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Survival beyond succession? The contingent impact of founder succession on organizational failure☆

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Abstract

Previous research on managerial succession in general and founder succession in particular is inconclusive about whether succession harms or helps organizations. In light of the conflicting findings of previous studies, we adopt a contingent approach to this issue. We focus on three factors—the ideological zeal of an organization's founder, the managerial roles played by founders, and organizational affiliations—that we expect to moderate the relationship between founder succession and organizational performance. We analyze failure by magazines founded in the United States from the industry's inception in 1741 to its maturity at the outbreak of the Civil War in 1861. Our analysis shows that ideology is a strong moderator of the relationship between founder succession and organizational failure, and that ideology conditions the impact of managerial roles and organizational affiliations on failure following founder succession.

Keywords: Managerial succession; Founder succession; Organizational failure; Ideology

1. Introduction: the puzzle of founder succession

Ever since Weber's (1947, 1920/1963) discussion of charismatic authority, scholars have recognized the difficulty that organizations face when they seek to routinize their founders' charisma. Accordingly, scholars have long sought to understand how founders shape their

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ventures and how their departure affects organizations' fates. The identities of founders are more tightly linked to organizational identity than are the identities of later-stage managers (Dobrev and Barnett, 2002). Moreover, founders often control all or most organizational assets, so ownership and control are far less separated in firms managed by founders than in firms managed by nonfounders (Berle and Means, 1932). Organizations' strategic orientations often change after the departure of founders (Grusky, 1963; Pfeffer and Leblebici, 1973; Wiersema, 1992), in part because successors to founders typically come from outside the focal organization (Gouldner, 1954; Dalton and Kesner, 1984; Wasserman, 2001).

Three arguments have been proposed concerning the impact of managerial succession in general and founder succession in particular: that succession has a favorable, a detrimental, or no impact on organizational performance. First, succession may be a rejuvenating and revitalizing process. Guest (1962) observed that changing management reduced conflict without creating chaos and so improved performance. Helmich (1974) and Virany et al. (1992) found that executive succession increased growth rates and financial returns, respectively, especially when the successors were outsiders, and Singh et al. (1986) found that chief executive succession improved organizational survival chances. Pfeffer and Salancik (1978, pp. 225–256) explained these effects by arguing that through succession, firms obtain better recent information about their environments, which facilities planning and execution, and thus enhances performance.

In line with this conclusion, a common prescription in the entrepreneurship literature is that rapidly growing firms soon outpace their founders' managerial capabilities, and so founders must step aside or be replaced by professional managers (Buchele, 1967; Tashakori, 1980; Drucker, 1985; Clifford and Cavenaugh, 1985). Because entrepreneurial work and managerial work are not the same, these scholars argued that there comes a time in the lives of all ventures when founders must relinquish control over important decisions and turn their organizations over to professional managers. Support for this argument has been found by Cooper and Bruno (1977), Hambrick and Crozier (1985), and McCarthy et al. (1990).

In sharp contrast, many other scholars have proposed the succession-crisis hypothesis, which holds that managerial succession diminishes organizational performance, disrupts work routines, interrupts command, and increases employee insecurity (Gouldner, 1954; Grusky, 1960, 1963, 1964). A vicious circle operates: poor performance leads to succession, which in turn disrupts operations and further worsens performance (Grusky, 1963). The succession-crisis hypothesis has been supported in a number of empirical settings (Trow, 1961; Allen et al., 1979; Carroll, 1984; Haveman, 1993).

The departure of founders is particularly painful because they value their organizations more than nonfounder managers, and so exert greater efforts to ensure organizational success. Founders also tend to own significant fractions of their firms, which ties their personal fortunes to their organizations; hence, founders are especially likely to work diligently and to develop their managerial skills, which should yield superior performance (Jayaraman et al., 2000). In addition, entrepreneurs commonly exhibit a willingness to take risks and a high need for achievement (McClelland, 1961); these personal traits can be expected to lead to superior performance by founder-managed organizations (Jayaraman et al., 2000). Finally, founder-managed organizations tend to be young, and so founder succession involves not only the replacement of one or more key individuals, but also a redefinition of managerial positions (Christensen, 1953; Davis, 1968; Tashakori, 1980; Carroll, 1984) and rerouting of communication and decision making. For all these reasons, founder succession is expected to have detrimental effects on organizational performance.

Gamson and Scotch (1964) attacked both of the preceding arguments. Reanalyzing Grusky's (1964) data on baseball teams, they found no visible increase or decrease in performance following changes in management. Eitzen and Yetman (1972), Lieberson and O'Connor (1972), Gephart (1978), and Brown (1982) provided additional support for the premise that succession and performance are unrelated. Studying founder succession specifically, Daily and Dalton (1992) and Denis and Denis (1994) found no difference in financial performance between firms managed by founders and those managed by non-founders. Willard et al. (1992) obtained the same result using both accounting and market-based measures of performance. Findings of a null relationship support claims that managerial action is purely symbolic (Salancik and Pfeffer, 1977; Pfeffer, 1981; Meindl et al., 1985) and that both organizational structures and external forces constrain executive action (Lieberson and O'Connor, 1972; Salancik and Pfeffer, 1977; Hannan and Freeman, 1989, pp. 40–44).

Because prior research is equivocal about the impact of founder succession on organizational performance, we propose to take a contingent approach to the question. We specify conditions under which founder succession will yield positive, negative, or neutral effects on one important aspect of performance failure. We propose that the effects of founder succession on failure is contingent on (a) the extent to which organizations originate from and reflect founders' strong ideologies, (b) the roles played by founders, and (c) the availability of support from affiliated organizations. Thus, we follow the urging of several scholars (Romanelli, 1989; Aldrich and Wiedenmayer, 1993; Thornton, 1999; Aldrich, 1999) and examine the impact of contextual factors, rather than entrepreneurs' personal characteristics, on new ventures. We highlight one entrepreneurial trait, personal ideological zeal, which over time becomes a contextual factor, organizational ideology, and becomes embodied in organizational goals, structures, and products. Our analysis recognizes explicitly that entrepreneurs' personal characteristics are intertwined with contextual factors, and draws attention to one aspect of this intertwining. Note that we consider the impact of personal and contextual factors on failure, which is a clear indicator of performance after founding, rather than on founding itself.

2. Theory and hypothesis

2.1. Ideological zeal

Ideology has been defined as the moral goodness or aesthetic desirability that resides in certain classes of objects and generates principles that rule over social behavior (Nadel, 1953, p. 270); as "a generalized end that guides behavior toward uniformity in a variety of situations'' with the goal of repeatedly creating a transcendent (rather than instrumental) satisfaction (Fallding, 1965, p. 224); and ''a highly articulated, self-conscious belief and ritual system, aspiring to offer a unified answer to problems of social action,'' which competes with other belief systems for dominance over some form of social activity (Swidler, 1986, p. 279). From these definitions, it follows that ideological zeal is enthusiastic—at the extreme, fanatical—commitment to a coherent set of principles, creed, dogma, or belief system, which channels social behavior toward some ends and away from others.

