

# Fractional CEO Architecture: Executive Bandwidth, Strategic Coherence and Confidence in Resource-Constrained Firms

## Abstract

**Purpose:** This paper develops the concept of Fractional CEO Architecture as a strategic leadership response for resource-constrained firms that need senior executive capacity before they can justify a full-time chief executive officer.

**Design/methodology/approach:** The paper is conceptual and uses phenomenon-based theorising with a theory-adaptation design. It integrates strategic leadership, dynamic managerial capabilities, sensemaking and trust-in-leadership scholarship to specify the fractional CEO as a multidimensional leadership architecture. South Africa's World Bank Enterprise Survey 2020 country profile is used as contextual grounding to illustrate the business environment pressures that make executive bandwidth strategically salient.

**Findings:** The paper argues that fractional CEO arrangements shape outcomes only when the surrounding governance architecture converts limited executive presence into strategic coherence, transformation momentum and stakeholder confidence. The fractional CEO construct is specified across six dimensions: temporal allocation, decision authority, embeddedness, accountability, governance coupling and transition pathway. Executive bandwidth is also specified as the senior leadership capacity to interpret signals, decide, coordinate, manage stakeholders and sustain confidence at the pace required by strategic complexity.

**Practical Implications:** The paper offers a Fractional CEO Architecture Diagnostic to help boards, founders and investors design, govern and review fractional CEO engagements before they drift into ambiguity.

**Originality/value:** The paper reframes fractional CEO arrangements as a strategic leadership architecture rather than part-time staffing. It advances eight propositions and shifts attention away from hours worked towards the governance architecture that makes partial executive presence effective.

## Keywords

*Fractional CEO architecture; strategic leadership; executive bandwidth; strategic coherence; transformation momentum; stakeholder confidence; resource-constrained firms; governance cadence.*

## 1. Introduction: the fractional CEO puzzle

Many firms do not lack ambition. They lack executive bandwidth: the senior leadership capacity to interpret strategic complexity, make binding decisions and sustain organisational momentum at the pace their context demands. Founders write strategies

that no one has the bandwidth to enforce. Boards approve transformation programmes that depend on executive cadence the firm cannot yet sustain. Investors push growth in markets the management team has not had time to understand. The shortage is rarely vision. It is senior judgement applied with sufficient discipline to convert direction into delivery.

Resource-constrained firms feel this gap most sharply. Founder-led companies reach a point where operational complexity exceeds the founder's capacity to read every signal and decide every priority. Small and medium-sized enterprises (SMEs) carry executive workloads stretched across product, sales, finance and people decisions, often without a peer who can challenge the founder's judgement. Boards see the need for stronger leadership but cannot justify a full-time CEO at market salary, particularly where appointing one would risk displacing a founder whose presence still anchors customer relationships and culture. Growth-stage firms need transformation leadership and investor confidence before they can attract or sustain a permanent CEO (Garg and Eisenhardt, 2017; Wasserman, 2003).

The fractional CEO has emerged as one response. The arrangement gives the firm recurring access to a senior executive on a defined portion of time, with embedded responsibility usually associated with full-time CEO authority. Practitioner activity suggests growing use of fractional executive arrangements across SME, venture-backed and advisory markets, although peer-reviewed research on fractional CEO roles remains limited. Because systematic evidence on diffusion is still thin, this paper treats the fractional CEO as an emerging phenomenon requiring conceptual clarification rather than as an established organisational form. Adjacent academic work has examined interim CEOs (Ballinger and Marcel, 2010; Mooney, Semadeni and Kesner, 2017; Intintoli, Schumann and Walker, 2022), CEO succession dynamics (Schepker, Kim, Patel, Thatcher and Campion, 2017; Schepker, Nyberg, Ulrich and Wright, 2018; Wangrow, Schepker and Barker, 2025) and fractional executive functional roles, but the strategic leadership literature has not yet theorised the fractional CEO as a distinct governance architecture.

