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Determinants of CEO Succession Decisions in Family Firms

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Marc Goergen
IE Business School and ECGI
Svetlana Mira
Cardiff University

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Abstract

CEO successions in family firms are important events. In family firms with founder CEOs, they are particularly consequential, as their outcome determines whether the firm continues as a family firm and, if so, in what form. Founder CEOs have three options. They can sell the firm upon retirement. Alternatively, they can keep the firm within the family by appointing a family member or a professional CEO as their successor. While an extensive literature examines the consequences of CEO successions in family firms, the literature on the determinants of CEO successions ? including the choice of CEO successor ? in such firms remains sparse. We review the latter literature, including research on succession planning and succession management. This is followed by a discussion of the main theoretical lenses and methodological challenges. We conclude by suggesting avenues for further research.

Keywords: Family firms, CEO successions, Founder CEO, Determinants of CEO successions,

JEL Classification: D21, D23, G34, J24, M12

Marc Goergen

IE Business School and ECGI
Professor of Finance
IE Business School, Department of Finance
e-mail: marc.goergen@ie.edu

Svetlana Mira

Cardiff University
Reader in Finance
e-mail: miras@cardiff.ac.uk

Determinants of CEO Succession Decisions

Marc Goergen
IE Business School, IE University, Madrid, Spain,
European Corporate Governance Institute, Brussels, Belgium
ORCID: 0000-0003-4391-2651

Svetlana Mira
Cardiff Business School, Cardiff University, Cardiff, United Kingdom
ORCID: 0000-0001-7321-4104

Abstract

CEO successions in family firms are important events. In family firms with founder CEOs, they are particularly consequential, as their outcome determines whether the firm continues as a family firm and, if so, in what form. Founder CEOs have three options. They can sell the firm upon retirement. Alternatively, they can keep the firm within the family by appointing a family member or a professional CEO as their successor. While an extensive literature examines the consequences of CEO successions in family firms, the literature on the determinants of CEO successions – including the choice of CEO successor – in such firms remains sparse. We review the latter literature, including research on succession planning and succession management. This is followed by a discussion of the main theoretical lenses and methodological challenges. We conclude by suggesting avenues for further research.

Keywords: Family firms, CEO successions, Founder CEO, Determinants of CEO successions, CEO successor types, Corporate governance

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1. Introduction

This chapter reviews the literature on the determinants of CEO succession decisions in family firms, including the choice of CEO successor (for a recent review of the broader literature on family firms, see Kárpáti et al., 2024). In line with research on CEO successions, we define a family firm as a firm with substantial ownership by a family or a founder. Depending on the context, additional criteria may apply. For example, studies on CEO successions in firms with founder-CEOs require that the incumbent CEO is also the founder of the firm. In turn, studies estimating the likelihood of the baton being passed from a family CEO – whether the founder or not – to a nonfamily CEO define family firms as those whose current CEO is a family member. Hence, the definition of a family firm tends to vary with the focus of the study in question.

Family firms are different from other firms, given the high socioemotional wealth (SEW) that the controlling family has invested in its firm. This SEW refers to the importance of socio-emotional considerations for the family owner, including the family's identification with their firm and the strong desire to hand the firm down to the next generation (Gómez-Mejía et al., 2011; Gómez-Mejía et al., 2019; Gómez-Mejía et al., 2022). This SEW makes CEO successions an important event (Burkart et al., 2003). Such events tend to be even more important for founder-CEO firms for two reasons. First, founder-CEOs' SEW investment in their firm is typically greater compared to the SEW invested in later generation family firms. Second, the outcome of this succession determines whether the firm continues as a family firm and, if so, in what form.

Founder CEOs have at least three options. First, they could sell the firm upon their retirement, which typically implies that the firm becomes a nonfamily firm. Second, the founders may appoint a successor from their family as the new CEO, and the firm carries on as a family firm. Finally, founder-CEOs may appoint a professional, nonfamily CEO. While the firm remains a family firm, its day-to-day decisions are now made by a nonfamily member, who could be an internal or external appointment.