Ideologically zealous entrepreneurs derive substantial benefits from facets of organizational operations other than profits (Scott-Morton and Podolny, 1988). They found new ventures to promote love or hate, support religious or political causes, right social wrongs, advocate particular aesthetics, or spread ''the good news'' about systems of beliefs—but not to acquire mere personal rewards. In this way ideologies generate enduring social structures (Mannheim, 1929/1936). Founders who are intensely ideological create value-rational (*wertrational*) organizations, which reflect their beliefs in substantive principles rather than efficiency or profitability; in contrast, founders who are not driven by strict adherence to some belief system create instrumentally rational (*zweckrational*) organizations as tools to achieve value-neutral ends such as financial gain (Weber, 1947, 1968/1978, pp. 24–26; DiMaggio and Anheier, 1990).[1]

Many scholars (Selznick, 1957; Kimberly, 1979; Aldrich, 1999) have noted the significance of founders' values and belief systems for the lives of their ventures. For example, Child (1987, p. 171) argued that organizational traditions frequently have their origins in ''the ideology of an entrepreneurial founder who sets out both a strategic perspective on the task of the organization and a philosophy in the form of labor process to accomplish it.'' In a comparative case study, Trice and Beyer (1986) found that differences in the ideologies of the founders of Alcoholics Anonymous and the National Council of Alcoholism mapped on to differences in organizational routines and structures.

No matter their strength or content, founders' ideologies give rise to the dominant belief systems that define and maintain their organizations' distinctive characters (Selznick, 1957; Abravanel, 1983) and that are reflected in organizational visions, goals, strategies, structures, and output. First, consider *Harijan*, a magazine founded by Mahatma Gandhi in 1933 to espouse the elimination of the practice of untouchability in India. Gandhi believed strongly in the equality of all human beings, and used *Harijan* to disparge belief in a society riddled with caste distinctions and social inequalities. It was here that Gandhi published his speech against a law proposed by the British that would have established separate electorates for lower castes and untouchables. Second, reflect on Israeli kibbutzim, whose founders drew on their socialist–Zionist ideology to demand that their ventures be self-sufficient. Accordingly, the use of hired labor on kibbutzim was prohibited for many years (Russell, 1995; Simons and

[1] By ''rational,'' Weber meant that an actor was aware of goals and the means to achieve them. As Weber noted, it is unusual to find organizations that are based solely on either value or instrumental rationality. Instead, most organizations embody a mix of rationalities; for example, producers' cooperatives incorporate two conflicting forms of rationality, populist communitarian ideals and narrow economic individualism (Aldrich and Stern, 1983).

Ingram, 1997). Finally, consider Mary Kay Cosmetics, a direct-marketing organization founded by Mary Kay Ash in 1963. Its distinguishing symbols—the mantra "God first, family second, job third"; sales awards in the form of diamond-studded bumblebee pins and pink Cadillacs; annual meetings of a sisterhood of saleswomen that emphasize songs, sharing, and praise for achievement—reflect Mary Kay's personal creed that religious devotion, fulfilling family responsibilities, and making (even flaunting!) money are compatible goals for women as well as men (Biggart, 1989).

When organizations are born out of founders' ideological zeal, this zeal provides their raison d'être. In such circumstances, founder succession removes a life-sustaining force. In general, goals set by founders are unlikely to be pursued with the same passion by successors (Kimberly and Bhouchikhi, 1995). Similarity between founders and successors does attenuate the potential harmful impact of founder succession (Dyck et al., 2002). However, when founders are ideologically zealous, finding similarly zealous successors may be very difficult. In such circumstances, founders' departures are very likely to lead to loss of organizational vision, poor performance, and ultimately to failure. In contrast, when founders are less zealous, their commitment to organizational goals is easier to replicate, they are easier to replace, and founder succession should have a less detrimental impact on organizational performance and survival chances; indeed, the succession of less zealous founders may even benefit organizations. Given these arguments, we propose the following hypothesis:[2]

Hypothesis 1: The stronger the ideology embodied by an organization, the greater the rate of organizational failure following founder succession.

2.2. Not all founders are alike: differences in roles

Founders who occupy different positions in their ventures' management structures possess differing degrees of control over organizational activities. Variation in control yields variation in the degree to which founders can imbue their new ventures with their own belief systems. One useful distinction is between those who control core production functions (line managers) and those who control ancillary functions (staff managers). Take for instance periodical publishing, which is the context of this study. Editors, who are responsible for setting tone and soliciting contents, are line managers; publishers, who attend to finances and oversee printing, are staff managers.[3] Because editors make decisions about the distribution and content of articles, they shape their publications' expressed ideologies. Publishers' more prosaic responsibilities leave them with far less ability to imbue periodicals with their own belief systems. Industry analysts agree with this conclusion. For instance, Wood (1949/1971, p. 445) opined that strong editors make strong magazines because the chief prerequisite for good

[2] In accordance with our view that the impact of founder succession is contingent on contextual and personal factors, we do not predict any main effect of founder succession.

[3] Although we use periodical publishing to illustrate the distinction between line and staff managerial roles, this distinction clearly applies to organizations in many other societal sectors.

editors is distinctiveness and the ability to transfer that distinctiveness to their magazines, making them consistently recognizable and different from every other magazine. Thus, editors' line positions have more influence on ideology than publishers' staff position, especially for periodicals that were founded to promote strong ideologies. Accordingly, we posit:

Hypothesis 2a: The succession of founders in line positions will have greater impact on organizational failure than the succession of founders in staff positions.

Hypothesis 2b: The difference between the impact of line and staff founder succession will be greater for strong-ideology organizations than for weak-ideology organizations.

The management structures of new ventures vary greatly. Some are founded by single entrepreneurs, others by teams of two or more people. Given the range of management structures, what is meant by founder succession also varies greatly. An exiting founder may vacate a single position or multiple positions. We expect founder succession to be more disruptive to performance and survival when an individual playing multiple managerial roles exits, and to be less disruptive when an individual playing a single managerial role exits, because multiple managerial positions have to be redefined and more lines of communication and decision making have to be redrawn. We also recognize that when a founder occupies multiple managerial roles, more consistent signals about ideology are sent to organizational members and external observers than when a founder occupies only one of several managerial roles; accordingly, the exit of a founder who occupies multiple managerial roles will have a stronger impact on organizational ideology than the exit of a founder who occupies a single role. We expect the difference between the exit of founders who play single and multiple roles to be accentuated by organizational ideology. Strongly ideological founders who fill a single managerial position must recruit similarly ideological individuals to fill the other managerial positions; these other managers can help uphold founders' original value systems in the wake of founder exit. However, founders who occupy multiple managerial positions have less need to recruit many such like-minded managers; hence, the departure of founders who play multiple roles is less likely to be buffered by ideologically similar fellow managers. Thus, we predict:

Hypothesis 2c: The impact of founder succession on organizational failure will be stronger when a founder who plays multiple managerial roles exits than when a founder who plays a single role exits.

Hypothesis 2d: The difference between the impact of the exit of a founder who plays multiple roles and the exit of a founder who plays a single role will be greater in strong-ideology organizations than in weak-ideology organizations.

