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Citation

JOSHI, Aparna; HAMBRICK, Donald C.; and KANG, Jiyeon. The generativity mindsets of chief executive officers: A new perspective on succession outcomes. (2021). *Academy of Management Review*. 46, (2), 385-405.

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THE GENERATIVITY MINDSETS OF CHIEF EXECUTIVE OFFICERS: A NEW PERSPECTIVE ON SUCCESSION OUTCOMES

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We apply the psychosocial concept of generativity, or one’s outlook toward the next generation, to the context of chief executive officer (CEO) succession. Integrating prior research on generativity and CEO succession, we identify two key orthogonal dimensions of CEO generativity: (a) the CEO’s degree of commitment to developing the next generation of company leadership and (b) the CEO’s degree of need to control the succession process and outcome. A given CEO’s place on these two dimensions constitutes their overall “generativity mindset,” which we conceptualize as a relatively stable motivational orientation that stems from the CEO’s disposition and accumulated life experiences. From these dimensions, we identify four archetypes: the generative, hyper-generative, hypo-generative, and anti-generative CEO. We then specify how the alternative archetypes affect an array of CEO actions throughout the CEO’s tenure, especially the CEO’s approach to assessing and developing executives for advancement. These various actions lay the foundation for eventual succession outcomes, particularly the nature of the succession and the origin and preparation of the selected successor. The final part of our model inserts the board of directors as a potentially moderating influence in all the foregoing relationships. We conclude with an overview of follow-on research opportunities.

When things are going badly, you can’t leave. And when things are going well, you don’t want to leave. . . So if you’re going out on your own steam, it’s always going to be at a moment when you don’t want to leave. And by the way, that’s why people sometimes stay too long.

—Loyd Blankfein, ex-CEO of Goldman Sachs, in his final letter to shareholders, 2018

After decades of academic research and other writings on chief executive officer (CEO) succession, many corporations still struggle in navigating these important managerial transitions. Recent studies have indicated that between 10 and 20% of all CEO departures result in the appointment of interim CEOs, attesting to a lack of preparation for CEO turnover (Mooney, Semadeni, & Kesner, 2017; Mussalli & Cukurova, 2018). By some accounts, as many as 15% of CEOs

(excluding interim CEOs) are dismissed within their first three years in office (Zhang, 2008), suggesting seemingly poor selection decisions. In 2010, the Securities and Exchange Commission, in reaction to investors’ cries about insufficient succession plans, started requiring companies to describe their succession planning processes in their annual proxy statements; however, because this requirement lacked any specificity, company responses ranged widely, including only minimal descriptions of succession processes and in some cases no descriptions at all (Barrett, 2016). Perhaps not surprisingly, then, a large-scale survey study by Schepker, Nyberg, Ulrich, and Wright (2018) showed that companies vary greatly in the comprehensiveness of their succession processes and in their anticipated succession outcomes. Collectively, these are vivid indications that CEO succession processes are often deficient—for reasons that neither companies nor scholars yet fully comprehend.

What determines a company’s readiness for navigating a CEO transition? Our proposed answer builds upon prior research on CEO succession, but through a novel theoretical lens. Foremost, we adopt the view

We thank Associate Editor Heli Wang and three anonymous reviewers for their valuable guidance throughout the review process. We are very grateful to Priyanka Dwivedi, Jeffrey Loveleace, Vilmos Misangyi, Adam Wowak, and Charlene Zietsma for their thoughtful feedback.

of prior writers who have concluded that the mindsets and behaviors of incumbent CEOs, as reflected in our quote above, greatly influence succession processes and outcomes (Vancil, 1987; Wiersema, Nishimura, & Suzuki, 2018; Zajac & Westphal, 1996). Although boards are formally responsible for CEO succession planning, and ultimately for CEO selection (Berns & Klarner, 2017; Lorsch & MacIver, 1989), it is well-known that boards face major informational barriers (Boivie, Bednar, Aguilera, & Andrus, 2016) as well as bandwidth constraints (Cashman, Gillan, & Jun, 2012; Fich & Shivdasani, 2006; Hambrick, Misangyi, & Park, 2015; Hauser, 2018; Kress, 2018; Zhang, 2008) in exercising these duties. Moreover, boards face a motivational and accountability challenge: a board's assertiveness in initiating and driving the succession planning process can easily be construed as a lack of confidence in the incumbent CEO and as inappropriate overreach into the CEO's own responsibilities for their executive team (Rosenthal, Rutch, Monahan, & Doherty, 2018). As a result, boards typically work in partnership with their CEOs on succession planning, sometimes greatly deferring to incumbent CEOs' own judgments and preferences in identifying and preparing their eventual replacements (Bower, 2009). In turn, incumbent CEOs often have considerable influence, both directly and indirectly, over the processes by which their replacements are selected, the selection choices themselves, and their replacements' chances of success. Even various forms of incumbent inattention and inaction can greatly shape succession outcomes (Dyck, Mauws, Starke, & Mischke, 2002; Spencer Stuart, 2017).

As our new lens, we draw upon generativity theory to develop fresh insights about the psychology and behavior of incumbent CEOs, who must deal with the inevitability of their eventual replacement. Erik Erikson (1963) introduced the concept of generativity as part of his life-span theory of personality development. According to Erikson (1963: 267), generativity is "primarily the concern in establishing and guiding the next generation." In his conception, once a mature individual has consolidated a sense of identity and established long-term bonds of intimacy through marriage and enduring friendships, they are then psychosocially ready to make a commitment to society as a whole and its continuation, even improvement, through the next generation.

Numerous scholars have verified and elaborated on Erikson's life-stage model in ways that guide our own framework. First, researchers have concluded that generativity is not universal among mature adults; some embrace it, typically accompanied by

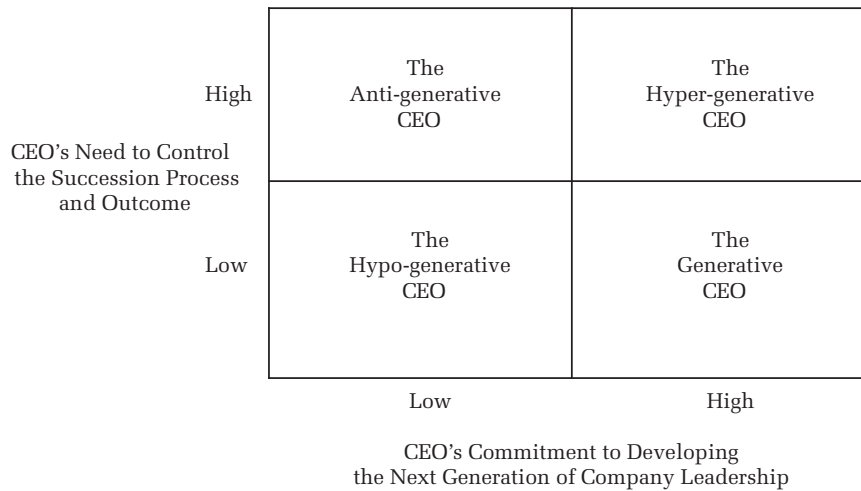
enhanced late-life satisfaction, while others avoid it, accompanied by dissatisfaction, even bitterness (Eagle, 1997). Second, researchers have determined that mature adults vary in their egocentrism about the next generation, or the degree to which they want the next generation to be just like them (McAdams & de St. Aubin, 1992). Among those individuals who are committed to developing the next generation, some are intent on exactly replicating themselves, while others are willing to confer more autonomy, as true generativity seems to call for.

We see promising applications of these psychological insights to the arena of CEO succession. Studies of CEO succession, as well as everyday press accounts, are replete with instances of incumbent CEOs who struggle in various ways with their own professional mortality—with outcomes that greatly affect their firms. For instance, Sonnenfeld (1988) found in a landmark study that some CEOs cannot fathom the end of their lofty careers. As one interviewee said, "I'm not ready to retire from life. . . I'm not going to sit around with a blanket over my knees" (Sonnenfeld, 1988: 35). And, as our opening quote suggests, Loyd Blankfein of Goldman Sachs expressed complex feelings about departing from his role. More generally, an array of alternative mindsets is evident among CEOs. Some seem to be relatively generative, as Erikson might have called for. Some may give scant thought at all to developing their eventual replacements; some may dread the prospect of departure so much that they consciously or subconsciously see to it that their replacements are not to be readily found; and some may be intent on preparing their replacements in exactly their—the incumbents'—own molds, in a distortion of generativity.

