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The CEO Post-Succession Process: A Participative Strategy-Making Approach in a Pluralistic Context

Introduction

This research paper proposal explores how a participative approach to strategy can be used as a mechanism for CEO integration, strategic sense making, and realignment of the organization and its environment, as part of the CEO post-succession process. Strategy has typically been a secretive and exclusive role (Newstead & Lanzerotti, 2010). However, there exist numerous streams which have explored heightened participation in strategy work (e.g. Floyd & Wooldridge, 1992; Collier, Fishwick & Floyd, 2004; Mantere, 2008). Participative strategy-making is also being explored in relation to *how* organizations can facilitate involvement of a wider range of stakeholders in generating strategic content (Chesbrough & Appleyard, 2007), and in practicing strategy (Whittington, Cailluet & Yakis-Douglas, 2011). Literature has studied notions of inclusion and transparency to understand practices and processes associated with changes in the way organizations are *doing* strategy. This stream of research posits that inclusion of a wider range of actors, and increased transparency of actions, can bring benefit to organizations. A central purpose for making strategy more participative is that organizations, and their top management teams, can gather critical insights and knowledge from key stakeholders, and understand their expectations, apprehensions and demands in a constructive way (Whittington, Cailluet & Yakis-Douglas, 2011; Amrollahi & Rowlands, 2017; Tavakoli, Schlagwein & Schoder, 2017). It has been recognized that from such cycles of strategic ideation, notable outcomes of enabling greater participation in strategy exist; both tangible (e.g. new formal strategic plans) and intangible (e.g. increased motivation of employees, increased trust in top management).

In this proposal, the focus is turned to how new CEO's might use participative strategy-making when entering their new role. The early tenure of a new CEO is commonly known as 'the CEO post-succession process', and is a critical phase for organizations and one where failure and CEO dismissal can be commonplace (Ma, Seidl & Guerard, 2015). CEO succession is, indeed, an important episode in the evolution of organizations and their top management teams (Finkelstein, Hambrick & Cannella, 2009; Ma & Seidl, 2017). CEO's aim to bring with them new perspectives, skills, and also mechanisms for change in shaping their organizations' strategic agenda (Friedman & Saul, 1991; Ma & Seidl, 2017). However, it is notable that, in a time where participative means of strategy are being more frequently adopted by organizations, there has been no research which has explored how participative strategy-making might be used to aid the CEO post-succession process. The main findings from this proposal suggest that practices associated with a participative strategy process can help a new CEO to become quickly embedded into their new environment, be able to use participative practices for sense-making in complex environments, and ultimately help the organization and its strategic goals realign with its environment and their competing demands. In the case study explored in this proposal, this realignment is particularly important as the pluralistic nature of the case organization means that the environment is fraught with competing demands of diffused and divergent stakeholders (Denis, Lamothe & Langley, 2001; Jarzabkowski & Fenton, 2006). Pluralism increases the complexity of organizations and makes strategizing towards a common, legitimate goal difficult (e.g. Ashforth & Gibbs, 1990; Suchman, 1995; Deephouse & Suchman, 2008). Whilst interest in pluralism in management and organization studies has increased, it has not been fully translated into existing theories of management explicitly (Jarzabkowski & Fenton, 2006; Denis, Langley & Rouleau, 2007). The strategy-making activities of organizations in pluralistic contexts have received scant attention, and represent an area of potential interest and relevance, and one prime for further exploration (Jarzabkowski & Fenton, 2006), not least in relation to top management teams, CEO's, and how they handle competing demands of stakeholders in environments plagued with complexity. In this sense, pluralism could have a greater effect on strategy, as it has on other fields. This research explores participative-strategy making as an important mechanism for new CEO's in such environments, in particular, and poses the question: '*How might participative practices of strategy-making contribute to the CEO post-succession process?*'.