2.3. Substitutes for founders: affiliated organizations

Ties to other, powerful organizations can serve as substitutes for departing founders and so can buffer organizations from the disruptions that occur following founder succession (Hawley, 1968; Miner et al., 1990; Baum and Oliver, 1991; Aldrich and Wiedenmayer, 1993). Such buffering can take two forms: resource buffering involves protection accorded by access to money, goods, information, and technology; institutional buffering involves protection through the acquisition of legitimacy and maintenance of the organization's distinctive character (Aldrich and Fiol, 1994). Many new ventures are backed by organizations that have similar interests and ideologies; these supporting organizations can smooth the transitions that accompany founder succession and attenuate any negative effect on organizational performance. Affiliation is especially beneficial for strong-ideology organizations because the affiliated organizations can help find replacements to founders who are equally ideological, thus reducing the loss of vision and direction that accompanies the departure of zealous founders. This line of reasoning leads to the following hypotheses:

Hypothesis 3a: Affiliations with other, supporting organizations will dampen any negative impact of founder succession on organizational failure.

Hypothesis 3b: The impact of organizational affiliations on the relationship between founder succession and organizational failure will be greater in strong-ideology organizations than in weak-ideology organizations.

3. Research site: the early magazine industry in America, 1741–1860

This paper investigates relationships among founder succession, founder and organizational ideology, founder roles, organizational affiliations, and organizational failure in the magazine industry in America between 1741 and 1860. There are several reasons why we chose to study these phenomena in this industry at this time in its history. First, the magazine industry has long been important in American life, to emerging professions, political debates, and social life in general. This industry played a central role in the genesis of mass culture in America. This industry also played a role in the development of a new type of productive individual: magazine contributors were pioneer knowledge workers. Thus, magazines were central to the evolution of the American economy from manufacturing to service and then to knowledge production. Second, remarkably detailed and reliable archives abound. Magazines themselves provide much of the data we need, and a plethora of secondary sources offers detailed descriptions of magazines lives, founders, formats and contents, and general operations.

The magazine industry is especially well suited to investigating organizational ideology because the conventions of objectivity apply less strongly to magazines than to many other organizational forms. Helping readers interpret facts, rather than presenting them badly is a key function of many types of magazines. (In contrast, news agencies such as Reuters and AP are valued for their objective presentation of the facts.) Because the social significance of issues is central to magazines, subjectivity and partisan views are expected (Paine, 1987, p. 11). Thus, the magazines we study promote ideologies that can best be conceived of as discourses, "general principle, concepts, symbols, and rituals used . . . to address problems in a particular historical episode" (Moaddel, 1992, p. 359).

Partisan stances were especially evident in the formative years of the American republic, which was torn between two opposing orientations. On one side were proponents of the Enlightenment, an intellectual movement rooted in the scientific advances of Galileo, Newton, et alia and the rationalistic philosophy of John Locke, David Hume, and the Scottish "common sense" school; on the other side were evangelical religious and political activists who played central roles in two religious revivals, the great Awakenings of 1738–1775 and 1790–1845, and several antimonarchial struggles, most notably the American and French Revolutions (Ahlstrom, 1972, pp. 343–402). American magazines founded during and after this era reflected the tension between these two stances: some were strictly value neutral, whereas others promoted particular religious, philosophical, political, or social ideas.

3.1. A brief history of magazines in America

The first magazines in America were founded in 1741.[4] These early ventures were nurtured by such notables as Benjamin Franklin (founder and publisher of the second American magazine, *General Magazine and Historical Chronicle* in 1741), Thomas Paine (cofounder and editor of *Pennsylvania Magazine* in 1775), and Noah Webster (founder and editor of *American Magazine* in 1787 and *American Minerva* in 1793). Modelled after magazines in England, the earliest American magazines were written for elite audiences.

Early American magazines had four things in common. First, they were centrally concerned with the workings of the state; most published proceedings of governmental bodies and extracts of new legislation, as well as articles praising or damning sundry laws, legislators, and political theses. Second, most published prose literature in the form of essays, belles lettres, memoirs, travelogues, and serial fiction; virtually all included heavy doses of poetry. For both political and literary content, early magazines made heavy use of "extracts" from other publications, including books, American and British newspapers, and proceedings of state assemblies. Such widespread theft was possible because copyright laws were almost nonexistent in America before the mid–19th century; moreover, American copyright laws did not cover material published outside the United States by individuals who were not U.S. residents until 1909 (Patterson, 1968; Rose, 1993). Even after limited U.S. copyright laws began to be developed, ownership of magazine contents was not well defined and the reprinting of poems, tales, and articles was a common practice. As time passed, however, both legal (coercive) and cultural (normative) restrictions on the appropriability of magazine contents tightened.

Third, all early magazines published much that is today the province of newspaper, radio, television, and internet reporting: current events, weather, agricultural and industrial com-

[4] Edgar (1975, p. 55, n. 1) reported that one magazine may have been founded 20 years earlier. *Telltale* was purportedly issued by Ebenezer Turell, a Harvard student, in 1721 as a manuscript magazine on a weekly or semiweekly basis. Edgar cites an article in the *Harvard Graduate Magazine* as his source. Because no physical trace of this magazine has been found and no other historian has noted its existence, we omitted *Telltale* from this analysis.

modity prices, and currency exchange rates. Most historians and bibliographers agree that there was a fine line between magazines and newspapers, especially early in the industry's history (Wood, 1949/1971, p. 373; Kribbs, 1977, p. 1). Some periodicals in our data set have many characteristics in common with newspapers; yet all contain a significant amount of less transient material.

Fourth, and perhaps most important, the earliest American magazines were mysterious and precarious undertakings that required considerable explanation and exhortation to gain readers' support. The founders of the earliest magazines in America were truly "fools" who "rushed in" to fill a void that no one but they believed existed (Aldrich and Fiol, 1994). Consider examples from three early magazines, two published before the Revolutionary War and one after the War. The first magazine published in America, Andrew Bradford's *American Magazine, or a Monthly View of the Political State of the British Colonies* (February–March 1741), began with eight pages of a closely worded explanation of what his magazine would and would not contain. The introduction to another early magazine, *American Magazine and Historical Chronicle; for all the British Plantations* (1743–1746), stated that "we have not as yet such a Number of Subscribers as are sufficient to support [the magazine]" but then went on to declare optimistically that they were "not doubting that if the Design be well executed, further Encouragement will arise hereafter." In an unsubtle attempt to demonstrate its legitimacy, Matthew Carey's *American Museum* (1787–1792) devoted 12 precious pages up front to a list of subscribers, highlighting George Washington and Benjamin Franklin.

Historians (Tassin, 1916; Richardson, 1931; Mott, 1930, 1938a,b; Tebbel and Zuckerman, 1991) recognize four periods in the history of the early American magazine industry. Let us describe each period briefly.