The fractional CEO creates a strategic leadership puzzle. The firm appoints a CEO to create coherence, yet the CEO is not continuously present. It expects accountability, yet authority may remain contested by the founder or board. It seeks momentum, yet the executive cadence is intermittent. It wants confidence, yet stakeholders may treat the arrangement as provisional or weak.

This puzzle exposes a gap in strategic leadership theory because the literature has largely assumed continuous executive presence, whereas fractional CEO arrangements rely on recurring, partial and deliberately bounded authority. The literature has examined CEO characteristics, CEO succession, top management teams, boards and interim leadership (Hambrick and Quigley, 2014; Quigley and Hambrick, 2015; Samimi,

Cortes, Anderson and Herrmann, 2022), but it has paid far less attention to executive architectures in which CEO-level authority is recurring, partial and deliberately bounded. Interim CEO research addresses temporary leadership during succession or crisis, but the fractional CEO is different: it is not merely temporary leadership, but part-time executive authority designed as an ongoing governance arrangement. Similarly, advisory and consulting relationships provide expertise, but do not usually carry decision accountability. The fractional CEO therefore sits in a theoretically underdeveloped space between succession, governance, executive work and dynamic managerial capability.

This paper takes that puzzle as its starting point and argues that the fractional CEO should be understood as a strategic leadership architecture under conditions of partial executive presence. The central contribution is not simply that fractional CEOs may help resource-constrained firms. It is that CEO-level leadership can be decomposed across time, authority, embeddedness and governance without necessarily losing strategic coherence, but only when the architecture is deliberately designed. This shifts the debate away from whether the CEO is full-time or part-time and towards whether the leadership arrangement can generate coherence, momentum and confidence under constrained executive bandwidth.

### **Why existing leadership constructs are no longer sufficient**

Three established constructs come closest to describing fractional CEO arrangements, and each falls short in a specific way that motivates the architecture developed in this paper. Upper echelons theory and its successors (Hambrick and Mason, 1984; Hambrick, 2007; Samimi et al., 2022) theorise the senior executive as a continuously present interpreter of strategic complexity; the construct has no vocabulary for an executive whose presence is recurring but partial, because continuous presence is a background assumption rather than a variable. Interim CEO research (Ballinger and Marcel, 2010; Mooney et al., 2017; Intintoli et al., 2022) does theorise bounded executive tenure, but the boundary is temporal and terminal: the interim CEO is a bridge to a permanent appointment, and the construct's logic is oriented around succession and exit rather than around an ongoing, recurring arrangement. Advisory and consulting relationships, finally, theorise external expertise without decision accountability, which is precisely the element that distinguishes a fractional CEO from an adviser regardless of how senior or experienced that adviser may be.

None of these three constructs, individually or in combination, captures an arrangement that is simultaneously recurring (unlike a consultant), non-terminal by design (unlike an interim CEO), and decision-accountable (unlike either). This is the gap the fractional CEO occupies, and it is a gap in kind rather than in degree: existing constructs cannot be stretched to cover it because each one defines itself, in part, by the feature that fractional CEO arrangements relax. A theory of strategic leadership that continues to assume

continuous presence, terminal bounding, or advisory-only authority will systematically misclassify fractional CEO arrangements as defective versions of something else, rather than as a distinct architecture in their own right. Specifying that architecture is the task this paper undertakes.

This is why the framework is necessary for strategic leadership theory. Recurring, partial and decision-accountable CEO authority is now visible in practice, yet the field has no construct that holds those three features together. Without one, boards and scholars judge the arrangement against the nearest familiar category and mistake a design choice for a deficiency. Fractional CEO Architecture supplies the missing construct: it names the dimensions that make partial executive presence work and sets out the conditions under which recurring authority produces coherence rather than confusion. Readers of this journal meet that design question directly, because the firms they advise increasingly buy executive judgement in fractions before they can fund it in full.

