

**THE EFFECT OF ANNOUNCEMENT OF TOP MANAGEMENT
CHANGES ON SHARE RETURNS OF FIRMS LISTED AT NAIROBI
SECURITIES EXCHANGE**

**BY
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DECLARATION

I declare that this research project is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

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This Research Project has been submitted for examination with my approval as the University of Nairobi Supervisor.

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DEDICATION

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LIST OF ABBREVIATIONS

AARs	Average Abnormal Returns
ACAR	Average Cumulative Abnormal Return
AR	Abnormal Returns
CAARs	Cumulative Average Abnormal Returns
CAR	Cumulative Abnormal Return
CEO	Chief Executive Officer
CMA	Capital Market Authority
FE	Forced Turnover and External Replacement
FI	Forced Turnover and Internal Replacement
IPOs	Initial Public Offering
NASI	NSE All Share Index
NSE	Nairobi Securities Exchange
ROA	Return on Asset
SPSS	Social Programme for Social Science
VE	Voluntary turnover and External Replacement
VI	Voluntary turnover and Internal Replacement

ABSTRACT

Economic theory states that top management change can only be effective where the company shares are performing poorly, hence changing the management in such a case may be a good idea but it castigates changing the top management when the firm registers superior share performance. The theory is of the view that ultimately poorly performing firm that change their management record improved stock performance. The main aim of the study was to investigate the effect of announcement of top management changes on share returns of firms listed at the Nairobi Securities Exchange, focussing specifically on the CEO change event. The study also examined the impact of forced versus voluntary CEO turnover, as well as internal versus external CEO replacement. The period for the study was 2008 to 2016. The study obtained data from the NSE, respective websites of the firms and from financial articles. Data was being inputted into (SPSS 21) and examined using descriptive and factorial analysis. Standard event methodology was applied in data analysis. An event window of 11 days was used. The researcher also used a 3 year event window to test for the impact of CEO turnover; three years post the turnover event. The study found that the share prices were impacted negatively and to a significant extent at the date of announcement of CEO departure. However, this was negated by the significant positive abnormal returns on the day prior to the announcement. Also, for the internal vs external CEO replacement the returns were found to be non-statistically significant. Share returns were also found to be more negatively influenced by forced CEOs departure than the voluntary CEO departures. However, the impact was non-statistically significant. For the 3 years post the CEO turnover event, the impact on share returns was found not to be significant. The result findings showed that the impact of CEO turnover on the performance of a business, although negative, is weak and therefore recommends that proper CEO selection criteria should be used to ensure that firms appoint CEOs who are best suited to solve the challenges of the organization and to steer it into growth. The researcher also recommends that listed firms should review their policies on CEO tenure and turnover and align them to the interests of the shareholders.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Change in top management is considered to be a very important event in the corporate life of any organization. Top management are people who have titles such as; chairman, chief executive officer and executive and non-executive directors. Ojeka et al, (2017) contended that it's the top management that influences the performance of a company. Successful top managers tend to be more of conceptual thinkers than technical executioners because they are able to appreciate factors such as world economies, political environments, social norms and competitive advantages in terms of how they affect the organizational effectiveness (Weisbach, 2008). Also, they are accountable for complex and non-routine tasks such as spearheading the execution of and development of strategy to be used in investment so as to ensure the wealth of the owners is maximized (Bruce & Skovoroda, 2015). Therefore, given the scope and importance of shareholders wealth maximization goal, CEO change represents major events looking at any corporation's history, with feasibly huge concerns for the firm and its shareholders (Kind & Schlapfer, 2010).

The agency theory argues that CEO change disciplines CEOs whose decisions have differed from the maximization of shareholders wealth goal (Hillier et al, 2006). This is because share prices will be affected negatively, if the management is inept in managing the company affairs. The signalling theory argues that CEO change is viewed as a good

thing by investors since a new CEO is likely to bring in new ideas that may influence the company's performance in a positive manner (Setiawan, Phua & Chee, 2013). According to the stewardship theory, the top management of a firm and the owners of the firm share common goals. Managers are thus considered to be stewards of the owners. Therefore, the theory advocates that the board should empower managers to take independent executive actions rather than being too controlling. This may potentially be a catalyst for good performance in a firm (Shen, 2003).

The relationship between CEO change and the firm's performance is said to be an inverse relationship (Murphy & Zimmerman, 1993). The researchers contend that CEO productivity can be measured in terms of the amount of wealth the business has generated to the owners of the company. The CEO of a firm is said to be inefficient and incompetent when the firm is performing poorly. That is, the stock returns of the firm are negative and earnings of that particular firm are on a declining trend. In such a situation, a CEO replacement is sought because the shareholders of the firm contend that the CEO has failed in designing and implementing winning strategies and policies that would ultimately maximize their wealth. Simsek (2007) is of a different opinion. He is of the view that the relationship is complex. It goes beyond the simple, direct effects. Hence, it cannot just be looked at face value. He also states that the reasons underlying the CEO change need to be critically examined if we are to get a better understanding of the effect of top management changes on the stock prices of the affected firms. Notwithstanding, the vast literature done on the effect of CEO tenure on the firm's performance our knowledge is still surprisingly limited.

1.1.1 Announcement of Top Management Changes

There exists a variety of reasons that may necessitate these management changes. Management changes can be undertaken by the board as a result of either good or bad company's performance. Though, in some cases management change could have no relation to the performance of the company. Whenever there is inclusion of such changes in the test data, an element of biasness arises in the tests making it almost impossible for an inverse relationship to be established. Dealing with such a limitation requires researchers to contemplate the various types of changes that may occur and study them by using information on the different observed management changes (Padilla, 2000). Top management is responsible for formulating the strategies and goals of an organization which influences the firm's performance in terms of its output and achievement's (Boyne, 2004).

Chief executives officers may be dismissed as a result of social or psychological dynamics within the top management team, due to bad performance of the organization or due to efforts by the management to adapt to the ever changing business environment (Shen & Cho, 2010). Firms which measure their performance in terms of profitability and compare it with the industry average may need to change their management, if their performance is below that of the industry average. However, there is still ambiguity as to how far below the industry average their profitability index needs to fall before the board considers whether or not to replace the top management. In Lieu of this, CEOs of firms registering poor results can be replaced by the board if the industry average cut-off point is above the registered results (Kaplan & Minton, 2010). Because, share prices are

affected by management changes, important from unimportant CEO change need to be distinguished (Huson et al, 2004).

Vancil (2008) was of the view that many of the corporate executive changes undertaken were part of the traditional succession process. It is not uncommon for the Chairman and CEO to pass the CEO's title to the President. However, these changes are not considered as management change since it's only the title of the office holders that change rather than their position in the firm. Moreover, these type of title changes tend to involve an individual (CEO) and not a group of people who constitute the top management. Changing titles from CEO to President is rarely as a result of a company bad performance, hence the need to exclude such type of management change from our study.

1.1.2 Stock Prices

Stock price is the market value of a share of common stock on the date shown. They reflects the investors' expectation regarding future earnings (Olaoye et al., 2016).The price of stock reflects the company's value and responds only to real changes in its well-being in real time as determined by the forces of supply and demand, the basis of economics (Ojow, 2015). Investors in the stock market are grouped into two categories; Bullish investor and the Bearish investor. Bullish investor invests expecting the stock prices to rise while the Bearish investor invests expecting that the stock prices will fall in the financial market hence he trades his stocks accordingly in order to gain. The goal of both investors is to maximize their profits by taking advantage of the movement in the stock prices (Mehwish, 2013). Macroeconomic variables, government actions and

performance of the company are directly related to these movements in the stock prices (Karitie, 2010).

Stocks vary across the different companies in the industry in terms of their degree of riskiness and the fundamentals behind the stocks. Hence, it is vital to compare the performance of the stock before the management change and after the management changes are effected. Another comparison will be made to the expected performance under normal conditions without any management changes and the return measured under this condition is known as the abnormal return in literature (Brown & Warner, 1980). The abnormal stock return at announcement date is the sum of two components; information component and the real component.

Where management changes are effected but the firms still performs poorly then the information component is said to be negative. On the other hand, where the changes are effected and good results are registered by the firm, then the real component is said to be positive since the change is in tandem with the stockholders interest. A positive net effect will occur where the absolute value of the real component exceeds that of the information component. The real and informational components are generally not observable, but it is still possible to determine whether their sum is identical to zero or not. A major drawback of this test is that some firms react indifferently to announcement; some positively and others negatively, such that the overall net effect on the stock price is zero. Tests for shifts in the fluctuation of excess returns are additionally used to solve this problem, and they will indicate whether there is any impact on the stock price, regardless of the sign (Beaver, 2008).

1.1.3 Announcement of Top Management Changes and Stock Returns

Research done in the past points towards a modest relation between internal (board initiated) turnover and the firm's stock price performance. There are three different components of the company share price performance that are directly related to the firm's internal turnover i.e., management turnover is sensitive to how the company stocks performs in relation to the performance of other stocks of firms in the same industry, how the stocks of similar firms in the industry perform in comparison to the stock exchange market and lastly, the stock market performance as a whole (Jenter and Kanaan, 2015).

Where management change occurs due to a company poor performance, it follows that stocks prices should be decreasing (negative) before management changes are instituted by the board, after which a sample can be obtained for analysis. Assessing the pre-event share price behaviour for a sampled management changes fails to directly address a number of crucial issues. Friedman and Singh (2009) and Adams and Mansi (2009) concluded in their studies that the largest increase in stock prices occurs in two circumstances; where the CEO is forced out by the board and where the CEO replacement is an outsider.