3.1.1. 1741–1794: tentative undertaking

The first magazines in America were beset by myriad problems: indifferent readers; lack of low-cost, reliable, and rapid production and distribution systems; and a dearth of quality contributions. Even toward the end of this period, when public interest in what magazines could provide was piqued, audiences disagreed about whether magazines should reflect English and Continental literary modes or develop a uniquely American voice (Kribbs, 1977, p. xi). As a consequence, the lives of most early magazines were very short. For example, the first two magazines—Andrew Bradford's *American Magazine* and Benjamin Franklin's *The General Magazine*—folded after issuing three and six numbers, respectively, despite their founders' social prominence and political connections, and despite the fact that they were published in Philadelphia, which was large, geographically central, politically sophisticated, and culturally refined. One historian (Edgar, 1975, pp. 13–14) concluded:

> One of the principle problems for magazines remained the financial one. Publishers trustingly sent magazines on credit, and readers, more frequently than not, avoided remitting the requested price. Yet the subscription was sorely needed to cover costs, since little income resulted from advertisement.... Most of the magazines which failed did so because the collection of subscriptions proved to be impossible.

During this era, magazine publishers and editors were hampered by the lack of printing presses and paper (Thomas, 1874). Printing presses were few and cumbersome, while paper was manufactured from cotton rags, so it was expensive and scarce. Even when they could get access to printing presses and paper, magazine editors were vexed by a dearth of original material. The first obstacle to finding fiction and nonfiction articles tailored for magazines was the scarcity of professional writers. Writing for periodicals was considered both disreputable and unprofitable. Magazine founders and editors had difficulty persuading respected authors to contribute to their fledgling ventures. Even when they persuaded others to write for them, most articles in the earliest magazines were published anonymously. The second obstacle to obtaining original material for magazines was that magazine publishers offered little, if any, compensation (Mott, 1930; Tebbel and Zuckerman, 1991, p. 10). The third obstacle was the absence of copyright law, mentioned earlier. Without legal safeguards for their intellectual output, authors had little incentive to send material to magazines. Consequently, virtually the only original material in magazines published during this early period was written by the founder–editors themselves.

Given these difficulties, it is not surprising that the first 54 years of the industry's history were quite placid. Only 69 magazines were founded in America between 1741 and 1794. Not until after the Revolutionary War was there a constantly increasing number of magazines in print; even then, there were never more than 20 magazines in print.

3.1.2. 1795–1825: establishment of a cultural form

In 1794, Congress established the Post Office as a permanent arm of the federal government. The Postal Act of 1794 gave magazine publishers access to a reliable, if costly, distribution channel, by declaring the magazines "may be transported in the mails when the mode of conveyance and the size of the mails will permit it." The 30 years following the passage of this Act saw roads improve greatly, canals develop, postal routes expand, and the reliability and speed of postal service improve. The national postal network was almost complete by 1825 (John, 1995).

Equally important to the vitality of magazines was a series of advances in printing technology that greatly reduced costs, starting with the Stanhope iron press (1800), the Columbian press (1813), and the double-cylinder press (1814). The Stanhope press was faster, stronger, and more stable than wooden presses; its use of levers was the foundation for many later 19th-century presses (Berry and Poole, 1966; Moran, 1973). The Columbian press used levers, counterweights, and plungers that greatly reduced the amount of human effort required; it was very popular for over 100 years (Berry and Poole, 1966). The double-cylinder press was more reliable and far faster than earlier flatbed presses; it could print over 1000 sheets per hour (Berry and Poole, 1966; Moran, 1973).

The magazine publishing industry grew rapidly in the wake of such improvements in distribution networks and production technology: 782 magazines were founded between 1795 and 1825, inclusive. During this era, magazines became mass-market products, fragmented among a wide range of specialized audiences: women and children; adherents of various religious denominations; members of various social-reform movements; lovers of prose, poetry, music, and other art forms; and members of various scientific disciplines, professions, and occupations. Boundaries between specialty and general magazines were not always clear, however, as almost all magazines published in this period carried belles lettres, poetry, biographies, and political treatises.

Magazines continued to struggle with a dearth of contributions. Specialty magazines found reliable contributors among members of professions, such as lawyers, ministers, college professors, and medical doctors. But general-interest, literary, and political journals found it far more difficult to persuade authors to submit material; significant cultural, economic, and legal barriers remained. Such journals continued to depend on reprinting material from American, British, and foreign-language sources, as well as state papers and proceedings of government assemblies. For original material, they continued to rely heavily on contributions from their founders and editors. For example, Charles Brockden Brown wrote almost everything original that appeared in his general miscellany, *Literary Magazine and American Register* (1803–1807), as did Joseph T. Buckingham for his theatrical and literary miscellany, *Polyanthos* (1805–1814).

3.1.3. 1826–1850: the first golden age

The quarter century after 1825 was labelled the first "golden age of magazines" by Mott (1930); this judgement has been confirmed by contemporary industry analysts (e.g., Tebbel and Zuckerman, 1991). This quarter century saw 1873 magazine foundings and longer average life spans for magazines. The number of magazines published more than trebled during this period, rising from 181 in 1825 to 585 in 1850.

The vitality of the magazine industry during this era was due to a variety of factors. First, there were technological breakthroughs in printing, notably the invention of the cylinder press by Napier in England in 1828 and its importation to the United States in 1829 (Moran, 1973). Napier's machine was soon imitated by early American printing manufacturers (Berry and Poole, 1966). Second, demographic shifts (i.e., the growth of a literate population) greatly strengthened the magazine industry by expanding demand for its products. The population exploded from an estimated 1.2 million in 1750 to 3.9 million in 1790, 12.9 million in 1830, and then to 23.2 million in 1850 (U.S. Census Bureau, 1975; all figures include the slave population). Data on literacy rates are spotty, but one source (Strohecker, 1969, p. 12) estimated that the (nonslave) U.S. population was 90% literate by 1820. Other sources (e.g., Dill, 1928) reach similar conclusions. Third, legal changes shaped the industry, most important being the development of U.S. copyright law, which protected American authors (but not foreigners) and made them more willing to contribute original material to magazines. The first general revision of the U.S. Copyright Act occurred in 1831, and the first major court decision (Wheaton *v.* Peters) was handed down in 1834. During this era, copyright came to be generally understood as a right granted by the government for the purpose of preventing harmful monopoly, maintaining order in the publishing trade, and promoting learning by rewarding authors to encourage them to produce (Patterson, 1968).

One notable social innovation—the birth of a new occupation—occurred during this period. In late 1824, *Atlantic Magazine* (1824–1825) pioneered the practice of paying contributors. Other magazines followed suit, notably the larger circulation eclectic journals

Godey's Lady's Book (1830–1898), *Knickerbocker, or New York Monthly Magazine* (1833–1865), and *Graham's Magazine* (1840–1858). Between 1826 and 1840, a new class of writer—the *magazinist*—responded to this revolution in magazine editorial policy and emerged to supply magazines with original material.[5] By the early 1840s, this occupation had achieved a considerable degree of legitimacy (Mott, 1930; Tebbel and Zuckerman, 1991). Of course, magazinists also benefitted from having their work exposed to a wider audience than they could reach solely through lecturing or book publishing. The rise of the magazinist was facilitated when copyright law developed to protect the intellectual property of American authors (Rose, 1993). With financially and legally secure sources, general-interest, political, and literary magazines flourished.