In what follows, we refrain from reviewing the extensive literature on the consequences of CEO successions. That literature focuses on the post-succession financial performance (see e.g., Eddleston et al., 2026) and how this performance is affected by the type of successor CEO (Bennedsen et al., 2007; Chang & Shim, 2015; Quarato et al., 2025). Other studies examine how CEO successions in family firms affect corporate outcomes, such as corporate social

performance (Meier & Schier, 2021) and innovation output (Zybura et al., 2021; Amore et al., 2025). In contrast, this chapter focuses on the determinants of CEO successions, including possible actions undertaken by family firms during the period leading up to the appointment of the new CEO.

The remainder of this chapter is organised as follows. The next section reviews the literature on CEO successions in family firms. It starts with the succession process, including succession planning and the timing of the succession. It also reviews the literature on the determinants of CEO succession decisions, including the choice of the CEO successor. Finally, the section discusses literature on successions in CEO-founder firms and the appointment of female CEOs. This is followed by Section 3, which reviews the theoretical lenses and the empirical methods used by research on CEO successions. The section also discusses methodological challenges. Finally, Section 4 concludes by highlighting the implications of existing research and suggesting future avenues for research.

2. CEO Succession Planning, the Timing of the Succession, and the Determinants of Succession Decisions

2.1 Succession planning

Its importance in family firms

CEO succession planning is particularly important for family firms for at least three reasons. First, the family's desire for a generational transition of the firm requires substantial succession planning (Marshall et al., 2006). Second, succession planning in family firms tends to be more complex than in other firms (Motwani et al., 2006), as it often involves multiple family members, in addition to the usual key stakeholders (e.g., the providers of finance, customers, and suppliers). This highlights the importance of family members' relations with one another, especially if they work for the firm (Motwani et al., 2006). Finally, careful succession planning also allows for the heir apparent (whether a family or nonfamily member) to be trained by the incumbent CEO, including the conveyance of the importance of the family's SEW invested in the firm (Minichilli et al., 2014).

However, despite its importance for family firms, succession planning is often left to chance (Daspit et al., 2016; LeCounte, 2022), and a quarter of successions fail due to a *lack* of succession planning and the absence of preparation and training of the CEO's heir (Morris et al., 1997). A recent study by Deloitte (2026) suggests that 85% of family firms say succession planning is critical, yet only 57% have a plan and just 23% are actively implementing one. A

possible reason for this lack of succession planning is that CEOs in family firms have much longer tenures, as CEO successions in such firms typically occur only every 20 to 25 years (Schlepphorst & Moog, 2014). Hence, it is tempting to leave discussions about succession until it is almost too late (Campbell, 2025). In contrast, Domnisoru and Miller (2025) argue that succession planning and the training of the CEO's heir typically start with the incumbent family CEO's first child.

Compared to later-generation family firms, founder firms typically engage in even less succession planning (Sonfield & Lussier, 2004), as the founder might find it difficult to let go (Umans et al., 2021). Apart from the incumbent CEO's unwillingness to step aside, a suitable successor may not be readily identifiable (see also Sharma et al., 2000). Finally, Marshall et al. (2006) find that the age of the incumbent CEO affects the likelihood of succession planning, as firms with older CEOs are more likely to have such planning in place.

Succession planning

How should succession planning be designed? Breton-Miller et al. (2004) identify three stages in succession planning. The first stage consists of understanding the firm's needs and identifying a potential candidate. During the second stage, the candidate receives the necessary education and training to prepare them for their leadership role. The final stage consists of the successor taking up their post.

A suitable successor could be sourced from the controlling family or from outside the family. For the latter option, a further distinction can be made between internal and external appointees. This distinction is important as succession planning tends to be more extensive for internal appointees. In contrast, external appointees typically already possess the required human capital, reducing the length of the second stage.