Case study: InfoLib's participative strategy initiative

This research proposal focuses on the context of a professional association. Professional associations, sometimes referred to as a professional body or professional society, offer a unique setting for researching strategy, and practice- and process- based strategy work more generally (Kouame &

Langley, 2018). They are usually non-profit organizations which seek to further a profession through representation of that profession, its interests, and the development of those who work in it (Harvey, 2017). By their very nature, professional associations are pluralistic contexts, and are characterized by the existence of divergent and sometimes contradictory goals and objectives, whilst being made up of many diverse groups or 'constituencies' (Denis, Langley & Rouleau, 2007). In professional associations, groups and individuals will often have conflicting and dichotomous views on how their profession should be evolving and how the association should be defining their strategic direction (Broady-Preston, 2006). The case setting for this research is a professional association for library and information professionals (anonymized as InfoLib in this proposal). InfoLib represents those who work in library and information-based professions in the United Kingdom (UK). The empirical work is based on a participative strategy initiative at InfoLib. The initiative was launched in 2015 by InfoLib's new CEO as a means for developing a new strategic plan with the organization's key stakeholders. The consultation sought engagement and feedback from all its members, at this point upwards of 13,000, and any other interested parties such as professional interest groups and former members. InfoLib reasoning for openly formulating a new strategic direction was motivated by a need to manage the dispersed and disjointed nature of the organization, to share the responsibility of setting a new direction for InfoLib with the newly appointed CEO, and ultimately the need for sense making by InfoLib to understand what the community want from their professional association. The launch of the initiative was initiated through the new InfoLib CEO sharing core priorities for the direction of the organization, with potential contributors having the opportunity to discuss these further in their response to a web-based questionnaire and via hardcopy (written response, email). This was complemented by several less structured methods of strategic ideation, including face-to-face meetings with members, and discussion through social media channels, particularly Twitter. The consultation resulted in the publication of a summative report of the initiative, and draft and final strategic plans. In total, the practices used for participative strategizing captured the opinions of over 1,000 stakeholders; primarily active InfoLib members.

Methodology overview

To explore InfoLib's strategy initiative, a triangulation of different qualitative techniques were used. This included both primary and secondary data. The principle methods were semi-structured interviews and observation, but also some forms of documentation such as Twitter data were collected directly for this research. Secondary sources included documentation data such as web-based questionnaires, as they were conducted by InfoLib but were essential for complementing and providing further depth to the primary data collected, and to help offer a rounded account of practices used in the initiative and by the CEO as part of the post-succession process. Table 1 offers an overview of the data collection techniques used.

Data collection techniques	
Semi-structured interviews	30 semi-structured interviews with 26 participants. Length of interviews between 34 and 136 minutes, average length of 63 minutes.
Participant observation	6 days of participant observation, 4 days at face-to-face consultation events, and 2 days at InfoLib headquarters.
Documentation data	1655 Tweets, 599 web-based questionnaire responses, hardcopy responses, strategic planning documents, draft and final strategic plans, board meeting minutes, PowerPoint decks, internal reports, magazine articles, and blog posts.

Table 1: Data collection techniques used to explore the InfoLib participative strategy initiative

Consistent with a practice-theoretical lens, the analysis followed an approach attending to the key practitioners and practices unfolding in key episodes of strategy praxis. This approach was consistent with practice-theoretical works aim of achieving rich understanding of individuals involved in everyday strategizing activity (Whittington, 2006), whilst also aiming to use these to understand their enactment and impact in relation to the CEO post-succession process (Ma, Seidl & Guerard, 2015). The analytical procedure followed an inductive approach (Miles & Huberman, 1994), combined with considerations from practice-theoretical studies. The analysis consisted of three central activities: (i) data reduction,

(ii) data display, and (iii) conclusion drawing and verification, and was suited to an inductive approach to analyzing qualitative data (Miles & Huberman, 1994). In practice-theoretical work, it has also been recommended to add a fourth activity -comparison with theory- and this helps align emerging findings and conclusions with current theories, helping to clearly define a contribution and ensure theoretical discussion is considered (Balogun, 2004; Jarzabkowski, Balogun & Seidl, 2007). These four central activities translated into several stages in the analysis process, again consistent with approaches in strategy practice-theoretical studies (e.g. Jarzabkowski & Balogun, 2009). The analysis ultimately highlighted three prominent, overarching activities through which participative strategy-making practices occurred in a process over time. It is within these phases that this proposal highlights key findings and presents these as part of the CEO post-succession process.