3.1.4. 1851–1861: continued growth

During the decade preceding the Civil War, the pace of magazine-publishing activity continued to accelerate, as another 1053 magazines were founded. The number of magazines published in any year reached 817 in 1860, before declining to 726 by the end of 1861. By 1860, "the magazine industry had assumed . . . much of the character it has today" (Tebbel and Zuckerman, 1991, pp. 12–13). One historian makes an even stronger claim:

> The magazine today is not essentially different from the magazine in 1741. *The General Magazine and Historical Chronicle* [1741] then, and *Time*, *Life*, *The Saturday Evening Post*, and *Harper's* now, are recognizably the same in basic identity and function. The magazine is, as it has been, a vehicle for communication among people, a medium for the transmission of facts, ideas, and fancies. (Wood, 1949/1971, pp. 377–378).

In addition to general-interest magazines, a vast array of specialist journals had appeared to serve particular audiences; these specialist magazines were more narrowly focused and more distinct from general-interest magazines than their predecessors. A new occupation, the magazinist, had developed to supply written material. Magazines had taken on approximately their current physical form in terms of size, shape, paper, and balance between written and pictorial material. The still-predominant means of distribution, the mail, had been expanded in reach and improved in speed and reliability, thanks in part to railroads (Kielbowicz, 1989; John, 1995). By observing the magazine industry up to the Civil War, therefore, we are able to analyze the industry's evolution from its origins to (nearly) its modern state.

4. Data and methods

To analyze the relationship between founder succession and organizational failure in this industry, we gathered data from 81 secondary sources: 17 book-length histories of the

[5] The term magazinist was coined by Edgar Allan Poe, who was himself an eminent magazine editor and contributor (Wood, 1949/1971, p. 64).

industry (e.g., Mott, 1930; Tebbel and Zuckerman, 1991), 8 historical articles that focused on particular parts of the industry (e.g., Matthews, 1899; Smith, 1933), 20 checklists and brief descriptions of particular subsets of magazines prepared by bibliographers and librarians (e.g., Arndt and Olson, 1961; Kribbs, 1977), and 36 book-length descriptions of particular kinds of magazines, eras, or locations (e.g., McLean, 1928; Littlefield and Parins, 1984; Chielens, 1986). (A complete list of data sources can be requested from the first author.)

To find these sources, the first author searched the University of California Library, the Columbia University Library, and the New York Public Library; she purchased or photocopied all books she found on the early magazine industry. She found references to articles and other sources in the bibliographies of industry histories and purchased or copied those sources, too. Finally, she found references in five bibliographies of sources on the magazine industry. She pored over all sources, making detailed notes, to compile a list of 4053 magazines and their attributes. She cross-checked information provided by various authors. Finally, for over 100 magazines, she studied facsimiles in the American Periodical Series Online 1740–1900.[6]

The following magazine attributes were recorded: publisher and editor, title, publication start and end dates, publication frequency, location (city and state), magazine type, target audience (women and children), circulation, and affiliation with a church, college or university, or medical or literary society. Our data are quite detailed and so permit a fine-grained dynamic analysis of organizational failure. We usually have exact founding dates—exact to the day for magazines that publish more often than once per month, exact to the month for magazines that publish less often. We can generally pinpoint location and publication frequency with similar precision, and record the exact timing (to the day or month) of location or frequency changes. For this analysis, we aggregated data to the calendar year and coded location at the level of the state. We also noted whether magazines were published in urban or rural areas.

4.1. Caveats

Although these data are quite rich, they suffer from three limitations. First, our data are neither a census nor a random sample. They include about 40% of the magazines ever published, according to estimates given by Mott (1930), who wrote the most detailed history of this industry. The magazines that are most likely to be missing from the archival records were (a) short-lived and small-circulation; (b) published in the hinterlands, including the South, where many libraries were destroyed during and after the Civil War; (c) written in a language other than English; (d) founded after 1825, when the industry boomed and it was harder to track individual magazine ventures; and (e) focused on topics other than "serious"

[6] This data source, which is available from ABI Inform, documents about 1100 magazines housed at the University of Michigan. The online archive currently includes digitized images of pages from over 700 early magazines; when the digitization process is finished in 2003, the archive will include over 7 million pages. The online archive replaces the microfilm archive documented by Hoornstra and Heath (1979). Social historians and magazine industry analysts have relied on these sources for decades.

literature, theology, science, or politics. To overcome these inherent biases, the first author tried especially hard to find data on magazines published in the South and West, magazines written in languages other than English, and less "serious" magazines (humour, women's, children's, sports, and general).

Second, our sources sometimes disagree. Most of the time, we can resolve discrepancies quite easily, either by taking as correct the majority opinion (for the many cases for which there are multiple data sources) or the opinion of the informant who offered the most detailed factual account. Other times, the discrepancies are quite small (e.g., less than one year differences in ending date) and judgement calls to resolve them do not greatly affect our quantitative analysis. But for some magazines (fewer than 20), the discrepancies are large and not easily resolved. We dropped records on those magazines from the analysis reported below.

Third, records on some magazines are incomplete or imprecise. For 13% of magazines, data are missing on either founding or failure dates. We made judgement calls about survival time, based on observed distributions of survival times for magazines that were founded during each of the time periods that marked this industry's history. We assumed that magazines with missing founding or failure dates lived up to one year after the last known date of publication if they were born before 1795, between zero and two years if they were born between 1795 and 1825 inclusive, and between zero and five years if they were born 1826 onward. For each starting or ending time estimated, we used a random draw from a uniform distribution. (We also eliminated nine magazines that were missing data on both founding and failure dates.) Data on the three dimensions of magazine form that are central to this analysis are also incomplete: 1.3% of magazine-year records are missing data on location; 17.8% are missing data on publication frequency, and 7.1% are missing so much data on contents that we could not assess magazine type with any precision. Data on key participants are also missing for many magazines: 39.9% of magazine-year records are missing data on editors and 40.9% are missing data on publishers. We deal with all of these limitations in the usual way—by excluding magazines that are missing data on any variable of interest.

The sample we analyze includes 2593 magazines founded between 1741 and 1860. We track each magazine until its death or 1860, whichever was earlier. We update information on magazines annually, giving us 16,640 one-year spells. Table 1 provides descriptive statistics.

Table 1
Descriptive statistics on magazines in America, 1741–1860

Type of event	No.	Magazine type	No.	Publication frequency	No.
Magazine death	2040	Religious	640	Biannual (1/2 year)	1
		Social reform	128	Annual	1
Founding publisher exit	241	Children	75	Semiannual	1
Founding editor exit	256	Women	116	Thrice a year	1
		Political	75	Quarterly	70
Publication location		Literary	328	Five times a year	12
Urban	1945	General	363	Bimonthly	150
Rural	569	Scientific	90	Semiquarterly	31
		Medical	187	Monthly	669
		Agricultural	132	Weekly	911

4.2. Measures

4.2.1. Ideological zeal

Magazines imbued with their founders' strong ideologies will clearly delineate the dogmatic paths they intend to follow. These paths are incorporated in editorial agendas, which are typically given in prospectuses. Magazine prospectuses are similar to publicly traded firms' letters to their shareholders—they lay out objectives and the means to achieve them—and so they are suitable for gauging magazines' ideological zeal or lack thereof.