These literatures each contribute one piece and each leaves the same piece missing. Strategic leadership and upper echelons theory explains how senior executives shape direction and firm outcomes, but not authority that is recurring rather than continuous. Dynamic managerial capabilities (Helfat and Martin, 2015) explains how managers sense, seize and reconfigure for change, but not how scheduled, partial presence sustains that work. Interim CEO research explains bounded tenure, but not bounding that is designed to recur. Advisory and consulting research explains external expertise, but not decision accountability for strategic outcomes. Sensemaking (Maitlis and Christianson, 2014) explains how coherence is read through routines and signals, but not how coherence holds while the executive is away between sessions. Trust-in-leadership research (Burke et al., 2007; Bligh, 2017) explains how followers form confidence, but not confidence in an arrangement that must be earned through outcomes rather than granted by tenure. The common gap is continuity, which is why fractional CEO arrangements require theory for partial but recurring executive authority.

The model is therefore sequenced rather than descriptive: executive bandwidth creates the strategic problem; fractional CEO architecture is the leadership response; strategic coherence is the immediate mechanism; transformation momentum is the visible proof point; and stakeholder confidence is the outcome through which the arrangement gains legitimacy. Governance cadence matters because it converts partial executive presence into organisational rhythm.

The research question follows.

How can resource-constrained firms use fractional CEO arrangements to build strategic coherence and transformation momentum without weakening authority, accountability and stakeholder confidence?

The paper makes three linked contributions. First, it specifies the fractional CEO as a strategic leadership architecture rather than a part-time staffing arrangement. Second, it formalises executive bandwidth as the leadership capacity gap that makes fractional CEO arrangements strategically relevant. Third, it develops a sequenced mechanism explaining how architecture produces coherence, how coherence produces momentum and how momentum produces confidence. Together, these contributions shift the analysis of fractional CEO arrangements away from hours worked and towards the governance architecture that makes partial executive presence effective. The remainder of the paper proceeds as follows. Section 2 sets out the methodological approach. Section 3 develops the fractional CEO as a strategic leadership architecture. Section 4 specifies executive bandwidth as the strategic problem. Section 5 develops the coherence-momentum-confidence mechanism. Section 6 presents South Africa as a contextual evidence base. Section 7 sets out the propositions and conceptual model. Section 8 presents the Architecture Diagnostic. Section 9 discusses contribution, boundary conditions and the future research agenda. Section 10 concludes.

## **2. Methodological approach: phenomenon-based theorising and theory adaptation**

The paper is conceptual. It builds theory rather than testing it. The methodological approach combines phenomenon-based theorising (von Krogh, Rossi-Lamastra and Haeffliger, 2012) with the theory-adaptation template for conceptual articles (Jaakkola, 2020). Phenomenon-based theorising captures, describes and conceptualises new or recent phenomena so that appropriate theorising and the development of research designs can proceed. Theory adaptation reorients an existing theory by introducing perspectives or constructs from other literatures, producing a revised conceptual treatment that addresses a phenomenon the original theory did not adequately handle.

The phenomenon under investigation is the rise of fractional CEO arrangements in resource-constrained firms. The theoretical problem is that strategic leadership scholarship has developed largely on the assumption of a continuously present full-time CEO. Upper echelons theory (Hambrick and Mason, 1984; Hambrick, 2007), strategic leadership reviews (Samimi et al., 2022) and dynamic managerial capabilities scholarship (Helfat and Martin, 2015; Helfat and Peteraf, 2015) treat senior managers as continuous architects of strategic change. Fractional CEO arrangements problematise these assumptions because the senior executive is partially present, temporally bounded and embedded only through deliberate governance design.