Activity 1: Integrating the new CEO at InfoLib

It has been recognised in extant work that a key challenge for new CEOs is their integration into the role structures, social norms, and interpersonal relationships of the organization (Denis, Langley & Pineault, 2000; Ma, Seidl & Guerard, 2015). In relation to the integration of the new CEO at InfoLib, this was sparked by the new CEO requesting permission from the InfoLib board to conduct their impending strategic planning cycle using participative methods. This meant the new CEO could be connected with members and offer them a platform to debate, ideate and discuss both the directions for the profession, and InfoLib's strategic direction as an organization. The new CEO recognised that the traditional, top-down approach to strategy was no longer suitable amidst what he recognised as the plurality of demands from the community, and consequently a need to develop the organization's strategy with the community was logical, rather than from the top of the organization:

> "One of the reasons that the board is willing to go down this participative, really open strategy route is because the alternate wasn't working…I soon realised that you've got this, if you like, this kind of centre which is as much defined by the negative space by things that are going on around it, it is defined by what it means to achieve. And it became apparent that there is no way you can look from the centre point and just articulate all of the possible futures and directions of the organization you need to be addressing. There's just too much change, the pace is unbelievable. The sheer range of voices that we've got going on in our community, we've got about 18 industry sectors, we've got 13,000 members, and if I would sit here on the board and say this is definitively the direction that we're going in, I think it would be wrong fundamentally" (InfoLib CEO).

The main practices relating to integrating the new CEO as part of the participative strategy initiative was to hold 30 face-to-face consultation events. These were organized by the CEO and his top management team, and attended by the CEO. InfoLib chose to conduct different types of face-to-face events to engage members. The most prominent were regional consultation events attended by members in different regional areas of the UK, and interest group consultation events attended by those who had specific interest in an area of the profession (for example, public libraries, information and knowledge management). The CEO also held consultation events to include the devolved nations of InfoLib, comprizing of meetings in Scotland, Wales and Northern Ireland. The principle aims of the consultation events were ultimately to introduce the new CEO to members of InfoLib, to facilitate discussion and exploration of the key strategic themes, and also to demonstrate a commitment to overcoming what has long been labelled as 'London centricity' within InfoLib (where members outside of London, where InfoLib is headquartered, feel alienated and detached from the organization). As was stated by the InfoLib CEO at an observation event in the UK East Midlands:

> "The best way of talking to InfoLib members is talking to InfoLib members. There is no substitute for face-to-face discussion" (InfoLib CEO).

The main practices here are therefore associated with the need to integrate the new CEO at InfoLib, and how a participative approach to strategy through the early stages of the initiative have enabled the CEO to meet stakeholders, discuss strategic issues with them directly, and begin to break down longstanding geographical barriers between the organization and its members.

Activity 2: Sense making through participative strategy-making

A topic which has also received attention in relation to the CEO post-succession process is what new CEO's do to sense make in their new environment, particularly through reconstituting relationships (Ma, Seidl & Guerard, 2015). A central aim of the InfoLib participative strategy initiative was for the new CEO to be able to rebuild relationships with key internal and (in particular) external stakeholders such as members, and understand their divergent needs and desires for the organization and its strategic direction. Here, the CEO used a number of means to enable practices of strategic ideation to take place. The ideation revolved around discussion for what InfoLib top management and the community believe should be the organizations strategic direction. The new CEO highlighted "three layers" of ideation, positioning these as "face-to-face engagement", "hardcopy engagement" and "online engagement". A web-based questionnaire, Twitter, face-to-face consultation events, and hardcopy responses were used as four distinct practices of strategic ideation.