While the above studies focus on the importance of succession planning, Pinheiro and Yung (2015) highlight that preparing the heir for the leadership position in the family firm can be challenging. Indeed, if the heir is working alongside the incumbent CEO, they may find it difficult to learn about their own skills and performance, as stakeholders typically attribute any successes to the older, proven CEO rather than to their heir. Furthermore, Poza and Messer (2001) highlight the importance of the CEOs' spouses in the succession planning and the intergenerational transfer of the family business. Their conversations with 11 CEO spouses reveal that the latter – independent of whether they held a formal or informal role in the family

firm – were instrumental in strengthening the family, creating and maintaining a family culture, and safeguarding their business as a family firm.

2.2 The timing of the CEO succession

Hillier and McColgan (2009) find that family CEOs are less likely to exit their firm following a period of weak performance. When it comes to keeping the CEO position within the family, Bennedsen et al. (2007) and Ahrens et al. (2015) report that the likelihood of a new family CEO being appointed increases with the pre-succession performance of the firm.

Adams et al. (2009) provide a more nuanced examination of the link between family CEO turnover and financial performance. They find that founder-CEOs are more likely to retire after periods of very high or very low accounting performance. This likelihood is positively affected by unusually good performance, as founders want to ensure that their heir inherits the firm in the best possible shape. However, this likelihood is also amplified by unusually bad performance. Given that a firm's bad performance may increase pressure from minority shareholders for the founder-CEO to step down, such CEOs may use earnings management to avoid low earnings during the period preceding their reappointment. Ansari et al. (2021) find evidence of such earnings management around founder-CEO reappointments in listed family firms from France, Germany, and the UK.

2.3 Determinants of the CEO successor type

Firm performance

While past firm performance has been shown to explain succession timing in family firms, it is also a key driver of the type of CEO appointed. Lee et al. (2025) explore the interplay between the relative performance of Korean family firms, the firm value created by the controlling family, and the choice of CEO successor. The authors find that firms with bad relative performance are more likely to replace their family CEO with a nonfamily CEO. Nevertheless, if relative performance is poor and the CEO is not a member of the family, the latter is more likely to be replaced by another nonfamily CEO rather than by a family member. Further analysis suggests that the family's track record of creating firm value moderates the effect of current relative firm performance on the type of CEO successor.

Other determinants

In addition to past (relative) firm performance and past value creation by the incumbent family shareholder affecting the type of CEO successor, other firm characteristics that have been

shown to have an effect include firm size, the firm's industry, and the control structure. In detail, larger firms are less likely to appoint a family member as the new CEO (Cucculelli & Micucci, 2008). This likelihood is also lower for high-tech firms. Moreover, this likelihood increases with the family wedge, i.e., the percentage difference between the control rights and the cash-flow rights held by the family shareholder (Ansari et al., 2014). In contrast, it decreases with firm age and improved shareholder protection for French and German family firms via a cross-listing on a US or UK stock exchange. Further, Amore et al. (2021) study departures of nonfamily CEOs in Italian firms. They find that for 42% of such departures the nonfamily CEO is replaced by a family CEO rather than by another professional CEO. Firms that appoint a family CEO are significantly smaller and have a smaller board but a higher percentage of female executives. The incoming family CEO is, on average, significantly younger than the departing nonfamily CEO and more likely to be female. However, when incoming family CEOs are compared to incoming new professional CEOs, the age difference disappears. Nevertheless, the gender difference persists.

Finally, literature suggests that the family's characteristics may also influence the choice of CEO successor type. More specifically, Bennedsen et al. (2007) find that, if the incumbent CEO's firstborn child is male, the CEO's successor is more likely to be a family member: the likelihood of a family CEO being appointed is 29% when the firstborn child is a girl, compared to 39% if the firstborn is a boy. In addition, Calabrò et al. (2018) find that family firms are more likely to appoint the family's firstborn child when there is a high degree of SEW and the family firm has pre-succession performance below its social aspiration levels. They measure performance below aspirations prior to the succession event via the deviation of the firm's performance from the industry-year averages over the pre-succession years.

