

Predecessor Turnover and Successor Characteristics

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CHANGES in viable systems are brought about in numerous ways. If the system happens to be an organization of people working toward a common goal, one means of change is through the substitution of key men at various administrative levels. Most recent studies have considered organizational changes that have taken place *after* succession in key administrative levels. This report, however, focuses upon a measure of organizational change that is hypothesized to influence the desired characteristics of a (new) successor brought into the organization.

Reflecting this relationship between an entrepreneur and the organization, Ralph Waldo Emerson, an American poet and essayist, wrote that an institution is the lengthening shadow of one man. As countries develop economically, however, the shadow of the founding entrepreneur fades away. For if a nation of entrepreneurs is to remain viable in today's changing world, leadership at the top of the organization must pass along from successor to successor.

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As a universal organizational process, the act of leadership transfer and the problems surrounding it must be analyzed carefully by social science research. Unfortunately, most sociologists have neglected the concept of succession, as evidenced by the limited number of empirical studies. According to Grusky,

The vital problem of organizing and interrelating the general variable relevant to administrative succession, and especially the problem of articulating the variables specifying the overall characteristics of total organization's formal structure, still remains as one of the fundamental necessities of a fruitful approach to the study of formal organizations.¹

Organizational Change

One indicator of an organization's desire to adapt to internal and external contingencies is replacement of chief administrator. Research has supported the relationship between frequency of administrative changes

¹ Oscar Grusky, "Managerial Succession and Organizational Effectiveness," in Amitai Etzioni (ed.), *A Sociological Reader in Complex Organizations* (New York: Holt, Rinehart and Winston, 1960), p. 115.

and organizational development.² Logically, however, there would seem to be a balance between (1) over-reaction by excessive replacements of key leaders, and (2) organizational stagnation by excessively long administrative tenures in office.

Just what constitutes excessive office tenure as measured by low rate of administrative replacement is, of course, a function of the particular organization and environment. But of interest in the present study is the contention that replacement rates of administrators tend to condition the organization's desired characteristics of new leaders when the desire for replacement arises.

Successor Type

Carlson, writing in the context of public schools, has suggested that the longer the stay in office of the predecessor, the greater the chance that the school board will reach outside the district for a new superintendent rather than turn within the district for administrative talent.³ This need to reach outside the organization is even stronger when the school board has perceived the organization to have performed badly under the predecessor. The long predecessor tenure of-

ten results in lagging developments in curriculum, teaching techniques, and school expansion plans.

Based on the above inferences, then, the first proposition advanced in this paper is that *infrequent replacements of predecessors in key administrative positions give rise to a greater desire for organizations to seek new leaders from outside, rather than inside, the current work force.* Because of the likely connection between organizational performance and successor type, organizational profitability is also held constant in testing the first proposition.

Successor Style

Prior research has suggested that the more time spent in office by key administrators, the more psychological barriers the remaining staff presents to the new leader.⁴ Here, the new successor must face a situation where previously close working relationships have been severed. In order to accomplish the jobs scheduled, the new leader must spend his time and orient his behavior towards understanding and coping with remaining informal social ties. Because of this need to overcome psychological distance to meet organizational demands for efficiency, an employee-oriented mode of leadership behavior, rather than a task-oriented leadership style, tends to accompany the successor during the initial office-holding.

² Donald Helmich and Warren Brown, "Successor Type and Organizational Change in the Corporate Enterprise" *Administrative Science Quarterly*, Vol. XVII, No. 3 (September 1972), pp. 371-379.

³ *Ibid.*, p. 372.

⁴ Gardner Lindzey and Elliot Aronson, *The Handbook of Social Psychology* (Massachusetts: Addison-Wesley Publishing Co., 1969).

Additionally, Grusky, in the setting of military posts, suggests that the routinization of leadership change-over through frequent administrative replacements tends to induce in the new successor perceptions of increased authority and task orientations in his work repertoire.⁵ The executive group, exposed to change, is satisfied with getting the tasks at hand accomplished. In this sense, frequent replacements of prior administrators tend to bring forth a task-oriented leadership characteristic in the behavior of the new successor. This paper's second proposition, therefore, advances the claim that *frequent replacements of prior administrators in organizations tend to give rise to the development of an authoritative, task-oriented leadership style during the new successor's initial period in office.*

Analysis and Results

Organizational change measured by the rate of predecessor turnover has been hypothesized to relate to two characteristics of a new successor: promotional origin (successor type) and leadership behavior (successor style). The sample base draws on the recent succession history of corporate presidents in United States manufacturing companies with assets exceeding one million dollars.⁶ In

⁵ Grusky, *op. cit.*

⁶ Changes in the corporate leadership, as well as the promotional origin of the new successor, were obtained from Moody's *Industrial Manual* (1960-1972) and Standard and Poor's *Register of Corporations, Directors and Executives* (selected volumes between 1960-1972).

analyzing the sampled firms, high organizational change represents more than one leadership changeover in the office of corporate president during a ten-year period before the most recent (current) president serving in that office. Conversely, low organizational change indicates only one individual succeeding to the presidency during the ten-year period preceding the most recent president.