CEO change affects the initial stock price, as well as the subsequent firm's performance. Rhim et al (2006) established that where the market did not anticipate the CEO changes, then the stock prices of the affected firms were likely to be positively influenced. Fama (1970) supported this view by stating that the current share price of the affected firms has already factored in the anticipated events hence the reason why the stock prices react in a

positive way. For example; Death of a company CEO that was not anticipated by the market results into a decline in stock price performance (Behn et al, 2006).

1.1.4 Companies Listed at Nairobi Securities Exchange

The NSE currently brings together 64 companies and lists them as public companies (Nairobi Securities Exchange, 2018). The NSE is publicly traded and in Africa it's the second self-listed exchange (NSE, 2018). The NSE is controlled by the CMA and the Settlement Corporation and Central Depository and encompasses four counters: the Alternative Investment, the Main Investment, the Growth Enterprise and the Fixed Income Securities Market Segments. The NSE majors in both fixed and variable income securities. The latter are the shares considered ordinary. They lack a payable dividend whose rate is fixed, since the dividend depends on both the decision of the director's board and the company's profitability. The fixed income securities include securities with fixed rates of dividends or interest not dependent on treasury of profitability like debenture stocks, preference shares and Corporate Bonds (Bodicha, 2016).

The announcements of CEO changes in Kenya are guided by the Capital Markets Authority Act which prohibits against use of unpublished insider information. Major corporations undertook CEO changes in Kenya in 2017. They include, Nation media group, Kenya Airways, Kenya orchards, Uchumi supermarket, Bamburi cement, and EA cables to mention but a few. Between August 2012 and May 2013 eight banks unveiled new chief executives, they include; Eco bank, Kenya Commercial Bank, National Bank of Kenya, Barclays Bank, NIC, Imperial Bank and Consolidated Bank. Unlike before

when most of the CEOs were perceived to have been replaced due to lacklustre stock performance by their companies, these exits were based on retirement and the individuals' pursuit of other interests.

Chief Executive Officers change announcements are price sensitive information that must be communicated with due care to investors since investors use such information in deciding whether to invest or not to invest in a company. The Capital Markets Authority, the company and other fiscal and monetary authorities will communicate the CEO change to the market. Nairobi Stock Exchange makes data delivery by transmission of live data to subscribed information vendors, NSE members and financial institutions. Firms which fail to notify the regulatory body on changes of its top management. For example, hiring of a new CEO or board member within 24 hours of such an appointment may face penalties for breaching regulatory guidelines. Hence, firms have to adhere to the regulatory guidelines whenever there is change in management to avoid the penalties imposed by CMA.

1.2 Research Problem

Top management change is considered an important occurrence in a firm's life (Rosenberg, Clayton & Hartzell, 2003). This is because the change not only affects the managers involved but may also affect the returns of the firm (Ojeka et al., 2017). When the stock prices are rising, it implies that the management is performing. Hence, they cannot be fired by the firms' board of directors. Falling stock prices on the other hand is an indicator of bad performance by the management and may result in their replacement (Warner et al., 1988). Economic theory states that top management change can only be

effective where the company shares are performing poorly, hence changing the management in such a case may be a good idea but it castigates changing the top management when the firm registers superior share performance. The theory is of the view that ultimately poorly performing firm that change their management record improved stock performance.

While research has been done on how corporate governance practices are linked to corporate financial performance in Kenya especially top management turnover, there is lack of conclusive evidence to show a strong relationship between the variables. This is because not all CEO turnovers are as a result of poor firm performance as some CEOs move to other organizations and others choose to retire when their tenures end. It is also not easy to establish whether CEO turnovers are forced or voluntary. Again, there are companies which have had CEO changes but their stock price performance has not improved and others which have underperformed yet their CEOs have not been replaced. Therefore, there is need to conduct an investigation to establish how CEO turnover is linked with stock performance in Kenya and thus provide an understanding of how listed companies in Kenya practice corporate governance in relation to the disciplinary actions taken over CEOs.

Research done on the effect of top management changes on the stock returns of NSE listed firms have yielded mixed and inconclusive results. Weisbach (2008) argued that, there would be a positive reaction by stock prices where management change due to resignation occurs in a board dominated by independent directors. Lee and Hayes (2007) established a more negative reaction to the appointment of female CEOs as opposed to

the appointment of male CEOs. The study however, relied heavily on the cross sectional design which limited the researchers ability to interpret causality of the findings. Huson, Malatesta and Parrino (2012) discovered a positive association between CEO change and the average abnormal stock returns. Katarzyna, Mateusz and Agnieszka (2017) determined that the market responded negatively to the announcement of CEO change. They also established that there was preference for an insider CEO as compared to an outsider CEO. The study however, failed to recognize the circumstances underlying the change such as the death, retirement or dismissal that may necessitate the change in the firm's CEO.

In Kenya, Waweru (2013) found an inverse relationship between stock prices and management change. The study also found that there are other reasons other than performance that may necessitate change in management. Ochieng and Odhiambo (2012) sought to find out the relationship between the stock prices and the movement in macro-economic variables. They discovered that inflation had a weak positive relationship with the stock prices and that the T bill rate was negatively correlated to the stock prices. Lessonet (2012) sought to establish the impact of chief executive officer change on the company value. It was evident that leading to the corporate action significant changes were seen in the stock market prices. However, his study did not consider other implication such as introduction of foreign CEOs and internal successions on the overall financial performance. Mutuku (2012) studied the influence of involvement culture and diversity management strategies on the relationship between tenure, diversity, quality of decisions and performance of commercial banks in Kenya. The study however, did not review the aspects of turnover and how this would impact organizational performance.

The lack of consensus among the various scholars on the impact of management turnover on stock prices was reason enough to conduct further examination in this area of study. The effect of each change in top management on the share prices has not been documented. It is not clear if the changes in top management by the Kenyan firms listed at the Nairobi Securities Exchange has any impact on the share prices. The study therefore investigated this aspect and answered the following questions; what are the effects on stock price performance at the announcement date of management change?, what are the effects on stock price performance for the three year period preceding the CEO change?, Whether the reaction of the stock market to internal versus external successors differs? And whether the stated reason for the CEO change has an effect on the stock market reaction at the announcement date?

1.3 Research Objective

To study sought to determine the effect of announcement of top management changes on share returns of firms listed at Nairobi Securities Exchange.

1.4 Value of the Study

The management of listed companies at the NSE can utilize the study findings to comprehend the effect of CEO change on share prices thus offering their leadership towards improvement and avoiding exit gap that would drop the share prices. The shareholders; board of directors and the chairmen of such firms have to come up with corporate governance policies that will guide the firm's management towards achieving

the intended growth in share prices through subjecting the management and organisational employees to a culture of firm governance and responsibility.

The findings of this study benefits the stakeholders including policy makers into understanding the importance of top management in the growth of the firm's share prices, their impact on exit of the firm leadership realm and methods that should be applied during top management retirement to avoid drop in share prices. Kenya has a history of collapsed firm's situation that can be attributed to lack of proper top management leadership by the management and directors of such companies. The study offers suggestions, recommendations and findings on effects of resignation, eviction or retirement of such top management to ensure the firm remains in the same share price health as it were before the exit of such top management officials or even improved share price.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines theories that the study employed, empirical evidence of studies carried out on the effects of announcement of top management changes on share returns and the determinants of the same. The chapter also covers the conceptual framework and the summary of the literature review.

2.2 Theoretical Review

This section examined theoretical foundation where the following theories which the study anchors on have been discussed: agency theory, stewardship theory and signalling theory.

2.2.1 Agency Theory

This theory as proposed by Meckling and Jensen (1976) proposes occurrence of managerial mischief when owner's interests and managers interests (agents) diverge; a likely answer to this organization problem is the configuration of agent and owner interests (Itiri, 2014). This theory sees managers as agents and owners as principals and identifies actuality of an agency loss (Clarke, 2004). This is the level where returns to the owners, that is, the residual claimants, go under what they would be if the principals, applied control directly on the corporation. The agency theory highlights that managers may seek maximization of their own utility curve at the detriment of corporate value

(Ngonjo, 2013). The theory also argues that ownership of shares by the top management is making it difficult for them to perform their managerial functions in the most effective way so as to maximize shareholder returns (Pratt and Zeckhauser, 1985).

The agency theory looks at the lack of goal alignments as depicted by the actions and preferences of both the principals and the agents (Nyberg et al., 2010). The agency theory argues that incumbent CEOs follow their own interests at the shareholders expense and thus need to be monitored by a board of directors. According to the theory, in order to configure change in CEO with the interest of the shareholders, agency theory recommends having a majority of outside directors on boards and preventing CEO duality (Walther, Morner & Calabrò, 2015). The theory postulates that to the point at which monitoring CEO effectiveness and effort directly to create shareholders value is costly, agency theory advises incentive contracts usage in which case the pay of the CEO is linked clearly to performance of the firm or using incentive schemes such as compensation schemes (senior management acquiring firm's shares at a reduced price) (Bruce & Skovoroda, 2015). These compensation schemes serve as a reward to the top management for improved company stock price performance.

2.2.2 Stewardship Theory

A theory advanced by Davis & Donaldson (1998) who defined a steward as one whose main agenda is to safeguard shareholders wealth through prudent actions which increases the firm's share prices and ultimately its overall performance. The manager essentially wants to do well and ultimately become a good steward for the firm's assets (Lex and James, 1991). The theory postulates that placing management under strict scrutiny by

shareowners may not necessarily lead to achievement of good returns, rather by empowering managers to take independent executive action. This would result in reduction of agency monitoring costs (Daly et al, 2002). The theory provides a theoretical backdrop that challenges the dominant assumption that a mismatch exists between the principals and the agent interests, which other theories; such as the stakeholder theory do not address.