We organize these varying CEO psychological stances by developing a theory that hinges on the two key orthogonal dimensions identified by generativity theorists (summarized above), but translated for the CEO context: (a) the CEO's degree of commitment to developing the next generation of company leadership and (b) the CEO's degree of need to control the succession process and outcome. A given CEO's place on these two dimensions constitutes their overall "generativity mindset," which we conceptualize as a relatively stable motivational orientation that stems from the CEO's own disposition and accumulated life experiences.

Envisioning that a given CEO could score low or high on the two scalar dimensions of generativity, we use concise labels to describe four archetypes, as shown in Figure 1: (a) the *hypo-generative CEO*, who

FIGURE 1
Four Generativity Archetypes Among CEOs



has little need to develop the next generation and little need to control the succession outcome; (b) the *generative CEO*, who has a strong need to develop the next generation but little need to control the succession outcome; (c) the *hyper-generative CEO*, who has a strong need to develop the next generation and a strong need to control the succession outcome; and (d) the *anti-generative CEO*, who has little need to develop the next generation and a strong need to control the succession outcome—specifically a strong need to thwart the rise of potential replacements, so as to stay in office as long as possible.

We start with an overview of generativity theory, particularly as it applies to CEOs. As part of that discussion, we develop our two key conceptual dimensions. After establishing the two dimensions, we develop concise portrayals of the four CEO archetypes. We then turn to the consequences of the alternative generativity mindsets. Here we adopt a temporal view, specifying how the archetypes affect succession-related processes and outcomes over a CEO's tenure. Even in the period before succession is imminent, the respective generativity types affect a host of CEO actions, including the CEO's approach to assessing top management team (TMT) members for their CEO potential, the CEO's approach to developing TMT members for bigger and broader responsibilities, and the CEO's interactions with promising potential candidates. Further, during this period the CEO's generativity mindset influences their actions in domains that are tangential to succession planning but which nonetheless shape the readiness of TMT members to replace the incumbent

CEO, specifically the CEO's preferred degree of behavioral integration of the TMT. These various mid-tenure actions, which we posit as partly due to CEOs' generativity mindsets, lay the foundation for eventual outcomes when succession becomes more imminent, specifically the nature of the succession process itself and the origin and preparation of the selected successor.

The final part of our model inserts the board of directors as a potentially moderating influence in all the foregoing relationships. Specifically, to the extent that the board itself is committed to succession planning, which is known to be far from universal (e.g., National Association of Corporate Directors, 2018; Schepker et al., 2018), the board will encourage the CEO to join it in comprehensive preparation for that CEO's eventual departure. In our language, such a board will encourage the CEO to think and behave like a generative CEO. As we shall argue, these board expectations will have varying effects on CEOs who, after all, have their own philosophies about their eventual replacement. Among the alternative CEO types, the hypo-generative CEO is most likely to adopt some of the called-for behaviors, the hyper-generative CEO is somewhat likely, and the anti-generative CEO is least likely. Moreover, some of these adopted behaviors will be half-hearted or cosmetic, enough to placate the board but not substantially enhancing the pool of ready successors. In sum, the greater the board's commitment to succession planning, the more that hyper-, hypo-, and anti-generative CEOs will behave like generative CEOs; however, their attainment of this ideal will vary

widely. Correspondingly, the weaker the board’s commitment to succession planning, the more that the CEO’s generativity mindset will give rise to the respective outcomes portrayed in our baseline logic. Our overall model is portrayed in Figure 2.

Our paper makes two main contributions. First, under the rubric of generativity, we offer a formal analysis of the considerable variance that has been observed in how incumbent CEOs deal with their professional mortality. Not only does our theory shed light on the underlying dimensions of this variance—the CEO’s degree of commitment to developing the next generation of firm leadership and the CEO’s degree of need to control the succession outcome—but also illuminates the array of behavioral outcomes that follow from CEOs’ generativity mindsets. These behavioral outcomes, which vary widely, are manifested well before CEO departure is imminent, greatly determining the nature of the eventual succession process and, more importantly, the attributes of the eventual successor. Second, we shed new light on the challenges that face boards regarding succession planning. Although boards are ultimately responsible for CEO succession and selection, it is well-known that they face considerable hurdles in fulfilling these roles and vary in their underlying inclinations to do so (Boivie, Bednar et al., 2016; Schepker et al., 2018). Among the subset of boards that *are* committed to careful and comprehensive succession planning, our theory emphasizes that they cannot do so without the involvement of

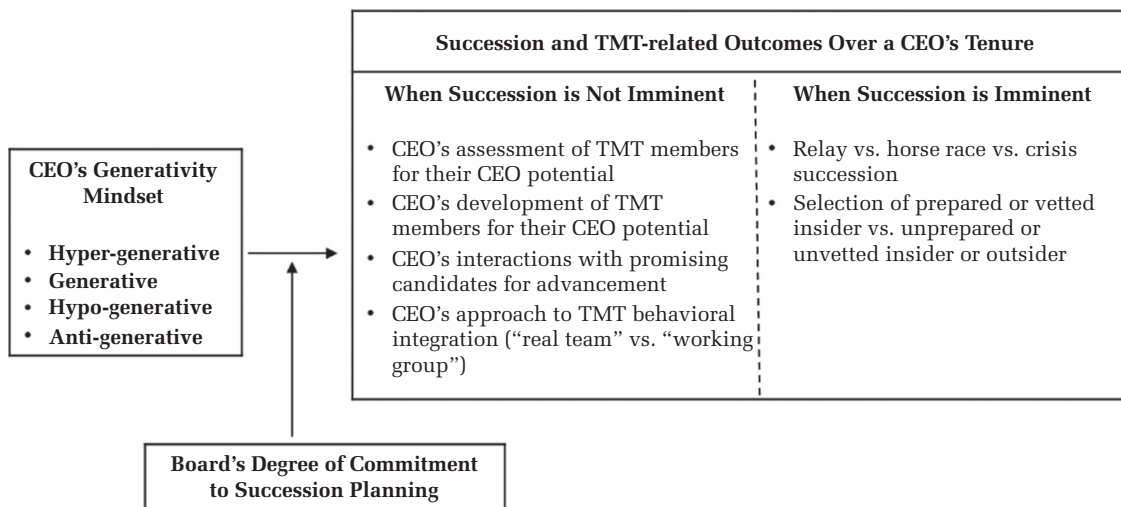
their incumbent CEOs. In addition, since these individuals have varying personal philosophies about their eventual replacement, boards encounter various dilemmas in working with—or working around—their CEOs on succession-related matters.

GENERATIVITY IN THE CEO SUCCESSION CONTEXT

Although all CEOs face the prospect of eventually leaving their positions, their psychological responses to this inevitability vary greatly. These psychological responses constitute a CEO’s overall “generativity mindset,” or one’s motivational outlook regarding the future leadership of the firm. We base this logic on Erikson’s (1963) concept of generativity, which is a human tendency that arises—if at all—in mature adulthood, amounting to a focus on developing and enhancing the vitality of the next generation (Pratt, Norris, Cressman, Lawford, & Hebblethwaite, 2008; Ryff & Heincke, 1983; Zacher, Rosing, Henning, & Frese, 2011).

Before proceeding, it is important to distinguish generativity from the related concept of one’s desire to leave a legacy, or one’s legacy motivation (Wade-Benzoni, 2008; Wade-Benzoni & Tost, 2009). While a legacy motivation amounts to one’s (nearly universal) desire to make an enduring contribution and to be remembered for that contribution (Wade-Benzoni & Tost, 2009), generativity involves a personal striving to make a very specific type of contribution: mentoring, nurturing, and developing the next

FIGURE 2
Consequences of CEO Generativity Archetypes



generation for its own primacy (McAdams, de St. Aubin, & Logan, 1993; Wade-Benzoni & Tost, 2009). A legacy can be thought of as anything that is left for the next cohort, while generativity is the narrower—but, in some ways, much more important—gift of preparing the next cohort for its own era at the helm. Thus, we conceptualize generativity in the same way as Erikson (1963), as a desire to leave one's own contributions in capable hands, rather than as a more general yearning to leave a legacy *per se*.

This distinction is especially important in the CEO succession context. Like other humans, CEOs may indeed have strong needs to leave enduring signs of their handiwork. For CEOs, such legacies might be manifested in the brands, balance sheets, products, technologies, and physical facilities that survive them. It is quite another thing, however, to be intent on developing the people—or specific person—who will be one's replacement in the future oversight of this broader legacy. We now develop the two key psychological dimensions that comprise a CEO's generativity mindset.