The second author reviewed the prospectuses of a sample of magazines that were available in a digital library, the American Periodical Series (APS) Online. She drew a random sample of religious and political magazines. Other types of magazines were less common, so she analyzed the entire collection available in APS Online. This yielded a total of 28 religious, 17 literary, 12 social reform, 7 political, 9 agricultural, 15 general, 11 medical, 9 science, 5 women's, and 7 children's magazines. Many magazines, especially medical, scientific, and agricultural journals, did not have prospectuses, which clearly indicates their low level of ideological zeal.

The second author converted digital images of prospectuses to text files using Omni PagePro Optical Character Recognition (OCR) software. She checked text files for spelling mistakes caused by poor recognition of smudgy digital images. For several very old magazines, which were printed in very small fonts or in Gothic script, she retyped the prospectuses and then converted them to text format.

She then analyzed text files to gauge the ideology levels of each magazine type. Her automated text analysis is based on the Whorf–Sapir hypothesis that the cognitive categories through which individuals attend to the world are embedded in the words they use (Sapir, 1944; Whorf, 1956). Words that are used frequently are cognitively central and reflect what is most on the writer's mind; words that are used infrequently or not at all are at the writer's cognitive periphery, perhaps even representing uncomfortable or alien concepts. Automated text analysis has been used in numerous organizational studies, for instance, to analyze letters to shareholders in publicly traded companies' annual reports (e.g., Abrahamson and Park, 1994).

The text analysis was done by counting the number of times certain words appeared in each document. The words denoting strong commitment to various causes, which are listed in Appendix A, were drawn from a thesaurus. The second author included all synonyms for "ideology" and "zeal," all synonyms for those synonyms, all words in the "see also" lists, and all synonyms for those "see also" words. To be sensitive to our particular historical context, the second author added the word "abolition" and its synonyms to the list.

Table 2 summarizes the results of our analysis of prospectuses. Magazines falling below the 33rd percentile of word counts were deemed to have low ideology levels, those above the 66th percentile to have high ideology levels, and those in between to have medium ideology levels. The chi-square and Kramer's V tests of statistical independence (Bohrnstedt and Knoke, 1994) are significant at the .05 level, which indicates that the association

Table 2
Magazine ideology levels, by magazine type

Ideology level	Religious	Social reform	Literary	Agricultural	General	Medical	Scientific	Political	Women's	Children's
Low	3	5	*8*	*6*	*6*	*5*	*4*	2	0	1
Medium	5	1	5	2	5	4	4	*3*	*5*	*6*
High	*20*	*6*	4	1	4	2	1	2	0	0

This table arrays the 120 sampled magazines by their ideology levels. We italicized the ideology level to which we assign each type of magazine. The χ^2 test statistic of association between ideology level and magazine type = 51.0, while the Kramer's V statistic = .461. Both statistics indicate that we can reject the null hypothesis of no association at the standard threshold, $P < .05$.

between magazine types and ideology levels is not random.[7] We conducted both tests because the commonly used chi-square statistic is affected by the sample size and distribution of data (skewness, number of observations in each cell, etc.), whereas the Kramer's V statistic is not. These tests indicate that we can confidently classify religious and social reform magazines as highly ideological; literary, agricultural, general, medical, and scientific magazines as weakly ideological; and political, women's, and children's magazines as moderately ideological.

Two limitations of our measure of ideology must be admitted. First, it is imprecise because we measure ideology level for magazine types rather than individual magazines, even though our analysis reveals variation in ideology level within each type. Second, we base our measure on a sample of 120 organizations that were in APS Online and that had prospectuses, knowing that our assessment of ideology levels will be biased if the subset of organizations that have prospectuses is not representative of the whole population.

Notwithstanding these limitations, our tripartite classification scheme makes intuitive sense. Magazines devoted to social reform espoused a variety of strong creeds, such as opposition to slavery, support of women's political rights, and workers' rights. Religious magazines proliferated during and after the first and second Great Awakenings, two related sets of religious revivals that spread across America from 1738 to 1775 and from 1790 to 1845. The many new religious movements, sects, and denominations had clear needs to proselytize and to differentiate themselves from rivals; magazines were key weapons in the battle for believers (Ahlstrom, 1972). In sharp contrast, general and literary miscellanies, agricultural magazines, and medical and scientific journals tended not be rooted in any particular ideology. As their name suggests, miscellanies' contents covered a broad spectrum: fine arts, fiction and poetry, politics, current affairs, travel, history and biography, and science. Literary miscellanies differed

[7] Note that this analysis was limited to magazines that had a prospectus. It is quite likely that within any category, magazines that published a prospectus were, on average, more ideological than magazines that did not publish a prospectus. If so, Table 2 understates the differences between high- and low-ideology magazines.

from general miscellanies in that they emphasized belles lettres, poetry, literary criticism, and serial fiction. Agricultural, medical, and scientific journals were founded to disseminate what was believed to be objective information dispassionately to academics and practitioners.

Finally, magazines that targeted children and women had definite agendas, but their missions were only moderately value laden. They sought to inculcate the nation's women and children with high moral values and the habit of reading "pure" literature. Magazines for women typically reinforced the social order, but also sought to provide entertainment and information, including fashions, recipes, and home-management tips. Magazines for children included, in addition to religious or moral tales, puzzles, travel stories, and games. Similarly, political miscellanies were only moderately ideological because they did not aspire to radically transform society, although they exhort people to adopt particular political stances.

4.2.2. Organizational failure

A magazine was defined as having failed when it permanently ceased publication. Magazines were often suspended for a few months or a year during hard times and revived when circumstances changed. We did not code suspension as organizational failure. We also did not consider merger to indicate failure. Some mergers occur when thriving organizations absorb faltering rivals and clearly constitute failure. But other mergers occur when two similarly well performing organizations combine, most often to achieve economies of scale or geographic scope, and most observers would consider those to be successful events.

4.2.3. Founder succession

The succession of a founding publisher or editor—the first person(s) to occupy either position—was defined as occurring when the individual(s) occupying either of those positions departed. We also recorded when founders who held both the editorial and publishing positions exited. Although we recorded every succession event over the history of every magazine, we focused on the first succession event. When multiple individuals played the role of editor or founder, we coded the departure of a single person from a publishing or editing team as a succession event, and controlled for the presence of a publishing team with a binary indicator variable (set equal to one when there was a multiperson publishing or editing team and zero when there was a single editor or publisher).

4.2.4. Organizational affiliation

The variable was coded one when a magazine had ties to an organization such as a church, college, or a medical, literary, or philosophical society, and zero otherwise. In general, this was not a time-varying variable, as magazines sponsored by another organization typically maintained that sponsorship over their lives. But in a few instances, sponsorship began a few years after the magazine began publication, and in a few other instances, sponsors severed ties with magazines.