Daly et al., (2002) contends that key decision makers in a company (executives and directors) would want to protect their reputation at all cost. Hence, they will always strive to maximize organization growth and improve the company's financial performance; ultimately, this will result into maximization of shareholders wealth. In this sense, it's believed that the stock prices can directly impact perceptions of their individual growth. In addition, the theory suggests that the announcement of top management changes due to reasons that relate to leadership competencies might impact on the firm's stock prices.

2.2.3 Signaling Theory

Proposed by Spence (1973) the signaling theory describes actions as a result of two parties (organizations or individuals) having contact to information that's not the same. Characteristically, the first party maybe the sender, must make a decision if and what way to signal/communicate the info, and the second party, that is the receiver, must decide how to understand the communication. Signaling is an activity undertaken by a party so as to impact the thinking and in so doing affect the other parties actions (Dong, 2012).

The signaling theory assumes that the firm's director's board has inside information on the future performance of the firm, hence they may use a number of devices important in signaling to pass info to the market (Hillier et al., 2006). The signaling theory further argues that CEO change is seen as a good thing by investors since a new CEO is likely to bring fresh ideas that may help the firm register improved stock price performance (Setiawan, Phua & Chee, 2013). Even though CEO change comes after a decrease in operating performance, firings of CEO still has a huge amount of information that is new and negative regarding the current year's earnings of the firm (Hillier et al., 2006). According to the signaling theory, the replacement of the special human capital hints about the current company's exceptional performance and its future project. Thus, changing a firm top manager conveys a signal to the public.

2.3 Determinants of Stock Prices

In discussing the effect of announcement of top management changes on the company's performance, the most important aspect is the firm's share price value. The larger the firm share price the better the firm is financially and the better attractive the firm is to prospective investors. The determinants of stock prices of the firm include Company Size, Force of Change, CEO Changes and the Origin of the Successor.

2.3.1 CEO Change

CEO changes can be effected as a result of; dismissal, voluntary exit, death, or retirement of the CEO. CEOs may retire due to old age or as a result of deteriorating health condition (Denis & Denis, 2010). Huson et al., (2004) finds that there is high turnover of

CEOs in firms registering dismal results than in good performing firms, thus changing the management in poor performing firm's signals gains to stakeholders. Board of directors are often faced with the dilemma of changing their CEO; if they replace their CEO when the firm is undergoing reorganization, recovery efforts of the firms might be compromised while at the same time any further delays may worsen the firm's already poor performance (Lublin, 2007).

Daily and Dalton (2010) discovered that 45% of companies that applied to be declared bankrupt had changed their CEO in the 5 years prior to the companies seeking bankruptcy declarations. Furtado and Karan (2000) supported these finding by concluding that CEOs of firms can be dismissed when the firm is either performing poorly or when the firm is facing bankruptcy suit cases. Khanna and Poulsen (2010) made a comparison of how the stock market reacts to pronouncement of management change in non-performing firms to that of management change in firms performing exceptionally well. The reaction of the market to management changes was established to be significantly negative for both the financially distressed group and the control group. These results differed with those of the past studies.

A study of US companies that had filed for Chapter 11 bankruptcy proceedings, between October 1979 and September 2008, discovered that 55% of firms had replaced their top management 2 years prior to submitting their proposals to be declared bankrupt. The board of directors of 71% of these firms had changed their CEO way before reorganization was effected subsequent to filing for bankruptcy. Enacted laws in the USA allow the top management to stay in office even after the firm has been declared bankrupt

(Khanna & Poulsen, 2010). This implies that a company's bad performance is not as a result of the manager's incompetence; rather it is as a result of factors beyond their control. Furtado and Karan (2000) propose that more research need be carried out to either confirm or dismiss whether managers can be held liable for the firms poor performance. Hotchkiss (2010) concluded that as long as the management which was responsible for bankruptcy proceedings filed against the firm remain unchanged then the firm will continue to perform poorly post the bankruptcy period.

2.3.2 Company Size

According to Warner, Watts and Wruck (1988), the size of the firm could have an impact on the stock return of companies that have announced CEO changes. They argued that the frequency of management turnover in larger companies was much higher than in smaller companies. Because larger firms had larger management teams, this implied that the probability of these big companies changing any member of their management team was very high. In addition, big companies designed their promotion and retirement programs in such a way that overly long tenures were discouraged.

Pfeffer (1977) found that in big organizations with complex structures, leadership effectiveness tends to be weakened by environmental and social constraints. The size of the firm or enterprise also determines the cash flow sensitivity to investments. In measuring the size of a firm we consider; the total number of employees in the firm, total sales of the firm and the total assets of the firm (Salman & Yazdanfar, 2012).

2.3.3 The Origin of the Successor

Distinguishing between external and internal succession is of great importance to this study. External successor is an outsider (joins the company from another firm) while an internal successor is tapped from within the organization (moves through the ranks to a senior position) (Boeker, 1997; Khurana and Nohria, 2000; Reinganum, 1985).

Watts and Wruck (1988) found out that a significant relationship exists between external successions and stock returns in small companies. That is, external successions resulted in an increase in stock prices in smaller firms. Furtado and Rozeff (1987) were of a different view, they argued that for internal promotions the stock market reacted positively while for the external hires there was no significant effect on the stock prices. Beatty and Zajac (1987) found that the stock prices reacted negatively for both the internal and external successors.

Shen and Cannella (2002) were of the view that external successors could be more relied upon as change agents unlike internal successors; That is, they are more likely to institute organizational changes and follow them up to their implementation without fear or favour unlike internal successors who may fear to effect the changes due to familiarity relationships. In addition to that, they bring in new knowledge, new political coalitions, new skills and competencies to the executive board of the company (Boeker, 1997). Albeit, internal successors are more conversant with the firm operations (possess firm specific knowledge) and the executive members could collaborate with them more than the external successors because of familiarity relationships (Shen and Cannella, 2002).

External successors services are usually sought when the company is consistently performing poorly, hence changing the firms' strategy in such a case may improve its performance, while Internal successors are sought when the management wants continuity in the organization and where an internal development program exists and has been tested and has proved to be successful (Furtado and Rozeff, 1987; Hambrick and Mason, 1984; Zajac, 1990).

2.3.4 The Force of Change

The force of turnover can be used as a predictor of the post-event stock returns (Khurana and Nohria, 2010). A number of reasons have been advanced by researchers as to why announcements of retirements of top management by companies result into small stock price reactions. First, since information on retirement date of a senior executive can be obtained before the event occurs, such information can be assimilated into the stock prices way before the retirement date. Secondly, the change is considered immaterial as it doesn't provide any insights with regards to the company's current state of affairs, but is simply a natural step in a CEO career and in the life of a stable organization (Weber, 1996). Where the CEO decides to resign voluntarily because he wants to pursue other opportunities in another firm then the stock market reaction will be smaller, in comparison to where the CEO is dismissed (Huson, Malatesta, & Parrino, 2004). This is because the CEO change in this circumstance doesn't provide the market with information to predict whether the incoming CEO is better or worse than the outgoing CEO.

Where the force of the change is involuntary (dismissal) then the stock price reaction is anticipated to be bigger (Denis and Denis 1995). Denis & Denis (1995) concluded in their study that a positive relationship exists between stock returns and the announcement of forced turnover. They also discovered that the forced turnover event implied three things; First, that the firms performance was worse than anticipated, secondly, that the organization will register good performance due to the appointment of a more appropriate leader to steer the company to success and lastly, that the firm is a good takeover candidate.

2.4 Empirical Review

Both global and local studies that support the association between top management changes and firms share prices are discussed in this empirical review.

2.4.1 Global Studies

Lindrianasari & Jogiyanto (2012) examined the relationship between accounting variables and top management changes of companies listed in the Indonesia stock exchange. They selected firms through the period 1998-2006 which experienced CEO turnover and examined the accounting variables that probably explained the turnovers. Firms that didn't experience CEO turnovers for those watched period, were utilized similarly as the control bunch. The study adopted the regression technique (LOGIT). The researcher concludes: accounting and market information as well as market reaction influenced the firm's decision as whether to retain or dismiss their CEO. Consequently, shareholders of firms experiencing a nosedive in its accounting and marketing

performance should strongly consider replacing their CEO. Stock prices were also found to be negatively related to turnover.

Rachpradit, Tang & Khang (2012) investigated the relationship between CEO turnover and organization performance and the impact of ownership structure and board structure with respect to non-financial companies listed in Thailand. The researchers obtained data of non-financial listed firms from Thailand security exchange commission. The period covered 2003-2007 and the study used 1036 firms in its Logit model analysis. The study focused on accounting performance measure (ROA) because market performance measure was not a reliable measure because of the illiquidity of the Thai stocks (Share prices were dormant as a result of lack of trading in Thailand's stock exchange commission). They established that CEO turnover and the firms performance were negatively correlated. Furthermore, ownership structure and board structure were found to have an effect on turnover in Thai listed firms.

Pastore, Tommaso & Ricciardi (2017) carried out a study to determine how women appointments to corporate boards of listed companies in Italy affected the stock market. They selected firms through the period 2012-2016 that tapped women into their boards as directors. The study adopted the event study methodology. The study concluded that investors do not buy the idea that appointing women directors to a company's board would influence the performance of that company positively.

Katarzyna, Mateusz & Perepecz (2017) sought to find out the effect of appointment of new CEOs on the stock prices of firms listed at the Warsaw stock exchange. They selected firms through the period January 2000 to June 2015 which had experienced CEO

succession event. The event study methodology was used to establish whether the CEO appointment event is viewed negatively by the shareholders and whether it leads to either an increase or a decrease in abnormal returns. The findings of the study were that the investors in the Warsaw stock exchange market reacted negatively to the appointment of the new CEO.