The Psychology of Generativity

Commitment to developing the future leadership of the firm. In Erikson's (1963) original conceptualization, after individuals resolve the crisis between intimacy and isolation, and form close relationships in mature adulthood, they face the prospect of caring for society and future generations. At this point, individuals negotiate conflicting motivations that on the one hand pull them toward self-interested actions and on the other hand push them to invest themselves and their resources in future others (Erikson, 1963), representing a psychological tension in late adulthood: the stagnation versus generativity crisis (Erikson, 1963; Peterson, Smirles, & Wentworth, 1997). As such, individuals vary in the degree to which they are committed to developing the next cohort. As expressed by Ryff and Heincke (1983: 809), those who are highly generative show a "concern in establishing and guiding the next generation [and] possess [an] awareness of responsibilities to those younger in age," while less generative individuals "show little interest in sharing knowledge or experience with others; reveal excessive self-concern and self-preoccupation; [and] feel no obligation to guide the younger generation."

One's tendency toward generativity is triggered by a recognition of mortality and a desire to form intimate bonds with the future generation through

relationships that are communicative, reciprocal and noninstrumental (McAdams, Ruetzel, & Foley, 1986). This relational motivation is displayed through activities that reflect a desire for communality and harmony with the next generation, including developing close relationships with them as a way to transmit one's products—ideas, skills, wisdom—and extend oneself through these relationships into the future (Bakan, 1966; Joshi, Dencker, Franz, & Martocchio, 2010; Wade-Benzoni & Tost, 2009).

Applying this dimension to the CEO context, we envision CEOs as varying in their *degree of commitment to developing the next generation of firm leadership*. Those who possess such a commitment abide by the generative premise of "offering," in which a parent or mentor forms intimate relationships with their children or mentees and prepares them for their own primacy (McAdams et al., 1986; Peterson et al., 1997; Veroff, 1982; Winter, 1973). Among CEOs, this commitment would manifest in their mindfulness about their eventual departure, as well as their concerted involvement in helping to prepare the next round of leaders (Ciampa, 2016; Freeman, 2004; Vancil, 1987). An absence of such commitment would manifest in CEOs' inattentiveness, or even resistance, to eventual departure, as well as an absence of efforts to help prepare the next round of leaders. These latter CEOs may be excellent in many aspects of managing and leading, but they are not attuned to identifying or developing their successors.

As noted earlier, generativity researchers have not yet established the origins, or antecedents, of this motivational orientation. A study by Peterson and Stewart (1996) showed that generativity is significantly, but only moderately, correlated with the Big Five trait of conscientiousness, which accords with the idea that conscientious individuals are mindful of their duties to others; the same study also showed a correlation with the trait of extraversion, in line with the premise that extraverts are relatively willing to develop close relationships with others. The authors of this study emphasized that these correlations do not necessarily reveal the dispositional antecedents of generativity, but instead illuminate some of its logical accompaniments. While a full treatment of the antecedents of this dimension of generativity is outside our scope, in a later discussion of research possibilities we outline traits that might influence the CEO's need to develop the future leadership of the firm.

Need to control the succession process and outcome. Early accounts of generativity conceptualized

a single dimension, ranging from highly generative to stagnant individuals (Erikson, 1963). Later researchers, however, critiqued this unidimensional conceptualization, arguing that it leaves researchers blind to other manifestations of generativity (Kotre, 1995).

The idea that individuals vary in ways other than simply being generative versus nongenerative is most prominent in work by McAdams and de St. Aubin (1992). In their conceptualization, true generativity entails three domains: “creating” (e.g., creating innovations, manuscripts, philosophies, or other outcomes “in one’s image”), “maintaining” (e.g., maintaining traditions, protecting one’s environment), and “offering,” or giving a seemingly selfless gift to the next generation, preparing that generation for its primacy while assuring its autonomy and freedom. McAdams and de St. Aubin (1992) particularly highlighted this final stipulation—assuring the next generation’s autonomy and freedom—as an element of complete generativity. Some individuals, it seems, are very attentive to guiding the next generation but are not truly generative. Instead, they seek to indoctrinate and shape the next generation to be just like them. Whereas truly generative individuals value the transferring of skills and resources to the next generation, while bestowing autonomy to use those assets as needed, others primarily value the strict transfer of traditions and proven example (Peterson et al., 1997).

This desire to exactly replicate oneself in the next generation is referred to as the “power motive,” which is triggered by a joint awareness of one’s mortality *and* a strong yearning to extend oneself into the indefinite future (McAdams et al., 1986). Some scholars have seen this desire as a form of “experiencing strength” by seeking control of the future as a way to come to terms with the inevitability of death (Bakan, 1966; Wade-Benzoni & Tost, 2009). More broadly, a power motivation has been related to activities that emphasize self-assertion, instrumentality toward others, and a desire for prestige and continuing influence (Veroff, 1982; Winter, 1973). The relevance of this motive has been illustrated by research highlighting overlaps among the concepts of heroism (with its focus on heroic acts aimed at being remembered in the future), authoritarianism (with its focus on passing down and maintaining traditions), and generativity (McAdams et al., 1986; Peterson et al., 1997).

In the context of CEO successions, we envision CEOs as varying in their power motive, or in their *degree of need to control the succession process and outcome*. Those possessing this need exert

themselves strongly in the succession planning process. Among CEOs who exert control, the aim is often to appoint favored look-alikes, or alternatively to sabotage the process, with the aim of clinging to their posts as long as possible. For these latter individuals, the preferred outcome, figuratively speaking, is the ongoing “reappointment” of themselves (Berns & Klarner, 2017). For some CEOs, the desire to control the process, although fueled by what we refer to as a power motive, may be well-intentioned. For these CEOs, a heavy hand in the succession process may stem from their sense of duty as the most knowledgeable actors in the succession process (Schepker et al., 2018).

Here too, multiple traits and dispositions may serve as antecedents of the need to control the succession process. While detailed attention to such antecedents lies outside our current scope, we suggest some possibilities for future research in the Discussion.

Four Generativity Archetypes

When we jointly consider these two dimensions, and envision that CEOs can be placed either high or low on each, four profiles can be described. For expositional ease, we assign concise labels to these four CEO archetypes (as depicted in Figure 1): the hypo-generative, generative, hyper-generative, and anti-generative CEO.

The *hypo-generative CEO* has little commitment to developing the next generation of firm leaders and little need to control the succession process. Among CEOs, hypo-generativity is reflected in an explicit or implicit conclusion that succession planning is not a good use of their time and bandwidth, or of company resources. As such, these CEOs might think, “How can we know today what kind of person should eventually replace me? Aren’t there risks in my getting over-involved in this?” (Levinson, 1974). Relatedly, the hypo-generative CEO may be primarily oriented toward demonstrating a mastery in running the business—launching new products, streamlining operations, executing acquisitions, and so on—but *not* toward developing the next round of leaders. As such, this distinction highlights the difference between a CEO who wants to leave as a legacy a strong company versus a CEO who not only wants to leave a strong company but also wants to leave it in capable hands. David West, a former CEO of Hershey Foods, is an example of a hypo-generative CEO. West left the firm to become CEO at Del Monte, but without any qualified successor, so his departure

brought the appointment of an interim CEO. Although West did not feel obliged to guide the next generation of leadership, he was otherwise highly successful during his tenure at Hershey, overseeing a marked increase in net income and expansion in international markets (Malawskey, 2011).

The *generative CEO* has a strong need to develop the next generation of firm leaders but has little need to control the succession process or outcome. Such a CEO is intent on leaving the firm in capable hands but is not wedded to any specific candidate. As such, among the four types, this CEO comes the closest to “partnering” with the board, as often called for in prescriptive writings on CEO succession processes (Spencer Stuart, 2017). Consider the case of Jean-Pierre Garnier of GlaxoSmithKline. He began to discuss succession with the board three years prior to his retirement and helped the board identify and become deeply familiar with three internal candidates. Regarding his role in this process, Garnier said “I know these people very well, but I live with them every day. The board doesn’t.” In addition, he helped in testing the candidates’ talents by asking them each to provide solutions to key company problems (Whalen & Lublin, 2007). Another example is Ivan Seidenberg, the former CEO of Verizon (Charan, 2016). As he neared his retirement, he helped the board identify several internal executives whom he considered as top contenders, saying, “My point was to give the board options, so the board would feel comfortable with its decision, whether or not it decided to go outside” (Charan, 2016: 8).

The *hyper-generative CEO* has a strong commitment to developing the next company leader and a strong need to control the succession outcome. The hyper-generative CEO is intent on engineering the selection of that *one* individual who seems most likely to adhere to the CEO’s priorities and practices, and maximizing the degree to which that successor is inculcated with precisely that outlook. In short, the hyper-generative CEO is intent on cloning themselves, in an exaggerated caricature of generativity. An example is Scott McNealy of Sun Microsystems. Despite the company’s mediocre growth under McNealy’s leadership, he handpicked his long-time lieutenant, Jonathan Schwartz, as the successor whom he could trust to continue his strategy. McNealy remained as board chair and continued to exercise control until the company was eventually acquired by Oracle (Pimentel, 2006).

