

## How Male Predecessors Affect the Success of Female CEOs

Recent research appearing in the Academy of Management Journal shows that the success of female CEOs is influenced by the actions of male CEOs prior to the succession event. Further, these influences affect female CEO successors differently than they affect male CEO successors. This research shows how predecessor CEO behaviors combine with the succession context to influence the firm's post succession performance when a female becomes CEO.

### Key Takeaways:

- Success for female CEOs is influenced by prior CEO behaviors who are almost exclusively male CEOs.
- Firm success is greater when predecessors cede more control to female CEOs and this is more important for incoming female CEOs than incoming male CEOs.
- Firm success is greater for incoming female CEOs when predecessor CEOs provide mentoring and post succession partnering.

Drawing on data from 1992 through 2009, the authors examined all available records where there was complete information. This allowed the researchers to examine in-depth 84 of the total of 98 CEO succession events that resulted in a female becoming CEO in either S&P 1500 or Fortune 500 companies over these 18 years. The researchers found that for insider female successors, the firm was more likely to

experience higher average ROA over the three years following succession when a long-tenured predecessors completely handed over power (e.g., the outgoing CEO also relinquished board chairmanship to the incoming CEO) than if the former CEO did not completely hand over power.

The research team also found that firm performance was more likely to be positive if it was the founder who appointed the female successor or if there was a strong corporate culture of gender inclusion at the top of the firm. There was also evidence that pre successor mentoring and post succession partnering played an important role in post succession firm success.

The authors note that the relatively small number of female CEO succession events makes it possible to examine each event closely, but it also raises challenges about drawing conclusions statistically. The authors also suggest that future research is needed to learn about the attitudes of individual executives, how their personal characteristics might play a role in the succession process, and how these drivers of succession may affect future firm performance.

Source: Dwivedi, P., Aparna, J., & Misangyi, V.F. (2018). Gender-inclusive gatekeeping: How (mostly male) predecessors influence the success of female CEOs. *Academy of Management Journal*, Vol 61, No.2: 379-404.