2.4.2 Local studies

Kabiru, Ochieng & Kinyua (2012) investigated the effect of national elections on the performance of stock returns at the NSE. The period covered by the study was from 1997-2013. This included four election cycles, 1997, 2002, 2007 and 2013 in Kenya. Event study methodology was used to analyse the data. The researchers collected and relied on secondary data. The researchers established that the stock market reacted either negatively or positively depending on the volatility of the election environment. It was therefore concluded that elections affect the performance of the stock market.

Wangui (2013) investigated the relationship between CEO changes and Chairmanship changes and their impact on stock returns of listed manufacturing firms at the NSE. Manufacturing firms which had announced changes in their CEO and their chairmanship for the period 2000 to 2012 at the NSE were the subject of the study. Secondary information was obtained from the firm's financial statements and regression analysis was used to analyse data. The study observed that a significant positive relationship existed between return on security and the return on the stock before and after the CEO change. For example; before the CEO change event, lower prior performance resulted into higher turnover while higher prior performance had no effect on CEO change.

Alusa (2015) investigated the impact of CEO turnover on banks performance in Kenya. 43 banks in Kenya were used as the sampled population and the descriptive technique was applied in data analysis. CEO tenure and firms performance were found to be positively correlated, though the relationship was neither strong nor significant. The researcher therefore concluded that CEO turnover in commercial banks does not impact on the overall performance of the same institution. These findings differed from those of other researchers who had concluded that an inverse relationship existed.

Wanyoike (2017) explored the effect of CEO turnover on the performance of stock returns for companies listed at the NSE. The period for the study was: January 2012 to December 2016 when the firms had changed their CEOs and the descriptive research design was used. The population consisted of 13 firms selected from the Nairobi security exchange and the event study methodology was used to analyze the data. The event day was equated to 0, while the event period for the study was 31 days, where pre CEO change announcement period covered -15 days while post CEO change announcement covered +15 days. The researcher established that the stock performance of a company and the CEO change before and after announcement of the CEO change was positively correlated.

2.5 Conceptual Framework

Independent Variables

Dependent Variable

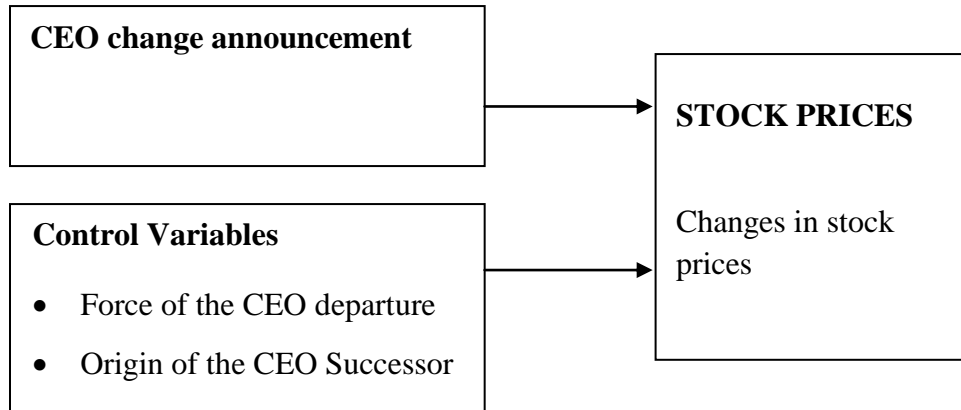


Figure 2.1: Conceptual Framework

From the above diagram of conceptual framework, we can gather that the study investigates the effect of top management changes on the stock prices of a firm. CEO change is the independent variable and the stock price of the firm is the dependent variable. Also, the diagram shows the intervening variables which also influences the stock prices of the firm, these intervening variables include; Force underlying CEO change, whether the CEO change is voluntary or involuntary, origin of the CEO successor, whether he is internally sourced or externally sourced among others.

2.6 Summary of Literature Review

A number of theories have attempted to explain the effect of top management changes on the overall firm's performance. Three have been discussed in this theoretical review. They include; Agency theory, Stakeholder theory and Signaling theory. Several empirical

studies conducted both locally and internationally on the effect of top management changes on stock prices have also been discussed in this chapter and their findings documented. Some of these studies have yielded mixed results depending on the countries in which they were conducted. This lack of consensus among the various scholars on how top management changes precisely CEO change affects stock prices was reason enough to conduct further examination in the area of study.

Author	Focus of the Study	Methodology	Findings	Research Gap	How Current Study fills the research Gap
Pastore, Tommaso & Ricciardi (2017)	To determine the reaction of the stock market to women appointment to boards of listed Italian companies.	The study selected firms through the period 2012-2016 which appointed women as directors on their boards and applied the event methodology.	The study established that investors do not buy the idea that appointing women directors to a company's board would influence the performance of that company positively.	Need to incorporate appointment of persons of the male gender to corporate boards to gauge their effects on stock prices. Do the findings also hold true to other regions such as Kenya?	Both male and female gender appointees to corporate boards were the focus of the current study. In addition, to conducting the study in the Kenyan context.
Katarzyna, Mateusz & Perepecz (2017)	To determine stock market reaction to new CEO appointment.	They selected firms through the period January 2000 to June 2015 which experienced CEO succession event and used the event study methodology.	The study established that the investors in the Warsaw stock exchange market reacted negatively to the appointment of the new CEO.	Investigation of the factors underlying CEO change; Forced vs voluntary CEO turnover need to be explored to determine their effect on the stock prices.	Factors underlying CEO change such as forced vs voluntary turnover, turnover as a result of death or retirement were explored in this study
Lindrianasari & Jogiyanto (2012)	Antecedent and consequence factors of CEO turnover in Indonesia.	They selected firms through the period 1998-2006 which experienced President turnover and examined the accounting variables that probably explained this turnovers.	Stock prices were also found to be negatively related to CEO turnover.	Factors underlying CEO change ignored; CEO retirement, death, forced and voluntary turnover and their effect on share prices.	This study investigated the nature of the CEO change; CEO retirement, death, type of turnover and their effect on stock prices in Kenya.

Author	Focus of Study	Methodology	Findings	Research Gap	How Current Study fills the research Gap
Rachpradit, Tang & Khang (2012)	To determine the relationship between the CEO turnover. A case study of listed non-financial companies in Thailand.	Non-financial data of listed firms at Thailand security exchange commission was obtained. The period covered 2003-2007 and the study used 1036 firms in its Logit model analysis.	The study established a negative correlation between CEO turnover and firms performance.	Extension of the study to other sectors such as Financial companies and do the findings hold true in other regions such as Kenya?	This study fills the gap by extending the research to financial companies listed at the NSE. In addition, to being conducted in the Kenyan context.
Kabiru, Ochieng & Kinyua (2012)	The impact of general election on stock returns at the NSE.	The period covered by the study 1997-2013. Event methodology was applied	The market reacted negatively or positively depending on the volatility of the election environment.	Investigation of other factors besides general elections that affect stock prices. Such as Top management change.	The effect of Top management changes on stock returns of listed companies at the NSE was the focus of the current study
Wangui (2013)	To determine the effect of CEO change on stock returns performance for manufacturing listed firms at NSE.	The period used was 2000-2012. event study methodology was used to analyze the data.	Ceo change and stock performance were found to be positively related. performance after the CEO change.	Need to extend the study to other sectors in the economy. Financial and non-financial companies to be investigated in this study.	The effect of top management changes on stock returns of listed firms (financial and non-financial) at the NSE.

Author	Focus of Study	Methodology	Findings	Research Gap	How Current Study fills the research Gap
Alusa (2015)	CEO turnover effect on performance of banks in Kenya.	43 listed banks at the NSE in Kenya were used as the sample population and cross sectional design were used to analyse data.	The researcher established a positive association between CEO tenure and firms performance.	Need to incorporate other sectors in the economy apart from commercial banks and also to investigate further factors underlying the CEO change.	Forced vs voluntary turnover, CEO death or retirement factors underlying the CEO change was the focus of the current study. In addition to both financial and non-financial companies being the focus of the current study.
Wanyoike (2017)	CEO turnover effect on stock return performance at the NSE.	The period covered by the study was between January 2012 and December 2016 when the firms had changed their CEOs and the event study methodology was used.	The researcher concluded that a positive relationship existed between stock performance of a company and CEO changes before and after announcement of the CEO change.	Information lacking on the effect of internal vs external successor on the stock prices. Moreover, the form of CEO change was not considered; dismissal, death or voluntary.	Factors underlying CEO change such as forced vs voluntary turnover, turnover as a result of death or retirement were explored in the current study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research design that was adopted in the study. It also discusses the population of the study in addition to how data used in the study was collected and analyzed.

3.2 Research Design

These are the techniques applied by the researcher in establishing the association between the dependent and independent variables (Khan, 2008). This study applied the descriptive design technique for the analysis. Descriptive design provides a general overview of the quantitative technique useful for giving some significant pointers with regard to which variables merit to be tested quantitatively. Though there are a few legitimate concerns with regard to the technique's statistical validity, it can still be relied upon as invaluable scientific tool so long as the researcher appreciates its limitations.

3.3 Population

Burns and Burns (2008) defined a population as the characters of interest upon which the study seeks to draw conclusions. Target population in the study included 8 companies listed at the Nairobi Securities Exchange that announced CEO change during the calendar year 2008 to 2016. The study sought to determine the effect of top management changes on the share prices before and after CEOs exit. This study relied on all relevant public

sources including the broadcast, print media and the internet to corroborate information about CEO change event and its exact date.

3.4 Data Collection

Secondary sources of information were relied upon in collecting data. It is a regulatory requirement for firms listed at the NSE to report their values semi-annually to the CMA.