Finally, the *anti-generative CEO* has little commitment to developing the next round of leadership and a strong need to control the succession outcome.

This CEO rejects, consciously or subconsciously, the central premise of generativity—that others must eventually replace us. Such CEOs cannot fathom their departure, and they especially cannot fathom that someone else could suitably fill their shoes (Sonnenfeld, 1988). Whereas hypo-generative CEOs are not mindful about preparing the next generation, anti-generative CEOs actively try to sabotage the next generation. They do this by attempting to cling to their positions as long as possible and by seeing to it that viable internal replacements are not available. Andrea Jung, a former CEO of Avon Products, refused to cede power despite the company’s poor performance. Even after she was forced to resign as CEO, she insisted on staying on as executive chairman and wrote “I am not going anywhere. I will remain very close to the business, defining the company’s strategy and brand positioning.” Former Avon CEOs openly criticized her and expressed their concern that her continued presence would prevent attracting a successor (Karp & Lublin, 2011).

We now turn to the consequences of these alternative mindsets by adopting a temporal view, specifying how the alternative archetypes affect succession-related processes and outcomes over a CEO’s tenure.

CONSEQUENCES OF ALTERNATIVE GENERATIVITY MINDSETS: A TEMPORAL VIEW

Although boards have ultimate responsibility for CEO succession and selection, it has been widely recognized that boards face severe informational barriers and bandwidth constraints (Boivie, Bednar et al., 2016; Hambrick, Misangyi et al., 2015), such that they typically “partner” with their CEOs in succession planning, sometimes even greatly deferring to their CEOs in this domain. According to one report, only about one-third of major companies’ boards regularly discuss succession-related issues (Tonello, Wilcox, & Eichbaum, 2009). As a consequence, and as noted by Berns and Klarner (2017: 90), the proclivities of incumbent CEOs can greatly affect succession processes: “The incumbent CEO can thus either (a) support or (b) harm leadership succession activities throughout the succession process.” In our conception, an incumbent CEO’s generativity mindset will determine how they contribute to, or detract from, the succession process.

A CEO’s generativity mindset does not surface only as exit draws near, but is instead manifested throughout a CEO’s tenure. In fact, generativity theory indicates that generative actions arise not only with old age but in varying ways over the course of an

individual's adulthood (McAdams & de St. Aubin, 1992; McAdams et al., 1993). We integrate research on generative actions—behavioral manifestations of a given generativity mindset—with research on CEO tenure (Hambrick & Fukutomi, 1991) and role exit (Ashforth, 2001; Ebaugh, 1988) to develop a fine-grained portrayal of how alternative generativity mindsets give rise to various succession-related outcomes over the course of a CEO's time in office. For ease of exposition, we refer to the four generativity archetypes that, again, derive directly from the two-dimensional framework described earlier (depicted as Figure 1).

In developing this temporal view, we conceptualize two periods of a CEO's tenure. The first period consists of those tenure years in which *succession is not imminent*, a time when leadership transition is seen as a relatively distant eventuality. For most CEOs, this stage would typically include the initial years of their tenures and, often, even some years beyond those. Of course, neither CEOs nor boards can anticipate how long CEOs will remain in office, as dismissal, voluntary departure, illness, or even death are always possibilities. Nevertheless, under most CEOs there is a multi-year period when succession seems relatively remote. We propose a two-part argument regarding this period: (a) this is precisely the time when different generativity mindsets give rise to widely differing CEO behaviors, particularly regarding their relationships with their TMT members; and (b) CEOs' behaviors during this period, when leadership transition seems to be in the distant future, greatly determine the eventual nature of the succession itself, once the second period arrives. Building on prior research, we identify four distinct action domains during this phase: assessing executives for their CEO potential, communicating with executives about their CEO potential, developing executives for possible advancement, and broadening executives through TMT behavioral integration (Berns & Klarner, 2017; Schepker et al., 2018; Vancil, 1987). We theorize that incumbent CEOs' generativity mindsets give rise to considerable variance in how they approach these four action domains, even when succession is not yet imminent.

The second period is when *succession is more imminent*. This period might arise because of the CEO's upcoming mandatory retirement,¹ the CEO's

announcement of voluntary retirement plans, the CEO's advancing age or declining health, or the firm's plateauing or slipping performance; any of these triggers could exacerbate pressures from investors or watchdog groups who start pushing for a succession plan. Alternatively, this period might arise because of unexpected factors, such as dismissal or death. Whether this stage amounts to two weeks, two months, or even two years, there is not enough time to engage in deliberative and extensive preparation of succession candidates. By this point, the die is cast. The board—which is formally responsible for CEO selection—now faces options, or a paucity of options, that have been shaped by the incumbent CEO's earlier actions. That is, a CEO's generativity mindset throughout the main part of their tenure tends to steer them toward TMT-related actions that will eventually determine the contours of the succession process and even the attributes of the successor.

When Succession Is not Imminent: Assessing and Developing the Next Generation of Leadership

Even when their departures seem to be on the distant horizon, CEOs' respective generativity mindsets emerge and gain salience in multiple ways. Much like individuals traversing mature adulthood, some CEOs—more than others—have the capacity and inclination to reflect on their eventual replacement, even when their departure is not imminent (Erikson, 1963). In fact, in the absence of strong cues calling for succession readiness, such preparation will largely depend on the volitional inclinations of individual CEOs (Hambrick & Finkelstein, 1987; Mischel, 1977). In our theorizing, such tendencies are traceable to CEOs' respective generativity mindsets. We now identify several major action domains in which these alternative mindsets will engender widely varying behaviors.

Assessing executives for their CEO potential. The first domain we consider is the CEOs' behaviors in assessing individual executives, or members of the TMT, for their CEO potential. In this domain we first consider how the respective generativity mindsets affect the breadth and comprehensiveness of such assessment, and then how these mindsets influence CEOs' communications of these assessments to individual executives.

We start with the normative ideal, the generative CEO, who has a strong commitment to developing the next generation of firm leadership but little need to control the succession outcome. For this CEO, a host of succession-related thoughts and actions will emerge, even though succession is not yet imminent.

¹ Until around the year 2000, most American corporations had mandatory retirement requirements (usually age 65) for officers, but relatively few firms today have such stipulations.

This CEO will start assessing TMT members not only for their effectiveness in their current posts but also for their potential to become CEOs themselves (Charan, 2005). This assessment will be comprehensive and wide-ranging, encompassing multiple members of the TMT, in search of a slate of potential replacement candidates. If none are identified, or if only one or two are identified, the generative CEO may use any available openings to purposely hire more-promising executives from outside, or elevate high-potential managers from within (Cohn, Khurana, & Reeves, 2005; Freeman, 2004). Overall, the generative CEO who illustrates an “offering” style of generativity will strive toward maximizing the chances that, when the time comes, someone suitable will be identified as a qualified replacement (McAdams & de St. Aubin, 1992).

The hypo-generative CEO, who has little commitment to developing the next generation and little need to control the succession process, does not think much about eventual departure, especially when it is not imminent. As such, the hypo-generative CEO can traverse most of their tenure without engaging in many, if any, succession-related behaviors. In turn, this CEO does not assess TMT members for their future leadership potential. This CEO is strictly focused on near-term performance and thus assesses executives for their effectiveness in their current roles, but not for their potential to hold bigger and broader posts.

The hyper-generative CEO, like the generative CEO, begins to have serious thoughts about succession, even when departure is not imminent. However, given this CEO’s strong need to control the succession outcome, coupled with a strong commitment to develop their eventual replacement, the hyper-generative CEO tries to orchestrate a more controlled and tightly circumscribed succession planning process, focusing on identifying a close disciple. For this hyper-generative CEO, with a strong desire to “extend the self into the indefinite future” (McAdams & de St. Aubin, 1992: 1005), the focus is on locating and grooming the one ideal person to carry on their agenda, rather than on ensuring a slate of potential candidates. In turn, this CEO may not be very comprehensive or systematic in candidate assessment, instead relying on interpersonal appeal or personal preferences when choosing a single person among the TMT (Charan, 2016).

Finally, even when succession is not imminent, the anti-generative CEO starts to experience a conscious or subconscious dread about eventual departure (Sonnenfeld, 1988). As noted earlier, the anti-generative CEO resists the very premise of professional mortality (Levinson, 1974). As such, the anti-generative CEO

assesses multiple TMT members, probably looking more for signs of ambition than signs of talent, in apprehension that they might find someone who aspires to be CEO. With a strong desire to stay in the job, along with a belief that no other executives have suitable potential, this CEO will maintain a skeptical eye when assessing TMT members, generally overlooking their talents and possibly even denigrating those talents in their own mind and in reports to the board.