4.2.5. Control variables

Organizations can fail for a variety of reasons unrelated to founder succession. To control for age dependence in failure rates (Stinchcombe, 1965; Hannan, 1998), we included organizational age in our analysis, defined as the number of years since founding. To accommodate the possibility that the relationship between age and failure was nonlinear, we used the natural logarithm of age; using age yielded similar results. We could not obtain reliable data on organizational size (circulation) for many magazines; however, the data we do have on circulation indicate that size is highly correlated with age. Thus, effects estimated for age offer a combined control for age and size. This is not optimal, but since the liability of newness (or adolescence, obsolescence, or senescence) is not the primary focus of our study, it is sufficient.

Change in publication frequency and location has been known to affect failure rates of newspapers (Miner et al., 1990; Amburgey et al., 1993). It is reasonable to assume that the same relationships hold for magazines, so we include controls for cumulative number of changes in frequency and location (state). As noted above, we also control for frequency of publication (mapped onto a continuous scale indicating number of issues per year) and rural vs. urban location. Magazines that publish more frequently are likely to be more fragile because they require greater effort and resources. Urban areas provide better access to key resources—paper, printing presses, distribution, writers, and readers—and so urban magazines may fail at lower rates than rural magazines.

To capture changes in the institutional and material resources generally available to magazines, we used a series of variables. Three dummy variables represent distinct eras in the history of magazines, as chronicled by industry historians: 1741–1794, 1795–1825, and 1826–1850. The era 1851–1860 is the omitted reference category.[8] Finally, we measured environmental munificence as the number of foundings net of failures in the preceding year.

4.3. Model specification and estimation

We used event-history analysis (Tuma and Hannan, 1984, pp. 43–264) to study organizational failure rates. Our dependent variables are instantaneous transition rates defined as

$$r(t) = \lim_{\mathrm{d}t \downarrow 0} \frac{\Pr[t \leq T < t + \mathrm{d}t, \text{fail} \mid T \geq t]}{\mathrm{d}t},$$

where $r(t)$ is the hazard rate of a magazine's failing at time t, $\Pr[\cdot]$ is the probability of organizational failure between times t and $t + \mathrm{d}t$, given that the magazine is operating at time t.

[8] In results not shown here, we tried several other period dummies that indicated wars (the Revolutionary War and the War of 1812) and radical changes in postal regulations. None of these had any significant effect on magazine failure rates, net of the other controls, so we do not show them here.

Table 3
Descriptive statistics on magazines in America, 1741 – 1860

	1	2	3	4	5	6	7	8	9	10	11	12	13
Mean	1.771	2.212	.833	.267	.089	11.22	2.061	.029	.027	.274	.015	.284	.123
Standard deviation	1.123	2.784	.383	.864	.382	11.15	.961	.177	.162	.458	.129	.455	.331
Minimum	0	1	0	1	0	– 19	1	0	0	0	0	0	0
Maximum	1	104	1	12	5	49	3	1	1	1	1	1	1
1. Age (logged)		– .006	.091 *	.245 *	.196 *	.045 *	.153 *	– .023 *	– .045 *	– .032 *	– .044 *	.126 *	– .286 *
2. Publication frequency			.073 *	.042 *	.056 *	– .023 *	– .043 *	.000	.001	– .123 *	– .003	– .023 *	– .008
3. Location (urban = 1)				– .018	– .017	.012	– .082 *	.028 *	.023 *	– .119 *	.017	.068 *	– .072 *
4. Cumulative no. of frequency changes					– .022 *	.248 *	– .050 *	– .004	– .002	.026 *	– .098 *	.033 *	– .025 *
5. Cumulative no. of location changes						– .007	.034	.019	.030 *	– .017	.085 *	.049 *	– .035 *
6. Environmental munificence							.026 *	– .003	– .007	– .013	– .004	.091 *	– .088 *
7. Ideology								– .037 *	– .046 *	– .142 *	– .061 *	.127 *	– .117 *
8. Founding editor succession									.013	– .010	.435 *	.008	– .004
9. Founding publisher succession										– .022 *	.395 *	– .042 *	– .024 *
10. Publisher = editor (dummy)											.071 *	– .127 *	.031 *
11. Publisher = editor exits												– .044 *	– .005
12. Organizational affiliation													– .106 *
13. Magazine failure													

These statistics are calculated on pooled, cross-sectional time-series data covering 16,640 yearly records on 2593 magazines published in America from 1741 to 1860, inclusive.

* $P < .05$.

We used the SAS procedure GENMOD (SAS Institute, 1996; see Allison, 1995), to estimate models of the following general form:

$$r(t) = \exp[\beta' x(t) + \gamma(t)],$$

where β is a vector of parameter estimates, $x(t)$ is a vector of time-varying covariates, γ is the age-dependence parameter, and t is magazine age. Note that this log-linear specification constrains the rate to be nonnegative. The GENMOD procedure controls for right censoring, which occurs when the value of the outcome under study is unknown because the event of interest has not yet occurred for some organizations. Its procedure allows right-censored observations to be used in estimating parameters, thereby avoiding biases that result from eliminating censored observations or from treating censored observations as though events occurred when the observation periods ended (Sørensen, 1977; Tuma and Hannan, 1984, pp. 122–128).

As noted above, the data were broken down into spells, one spell per firm per year, to allow independent and control variables to be updated annually. Independent and control variables were measured at the beginning of the year, while the dependent variable was measured between the beginning and end of the year.

5. Results

Table 3 presents univariate statistics and bivariate correlations for the variables in our analyses. Table 4 presents estimates of organizational failure. Model 1 is a baseline that contains only control variables. Magazines that experienced numerous changes in publication frequency were more fragile, as were magazines published in rural areas. Environmental munificence (foundings minus failures) had a significant negative effect on magazine failure. Similarly, having a team of multiple publishers increased survival chances. Age and ideology both have negative effects on failure, indicating that older (generally larger) and more ideologically zealous magazines survived longer.

Model 2 adds editor and publisher succession dummies to the baseline model and shows positive effects, although only the editor succession variable is statistically significant. This partially supports the succession-crisis hypothesis (Gouldner, 1954; Grusky, 1960, 1963, 1964; Trow, 1961; Allen et al., 1979; Carroll, 1984; Haveman, 1993). Hypothesis 1 posited that strong ideology will amplify any detrimental effect of founder succession. Model 3 adds interactions between both founder succession variables and magazine ideological strength to

Notes to Table 4:

These analyses were conducted on pooled, cross-sectional time-series data totalling 16,640 yearly records on 2593 magazines published in America from 1741 to 1860, inclusive, that suffered 2040 failure events.

Standard errors are in parentheses.

* $P < .05$.