The data collected included;

Data collected	Source of data
Firms listed at the NSE between 2008-2016	<ul style="list-style-type: none"> ▪ NSE website
CEO change event occurring between 2008 to 2016, including: <ul style="list-style-type: none"> ▪ Announcement date of the turnover event ▪ Reasons underlying the change event ▪ Internal/External Successor 	<ul style="list-style-type: none"> ▪ Companies annual reports ▪ Newspapers, especially financial articles at the announcement time ▪ NSE announcements
Information on the Share price; <ul style="list-style-type: none"> ▪ Closing share price on day of, and day before, announcement of turnover event. ▪ Index values for the share prices. 	<ul style="list-style-type: none"> ▪ www.NSE.co.ke

3.5 Data Analysis

Data was analysed using both quantitative and qualitative techniques. Data was inputted into (SPSS 21) and examined using descriptive and factorial analysis. Multiple regression analysis helped us determine the extent to which the independent variable caused variations in the dependent variable by use of the significance test.

3.5.1 Analytical Model

Standard event study methodology was applied in the analysis. It's a statistical method that is used to evaluate the impact of an event on the firm's value. Kothari et al., (2004) stated that due to the versatility of the event methodology technique, it can be relied upon to elicit the effects of various multiple events on their direction and the impact of stock price changes on a firm. The model was used to determine the effect of announcement of top management changes on share prices with focus on selected companies which are listed at Nairobi Securities Exchange. Due to the illiquid nature of some shares, a proxy test of liquidity was done in order to eliminate skewedness in the sample selected. A trading day period of 21 days around the announcement date was created.

This incorporated the announcement date and the trading days before and after the announcement date which became 10 days respectively for each. The departure date of the outgoing CEO and the appointment date of the incoming CEO was taken as the announcement date.

The shares actual daily returns for each company were computed using this formula:

$$R_{it} = \log [P_{it}/P_{it-1}]$$

Where:

R_{it} = the actual share price return for security i for day t; and

P_{it} = the share price of security i at the end of day t.

The Market model was then applied to estimate the Expected daily returns for each share, because the model takes into account market trends and systematic risk that may affect a

firm's performance (Firer et al., 2004). Company's betas for firms with the turnover event were also computed in order to control market risk.

Abnormal returns (ARs) was then computed for each share for each day of the event window as per the formula below;

$$AR_{it} = R_{it} - E(R_{it})$$

Where:

AR_{it} = the abnormal share price return for security i for day t;

R_{it} = the actual share price return for security i for day t; and

$E(R_{it})$ = the expected share price for security i for day t.

Different event windows were applied in the study ([0], [-1, +1], [-3, +3], and [-5; +5]),

Where:

_ [0] is the event day, or day of announcement;

_ [-1, +1] is an event window for the period of a day before the event day to the day after the event.

_ [-3, +3] is an event window for the period from 3 days before the event day to 3 days after the event.

_ [-5; +5] is an event window for the period from 5 days before the event day to 5 days after the event.

We used a 3 year event window to test for the impact of CEO turnover; three years post the turnover event. The three year period starts effectively on the date the new CEO commences work. The 3 years event window was used because of the sample selected; most of the new CEOs remained in employment for a period next exceeding 5 years.

The Cumulative Abnormal Returns (CARs) was then computed for each of the event window as per the following formula;

$$CAR_{ikl} = \sum_{t=k}^L AR_{it}$$

Where:

$CAR_{i,K,L}$ = cumulative abnormal return for security i for the period from $t = K$ to $t = L$

Then, the Average Cumulative Abnormal Return per event window was computed as per the below formula.

$$ACAR_{kl} = 1/n \sum_{t=1}^n CAR_{IKL}$$

Significance testing is the possibility that a random sample does not represent the entire population and it is used to measure the margin of error. A lower significant level implies higher levels of confident that the results will be replicated on the entire population. Higher significance levels imply higher margin of error and hence lower confidence levels. Significance testing was done on the ACARs, using two-tailed t-tests, with a 5% and 10% significance level.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter involved analysis of data collected and discussion of the results obtained. All companies that were not consistently listed for the period 2008 to 2016 were eliminated. Thus only thirty one (31) companies were consistently listed from 2008-2016 (NSE, 2017). The study went further to eliminate all the companies that had not announced the change of their CEO between that span of time. Finally the study ended with Eight (8) companies that had announced the change of their top management between 2008 and 2016.

4.2 Descriptive Analysis

Table 4.1: Descriptive Statistic Summary

Sample Size	8
Number of CEO departures by year	
2008	1
2010	1
2013	1
2014	2
2015	1
2016	2
Circumstances Underlying CEO departure	
Voluntary – retirement	1
Voluntary - pursue opportunity outside the company	3
Voluntary - remain linked to the company	1
Forced removal	3
Internal versus External CEO replacement	
Internal	5
External	3
Companies Status 3 years after CEO change	
Delisted	0
Liquidated	0
Merger	0
Name change	0
Unchanged	8

The announcement date of the new CEO assuming office was made on the same date as the announcement date of the departing CEO in 5 cases while there were delays in 3 cases as shown in Table 4.2 below.

Table 4.2: Delays between departure announcements and the corresponding replacement announcement

No. of observations	Average delay(days)	Percentage internal replacement	Percentage External replacement
5	0	60%	40%
3	62	67%	33%

Source: (Research Findings, 2018)

Average Abnormal return was calculated for each day of the event window. The study window commenced 5 days before and 5 days after the announcement date. The announcement date was taken as day -0. A total of 11-day event window was used as shown in Table 4.3 below. Table 4.3 also displays two sets of analyzed data for the two event windows: analysis of data for the event window of the outgoing CEO and the analysis of data for the event window of the incoming CEO.

Table 4.3: Average Abnormal Returns for the 11-day event window [-5, +5]

Panel A					
AARs at announcement date of CEO departure					
Sample size 8					
	AAR	Median AR	Number of positive ARs	Percentage of positive ARs	t-stat
D-5	-0.080	-0.288	26	46%	-0.01
D-4	1.002	-0.083	25	44%	0.88
D-3	-0.324	0.158	30	53%	-0.53
D-2	-1.013	-0.112	26	46%	-1.35
D-1	1.354	0.115	34	60%	2.06**
D 0	-1.481	0.006	29	51%	-1.84*
D+1	0.459	0.425	35	61%	0.82
D+2	0.332	0.058	32	56%	0.95
Panel B					
BAARs at announcement date of new CEO					
Sample size 8					
	AAR	Median AR	Number of positive ARs	Percentage of positive ARs	t-stat
D-5	-0.988	-0.288	26	46%	-1.00
D-4	0.488	-0.083	25	44%	0.50
D-3	0.234	0.483	34	60%	0.40
D-2	0.053	-0.093	26	46%	0.15
D-1	0.465	0.130	33	58%	1.22
D0	-0.991	0.006	29	51%	-1.21
D+1	1.038	0.801	38	68%	1.80*
D+2	-2.589	0.056	31	54%	-0.91
D+3	3.496	-0.083	28	49%	1.01
D+4	-0.118	-0.340	26	46%	-0.16
D+5	1.666	0.838	38	68%	1.86*

* Statistically significant at the 10% level

** Statistically significant at the 5% level

Source: (Research Findings, 2018)

Over the event window of 11 days the AARs can be seen fluctuating between positive and negative at the announcement date of the old CEO departure for all the event windows. The day before the announcement (D-1), the AAR can be seen to be positive at 1.354 with a t value of 2.06%. The AAR at D-1 can thus be said to be statistically significant at the 5% level. Also the AAR is negative and statistically significant on the announcement date (D-0) of the old CEO departure with a negative value of -1.481 with a t- value of -1.84% which is significant at the 10% level. When the AARs for Day (D-1) and (D-0) are combined, the total AARs for the two event days turns to a positive value of 0.32%. This is said to be a small positive reaction from the market on announcement of the old CEO departure. Further, the AARs on days D+1 and D+2 are seen to be positive at 0.459 and 0.332 respectively. However, they are not statistically significant.

We also observe that out of the total event period of 11 days, the AARs for 7 days were all positive. It was also observed that 53.3% of all the abnormal returns (ARs) had a positive value over the 11 day event window. The AARs at D+1 and D+5 were found to be significant at 10% significance level with positive values of 1.038 and 1.666 respectively. A negative AAR of -0.991 is observed at D0, but this is not statistically significant since the t value is -1.21.

There were 5 turnover events where the announcement date for the departure of the outgoing CEO and appointment of the incoming CEO were the same. These announcement dates allow for the evaluation of the market when all the information associated with a turnover event is assimilated on the same day. The market reacts to both

information regarding the outgoing Chief executive officer and the incoming CEO as shown in Table 4.4 below.