Proposition 1. A CEO’s generativity mindset is associated with the breadth and comprehensiveness of assessment of TMT members for their advancement potential. Specifically: (a) the generative CEO will comprehensively assess multiple, perhaps all, TMT members for their advancement potential; (b) the hypo-generative CEO will not assess TMT members for their advancement potential; (c) the hyper-generative CEO will superficially assess one TMT member for advancement potential; and (d) the anti-generative CEO will superficially assess multiple, perhaps all, TMT members for their advancement potential, but primarily with an eye toward impairing their advancement.

Communicating with executives about their CEO potential. CEOs’ generativity mindsets will also manifest in how CEOs communicate their assessments to individual executives. Communicating with executives about their advancement potential is a distinct activity from assessing executives, which we outlined above, or providing them with extra-role opportunities for development, which we turn to next (Charan, 2005). CEOs who make their own internal assessments of executives may or may not choose to communicate these assessments to these executives (Nili, 2015). We anticipate that generative CEOs, who are committed to developing the future leadership, will not only assess executives but will also communicate their frank and comprehensive assessments to multiple executives, acknowledging not only their strengths and weaknesses in their current roles but also discussing their prospects for further advancement and—as importantly—what is needed to maximize those chances (Berns & Klarner, 2017; Charan, 2005; Rothwell, 1994).

In contrast, hypo-generative CEOs, who are generally uninterested in succession planning, may have ample discussions with their TMT members about their effectiveness in their *current* roles, and how that effectiveness might be improved, but will tend not to discuss executives’ advancement potential. Again, these hypo-generative CEOs are not succession-minded, especially when succession seems to be on the distant horizon.

The hyper-generative CEO adopts an intensely close relationship with their favored subordinate, with an eye toward both ensuring the person's retention and transmitting their own philosophy and priorities. This CEO will work closely with that favored individual, clearly state the expectations they have for that person, and openly exchange thoughts and feedback on an ongoing basis. Communications with other TMT members, however, will be less intimate, without any recognition of their potential beyond their current posts.

Anti-generative CEOs may have made private assessments about executives' leadership potential, but communicating these assessments is a different matter. For the anti-generative CEO, any TMT members who show potential—or, especially, who show aspirations—beyond their current roles are seen as threats. In turn, this CEO might be aloof or even antagonistic toward such executives, perhaps with the subconscious hope that they will leave (Kets de Vries, 1988). Alternatively, the anti-generative CEO may be generous in praising executives for their talents and accomplishments in their *current* roles. This CEO, however, will not communicate at all about executives' talents for bigger roles (Zhang & Rajagopalan, 2010).

Proposition 2. A CEO's generativity mindset is associated with communications with TMT members about their advancement potential. Specifically: (a) the generative CEO will communicate with multiple executives about their advancement potential, (b) the hypo-generative CEO will not communicate with any executives about their advancement potential, (c) the hyper-generative CEO will communicate with one executive about their advancement potential, and (d) the anti-generative CEO will not communicate with any executives about their advancement potential.

Developing executives for possible advancement.

Beyond possibly communicating their assessments to executives, CEOs may (or may not) provide extra-role developmental opportunities for TMT members who are deemed to have some potential for advancement. Such initiatives are intended to prepare executives for responsibilities beyond their current domains, so that promising executives can become further readied for bigger and broader posts (Charan, 2005; Lorsch & Khurana, 1999). Typically designed to "stretch" executives beyond their proven repertoires, these extra-role developmental initiatives serve an additional purpose of providing the CEO with yet more data for assessing the executives' advancement potential.

Such developmental opportunities range widely, particularly in terms of how much investment—and accompanying risk and cost—they entail. Low-

investment initiatives include providing these promising individuals with executive coaches, asking them to make public presentations (perhaps even as part of quarterly conference calls with investment analysts), or asking them to head special cross-company task forces or other ad hoc initiatives. Medium-investment initiatives include approving executives' service on other companies' boards, which can be time-consuming and distracting for them (Boivie, Graffin, Oliver, & Withers, 2016). The highest-investment initiative is to assign an individual to a new executive role with which they have little familiarity or for which they have demonstrated little expertise. Whether involving a move from one function to another (say, from finance to marketing) or from a staff assignment to an operating line assignment (say, from chief financial officer to division head), such rotational moves can be very risky, exposing part of the company to leadership by a relative novice.

CEOs' generativity mindsets will greatly influence their respective approaches to developing TMT members for potential advancement. In this period, before succession is imminent, the generative CEO will strive to provide tailored developmental opportunities, including high-investment ones, to multiple executives. Intent on maximizing the readiness of a slate of individuals, any of whom might eventually succeed the CEO, the generative CEO dedicates creative energy and considerable company resources to enhancing such leadership readiness (Charan, 2005).

The hypo-generative CEO, who is not mindful of eventual departure, provides few if any opportunities for executives to expand their capabilities beyond their current professional realms. This CEO, who might be talented in many ways, may see great benefit in developing executives for improved performance in their *current* roles, but does not invest, or even contemplate investing, in broadening the skills and perspectives of TMT members.

The hyper-generative CEO, who is intent on the preparation and eventual elevation of one favored individual, will provide abundant developmental opportunities, including high-investment opportunities, to that one person. Other executives might be given opportunities to develop their in-role capabilities, but only one executive will be concertedly developed for bigger and broader responsibilities.

Finally, the anti-generative CEO, who is intent on preventing the availability of any ready successors, will not provide any TMT members with opportunities to develop beyond their current professional domains. At the extreme, this CEO might consciously or subconsciously sabotage the professional

enhancement of the most promising executives; for instance, by denying them opportunities to serve on other companies' boards, make presentations to the focal company's board, or lead company-wide initiatives (Berns & Klarner, 2017). In sum:

Proposition 3. A CEO's generativity mindset is associated with the extra-role developmental opportunities provided to TMT members. Specifically: (a) generative CEOs will provide extra-role developmental opportunities, including high-investment opportunities, to multiple executives; (b) hypo-generative CEOs will not provide extra-role developmental opportunities to any executives; (c) hyper-generative CEOs will provide extra-role developmental opportunities, including high-investment opportunities, to one executive; and (d) anti-generative CEOs will not provide extra-role developmental opportunities to any executives.

Broadening executives through TMT behavioral integration. Beyond influencing a CEO's actions directly related to the preparation of potential successors, a CEO's generativity mindset also affects their behaviors in other domains of indirect importance to succession, perhaps most notably the CEO's choice about the desired degree of behavioral integration of the TMT. Hambrick (1994: 188) introduced the concept of TMT behavioral integration, defined as the degree to which the executive group engages in mutual and collective interaction, after observing in field research that some TMTs do not at all operate as "teams." Whereas a highly integrated TMT meets frequently and engages in collective analysis and resolution of business issues, a less-integrated group rarely meets or has much interaction at all. Instead, in this latter group, interdependencies or exchanges are handled through bilateral dealings between TMT members, including between the CEO and individual executives. Katzenbach (1997) similarly referred to "real teams" versus "working groups" to distinguish between TMTs that are, respectively, high and low in their behavioral integration.

Although some strategic and organizational circumstances call for more TMT behavioral integration than do others, Hambrick (1994, 1995) and later researchers (Simsek, Veiga, Lubatkin, & Dino, 2005) observed that choices about TMT behavioral integration are largely outgrowths of CEOs' personal preferences regarding their executive groups. Some CEOs prefer to have highly integrated, wholistic TMTs, while other CEOs prefer to have less-integrated, atomistic TMTs, in which individual executives focus primarily on their own subunits. These respective CEO preferences for more, or for less, TMT behavioral integration

will manifest in multiple ways, including in the frequency and agendas of TMT meetings, norms for information exchange and collaboration, physical locations of executives' offices, and perhaps most notably through incentive design. Those CEOs who prefer TMT behavioral integration will tie executives' incentives largely to overall firm performance, while those CEOs who prefer little behavioral integration will tie executives' payoffs primarily to their own subunit performance (Gomez-Mejia, Berrone, & Franco-Santos, 2010; Hambrick, 1995). As such, CEOs can employ incentives, along with other TMT design choices, to engender either narrow parochialism or broad perspectives in executives, in turn greatly affecting the eventual readiness of these executives for more encompassing responsibilities.