** $P < .01$.

*** $P < .001$.

Table 4
Event-history analysis of failure rates of magazines in America, 1741–1860

	1	2	3	4	5	6	7
Intercept	− .532	− .540	− .548	− .532	− .535	− .608	− .337
	(.139)	(.140)	(.141)	(.136)	(.139)	(.141)	(.157)
Log (age)	− .486***	− .410***	− .486***	− .480***	− .485***	− .484***	− .548***
	(.032)	(.033)	(.031)	(.030)	(.032)	(.032)	(.035)
Publication frequency	− .001	− .001	− .001	− .001	− .002	− .001	− .005
(no. of issues/year)	(.010)	(.011)	(.010)	(.011)	(.010)	(.011)	(.011)
Location (urban = 1)	− .251***	− .235***	− .252**	− .251***	− .255***	− .243***	− .306***
	(.069)	(.061)	(.070)	(.069)	(.066)	(.069)	(.077)
Cumulative no. of	.131***	.133***	.134***	.132***	.132***	.135***	.140***
frequency changes	(.027)	(.026)	(.027)	(.025)	(.026)	(.027)	(.028)
Cumulative no. of	− .049**	− .043**	− .049**	− .045**	− .048**	− .051**	− .046**
location changes	(.019)	(.014)	(.018)	(.019)	(.019)	(.020)	(.019)
Period 1: 1741–1794	.272	.273	.270	.272	.271	.266	.333
	(.198)	(.189)	(.198)	(.197)	(.198)	(.199)	(.221)
Period 2: 1795–1824	.260	.256	.257	.261	.260	.251	.312
	(.084)	(.084)	(.083)	(.080)	(.084)	(.081)	(.092)
Period 3: 1825–1850	.185	.203	.200	.159	.253	.211	.205
	(.451)	(.427)	(.427)	(.433)	(.426)	(.427)	(.422)
Environmental	− .024***	− .023***	− .023***	− .024***	− .022***	− .025***	− .023***
munificence	(.005)	(.004)	(.005)	(.005)	(.006)	(.003)	(.004)
(no. of foundings –							
no. of failures)							
Ideology (1 = *high*,	− .192***	− .131***	− .188***	− .192***	− .191***	− .147***	− .221***
2 = *medium*, 3 = *low*)	(.031)	(.022)	(.033)	(.031)	(.032)	(.034)	(.033)
Founding editor		.553**	.421	.411	.415	.114	.117
succession		(.224)	(.200)	(.251)	(.210)	(.275)	(.289)
Editor succession ×			.427**	.422*	.425*	.380 *	.254 *
Ideology			(.179)	(.170)	(.169)	(.132)	(.142)
Founding publisher		.349	.273	.273	.285		
succession		(.201)	(.237)	(.239)	(.211)		
Publisher succession ×			− .039	− .038	− .032		
Ideology			(.118)	(.111)	(.121)		
Founding editor is also				.094	.099	.089	.091
publisher				(.097)	(.081)	(.075)	(.088)
Editor and publisher				.565 *	.638 *	.588 *	.601 *
succession				(.223)	(.201)	(.301)	(.289)
Editor and publisher					.775**	.650**	.655**
succession × Ideology					(.318)	(.289)	(.368)
Organizational						− .455***	− .475***
affiliation						(.086)	(.090)
Organizational affiliation ×						− .426	− .386
Editor succession						(.304)	(.288)
Organizational							− .281
affiliation × Editor							(.170)
succession × Ideology							
Log likelihood	− 1698.6	− 1701.8	− 1587.0	− 1770.6	− 1701.2	− 1703.7	− 1703.2
Degrees of freedom	11	13	15	17	18	18	19

test Hypothesis 1. Only one interaction—with editor succession—is statistically significant, as predicted. Taken together, these results offer partial support for Hypothesis 1.

Hypothesis 2a predicted that the departure of founders from staff positions (editors) would have greater impact on failure than the departure of founders from staff positions (publishers). The results in Model 2 confirm this prediction: the main effect of editor succession is positive and statistically significant, while the main effect of publisher succession is nonsignificant. Similarly, Hypothesis 2b predicted that the difference between the impact of founder succession from line and staff positions would be greater in organizations with strong ideologies. The results in Model 3 confirm this prediction: the Editor succession × Ideology interaction is positive and statistically significant, while the Publisher succession × Ideology interaction is nonsignificant.

According to Hypothesis 2c, the departure of founders who play multiple roles will harm organizations even more than the departure of founders who play only a single role. To test this hypothesis, Model 4 includes a dummy set equal to one when a magazine founder who was both editor and publisher exited. The exit of a founder who occupied both positions is not by itself especially painful: the dummy variable "founding editor is also publisher" has a positive but nonsignificant effect. According to Hypothesis 2d, the impact of the departure of founders who played multiple roles is especially harmful for strong-ideology magazines. To test this prediction, Model 5 adds an interaction between ideology and the dummy for founder succession from multiple roles, which has a positive and statistically significant effect. Taken together, this pattern of results supports Hypothesis 2d but fails to support Hypothesis 2c.

Hypotheses 3a and 3b concern organizational affiliations. Models 6 and 7 test those hypotheses. Note that because the effects of publisher succession are generally nonsignificant, we drop variables for founding-publisher succession from Models 6 and 7 to reduce multicollinearity, which is especially problematic in nonlinear models such as these. Model 6 includes a dummy for organizational affiliation and the interaction with founding-editor succession; it shows a negative but nonsignificant effect for the interaction. This result fails to support Hypothesis 3a. Finally, Model 7 adds an interaction between founding-editor succession, organizational affiliation, and organizational ideology; it shows a negative and marginally significant ($P < .06$) result. This result weakly confirms Hypothesis 3b. Taken together, these results indicate that external organizational support reduces the detrimental effect of founder succession only in strong-ideology magazines.

6. Conclusion

In this paper, we sought to make a contribution to the study of managerial succession. Our review of the literature reveals great inconsistency in previous theoretical and empirical studies of managerial succession in general and founder succession in particular. Accordingly, we proposed a contingency approach and examined how both traits (entrepreneurs' characteristics, such as the roles they play) and rates (contextual factors, such as affiliations) moderate the succession–performance relationship (Romanelli, 1989; Aldrich and Wiedenmayer, 1993;

Thornton, 1999). Our analysis highlighted a concept that has hitherto received little attention from organizational theorists, namely the extent to which organizations originate from and reflect founders' strong ideologies. Our analysis showed that intense ideological orientation increased the detrimental impact of founder succession on organizations' survival chances. It also showed that ideology amplified the impact of founder roles and organizational affiliation on survival after founder succession.

One implication of our findings for organizational theory is that founders' ideological zeal affects not only the initial stages of organizational life, but also subsequent organizational behavior and performance. A second and related implication is that the impact of founders' personal orientations on subsequent organizational performance are intertwined with, rather than independent of, managerial role structures and organizational resources (i.e., affiliations).

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Appendix A. Words that denote ideological zeal

1. fervor	23. moral
2. fervour	24. morality
3. fervent	25. disseminate
4. passion	26. dissemination
5. commitment	27. divine
6. committed	28. resolution
7. exert	29. edify
8. pledge	30. edification
9. devotion	31. liberty
10. devout	32. despot
11. dedicate	33. emancipation
12. dedication	34. temperance
13. truth	35. noble
14. inculcate	36. abolition
15. doctrine	37. virtue
16. doctrines	38. virtuous
17. reform	39. harmony
18. liberal	40. oppress
19. instruct	41. advocate
20. enlighten	42. emancipate
21. ardent	43. oppression
22. philosophy	44. despotism

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