Table 4.4: Cumulative Abnormal Returns where Date of announcement of the Departure and the new Appointment occur on the same day

Event window [0]						
Category	Number of events	CAR	ACAR	Median CAR	Standard Deviation CAR	
VI	1	-8.406	-0.365	CAR	2.132	
FI	1	-4.196	-0.599	0.006	3.889	
VE	1	-3.200	-0.246	-0.339	4.890	
FE	2	-49.809	-24.904	0.223	20.811	
Event window [-1;+1]						
Category	Number of events	CAR	ACAR	Median CAR	Standard Deviation CAR	
VI	1	6.155	0.268	0.882	5.916	
FI	1	10.639	1.520	0.885	5.260	
VE	1	29.066	2.236	2.383	8.564	
FE	2	-58.362	-29.181	-29.181	11.800	
Event window [-3,+3]						
Category	Number of events	CAR	ACAR	Median CAR	Standard Deviation CAR	
VI	1	-8.515	-0.328	-0.846	6.848	
FI	1	6.181	0.882	2.858	6.588	
VE	1	86.486	5.884	6.685	10.989	
FE	2	-90.135	-45.068	-45.068	25.208	
Event window [-5,+5]						
Category	Number of events	CAR	ACAR	Median CAR	Standard Deviation CAR	
VI	1	30.883	1.338	-0.256	12.284	
FI	1	-16.019	-2.288	-1.582	4.552	
VE	1	100.84	8.858	9.998	18.282	
FE	2	2.484	1.242	1.242	29.503	

Source: (Research Findings, 2018)

CAAR for the event day (0) where the old CEO departure and the new CEO appointment announcements are made on the same day is negative for all the event windows as shown in table 4.4 above. For the event window (-1, +1) CAAR was positive for the Voluntary and Internal replacement (VI), Forced and Internal replacement (FI) and Voluntary and External replacement (VE) category but negative for the Forced and External CEO replacement category (FE). For the event window (-3, +3) the market reacted negatively to the VI and FE category and positively to the FI and VE category. For the event window, (-5, +5) the market reacted positively to the VI, VE and FE and negatively to the FI category.

Overall, the FE announcement event received more negative responses from the market as compared to the other categories. Also, FI announcements received more negative responses from the market compared to the voluntary announcements. The most positive reactions from the market occurred for VE announcements, with the market reacting more positively to VI announcements than FI announcements.

Table 4.5: Average Cumulative Abnormal Returns at the Date of Announcement of CEO change

Event Window (days)	ACAR	Median CAR	Standard Deviation CAR	t-stat
Sample size	8			
[0]	-1.481*	0.006	6.388	-1.840
[-1,+1]	0.342	1.121	8.844	0.300
[-3,+3]	-1.282	0.445	13.800	0.498
[-5,+5]	0.955	-1.821	15.080	0.488

Source: (Research Findings, 2018)

The event windows, [0], [-1, +1], [-3, +3] and [-5, +5] was used to test whether The ACARs on the announcement date of the CEO departure is not significantly different from zero for the listed firms under study. From table 4.5 above, the ACARs however, was found to be significant at -1.481% at the announcement date (day 0) since the t - value was -1.840 which is significant at 10%. This implies that the share returns were impacted negatively on the announcement day-0 of the CEO departure. The ACAR then becomes positive with a value of 0.342% at (-1, +1).The market is said to have reacted positively as it adjusts to the announcement event. The ACARs then moves to -1.282% at the 7 day event window. Further, it moves to a positive value of 0.955% at the 11 day event window.

Generally, share returns were impacted negatively on the announcement day-0. The reaction of the market can thus be said to be significant at -1.84%. However, this outcome must be interpreted in light of a longer event window. Consequently, this reaction could be as a result of the market attempting to correct the significant positive reaction observed the day before the announcement date as shown by an average abnormal return value of 1.345 in table 4.3 above. Information leakage before the announcement of the CEO turnover event is made public may be the cause of the initial negative market reaction.

Table 4.6: Average Cumulative Abnormal Returns for the 3 Years post the CEO Turnover Event

Event window (days)	ACAR	Median CAR	Standard Deviation CAR	t-stat
Sample size	5			
[0, 3]	95.883	19.914	632.230	0.802

Source: (Research Findings, 2018)

The ACAR for the 3 years preceding the new CEO assuming office was found to be positive with a value of 95.883. However, since the t-stat is 0.802 it implies that the value is not statistically significant at 10% significance level. Huson et al., (2004) however, observes negative and non-statistically significant abnormal returns 5 years post the CEO turnover event. Rhim et al., (2006) observes positive ACARs five years post the announcement date even though the value is not statistically significant.

Table 4.7: Cumulative Average Abnormal Returns Internal Replacement Vs External Replacement (E)

Event window (days)	ACAR	Median CAR	Standard Deviation CAR	ACAR	Median CAR	Standard Deviation CAR	t-stat
[0]	-0.293	-0.043	2.425	-2.101	0.146	9.515	0.884
[-1,+1]	0.513	0.882	5.411	0.508	6.845	21.433	0.002
[-3,+3]	0.224	-0.132	6.368	4.090	0.146	9.515	-0.824
[-5,+5]	0.045	-1.123	10.450	8.089	6.845	21.433	-1.886*

Source: (Research Findings, 2018)

The ACAR at the announcement date (day, 0) when the CEO replacement is an insider (internal replacement) is -0.293 and the ACAR for an external CEO replacement or an outsider is -2.101. For longer event windows, e.g. 11 days, the ACARs for the two types of CEO replacements are positive at +0.045% for an internal CEO replacement and +8.089% for an external CEO replacement. It can thus be said that the results are statistically significant since the t values are significant at 10% significance level. External CEO Replacement ACARs were found to be significantly higher as compared to internal CEO replacement ACARs. External replacements in the case of the short event windows of 3 and 7 days produced larger positive values as compared to the internal replacements. The positive reaction by the share returns however, was not significant in the aforementioned short event windows. In the case of the longer event window of 11 days, both types of CEO replacements also impact on the share returns positively. The effect however, is statistically significant as evidenced by the t- value of -1.886.

Table 4.8: Cumulative Average Abnormal Returns Voluntary Turnover (V) Vs Forced Turnover (F)

Event window (days)	ACAR	Median CAR	Standard Deviation CAR	ACAR	Median CAR	Standard Deviation CAR	t-stat
[0]	-0.548	0.203	3.636	-4.932	-2.109	11.831	1.288
[-1,+1]	1.065	1.121	6.868	-2.368	0.882	22.018	0.834
[-3,+3]	0.516	0.445	10.289	-8.985	-2.109	11.831	1.299
[-5,+5]	1.688	-1.821	14.045	-1.891	0.882	22.018	0.596

Source: (Research Findings, 2018)

The ACARs for [0], [-1, +1] [-3, +3] [-5, +5] event windows for both voluntary and forced turnover were found to be non- statistically significant at the 10% significant level as depicted by the t-test results. The ACAR of voluntary departure on the announcement day-0 is -0.548, while the one for the forced departure shows a value of -4.932. The 3, 7 and 11 days event windows values for the forced turnover are all negative, -2.368, -8.985 and -1.882, while for the voluntary turnover, they are all positive at 1.065, 0.516 and 1.688. Only the one on the announcement day -0 is negative for the voluntary departure.

This implies that the market reacted positively to voluntary departure and negatively to forced departure.

4.4 Summary and Interpretation of Findings

The AAR values were found to be positive and statistically significant at D-1 and D-0 with t values of 2.06 % and -1.84% at 5% and 10% significance level respectively around the announcement date of the CEO departure. Further, the AARs on day D+1 and D+2 are seen to be positive. However, they are non- statistically significant. The AARs at D+1 and D+5 were found to be statistically significant at 10% significance level with positive values of 1.80 and 1.86 respectively around the announcement date of the new CEO. An AAR of -0.991 is seen at D-0, but this is also non-statistically significant. Similarly, Reinganum (1985) also discovers non- significant abnormal returns on the announcement day. However, Lambertides (2009) disagrees, he find a significant positive abnormal return.

Overall, the market reacted negatively on the announcement date of the CEO departure as depicted by the large ACARs values of -1.481 and 1.282 at the event windows, [0], and [-3, +3] respectively. The reaction of the market was also significant at -1.84% at]10% significance level. Suchard et al., (2001) disagrees, they find a positive but insignificant effect on the announcement day of the old CEO departure. For a longer event window of 11 days the market moves to a positive value of 0.955%. Consequently, this reaction could be as a result of the market attempting to correct the significant positive reaction observed the day before the announcement of the CEO change as shown by an average abnormal return value of 1.345. Suchard et al., (2001) concurs, they also find negative but insignificant abnormal returns for the longer event window of 8 days.

The ACARs for 3 years post the CEO turnover event were found to be positive with a value of 95.883. However, the value was not statistically significant at 10% significance level. Huson et al., (2004) differed; they found negative abnormal returns for the 5 years post the CEO turnover event with a negative value of -0.61%. However, the results were not statistically significant. Thus the relationship can be said to be non-statistically significant.

External CEO replacement ACARs were found to be significantly higher as compared to internal CEO replacement ACARs. External replacements in the case of the short event windows of 3 and 7 days produced larger positive values as compared to the internal replacements. The positive reaction by the share returns however, was not significant in the aforementioned short event windows. In the case of the longer event window of 11 days, both types of CEO replacements also impact on the share returns positively. The effect however, is statistically significant as evidenced by the t- value of -1.886. We can

conclude from the ACARs that external CEO replacements receive a more positive reaction from the market than internal CEO replacements and to a significant extent in the context of the longer event window of 11 days. This matches the findings of Bonnier and Bruner (1989) who also found positive and insignificant abnormal return values for the short event windows of [0], [-1, +1] and [-3, +3]. Furtado and Karan (1989) also conclude that the origin of the successor and share returns have no significant relationship.

The ACARs for the 3, 7 and 11 day event windows for both the voluntary vs involuntary departure were found to be non- statistically significant at the 10% significant level. The ACAR on the date of announcement of voluntary departure showed a negative ACAR of -0.548, while the one for the forced departure had a value of -4.932. The 3, 7 and 11 days event windows for the forced departure were all negative at -2.368, -8.985 and -1.882 respectively, while for the voluntary departure, they were all positive at 1.065, 0.516 and 1.688 respectively except the value on the announcement date which was positive. This implies that the market reacted positively to voluntary departure and negatively to the forced departure. These findings are consistent with that of Friedman and Singh (1989) who found that the market reacted negatively to forced departures but there was no reaction for retirements. Similarly, Worrell et al., (1993) also found that share returns were impacted negatively by forced CEO departure. Further, they discovered that the share returns were impacted positively where the announcement of the outgoing CEO and the incoming CEO were made on the same day. Dennis and Dennis (1995) establish that for both forced resignations and retirements, the abnormal returns are impacted positively. None of the results in the aforementioned studies are statistically significant.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the summary of the findings, conclusions, recommendations, limitations of the study and areas for further studies are discussed.