The literature base was selected through purposive conceptual sampling rather than systematic review. This was appropriate because the paper's aim is theory adaptation and model development, not evidence aggregation. Sources were selected across six domains: strategic leadership and upper echelons theory, dynamic managerial capabilities and attention-based theory, CEO succession and interim leadership,

organisational routines and sensemaking, trust in leadership and governance in entrepreneurial or resource-constrained firms. Each stream was included because it explains one element of the fractional CEO puzzle: executive authority, managerial capacity, temporary or bounded leadership, cadence and routines, confidence formation and governance coupling. The sampling logic was therefore conceptual relevance rather than exhaustive coverage.

The conceptual development followed five steps. First, the paper identified the phenomenon as theoretically distinct from existing executive arrangements. Second, it problematised the assumption of continuous executive presence in strategic leadership theory. Third, it specified the focal construct across six dimensions drawn from strategic leadership, dynamic managerial capabilities, organisational routines and governance scholarship. Fourth, it developed a sequenced mechanism by adapting strategic leadership, sensemaking, change management and trust-in-leadership theory. Fifth, it derived eight propositions that link the construct to the mechanism and bound them with moderators and risks. The South Africa Enterprise Survey 2020 country profile is used as a contextual evidence anchor, not as direct measurement of the phenomenon.

Two design choices deserve a direct defence. The approach is conceptual theory-building because the phenomenon lacks the measurement base a test would need. There is no register of fractional CEO arrangements and no agreed construct to sample on, so the prior task is to specify the construct, not to estimate its effects. For the same reason the literature was assembled through purposive conceptual sampling rather than a systematic review. A systematic review answers a bounded question across a defined corpus, whereas this paper draws selected constructs from several literatures to build a new one. Exhaustive coverage of any single field would not close the gap that sits between them.

The six construct dimensions were derived by asking what an executive arrangement must settle to function: how much time is committed (temporal allocation), what the executive may decide (decision authority), how far the executive is integrated (embeddedness), what outcomes are owned (accountability), how the role connects to founder and board (governance coupling) and how it ends or converts (transition pathway). The coherence, momentum and confidence mechanism was built by matching each link to an established theory, with sensemaking for coherence (Maitlis and Christianson, 2014), change scholarship for momentum (Stouten et al., 2018) and trust-in-leadership for confidence (Burke et al., 2007; Bligh, 2017). The South Africa Enterprise Survey 2020 profile is used only as contextual grounding. It shows that executive bandwidth pressures are real and concentrated in a resource-constrained setting; it does not measure fractional CEO adoption and is not offered as evidence of it.

**Table 1. Conceptual development logic of the Fractional CEO Architecture model**

| Conceptual step              | Purpose                                                                       | Literature theory base                                                                                                                                                           | and Output in this paper                                                                        | Quality control                                                 |
|------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Phenomenon identification    | Locate the empirical pattern that existing theory does not adequately address | Phenomenon-based theorising (von Krogh et al., 2012); practitioner accounts of fractional executive diffusion                                                                    | The fractional CEO as an emergent strategic leadership phenomenon in resource-constrained firms | Distinction from interim CEO, full-time CEO and advisory roles  |
| Theoretical problematisation | Identify the assumption in established theory that the phenomenon disrupts    | Strategic leadership (Hambrick and Quigley, 2014; Samimi et al., 2022); upper echelons theory; dynamic managerial capabilities                                                   | Fractional CEO arrangements break the assumption of continuous executive presence               | Engagement with seminal and recent strategic leadership reviews |
| Literature selection         | Identify and bound the conceptual sources used in theory adaptation           | Purposive conceptual sampling (Jaakkola, 2020)                                                                                                                                   | Six selected domains aligned to the puzzle's components                                         | Conceptual relevance over exhaustive coverage                   |
| Construct development        | Specify the focal construct so that it can be theorised, measured and applied | Strategic leadership; dynamic managerial capabilities (Helfat and Martin, 2015); routines (Feldman and Pentland, 2003)                                                           | Six-dimension construct of fractional CEO architecture                                          | Construct boundary check against adjacent arrangements          |
| Mechanism development        | Specify the sequenced mechanism through which the construct produces outcomes | Sensemaking (Maitlis and Christianson, 2014); change management (Stouten, Rousseau and de Cremer, 2018); trust in leadership (Burke, Sims, Lazzara and Salas, 2007; Bligh, 2017) | Architecture → coherence → momentum → confidence                                                | Each link → grounded in a → distinct → theoretical anchor       |
| Proposition development      | Translate the model into                                                      | Theory adaptation (Jaakkola, 2020)                                                                                                                                               | Eight propositions                                                                              | Each proposition                                                |