2.4 Founder-CEO successions

Wasserman (2003) critiques that existing research typically amalgamates founder-CEO successions with other types of CEO successions by mainly focusing on insider CEOs versus outsider CEOs. He argues that several major differences set founder-CEO successions apart from later-stage successions, making it challenging to assess whether the conclusions from studies on CEO successions in general also apply to founder-CEO successions. These differences are as follows. First, founder-CEOs tend to have a much greater attachment to their business compared to the second or later generations of the family (see also Martin et al., 2016). Second, founder-CEO involvement in their firm typically continues after their succession. Third, founder-CEOs typically have greater equity ownership than their family successors,

giving them substantial control over their business. Finally, most founder-CEOs are succeeded by professional CEOs.

Still, Wasserman's sample is highly unusual, consisting of 202 Internet startups or 5,930 person-month data obtained from a survey questionnaire. Wasserman finds that there are two events in a firm's lifecycle, making the succession of a founder-CEO by a professional CEO more likely, i.e., (i) successful product development, and (ii) new rounds of raising financing. While founder-CEOs typically have the required skills for successful product development, they may lack the skills for the subsequent stages, when technical skills may matter less than, e.g., marketing and sales skills. In the same vein, potential investors in the firm have strong bargaining power during new rounds of raising financing, especially if they already hold large stakes in the firm. Hence, if they are not confident about the CEO's ability to continue running the firm, they may call for and succeed in replacing the CEO with a professional CEO.

Chen et al. (2016) use an experimental design to investigate how founder-CEOs decide between appointing a professional CEO and selling their firm when they do not have an heir with the right skills and willingness to take over the reins of the firm. They argue that pay-for-performance helps founder-CEOs ensure strong stewardship by the professional CEO, i.e., the latter's willing to maintain long-term relationships with employees and customers and to preserve the family firm over the long term. Industry competition also affects the perceived stewardship of a professional CEO: it is likely to be greater in industries with less competition, as firms from such industries have more stable earnings. They administer different succession scenarios to 173 executives. They find that high executive compensation (via a greater bonus) increases the perceived degree of stewardship of professional CEOs. By contrast, high industry competition reduces the perceived degree of stewardship. They conclude that when there is no willing and appropriately qualified family successor, founder-CEOs should put in place an executive compensation package that enhances the professional CEO's stewardship.

Finally, Xu et al. (2015) study the family's second-generation involvement in Chinese family firms. They find that the likelihood of the founder appointing a second-generation family member as the CEO, chair, or director is affected by the founder's political connections. They conclude that, as such connections are difficult to transfer to family outsiders, it makes sense to appoint second-generation family members to preserve these valuable assets.

2.5 Determinants of female CEO appointments

Most founder-CEOs tend to favour their sons over their daughters when appointing their successor (e.g., Bennedsen et al., 2007; Ahrens et al., 2015). For example, Ahrens et al. (2015) report that only 23% of family successors in their sample of unlisted German family firms are women. Family successions are also more likely to occur if the incumbent CEO has a son. Given that the chosen female successors typically have higher levels of human capital than the chosen male successors, the preference for male successors is not driven by the sons' superior human capital.

In turn, firm characteristics can be enablers or inhibitors of female CEO appointments. A firm's industry is one such characteristic: while female CEO appointments are unlikely in male-dominated industries, they are more likely in the remaining industries (Soost & Moog, 2021). Firm size has been shown to be an inhibitor (Halkias et al., 2010). Finally, Genedy et al. (2022) find that in family firms with a female CEO, it is more likely for the daughter to succeed the CEO. They also find that family firms where the daughter was appointed as CEO outperform family firms where the son was appointed as CEO.