Successor type is divided into two categories, that is, whether the new leader is selected from outside the employing organization or from inside the company. With regard to successor style, the leadership behavior of the successor is dichotomized as either task centered or employee centered. In obtaining the leadership style, a set of survey sheets was mailed to the homes of sampled presidents. This questionnaire was a modification of Fielder's semantic differential test.⁷ In the present study, twelve adjectival pairs, measuring the assumed similarity of opposites (ASO), were developed similar to the item below:

VERY EFFICIENT:—:VERY INEFFICIENT Individual respondents were asked to describe the subordinate with whom they *worked best* and the subordinate with whom they *worked least well*. A large difference among descriptions of the two subordinate

⁷ Fred Fielder, *A Theory of Leadership Effectiveness* (New York: McGraw-Hill, 1967), pp. 40-41.

types indicates that the responding president sees opposites as having little in common, suggesting a relative lack of understanding and perception of personal interrelationships of his immediate staff. This high ASO score is indicative of a task-oriented leadership style; a low ASO score is indicative of an employee-oriented style.

Table 1 below presents the results of the first hypothesis, viewing the relationship between predecessor turn-

over in the presidency and successor type. The relationship is not statistically significant. Although the data are not shown here, when organizational performance, measured by a five-year moving average of profitability, is held constant, the strength of the hypothesized relationship is still not significant. These results, then, present no evidence to support the first proposition advanced in this paper.

Table 1. Predecessor Turnover and Successor Type

Successor Type	Predecessor Turnover					
	Low		High		Total = 140	
	%	N	%	N	%	N
Insider	41.5	43	58.5	61	100	104
Outsider	28.7	10	71.3	26	100	36

$X^2 = 2.09, P \leq .15$ not significant

When the data are analyzed with regard to the second proposition, however, the results are conclusive. Table 2 below shows the significant relationship between predecessor turnover and successor style of leadership. Specifically, the evidence shows that relatively frequent replacements of predecessor in a work group are more re-

lated to task modes of leadership in the new successor than to employee-oriented behavior.

In advancing a theory of open and closed groups, Ziller⁸ finds that one

⁸ Robert Ziller, "Toward a Theory of Open and Closed Groups," *Psychological Bulletin*, Vol. LXIV, No. 3 (September 1965), p. 169.

Table 2. Predecessor Turnover and Successor Style

Successor Style +	Predecessor Turnover				Total = 73*	
	Low %	N	High %	N	%	N
Employee	64.5	27	35.5	15	100	42
Task	38.8	12	61.2	19	100	31

$X^2 = 4.68, P < .03$ significant

+ N is less than 140 because of response rate of mail survey.

* Leadership style is dichotomized at 12.5 on the ASO scale.

prerequisite to an open process is changing group membership. In this sense, high replacement rates in the leadership of the group entail a loss of the group's collective memory. With this memory loss, the group experiencing leadership transfer attribute less imaginary qualities to newly appointed leaders. These groups have less tendency than closed groups experiencing infrequent leadership changeover to idealize the departing predecessor and to focus inappropriate aggression upon the new leader.

Ziller also finds that the less role task work undergone by the open group experiencing succession in its leadership, the greater the desire of the group to present an environment conducive for task accomplishment.⁹

⁹ Robert C. Ziller and Richard D. Behringer, "Assimilation of the Knowledgeable Newcomer Under Conditions of Success and Failure," *Journal of Abnormal and Social Psychology*, Vol. LX, No. 2 (March 1960) pp. 288-291.

Here, the task objectives and behavior of the new leaders are sufficient conditions for member satisfaction. There is less psychological distance assigned by the group and the new leader to the work situation.

Realizing that the measure of leadership behavior in this study views the leader's perception of similarities between opposites among his subordinates (ASO), the research of Ziller is supportive and lends additional significance to the findings at hand. Frequent predecessor replacements, typical of open groups in corporate organizations, tend to encourage a task mode of leadership orientation in the new successor because he or she spends less effort in muddling through the barriers of informal social relationships among subordinate members.

In viewing the relationship between successor style of leadership and pre-

decessor turnover, as well as other characteristics, one is better able to understand the transition process surrounding succession. Indeed, understanding this change process holds considerable potential for improving administrative practices of organizations of the present and the future. From Machiavelli's *The Prince* the advice is clear, "It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things." Putting the right man with desired characteristics in the right organizational position at the right time is a mark of a viable and successful organization.

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