| Conceptual step | Purpose                                                                 | Literature theory base | and Output in this paper                                 | Quality control                                            |
|-----------------|-------------------------------------------------------------------------|------------------------|----------------------------------------------------------|------------------------------------------------------------|
|                 | testable claims with mechanism, boundary conditions and empirical tests |                        | linking construct to mechanism with moderators and risks | specifies mechanism, theoretical anchor and empirical test |

The result is a theory-building paper rather than an empirical test. Its value lies in specifying constructs, relationships and boundary conditions that can organise future empirical work. The paper therefore avoids claims about the prevalence or performance effects of fractional CEO arrangements and instead focuses on the architecture through which such arrangements may plausibly produce coherence, momentum and confidence.

### 3. The fractional CEO as a strategic leadership architecture

A fractional CEO is a senior executive who provides recurring, embedded and decision-accountable leadership for a defined portion of time, with responsibility for strategic coherence, transformation execution and stakeholder confidence when the firm lacks the capacity, scale or resources to appoint a full-time CEO. The four working elements of the definition (recurring engagement, embedded presence, decision accountability, partial time allocation) separate the role from cognate arrangements that share its surface features.

Where existing literature has tended to treat fractional roles as a function of time allocation alone, the definition above implies a multidimensional construct. Temporal allocation captures the amount, regularity and predictability of executive time. Decision authority captures the scope of decisions the fractional CEO can make without founder or board reversal. Embeddedness captures the degree to which the executive is integrated into routines, relationships, information flows and organisational sensemaking (Feldman and Pentland, 2003; Maitlis and Christianson, 2014). Accountability captures the strategic outcomes the executive owns. Governance coupling captures the connection between the executive, founder, board and management team (Garg and Eisenhardt, 2017). Transition pathway captures whether the role is designed to end, renew, expand, convert to full-time or hand over to an internal successor.

A fractional CEO with four days a month, narrow decision authority and weak governance coupling is qualitatively different from a fractional CEO with the same time allocation, broad decision authority and strong governance coupling. The first is a senior adviser with an executive title. The second is a strategic leadership architecture compressed into limited time. Table 2 sets out the six dimensions with low-quality and high-quality manifestations and their strategic consequences.

**Table 2. Fractional CEO Architecture: construct dimensions**

| Dimension           | Definition                                                     | Low-quality manifestation                               | High-quality manifestation                                              | Strategic consequence                                                           |
|---------------------|----------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Temporal allocation | Amount, regularity and predictability of executive time        | Ad hoc presence; cancelled sessions                     | Defined days, predictable cadence, protected calendar                   | Predictable rhythm enables organisational planning around executive presence    |
| Decision authority  | Scope of decisions the executive can make without escalation   | Authority contested or quietly reversed                 | Written decision-rights charter, observed in practice                   | Coherence preserved when decisions are recognisably consistent                  |
| Embeddedness        | Integration into routines, relationships and information flows | Visiting consultant pattern; thin relationships         | Member of executive forums, decision logs and sensemaking conversations | Decisions reflect firm-specific texture; momentum sustained between sessions    |
| Accountability      | Strategic outcomes the executive owns                          | Ownership diffuse or unspoken                           | Three to five named outcomes with defined review points                 | Performance becomes evaluable; stakeholder confidence has evidence to attach to |
| Governance coupling | Connection to founder, board and management team               | Reporting line ambiguous; board treats role as advisory | Board endorsement; founder alignment; management team interfaces clear  | Authority signalled consistently upward and downward                            |
| Transition pathway  | Designed end-state of the engagement                           | Drifts indefinitely without review                      | Review points, conversion criteria, exit conditions defined             | Bench development and succession can be planned alongside                       |