3. Approach and Contribution

3.1 Theoretical lenses used

The SEW lens is the most frequently used theoretical lens in research on CEO successions in family firms (Calabró et al., 2026). This perspective integrates insights from the behavioural agency model (Wiseman & Gómez-Mejía, 1998) and stewardship theory (Davis et al., 1997; Davis et al., 2010). Family owners pursue not only financial objectives but also nonfinancial considerations. The latter include the family's desire to maintain control over the firm, its close identification with the firm, and the continuation of the family's legacy (Gómez-Mejía & Herrero, 2022). Within the SEW framework, these nonfinancial goals shape risk preferences and decision-making, particularly in succession contexts.

SEW theory predicts that family firms may reject highly qualified nonfamily candidates to maintain control over the firm and preserve the family's identification with the latter. This theory also captures the psychological and relational tensions that shape the succession process, succession timing, and successor choice. However, a major critique of the SEW perspective is that it is too broad and that SEW cannot be directly measured, requiring proxies (e.g., family ownership, presence of a family CEO). This theory also assumes uniformity in family interests, ignoring generational conflict, sibling rivalry, differences in risk preferences, and power

asymmetries. While the theory explains why families prefer family CEOs, it struggles to predict how SEW decays across generations, thereby increasing the likelihood of a nonfamily CEO being appointed.

Similar to the SEW perspective, stewardship theory (Davis et al., 1997; Davis et al., 2010) postulates that family shareholders derive personal satisfaction from the firm's success. This implies that family members involved in the firm pursue its objectives rather than their own personal goals. It differs from the SEW perspective in the sense that leadership can be decoupled from the family, as nonfamily executives may also act as stewards aiming to transfer the firm in a good state to future generations. From an SEW perspective, such behaviour reflects the alignment between managerial actions and the preservation of the family's socioemotional endowment.

While stewardship theory assumes that both family and nonfamily actors are altruistic and seek to preserve the firm for future generations, agency theory adopts a more critical perspective, positing that family members may prioritise their own preservation as executives. More specifically, Gómez-Mejía et al. (2001) hypothesise that when family ties exist between owners (principals) and executives (agents), the latter are less likely to be replaced following poor performance. They find empirical support for this hypothesis. They also show that when firms are run by both family and nonfamily executives, the latter are more likely to be blamed for poor performance. Within the SEW lens, such behaviour can be understood as an attempt to protect family control and identity, even at the expense of economic performance.

According to agency theory, choosing a family CEO is seen as a way to minimise agency problems by ensuring loyalty and long-term alignment to the family. However, evidence also shows that family firms behave in ways that contradict pure economic rationality. In turn, agency theory has been criticised for lacking tools to analyse internal principal-principal conflicts, which are central to CEO succession struggles. It also fails to explain why many family firms prioritise bloodline continuity even when this harms financial performance. Still, research suggests that many family CEOs behave as stewards, and not self-interested agents, implying that agency theory mischaracterises their motivations, including those driving their choice of successor.

Finally, Bennedsen and Henry (2019) argue that the desire to transfer the firm across generations can be fulfilled through different succession models. Each model is most appropriate for a given cultural and institutional environment at the firm, family, and country

level. These models range from a strict patriarchal model, in which the father passes the business to his oldest son, to less stringent arrangements with a higher likelihood of a female leader assuming control or a professional manager being appointed to run the firm. These variations can be interpreted as alternative ways of preserving SEW under different contextual constraints.

To sum up, theory suggests, on the one hand, that families may not always make optimal succession decisions. This may manifest in a family CEO - including the founder - overstaying the role despite poor past performance, delaying the transition to a more competent successor. From a SEW standpoint, this reflects the prioritisation of socioemotional wealth preservation over firm value maximisation. On the other hand, the desire to transfer the business to future generations should reduce the likelihood of decisions made for short-term considerations. However, there is evidence from prior literature supporting the existence of agency conflicts, which runs counter to the SEW and stewardship theories. Finally, CEO succession choices and models may also depend on the institutional context.