5.2 Summary of the Findings

The study aimed to establish the effect of announcement of top management change (CEO change) on share returns of firms listed at the Nairobi Security Exchange for the period 2008 to 2016. A total of 11-day event window was used. The departure date of the outgoing CEO and the appointment date of the incoming CEO were taken as the announcement date.

The AAR values around the announcement date of the outgoing CEO: D-1, D-0, D+1 and D+2 were all found to be positive. However, the AAR values were statistically significant at D-1 and D-0 and non- statistically significant at D+1 and D+2. Also, the AAR values around the announcement date of the incoming CEO for the longer event window of D+1 and D+5 were also found to be positive and statistically significant. However, on the announcement date of the incoming CEO, the AAR was found to be negative and non-statistically significant. Similarly, Furtado and Rozeff (1987) also found positive and significant AARs around both the announcement date of departing CEO and the announcement date of the incoming CEO. Borstadt (1985) finds a negative market reaction to management departure announcements. This finding reveals that

announcement of CEO change provides vital information to investors that they can use in their investment selection decisions.

The ACARs were generally found to be negative and statistically significant around the announcement date of the CEO change event at 10% significance level. However, for the longer event window the reaction of the market is seen to be positive though also not statistically significant. Suchard et al., (2001) disagrees. They found a positive but insignificant effect on the day of announcement of the CEO change. For the longer event window of 8 days, they found a negative but non-statistically significant average cumulative abnormal return.

The ACARs for the 3 years post the new CEO appointment date were found to be positive and non-statistically significant. Setiawan, Hananto and Kee (2011) in their study of Indonesia firms find no significant difference in the market reaction 8 years post the CEO change event. However, Goyal and Park (2002) found a negative and statistically significant effect of the CEO change on the adjusted market returns 5 years post the announcement date.

External replacements produced larger and positive ACARs value as compared to the internal CEO replacements. For the 7 day event window, external replacement produced positive though non-statistically significant values. While for the longer event window of 11 days, external replacement produced positive but statistically significant values. Kang and Shivdasani (2005) concur, they also found that the market reacted positively and significantly where the replacement of the departing CEO was an outsider. They also

found that the market doesn't react when the replacement of the departing CEO is an internal replacement.

The ACARs for all the four categories (VI, FE, FI and VE) were all negative. Overall, the FE announcement event received more negative responses from the market as compared to the other categories. Also, FI announcements received more negative responses from the market compared to the voluntary announcements. The most positive reactions from the market occurred for the VE announcements, with the market reacting more positively to VI announcements than FI announcements. This implied that the market reacted negatively to the CEO change event on the announcement day. Friedman and Singh (1989) also find a negative reaction from the market to CEO turnover in forced cases, but no reaction for retirements.

5.3 Conclusions

The relationship between CEO change and share returns on the announcement date was found to be negative and statistically significant. However, share returns were found to have reacted positively the day before the announcement day. The positive reaction is as a result of the market correcting the previous day negative reaction that occurred as a result of leakage of information concerning an impending CEO departure. For longer event windows (3 day, 8 day and 11 day event windows) the share prices appear not to have been significantly affected. This implies that the information effect resulting from the announcement of the CEO change event has only a short term effect that is not permanent on the share returns of firms experiencing the CEO change event on the announcement date.

The study also established that 3 years post the new CEO assuming office, the share returns were impacted positively. However, the ACAR positive value was not statistically significant. In summary, companies generally experienced a small positive information effect, or reaction, to CEO turnover events. However, the positive reaction by the share returns is non-statistically significant.

Also, when the share returns reaction for the external CEO replacement vs the Internal CEO replacement were compared, the study found that external CEO replacement share prices were more positive and statistically significant compared to the internal CEO replacement share prices on the announcement date. In addition, external CEO replacement in firms in the case of longer event window of 11 days resulted in better share price performance (positive information effect) for these firms as opposed to the internal replacement though not statistically significant.

The study also revealed that the relationship between voluntary and involuntary turnover with share returns is not statistically significant. For the forced CEO turnover, the ACARs were negative for all the event windows implying that the market reaction was negative to forced CEO removal. For the voluntary turnover, the market reacted positively for the three event windows and negatively for the event window (0). The negative ACAR was not statistically significant. None of the results are statistically significant.

5.4 Limitations of the Study

The research focused on an event that had already occurred. Hence, the analysis done cannot be said to be of factors leading to the CEO change. Non-listed companies were

not considered in the study limiting the findings of the study to only listed companies. Moreover, the period of CEO change considered may be too short hence cannot be generalized to all CEO changes over time.

This research depended on data from various sources including publications of NSE, companies' website and newspaper sources. However, there were discrepancies in the data and information reported by these sources, but the researcher overcame this by getting an average figure whenever a discrepancy arose. The researcher foresaw a challenge of collecting data to cover all the study period where data could not be found in some years. To overcome this, diverse sources of data were identified to complete some years where data could not be present in any given source.

CEOs personal traits were not considered in the study which could impact on the organization financial performance. Hence, the study cannot be relied upon in assessing the effect on the financial performance of a firm based on incoming or outgoing CEO personal characteristics. Moreover, a single measure of performance in the form of share prices was used in the study. This limits the generability of the results to other accounting or organization performance measures (Venkatraman and Ramanujam, 1985).

5.5 Recommendations for Policy

The shorter the CEO tenure, the less impact the CEO will have on an organization and vice versa. Hence, organizations should encourage long CEO tenures as opposed to short CEO tenure policy as this may result into improved organization performance and ultimately increase in the shareholders wealth should the CEO be a high performing

individual. The longer period affords the CEO enough time to institute fundamental changes in the organization which may be beneficial to the organization in the long run.

Whilst the CEO may be the person who shoulders a larger responsibility with regards to the performance of a company, other senior executives also have a fundamental role to play. Hence, board of directors should not only focus on choosing a competent and qualified CEO but should also ensure that they don't neglect other senior executives if the organization is to succeed. This is because organizations are complex structures with many individuals who contribute to the overall performance of the firm.

5.6 Suggestions for Further Research

This study recommends that other studies be done to determine factors that precede CEO turnover as the current study mainly focussed on the post-turnover experience. Future studies could focus mainly on pre-turnover characteristics of the firm. The pre- turnover financial performance of the firm could be looked into as this would be expected to predict CEO turnover, especially for poorly performing firms. Further, future researchers could also look into board composition with regards to the relationship between independent board of directors and CEO turnover event. Also, the study recommends other studies to be done on the association between firm's performance and CEO turnover for CEOs with different tenures. In the current study only 5 CEOs remained in office for the three year period out of the possible 8 turnover events.

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APPENDICES

Appendix I: Companies Listed at the Nairobi Security Exchange

AGRICULTURAL

Eaagads Ltd
Kapchorua Tea Co. Ltd
Kakuzi
Limuru Tea Co. Ltd
Rea Vipingo Plantations Ltd
Sasini Ltd
Williamson Tea Kenya Ltd

COMMERCIAL AND SERVICES

Express Ltd
Kenya Airways Ltd
Nation Media Group
Standard Group Ltd
TPS Eastern Africa (Serena) Ltd
Scangroup Ltd
Uchumi Supermarket Ltd
Sameer Africa PLC
Longhorn Kenya Ltd
Deacons (East Africa) PLC
Nairobi Business Ventures Ltd

TELECOMMUNICATION AND TECHNOLOGY

Safaricom PLC
AUTOMOBILES AND
ACCESSORIES

Car and General (K) Ltd

BANKING

Barclays Bank Ltd
Stanbic Holdings PLC.
I&M Holdings Ltd
Diamond Trust Bank Kenya Ltd
Housing Finance Co Ltd
Kenya Commercial Bank Ltd
National Bank of Kenya Ltd
NIC Group PLC
Standard Chartered Bank Ltd
Equity Group Holdings
The Co-operative Bank of Kenya Ltd

INVESTMENT

Source: NSE 2018

Olympia Capital Holdings Ltd

Centum Investment Co Ltd

Trans-Century Ltd

MANUFACTURING AND ALLIED

B.O.C Kenya Ltd
British American Tobacco Kenya Ltd
Carbacid Investments Ltd
East African Breweries Ltd
Mumias Sugar Co. Ltd
Unga Group Ltd
Eveready East Africa Ltd
Kenya Orchards Ltd
Flame tree Group Holdings Ltd

CONSTRUCTION AND ALLIED

Athi River Mining
Bamburi Cement Ltd
Crown Paints Kenya PLC
E.A.Cables Ltd
E.A.Portland Cement Ltd

ENERGY AND PETROLEUM

KenolKobil Ltd
Total Kenya Ltd
KenGen Ltd
Kenya Power & Lighting Co Ltd
Umeme Ltd

REAL ESTATE INVESTMENT TRUST

Stanlib Fahari I-REIT

INSURANCE

Jubilee Holdings Ltd
Sanlam Kenya PLC
Kenya Re-Insurance Corporation Ltd
Liberty Kenya Holdings Ltd
Britam Holdings Ltd
CIC Insurance Group Ltd

INVESTMENT

Home Afrika Ltd
Kurwitu Ventures

INVESTMENT SERVICES

Nairobi Securities Exchange Ltd

Appendix II: Companies that Changed their Top Management.