We anticipate that CEOs' generativity mindsets enter into such determinations. At one extreme, the generative CEO, who is intent on preparing multiple candidates for eventual CEO readiness, will strive to provide forums for broadening the perspectives of individual executives and exposing them to fellow executives' issues and contingencies. Behavioral integration of the TMT is a prominent means for achieving this firm-wide view among senior executives. The hyper-generative CEO, who is intent on identifying and developing one preferred candidate for eventual advancement, may also adopt a model of TMT integration, both as a way to assess executives in their dealings with each other and, eventually, providing the favored candidate a forum for learning about the firm's full array of issues and complexities. The hypo-generative CEO, who is not oriented toward succession planning, will adopt a TMT operating model that suits the firm's strategic contingencies or other personal preferences, with little regard for whether TMT members develop firm-wide familiarity. At the other extreme, the anti-generative CEO, who is intent on preventing the availability of ready replacements, will go to lengths to minimize the degree to which the firm's executives possess firm-wide understanding or exposure. This CEO will purposely adopt a low-integration model for the TMT. In sum:

Proposition 4. A CEO's generativity mindset is associated with the degree of behavioral integration of the TMT. Specifically: (a) generative CEOs will exhibit the highest degree of TMT behavioral integration, (b) hyper-generative CEOs will exhibit the next-highest degree of TMT behavioral integration, (c) hypo-generative CEOs will exhibit a lower degree of TMT behavioral integration, and (d) anti-generative CEOs will exhibit the lowest degree of TMT behavioral integration.

When Succession is Imminent: The Nature of Succession and of the Successor

As a CEO's tenure approaches its likely close, both the psychological and tangible implications of a CEO's generativity mindset become all the more pronounced. On the psychological side, generativity scholars have noted that, as mature individuals age, they become all the more mindful of their mortality, which then further amplifies their respective outlooks toward future generations (Wade-Benzoni, Sondak, & Galinsky, 2010). On the tangible side, the outgrowths of a CEO's prior actions or inaction—during the period when succession was not imminent—are now largely preordained. From this point on, events unfold almost inevitably, yielding a certain type of *succession process* and a certain type of *successor*.

In characterizing the nature of the succession process, we adopt Vancil's (1987) well-known typology, which, judging from recent research (Berns & Klarnner, 2017; Zhang & Rajagopalan, 2004) and press accounts of CEO successions, is still largely apt. One approach is the "relay," in which an heir-apparent is selected well in advance of the incumbent's likely departure. Usually anointed with the title of president or chief operating officer, the heir-apparent then works closely alongside the incumbent, learning about the firm's various issues and constituencies (Bigley & Wiersema, 2002; Cannella & Shen, 2001). A second type of succession, the "horse race," entails the early identification of multiple potential candidates, who are then tested in new and challenging responsibilities in order to gauge their fitness for the CEO job. Typically, the winner is announced a few weeks or months before the incumbent's departure. The third type, according to Vancil (1987), is the "crisis succession," in which no plan has been prepared, resulting in the default appointment of the merely best available (but largely unprepared) insider, or, more likely, an outsider. Of course, various combinations of these three succession types occur. For instance, sometimes a well-planned relay falls apart when the heir-apparent leaves for a CEO job elsewhere, in turn causing a crisis; or a horse race might be run very early, so that the winner, or heir-apparent, has quite some time to "relay" with the incumbent. Still, the three types concisely describe the preponderance of succession scenarios observed—and they follow closely from our generativity types.

By this point, as discussed above, the generative CEO has undertaken various activities to assess and develop members of the TMT. This CEO's

generativity has led to the development of multiple viable candidates who are all well-known to the board, and the CEO now takes a back seat relative to the board, in essence saying, "Here are three strong candidates, each with their own strengths and weaknesses. You decide." Following the board's decision, once the horse race winner has been determined, which might be just a few weeks or months before the incumbent's announced departure date, the incumbent will be available but not overbearing in advising the successor, helping with orientation and introductions but not proselytizing. As such, a generative CEO is likely to oversee the appointment of a fully vetted and highly prepared insider.

The hypo-generative CEO, who has largely ignored succession planning, now faces a very anxious board. Although there is some chance that the board has already taken control of the succession process, we envision an equally likely scenario in which both the board and the CEO have been largely inattentive to succession planning (we discuss this further below). At this point, then, the board may rush to select the best available insider, who has received no special preparation or testing for the CEO position, or an outsider—in a classic case of a last-minute crisis succession (Schepker et al., 2018; Vancil, 1987).

At this late stage, the hyper-generative CEO has especially intense thoughts about maintaining control over the succession process through the elevation of their long-identified, hand-picked successor. As early in this period as politically feasible—typically at least two years prior to planned departure—the hyper-generative CEO will present the favored executive to the board for designation as heir-apparent (Cannella & Shen, 2001; Shen & Cannella, 2002). By now, this executive has been carefully groomed, while no others have been groomed at all, so this ratification will tend to be straightforward for the board. Then, with the heir designated, the hyper-generative CEO will be devoted to further tutoring this chosen individual, in a quintessential "relay" (Vancil, 1987).

Finally, the anti-generative CEO, who has resisted the very idea of being replaced, and perhaps even sabotaged potential replacements, now faces the same anxious board as the hypo-generative CEO. The anti-generative CEO might lobby for yet more time to fulfill their "heroic mission" (Peterson & Stewart, 1996; Sonnenfeld, 1988), but ultimately the board is subject to pressure for a succession solution. Just as with a hypo-generative CEO, a crisis succession ensues, resulting in the expedient selection of the most satisfactory—but relatively unprepared—insider or, more likely, an outsider. In sum, we propose:

Proposition 5. A CEO's generativity mindset is associated with the type of succession and successor. Specifically: (a) the generative CEO is likely to engender a horse race succession that yields a highly prepared and vetted insider, (b) the hyper-generative CEO is likely to engender a relay succession that yields a highly prepared and vetted insider, (c) the hypo-generative CEO is likely to engender a crisis succession that yields an unprepared and unvetted insider or an outsider, and (d) the anti-generative CEO is likely to engender a crisis succession that yields an unprepared and unvetted insider or an outsider.

Implications for Post-Succession Firm Performance

The outcomes of alternative CEO generativity mindsets, as outlined so far, will have further implications for post-succession firm performance. Because such performance consequences entail a multi-step causal chain, we stop short of specifying concrete propositions. Still, these ultimate effects are sufficiently important to warrant attention.

Both hypo-generative CEOs and anti-generative CEOs tend to be replaced by unvetted successors, essentially the products of “crisis successions” (Vancil, 1987), who are either the best available insiders—but, again, with no special preparation or testing—or outsiders. If the former, the firm is in the hands of someone who knows the company well but who may or may not have the requisite capabilities to be CEO (Zhang & Rajagopalan, 2004). In the case of the latter, an outsider, the firm is in the hands of someone who does not know the firm well, and who is thus susceptible to missteps; moreover, such an executive has not been closely assessed by the focal firm. This problem of “information asymmetry,” which arises when a hiring firm knows relatively little about the person being hired, is thought to be a central reason why outsider CEOs tend to perform less well than insider CEOs (Shen & Cannella, 2002; Zajac, 1990). Therefore, it is relatively likely that firms headed by anti- or hypo-generative CEOs experience unfavorable post-succession performance.

Both generative and hyper-generative CEOs are replaced by prepared insiders, but under different circumstances. Generative CEOs are mindful about developing multiple potential replacements, from whom their boards have selected the most suitable candidates. These executives have deep understanding of their firms and their environments, but they have not been immersed in the long and deep indoctrination that occurs under hyper-generative CEOs. Thus, we anticipate that successors of

generative CEOs will have the cognitive frameworks needed for leveraging their firms' capabilities along their current trajectories, *but* they will also be relatively open-minded and cognitively adaptive in the face of contextual changes.

Hyper-generative CEOs, on the other hand, are replaced by their long-mentored disciples (Bigley & Wiersema, 2002). As such, these new CEOs tend to adhere to the same logics and causal maps as their predecessors. These deeply etched mental models are highly valuable as long as contextual conditions—technological, competitive, marketplace, and so on—remain as they were during the predecessors' eras (Henderson, Miller, & Hambrick, 2006; Shen & Cannella, 2003). However, if their environments shift, these successors' entrenched mental models become severe liabilities, limiting adaptiveness. Overall, among the four types, the generative CEO tends to leave the firm in the most capable hands, reasonably suited for either contextual continuity or change.