3.2 Empirical methods

Research on CEO successions in family firms uses a wide range of empirical methods. Commonly used methods rely on secondary data, such as large datasets on firm characteristics, including governance and financial performance. Recent advancements in artificial intelligence (AI), including machine reading and machine learning, have made it easier to collect, process, and analyse large quantities of data, including qualitative information, such as press statements and narratives included in financial reports.

The use of qualitative data is somewhat less common. Wasserman (2003), cited above, used survey data. In turn, Sallay et al. (2024) conduct interviews to study how family members enable or hinder the succession process during first-generation successions. Similarly, Schell et al. (2023) use 49 semi-structured interviews with 14 entrepreneurial families to study how family members involved in the succession process organise the information exchange among themselves via implicit and explicit contracts.

Finally, a somewhat unusual approach was adopted by Chen et al. (2016), who used an experimental design to investigate how founder-CEOs choose between hiring a professional CEO and selling their firm when they lack an heir with both the right skills and the willingness to take over their business.

To sum up, there is a tradeoff between external validity stemming from the use of secondary data and depth provided by qualitative or experimental data.

3.3 Definitional, methodological, and measurement challenges

Similar to broader research on family firms, studies on CEO successions in family firms face the challenge of how to define a family firm. Lu et al. (2026), who review 35 years of research on family firms, argue that the results found by studies on family firms largely depend on how such firms are defined. They argue that definitions of family firms based on ownership criteria are too narrow as they misclassify some firms as nonfamily firms. Definitions of family firms should not be solely based on ownership, but should also consider governance roles, succession intent, and family involvement. They find that misclassification has tangible consequences for the conclusions drawn about the performance, innovation, and other outcomes for family firms. Note that some studies define family firms using criteria based on control rather than ownership (e.g., Ansari et al., 2014; Ansari et al., 2018), arguing that the former better reflects the power of the family over the firm. Nevertheless, this also comes with challenges, as control may be difficult to measure given the lack of sufficiently granular and reliable data (Goergen & Mira, 2023).

We recommend that studies on CEO successions also clearly distinguish between the type of CEO who runs the firm. This recommendation is a reflection of Wasserman's (2003) critique that existing research typically amalgamates founder-CEO successions with other types of CEO successions and mainly focuses on insider CEOs versus outsider CEOs.

Another major challenge affecting research on CEO successions in family firms is endogeneity concerns. Matching and balancing techniques and an instrumental variable approach can be used to address such concerns (e.g., Bennedsen et al., 2007, use the gender of the firstborn child as an instrument).

Finally, assessing the governance quality of family firms can also be fraught with difficulties. For example, Ansari et al. (2014) (see also Ansari et al., 2018) question the accuracy of the measurement of board independence in family firms. They study French, German, and UK firms with a family shareholder owning at least 25% of the votes and whose incumbent CEO is a family member. They adjust conventional, i.e., reported, board independence for the following six links that the so-called independent directors may have with the controlling family:

i. the director is related to the controlling family;

ii. the director's tenure with the firm exceeds eight years;
iii. the director is a director or an employee of another firm controlled by the same family;
iv. the controlling family appointed the director;
v. the director sits on other boards together with the family directors; and
vi. the director is a former employee of the firm.

The adjustment to conventional board independence is nontrivial, as the former drops from an average of 55% to only 24%. Importantly, the adjustment matters, as conventional board independence does not affect the choice of CEO successor, while adjusted board independence does. Specifically, the CEO position is more likely to remain within the family (via the reappointment of the incumbent CEO or the appointment of a new family CEO), if adjusted board independence is low. The likelihood of a nonfamily CEO being appointed increases with adjusted board independence but not with conventional board independence. By contrast, the likelihood of a family member succeeding the incumbent CEO is reduced by adjusted board independence. Overall, Ansari et al. (2014, 2018) find that conventionally defined, or reported, board independence in family firms is biased and fails to provide investors, including minority shareholders, with an accurate measure of actual board independence.

