How new Leaders Affect Strategic Change Following a Succession Event: A Critical Review of the Literature

Abstract:
In this study we review literature on leaders' impact on strategic change in the context of CEO succession events. We critically examine the progress made by research within the field focusing on four questions: WHY, WHAT, HOW, and WHEN. WHY addresses the theoretical arguments put forth in the literature to explain the phenomenon of post-succession strategic change. WHAT addresses the contingency factors that have been argued to affect leaders' impact on strategic change in succession contexts. HOW addresses the way, in which strategic change manifests itself within firms. Finally, WHEN addresses the temporal dimension of strategic change. Overall, we find that although research on the leadership succession strategic change (LSSC) relationship is immature with attention being focused on only few theoretical explanations and research questions, it is indeed evolving. We find need for improvements to theory, research questions pursued, and methodology and offer several opportunities to extend the literature along these need.