Moderator: The Board's Commitment to Succession Planning

We now introduce the board's commitment to succession planning as a potential moderator of the relationships theorized above, proposing that highly committed boards can induce CEOs who are not generative to adopt some—although typically not all—of the behaviors of generative CEOs. Corporate boards are formally responsible for succession planning, but it is well known that they do not uniformly fulfill this duty responsibly (National Association of Corporate Directors, 2018; Schepker et al., 2018). According to one report, less than 35% of boards of Fortune 500 companies regularly include succession as an agenda item, and only about 40% discuss succession even once a year (Tonello et al., 2009). Such disengagement might occur for various reasons. Some boards may be reluctant to initiate succession planning, especially before the CEO's departure is imminent, out of concern for affronting or alarming the CEO (Berns & Klarner, 2017). Moreover, succession may seem a distant eventuality, out on the horizon, compared to other, more pressing, board matters (Spencer Stuart, 2017), and thus is easily postponed. Relatedly, in light of today's fluid executive labor market, which allows executives to readily move from firm to firm (Crossland, Zyung, Hiller, & Hambrick, 2014), boards may be skeptical about the basic value of investing in cultivating their companies' future leaders.

Of course, as a CEO's departure becomes imminent, say because of advancing age or stagnating

performance, shareholders and investment analysts will rouse a board's interest and engagement in preparing for CEO turnover. However, before then, in the period when succession is not yet imminent, boards vary considerably in their *commitment to succession planning*, which is the degree to which the board is mindful of the need to comprehensively plan for eventual CEO succession, and invests time and attention in such endeavors. A board might be highly committed to succession planning because multiple directors are major shareholders or have considerable experience with succession events, or for yet other reasons (Boivie, Graffin et al., 2016; Hambrick, Humphrey et al., 2015). Such engagement sets this board apart from others that manifest the general inaction suggested by the statistics above.

As noted earlier, a board has great difficulty engaging in succession planning without the involvement of the CEO (Boivie, Bednar et al., 2016; Hambrick, Misangyi et al., 2015). The CEO is explicitly responsible for selecting, motivating, and evaluating TMT members, such that intrusions into such matters by the board would create serious problems for accountability and role integrity. Moreover, boards face considerable constraints, in terms of information and bandwidth, in any efforts to manage the succession planning process by themselves (Boivie, Bednar et al., 2016; Cashman, et al., 2012; Fich & Shivdasani, 2006; Hambrick, Misangyi et al., 2015; Hauser, 2018; Kress, 2018; Zhang, 2008). As such, even boards that are highly committed to succession planning, particularly in the period before succession is imminent, cannot fully "substitute" for their CEOs in the succession planning initiatives detailed earlier. Instead, such highly committed boards serve as "complements" to their CEOs, or as "partners" with their CEOs in these endeavors (Bower, 2009).

While the explicit forms of such partnering vary, we envision some common threads (Spencer Stuart, 2017): the board will continuously communicate to the CEO the critical importance of succession planning; the board and CEO will jointly develop tangible initiatives for enhancing succession readiness; the board will ask for exposure to promising candidates; the board will regularly ask the CEO for updates or progress reports; and in the event of poor progress, the board will express displeasure and vocally reaffirm the importance of succession planning. Thus, during the period when succession is not yet imminent and the CEO is in good stead, the board's role is primarily a combination of coach and cheerleader, or complement, rather than player, or substitute, in the

process of preparing for eventual CEO turnover. Again, the greater the board's commitment to succession planning, the more vigorously it will play this role.

Boards that are committed to succession planning convey to their CEOs that leadership development is important—and that it should be important to them as well. These boards establish expectations, akin to societal norms that convey a "social clock" for thinking about future generations (Helson, Mitchell, & Moane, 1984), drawing the attention of their CEOs not only to the inevitability of departure but also toward engagement in identifying and developing future leadership. Although some, perhaps many, boards lack much commitment to succession planning and are relatively passive bystanders to their CEOs' own succession planning preferences, highly committed boards urge their CEOs to share in a philosophy and set of practices that will maximize the firm's chances of having one or more suitable eventual replacements to lead their firms. In short, the greater the board's commitment to succession planning, the more it will encourage the CEO to think and behave like a generative CEO.

These normative expectations, even if reinforced by tangible practices and timetables, will have varying degrees of success in influencing CEOs. On the one hand, CEOs have incentives to honor their boards' preferences (we discuss this further below); on the other hand, though, CEOs own generativity mindsets typically stem from deep personal strivings that are not easily neutralized. Thus, CEOs may adopt some of the called-for behaviors but have great difficulty adopting them in their entirety or with genuineness. For instance, they might make only superficial efforts to assess TMT members for advancement potential; they might resist costly executive-development initiatives, especially those that would disrupt the current effectiveness of their teams; they might express doubts about, or even sabotage, executives who, in actuality, are promising potential replacements. In short, because of the major information asymmetry between CEOs and their boards, CEOs can respond to boards' urgings through combinations of called-for actions, cosmetic or half-hearted gestures, and excuses.

Among the archetypes, hypo-generative CEOs, who are essentially agnostic about succession planning, are expected to be relatively susceptible to their boards' guidance in this domain. With no particularly resistant motives, they will make genuine efforts to approximate the behaviors of generative CEOs. Hyper-generative CEOs, who are committed

to identifying and developing the one person who will be a suitable replacement, will try to broaden their attention to encompass more TMT members, but this will be difficult for them. They will extend their appraisals and development opportunities to more executives than they would have without their boards' urgings, but they will still tend to adhere to their preferred model of identifying their *one* ideal replacement. Anti-generative CEOs, who are deeply resistant to the very premise of their departure, and even more so to any actions that might facilitate their departure, will find ways to circumvent their boards' urgings. Through a combination of superficial initiatives, excuses, and perhaps even sabotage, these CEOs will persistently report that no suitable replacements are available. Thus:

Proposition 6. The greater the board's commitment to succession planning, the more that a hypo-, hyper-, or anti-generative CEO will behave like a generative CEO. Of these three archetypes, hypo-generative CEOs will most closely approximate generative CEOs' behaviors, hyper-generative CEOs next most closely, and anti-generative CEOs the least.

If the gap between the board's expectations and the CEO's succession-related behaviors becomes large enough, the board may sanction the CEO, possibly with the threat of heightened monitoring, pay penalties, or even dismissal. Such sanctions, even those short of dismissal, run the risk of exacerbating the strain between the board and the CEO—and perhaps amplifying, rather than ameliorating, the CEO's less-than-ideal succession-related behaviors. The gap then gets even bigger. Although we do not envision CEOs being fired solely because of their inadequate preparation for departure, we readily picture CEOs being fired *partly* because of such deficiencies, in combination with other shortfalls (Fredrickson, Hambrick, & Baumrin, 1988). Ironically, then, boards whose expectations about succession preparation exceed those of their CEOs might—out of their unhappiness with their CEOs—precipitate the very leadership turnovers they feel unprepared for. Thus:

Proposition 7. The greater the cumulative incompatibility between board expectations and the CEO's succession-related behaviors, the more vulnerable the CEO is to sanction.

In sum, a board can complement the effects of its CEO's generativity mindset on the succession planning process and eventual outcomes. Specifically, a board's commitment to succession planning will influence the CEO's succession-related behaviors,

prompting the CEO to somewhat engage—partly genuinely, partly superficially—in the behaviors of generative CEOs. Given the strong evidence that such board commitment is far from universal, we hasten to specify a corollary: The weaker the board's commitment to succession planning, the greater the chance that the CEO's own generativity mindset will give rise to the respective outcomes portrayed in Propositions 1–5.

DISCUSSION

Despite calls for greater board involvement in succession planning, the motivations and behaviors of incumbent CEOs continue to greatly influence leadership transitions in public corporations. We have applied a novel generativity lens in order to shed light on the foundations of such CEO orientations (Erikson, 1963). Integrating themes in the succession literature with this generativity perspective, we specified two underlying dimensions of a CEO's generativity mindset—a commitment to developing the future leadership of the firm and a need to control the succession process. Based on these two dimensions, we described four generativity archetypes and their implications for how incumbent CEOs partner with their boards in planning for their eventual departure, yielding partnership styles that range from engaged, to passive, to resistant, and even to antagonistic. As such, our framework helps answer questions that have preoccupied strategic leadership scholars for decades: How will succession occur? Who will be selected? What will be the consequences of succession? (Finkelstein, Hambrick, & Cannella, 2009: 165)

Our framework highlights that a CEO's generativity mindset manifests years before succession is imminent, greatly shaping the contours of the eventual transition. During the main period of a CEO's tenure, their generativity mindset propels various behaviors, including efforts to assess and develop TMT members for potential advancement, as well as the degree to which the CEO designs TMT processes to encourage understanding of firm-wide issues and actors. In turn, when succession ultimately looms, a board may have multiple qualified candidates to select from, just one candidate, or no candidate at all.