4. Implications and Research Opportunities

This chapter focused on CEO successions in family firms. It started by highlighting the greater importance of succession planning for family firms, given the family's high SEW investment in their firms, the longer tenure of family-firm CEOs, and the involvement of family members (in addition to the usual stakeholders) in the CEO succession process. Although succession planning is much more important for family firms, many such firms lack succession planning or start the process when it is almost too late. Firms with founder-CEOs may be particularly prone to such a lack of planning, as such CEOs often find it difficult to let go of their business.

In terms of their timing, successions in family firms are less likely to follow periods of poor performance, as is the case in nonfamily firms. A possible reason for this difference is the incumbent CEO's desire to leave the firm in the best possible state before the succession. Still, some family CEOs overstay their time in the firm as they only hand over the baton once the firm is in bad shape.

A key determinant of the type of CEO successor is firm performance, with the likelihood of a nonfamily CEO being appointed increasing after a period of poor performance. Another firm

characteristic that affects the type of CEO successor is board independence. Nevertheless, conventional or reported board independence does not seem to affect the choice of CEO successor. Board independence only matters if it is adjusted for the links that individual directors have to the controlling family.

Although most studies amalgamate the various types of CEO successions, several studies have focused on founder-CEO successions, given that such successions constitute a crossroads between maintaining the family firm status and selling the firm. For example, the founder-CEO is more likely to be succeeded by a professional CEO after successful product development and during a further round of raising finance. By contrast, the founder-CEO is more likely to appoint a family heir if founder investment in the firm – such as the establishment of political connections – is greater.

Similar to what is the case for founder-CEOs, existing research typically amalgamates female CEO successors with male CEO successors. Those studies that distinguish between female and male successors find that, while family firms are more likely to appoint a female CEO, most family firms give preference to male heirs, even though their human capital is typically lower than that of the selected female heirs. Family firms are also more likely to keep their family firm status if the CEO's firstborn child is male.

In terms of broader directions for future research in the field, family firms overwhelmingly recognise the importance of CEO succession planning but often fail to implement a plan (Marshall et al., 2006; Deloitte, 2026). There is a lack of research explaining the persistence of this gap and the impact of psychological, cultural, and structural barriers on this process. While existing research has focused on the choice of CEO successor as well as the consequences of this choice on corporate outcomes, more research is needed on the process leading up to the CEO succession. Longitudinal, process-oriented studies of succession pipelines, board deliberations, and evolving candidate pools would further develop our knowledge of CEO successions in family firms.

In addition, past research often uses fairly rough proxies for governance and board dynamics, e.g., board independence and ownership structure, to explore how boards arrive at a succession decision. Qualitative and mixed-method research on boardroom processes, director-CEO relationships, and the role of lead directors, chairs, and external advisors would enrich our understanding.

Further, CEO succession norms are likely to differ widely across the globe. Legal systems, inheritance laws, and cultural acceptance of nepotism likely shape CEO successions in family firms. Other behavioural and psychological factors, such as gender norms and conflicts with the family, could also shape successor selection. These factors are likely to matter even more for founder-CEO successions.

To conclude, in contrast to the extensive literature on the performance effects of various types of CEO successors, the literature on the determinants of CEO successions in family firms is still limited. This is particularly the case for founder-CEO successions and the drivers of female CEO successors. Knowledge is also limited on how family firms plan, adjust, and learn over time about the CEO succession process. The role of informal influences, political affiliations, behavioural, psychological, and cultural factors in CEO selections in family firms is also under-researched. Hence, there is a need for further exploration in these areas. Future research may also use recent developments in AI to collate and analyse qualitative data, such as press statements, narratives contained in financial reports, and social-media postings, to study succession planning and the actual succession process in family firms.

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