Company Name	Announcement date of CEO departure	Announcement date of the new CEO	Reason for departure	Replacement Type	New CEO Remains in employment for 3 Years
BOC Kenya	12/03/2010	15/09/2010	Voluntary-pursue other opportunities	External	Yes
Kenol Kobil	3/07/2013	3/07/2013	Voluntary-linked to company	Internal	Yes
Mumias Company	9/06/2014	9/06/2014	Forced Removal	External	No
Kenya Airways	1/12/2014	1/12/2014	Voluntary-retirement	Internal	Yes
Trans century	14/01/2016	14/01/2016	Voluntary-pursue other opportunities	Internal	Yes
East Africa Cables	21/05/2008	15/12/2008	Voluntary-pursue other opportunities	Internal	Yes
National bank of Kenya	25/06/2016	11/10/2016	Forced Removal	Internal	No
Home Afrika	3/09/2015	3/09/2015	Forced Removal	External	No

Source :(Research Findings, 2018)

Appendix III: Raw Data

Kenol Kobil	Share Price	Return on stock	Return on the market	Event Window
24-Jun-13	9.15		-0.00562	-6
25-Jun-13	9.3	0.016393	-0.00839	-5
26-Jun-13	9	-0.03226	-0.00833	-4
28-Jun-13	8.8	-0.02222	-0.00092	-3
1-Jul-13	8.8	0	-0.00412	-2
2-Jul-13	8.85	0.005682	-0.00382	-1
3-Jul-13	8.9	0.00565	0.000239	0
4-Jul-13	9.3	0.044944	0.00247	1
5-Jul-13	8.6	-0.07527	0.002475	2
8-Jul-13	8	-0.06977	-0.00201	3
9-Jul-13	8	0	0.005297	4
10-Jul-13	8.1	0.0125	0.008706	5
24-Jun-13	9.15		-0.00562	-6
Mumias Company	Share Price	Return on stock	Return on market	Event Window
29-May-14	3		0.00201421	-6
30-May-14	3	0	-0.002772143	-5
3-Jun-14	2.95	-0.016666667	-0.00304206	-4
4-Jun-14	2.95	0	-0.002089707	-3
5-Jun-14	2.95	0	-0.004326125	-2
6-Jun-14	2.95	0	0.002543672	-1
9-Jun-14	2.9	-0.016949153	-0.002504213	0
10-Jun-14	3	0.034482759	-0.001455842	1
11-Jun-14	3.05	0.016666667	0.000712414	2
12-Jun-14	3.2	0.049180328	-0.004364571	3
13-Jun-14	3.3	0.03125	0.005344003	4
16-Jun-14	3.25	-0.015151515	-0.0100833	5
29-May-14	3		0.00201421	-6
Transcentury	Share Price	Return on stock	Return on market	Event Window
6-Jan-16	8.75		0.008541783	-6
7-Jan-16	8.5	-0.028571429	-0.001352117	-5
8-Jan-16	9	0.058823529	-0.015660324	-4
11-Jan-16	9.1	0.011111111	-0.002664691	-3
12-Jan-16	9	-0.010989011	-0.005033181	-2
13-Jan-16	9	0	-0.007674917	-1
14-Jan-16	8.75	-0.027777778	-0.011430029	0
15-Jan-16	9	0.028571429	0.000915068	1

18-Jan-16	9	0	-0.003826228	2
19-Jan-16	8.7	-0.033333333	0.002745385	3
20-Jan-16	8.45	-0.028735632	-0.010067534	4
21-Jan-16	8.65	0.023668639	-0.009627314	5
22-Jan-16	8.7	0.005780347	-0.00333516	6
6-Jan-16	8.75		0.008541783	-6
7-Jan-16	8.5	-0.028571429	-0.001352117	-5
Home Afrika	Share Price	Return on stock	Return on market	Event Window
26-Aug-15	2.1			-6
27-Aug-15	2	-0.047619048	-0.021700409	-5
28-Aug-15	2.05	0.025	0.005106804	-4
31-Aug-15	2	-0.024390244	0.018265731	-3
1-Sep-15	2	0	-0.005597868	-2
2-Sep-15	2	0	-0.006291519	-1
3-Sep-15	1.95	-0.025	0.006355583	0
4-Sep-15	2	0.025641026	-0.004550587	1
7-Sep-15	2	0	0.014589748	2
8-Sep-15	2	0	0.005268515	3
9-Sep-15	2	0	0.000725664	4
10-Sep-15	1.95	-0.025	-0.000500013	5
East Africa Cables	Share Price	Return on stock	Return on market	Event Window
13-May-08	45			-6
14-May-08	44.5	-0.011111111	-0.005717804	-5
15-May-08	41.5	-0.06741573	-0.005800692	-4
16-May-08	43	0.036144578	0.000257292	-3
19-May-08	43	0	-0.003369081	-2
20-May-08	43	0	0.00208417	-1
21-May-08	42	-0.023255814	-0.006007123	0
22-May-08	42	0	0.005176461	1
23-May-08	42	0	-0.00193045	2
26-May-08	40	-0.047619048	-0.005886054	3
27-May-08	41	0.025	-0.004871903	4
28-May-08	40	-0.024390244	0.001340738	5
29-May-08	40	0	-0.002093691	6
4-Dec-08	26		-0.00177	-6
5-Dec-08	24	-0.07692	-0.00073	-5
8-Dec-08	26	0.083333	0.010424	-4
9-Dec-08	24	-0.07692	0.00108	-3
10-Dec-08	24	0	0.002941	-2
11-Dec-08	24.5	0.020833	0.014074	-1
15-Dec-08	24.5	0	0.012464	0

16-Dec-08	24.5	0	0.00809	1
17-Dec-08	25	0.020408	0.010644	2
18-Dec-08	25.5	0.02	0.004047	3
19-Dec-08	25	-0.01961	-0.00488	4
22-Dec-08	25.5	0.02	0.004957	5
Kenya Airways				
21-Nov-14	8.5			-6
24-Nov-14	8.4	-0.011764706	-0.003962102	-5
25-Nov-14	8.35	-0.005952381	-0.001562385	-4
26-Nov-14	8.3	-0.005988024	0.00702227	-3
27-Nov-14	8.3	0	-0.004205627	-2
28-Nov-14	8.2	-0.012048193	0.000789945	-1
1-Dec-14	8.3	0.012195122	0.003149527	0
2-Dec-14	8.45	0.018072289	-0.000386655	1
3-Dec-14	8.4	-0.00591716	-0.011449415	2
4-Dec-14	9	0.071428571	0.011447029	3
5-Dec-14	9.15	0.016666667	0.002909158	4
8-Dec-14	9.3	0.016393443	0.001743518	5
9-Dec-14	9.1	-0.021505376	-0.003887207	6
National Bank				
16-Jun-16	10			-6
17-Jun-16	10	0	-0.001482873	-5
20-Jun-16	10.4	0.04	-0.00452393	-4
21-Jun-16	10.75	0.033653846	0.002094394	-3
22-Jun-16	10.5	-0.023255814	-0.006386603	-2
23-Jun-16	10.55	0.004761905	-0.001706221	-1
24-Jun-16	10.55	0	-0.010185388	0
27-Jun-16	10.5	-0.004739336	-0.011949472	1
28-Jun-16	10.4	-0.00952381	-0.006965853	2
29-Jun-16	10.05	-0.033653846	-0.002087091	3
30-Jun-16	9.6	-0.044776119	0.003185407	4
1-Jul-16	9.8	0.020833333	0.003345593	5
3-Oct-16	7			-6
4-Oct-16	6.75	-0.035714286	-0.003781372	-5
5-Oct-16	7	0.037037037	0.000670192	-4
6-Oct-16	7	0	-0.006335164	-3
7-Oct-16	7	0	-0.000824135	-2
10-Oct-16	6.95	-0.007142857	-0.00073896	-1
11-Oct-16	6.95	0	-0.005219505	0
12-Oct-16	7	0.007194245	0.001600903	1
13-Oct-16	6.9	-0.014285714	-0.001475158	2
14-Oct-16	7.6	0.101449275	0.007895581	3

17-Oct-16	6.8	-0.105263158	-0.007417562	4
18-Oct-16	6.8	0	0.001846668	5
BOC Kenya				
4-Mar-10	150		0.002457364	-6
5-Mar-10	150	0	0.008504873	-5
8-Mar-10	150	0	0.009795511	-4
9-Mar-10	150	0	0.018067863	-3
10-Mar-10	150	0	0.023454762	-2
11-Mar-10	150	0	0.016599489	-1
12-Mar-10	150	0	0	0
15-Mar-10	150	0	0.02427324	1
16-Mar-10	150	0	0.008704538	2
17-Mar-10	150	0	-0.007362472	3
18-Mar-10	140	-0.066666667	-0.014293127	4
19-Mar-10	140	0	-0.0134151	5
4-Mar-10	150		0.002457364	-6
7-Sep-10	152		-0.000688834	-6
8-Sep-10	140	-0.078947368	0.004040934	-5
9-Sep-10	140	0	0.003347139	-4
10-Sep-10	141	0.007142857	0.006463308	-3
13-Sep-10	141	0	0.003918614	-2
14-Sep-10	141	0	0.009325334	-1
15-Sep-10	141	0	0.00033217	0
16-Sep-10	141	0	-0.001345833	1
17-Sep-10	140	-0.007092199	0.001898156	2
20-Sep-10	146	0.042857143	0.007283725	3
21-Sep-10	150	0.02739726	-0.000672047	4
22-Sep-10	145	-0.033333333	0.007384392	5
23-Sep-10	150	0.034482759	-0.002587917	6

Source: (Research Findings, 2018)