

ABSTRACT

This study aims to investigate how the turnover of the Board of Directors during a period of severe environmental discontinuity affects the ability of a firm to survive. Refining the Upper Echelons Theory (UET), this study was conducted using a multiple-case study approach that allows an exploratory analysis of the multinational banks Citigroup, JPMorgan Chase and American Express during the deregulation of the Gramm-Leach-Bliley Act (GLBA) in the banking industry of the United States. Although changes in the Board of Directors did occur, this paper found that the deregulation causes, more directly, a firm reconfiguration process that results in a variety of responses compatible with the firm's strategy in order to compete in a changing environment. The influence of the Board of Directors is limited within the confines of what the firm strategy allows them to do. Therefore, an indirect relationship is found between the turnover of the Board of Directors and firm survivability during a severe environmental discontinuity.

Keywords: Board of Directors, turnover, deregulation, Gramm-Leach-Bliley Act, Top Management Teams, Upper Echelons Theory