Our analysis posits that boards, through their own commitment to succession planning, can moderate these CEO tendencies, encouraging their CEOs to think and behave like generative leaders. Importantly, though, boards cannot completely counter-veil against their CEOs' own personal preferences;

indeed, depending on their CEO's own mindset, a board might induce their CEO to behave a lot like, or only somewhat like, a generative CEO. Moreover, in cases where boards lack much commitment to succession planning—which seems to be common—CEOs' generativity mindsets overwhelmingly determine succession processes and outcomes.

Not only does our framework contribute to the succession literature, it also contributes to the other research domain that it builds on—generativity theory—in important ways. Early conceptualizations positioned generativity as the converse of “stagnation,” which amounts to purely self-interested action without regard for future generations. Individuals who are able to successfully navigate the “crisis of generativity” engage in truly generative behaviors, while individuals who cannot resolve this crisis engage in “ritualistic preservation” of their own immediate interests or status (Peterson et al., 1997). Applying this theory to CEO successions goes beyond these black-and-white portrayals and reveals shades of gray in how CEOs act toward future leaders (Kotre, 1995). Our portrayal of the hyper-generative CEO, who is ostensibly concerned for the future generation but tends to over-interfere and self-clone, is one of these variations. The hypo-generative CEO, who is not necessarily hostile toward the next generation of leadership but is simply not attuned to preparing for departure, is another.

Future Research on CEO Generativity

Our framework suggests numerous opportunities for future research on CEO generativity. Below, we explore some of the major possibilities.

Antecedents. We have focused exclusively on the consequences of CEOs' generativity mindsets, leaving ample room to theorize about antecedents. Interestingly, generativity researchers have not provided much guidance about the dispositional antecedents of the two dimensions of generativity. Building on recent upper-echelons research, however, we surmise several promising avenues in this direction. For instance, from recent theorizing about CEO retirement (Bilgili, Campbell, O'Leary-Kelly, Ellstrand, & Johnson, 2020; Theissen & Theissen, 2020), we envision that a CEO's regulatory focus might have a bearing on both dimensions of generativity. While promotion-focused CEOs, who are attentive to growth and development, are likely to be inclined toward the preparation of potential successors, prevention-focused CEOs, who are motivated by safety and protection-oriented goals, are

more likely to be intent on the “here and now” aspects of their duties and less likely to invest in the succession process (Crowe & Higgins, 1997; Higgins, 1996). Other CEO dispositions may play a role, too. For example, narcissism, given its constituent facets—need for authority, superiority and arrogance, self-absorption and self-admiration, and exploitativeness (Emmons, 1987)—might fuel the power motive underlying a need to control the succession process (Chatterjee & Pollock, 2017; Peterson et al., 1997; Sonnenfeld, 1988).

A CEO's generativity mindset may also be an outgrowth of their accumulated life experiences, particularly as reflected in the CEO's degree of identification, or “perception of oneness,” with the organization and the role itself (Ashforth & Mael, 1989; Dukerich, Golden, & Shortell, 2002; Dutton, Dukerich, & Harquail, 1994). A deep affinity with the organization can motivate the CEO to undertake a host of selfless actions while resisting self-serving actions (Boivie, Lange, McDonald, & Westphal, 2011; Grant & Wade-Benzoni, 2009; Wade-Benzoni & Tost, 2009), thus influencing the CEO's outlook toward the next generation. The extent to which the CEO's self-concept is intertwined with being the company's CEO could also predict their tendency to exert control over who their eventual replacement will be (Hillman, Nicholson, & Shropshire, 2008).

Generativity theorists have posited that one's outlook toward the next generation stems from a combination of “demands” and “desires,” which essentially correspond with contextual factors and individual dispositions. As such, beyond our limited suppositions, researchers might also explore the influence of macrosocietal, firm-level, and board-level factors on CEOs' generativity mindsets. In short, there is considerable need to know much more about the sources of variance in CEOs' generativity mindsets.

Performance as moderator. Just as a board's urgings can modify a CEO's succession-related behaviors, so too might the CEO's job performance act as a moderator of the various relationships we have posited. That is, a CEO's performance record might either amplify or dampen the effects of the CEO's dispositional mindset regarding the next generation of firm leadership. An outstanding cumulative record serves as validation of the CEO's talents, thus emboldening the CEO to exercise their prevailing mindset (Chatterjee & Hambrick, 2011; Shapira, 1995). For instance, a high-performing hyper-generative CEO will feel entitled to pursue their preferred inclinations, as will a high-performing anti-generative CEO, and so on. Conversely, a CEO

with only a mediocre record (bearing in mind that those with very poor records do not remain in office) might be much more passive about succession issues, largely deferring to the board in this regard.

Moreover, building on generativity theory, which has identified “peak” and “nadir” events as important triggers of generative concerns and actions (McAdams & de St. Aubin, 1992), we envision that recent performance setbacks and successes might also moderate the effects of a CEO’s prevailing generativity mindset (Hofer, Bush, Chasiotis, Kartner, & Campos, 2008; Wade-Benzoni & Tost, 2009). A CEO who has experienced recent success is likely to feel that they are on a winning streak and might feel validated to infuse the succession process with their generativity mindset (Donaldson & Lorsch, 1983). Conversely, a CEO who has lately encountered failure or disappointing performance is likely to become reluctant to focus on actions that have only remote or distant implications, focusing instead on “here and now” issues that are confronting the firm and thereby holding back in exercising their generativity mindset in the succession process (Chattopadhyay, Glick, & Huber, 2001; Staw, Sandelands, & Dutton, 1981). Thus, future research should examine the moderating effects of both cumulative and recent performance on the exercising of CEOs’ generativity mindsets.

Additional suggestions. We expect that one line of future inquiry might lie in empirical measurement and extensions of our 2×2 framework, with the possibility that other facets or forms of CEO generativity might also surface. The growing use of content analysis in upper-echelons research, drawing from archival sources such as CEO interviews and media reports, offers promising opportunities to develop measures of CEO generativity. For instance, Loyd Blankfein’s final address to Goldman Sachs shareholders revealed numerous generative statements, including his own circumspection about leaving the role, his involvement in appointing his successor, and his decision to remain on the board to ensure implementation of his strategic initiatives (Sorkin & Kelly, 2018). These statements reflect hyper-generativity and, as our framework would predict, led to a “relay” succession at Goldman Sachs.

Indeed, past research on generativity has focused on developing dimensions of this construct that could be operationalized by using archival data. Following McAdams and de St. Aubin’s (1992) work, various elements of generativity that include “positive generativity” and “generative doubts” might be captured through content analysis. This research has captured themes of creating, maintaining,

offering, referring to the next generation, and symbolic immortality in personal narratives and statements (McAdams & de St. Aubin, 1992). Case studies of famous leaders such as Martin Luther (Erikson, 1958) and Mahatma Gandhi (Erikson, 1969) have applied psychobiographical textual analysis of biographies as well. These types of techniques could be applied to an analysis of CEO autobiographical accounts and other personal statements. Overall, we believe that various methodologies developed in the upper-echelons domain could be leveraged for observing various generativity constructs.

We also call for construct validation of the CEO generativity concept, especially differentiating it from related constructs, such as legacy motivation and stewardship. A legacy motivation differs from generativity in that the former is the desire to leave any type of lasting effect while the latter is a more specific motivation to prepare the next generation for its days of primacy. However, we recognize that the two may be related, and we call for research to identify the independent effects of these facets of CEOs’ mindsets. To our knowledge, research has not examined stewardship in the context of succession, but these constructs may indeed be correlated, as generativity involves a recognition of one’s mortality in a role whereas stewardship reflects a leader’s general selflessness. Future research is certainly warranted to unpack the effects of these constructs on CEOs’ succession-related behaviors.

It could also be valuable to explore the implications of generativity mindsets for CEOs’ post-succession roles within their firms (Quigley & Hambrick, 2012). For instance, it is likely that a hyper-generative CEO will strive for continuing influence over their hand-picked successor, and thus will lobby to remain on the company’s board, possibly as board chair. The anti-generative CEO, continuing to reject the very idea of being replaced, might also lobby to remain on the board. Unlike the hyper-generative CEO, however, who seeks to continue as mentor of a hand-picked successor, the anti-generative CEO seeks to be in a position to scrutinize the successor, perhaps even with a subconscious hope that the new person will stumble, so that the anti-generative CEO (now predecessor)—who is readily at hand—can step back in.

CONCLUSION

In the middle of the last century, Erik Erikson’s (1950) work signaled a need to address the welfare of society through a concern for its future generations.

By the end of that century, and beyond, Erikson's premise seems to have been set aside, at least as it pertains to the leadership of business corporations. We view our framework as a call for greater empirical and practical efforts to address the "crisis of generativity" that appears to loom large in the upper echelons of firms—a crisis whose effects extend well beyond the tenure of these leaders and the boundaries of the firms they lead.

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