The web-based questionnaire was illustrative of a one-way means of enabling participation particularly through a response from the InfoLib community to the organization's priorities and structure outlined for the strategy by top management through the questionnaire. Questionnaire contributors thus 'responded' to the call for opinion and ideas about the strategy, whilst InfoLib management actively observed and considered the responses of the community. There were two uses of Twitter by InfoLib for the consultation. The first use of Twitter came through use of a designated hashtag (#InfoLib2020) and Tweets were monitored on an ongoing basis. It enabled the InfoLib community to observe the outputs from InfoLib top management, and be included in ideation through the enablement to respond with their own demands for the strategy. This was again a one-way practice of strategy, limited by the word-limit of the platform. The second use of Twitter took the form of a structured two-hour long Twitter discussion. InfoLib emphasized this use of Twitter gathered more substantial strategic input. The event was also hosted by an external interest group. This was illustrative of a two-way conversation between top management and contributors to the participative strategy initiative. It enabled an inclusive, structured two-way dialogue to take place with no hierarchy. Participative strategy practices were also made possible with the InfoLib community being able to respond to structured, pre-set priorities in the consultation document through written response and email. The face-to-face consultation events, as mentioned as being a dominant part of activity 1, were also relevant here for their use in enabling informal strategic discussions to take place between the CEO and key stakeholders, particularly members.

Activity 3: Realigning strategic direction with InfoLib's environment

Literature has examined how new CEO's might adopt a range of diverse practices aimed at realigning the organization with its environment (Ma, Seidl & Guerard, 2015). This final activity explores how InfoLib's new CEO integrated a number of practices to help the organization realign with its environment, particularly in the midst of competing demands and the divergent views of the organization's stakeholders.

The InfoLib CEO revealed that the participative approach to strategy had been a learning experience for his senior management team, particularly in understanding the need to be more open about the strategy, and more accessible as a CEO to the InfoLib community:

> "I know it's been a cause of discomfort with my management team that I should be a lot less accessible, and but then I think we are living in a different time and living in a time where management is as much a facilitation and articulation as it is just saying that is where we're going to go, and then sit in my office and move the pieces around the board. But, that has been a problem because if I'm out there it might undermine the strongly held views of somebody who is in a senior leadership position. So, it has been quite, quite nuanced and I'm really lucky that they have really all got behind it, that they could have said no way you are a talking to all these people" (InfoLib CEO)

One of the principle, tangible outcomes from the participative initiative was the creation of a new four-year strategic plan. The plan contained views directly from participants and took their views on board in relation to prioritizing strategic direction and action. A key example included the overwhelming view that InfoLib should do more in relation to advocacy, and the organization launched new advocacy campaigns and commitments based on the initiative. A new membership model was also created in line with views in the initiative that the model was outdated and not fit

for purpose. These demonstrate that the new CEO was able to use the participative initiative to help realign the strategic direction of the organization with the views of its environment, particularly in relation to its membership- its most powerful stakeholder group.

Conclusion

Existing literature has explored the CEO post-succession process, particularly in relation to core practices, and means by which CEO's attempt to integrate into their new environment and align their organization with key needs in the environment (Ma, Seidl & Guerard, 2015; Ma & Seidl, 2017). What has not been covered in adequate depth has been how new CEO's might also use strategy practices to connect with key internal and external stakeholders such as staff, customers, members, suppliers in relation to directly discussing strategic issues. What this proposal reveals is how participative strategy-making might be used by new CEO's to not only integrate into the environment and align the organization with said environment, but also understand divergent needs of internal and external stakeholders and be able to translate these into tangible outcomes in relation to strategic direction. This short proposal is intended as an overview to the concept of participative strategy as a mechanism in the CEO post-succession period, and this hopes to be developed into a further, more detailed output which will expand on these insights.

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