-OSC</td>
<td>Oscillation</td>
<td></td>
</tr>
<tr>
<td>• ROL-ENB</td>
<td>Enabler</td>
<td></td>
</tr>
<tr>
<td>• ROL-TIM</td>
<td>Time</td>
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</tr>
<tr>
<td>ROL-SYM:</td>
<td>Role Symbolism:</td>
<td></td>
</tr>
<tr>
<td>• ROL-SCR</td>
<td>Scrutiny</td>
<td>CEO AS EMBODIMENT OF ORGANIZATION</td>
</tr>
<tr>
<td>• ROL-DEM</td>
<td>Demeanour</td>
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</tr>
<tr>
<td>o EMO-REG</td>
<td>Emotion Regulation</td>
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<tr>
<td><strong>ROL-DEF</strong></td>
<td>Role Definition</td>
<td>LACK OF SPECIFICITY OF CEO ROLE</td>
</tr>
<tr>
<td><strong>ROL-MOD</strong></td>
<td>Role Models</td>
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</tbody>
</table>
## INDIVIDUAL

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IND-VAL/BEL</td>
<td>Individual - Values &amp; beliefs</td>
</tr>
<tr>
<td>IND-AUTH</td>
<td>Individual - Authenticity</td>
</tr>
<tr>
<td>IND-DIF</td>
<td>Individual – Difference with Predecessor</td>
</tr>
<tr>
<td>IND-WHO</td>
<td>Individual – Personal Brand</td>
</tr>
<tr>
<td>IND-HUM</td>
<td>Individual – Human being</td>
</tr>
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</table>

## BOD

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>BOD-MDT</td>
<td>Board of Directors – Mandate</td>
</tr>
<tr>
<td>BOD-REL</td>
<td>Board of Directors – Relationship</td>
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## TRANSITION

<table>
<thead>
<tr>
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<th>Representing:</th>
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<tbody>
<tr>
<td>CHG-IND</td>
<td>Individual</td>
</tr>
<tr>
<td>CHG-SYM</td>
<td>Symbolic</td>
</tr>
<tr>
<td>CHG-CUL</td>
<td>Culture</td>
</tr>
<tr>
<td>CHG-VIS/STR</td>
<td>Vision/Strategy</td>
</tr>
<tr>
<td>CHG-OTH</td>
<td>Others</td>
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</table>

<table>
<thead>
<tr>
<th>Understanding:</th>
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<tbody>
<tr>
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<td>Organization</td>
</tr>
<tr>
<td>○ ORG CUL</td>
<td>Culture</td>
</tr>
<tr>
<td>UND-ROL</td>
<td>Role</td>
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