| Dimension | Definition | Low-quality manifestation | High-quality manifestation | Strategic consequence |
|-----------|------------|---------------------------|----------------------------|-----------------------|
|           |            |                           | at appointment             | the engagement        |

The construct must be distinguishable from cognate arrangements. Unlike a full-time CEO, the fractional CEO does not provide continuous presence and cannot rely on tenure to defer judgement on early decisions (Finkelstein, Hambrick and Cannella, 2009). Unlike an interim CEO, which is temporary leadership designed to bridge a succession gap or crisis (Ballinger and Marcel, 2010; Mooney et al., 2017; Intintoli et al., 2022), the fractional CEO is not transitional; it is part-time executive authority designed as an ongoing arrangement. Unlike a consultant or adviser, the fractional CEO carries decision accountability rather than advisory input alone. Unlike an operating partner or executive chair, which is typically located in private equity or family ownership and operates through investor governance, the fractional CEO operates as a standalone executive arrangement embedded in the firm's own governance.

**Table 3. Fractional CEO compared with adjacent executive arrangements**

| Arrangement           | Primary purpose                                            | Time horizon              | Authority structure   | Accountability structure | Embeddedness   | Best-fit context                                           | Main failure risk                        |
|-----------------------|------------------------------------------------------------|---------------------------|-----------------------|--------------------------|----------------|------------------------------------------------------------|------------------------------------------|
| Full-time CEO         | Continuous strategic leadership and organisational command | Continuous                | High; centralised     | High; named outcomes     | High           | Firms at scale with revenue to support market compensation | Cost, availability, founder displacement |
| Interim CEO           | Stabilisation, turnaround, transition control              | Temporary; defined window | High for the duration | High for the duration    | Medium to high | Crisis, succession gap, turnaround                         | Short-termism; limited relational depth  |
| Consultant or adviser | Specialist advice and external perspective                 | Project-based             | Low to medium         | Usually advisory         | Low            | Discrete strategic question or                             | Weak execution authority                 |

| Arrangement                          | Primary purpose                                            | Time horizon                   | Authority structure                | Accountability structure              | Embeddedness | Best-fit context                           | Main failure risk                                     |
|--------------------------------------|------------------------------------------------------------|--------------------------------|------------------------------------|---------------------------------------|--------------|--------------------------------------------|-------------------------------------------------------|
|                                      | e                                                          |                                |                                    |                                       |              | programme                                  |                                                       |
| Operating partner or executive chair | Sponsor-led oversight and strategic direction              | Recurring; tenure-bounded      | Medium to high                     | Medium; sponsor-aligned               | Medium       | Private equity or family ownership         | Misalignment with management team                     |
| Fractional CEO                       | Recurring strategic leadership before full executive scale | Recurring; part-time; embedded | Medium to high if mandate is clear | Medium to high if governance is clear | Medium       | Resource-constrained or growth-stage firms | Authority ambiguity; continuity risk; context deficit |

The fractional CEO is not a cheaper CEO. It is a different leadership architecture. Its effectiveness depends less on the title and more on whether limited leadership time is converted into disciplined strategic cadence.

Table 3 also distinguishes Fractional CEO Architecture from outsourcing, the arrangement most often raised when fractional executive models are discussed. Outsourcing externalises work: a defined function, process or project is performed by an external provider under a project-based or contracted time horizon, with accountability resting at the level of output or service delivery rather than strategic outcomes, and with minimal integration into the firm's own governance and sensemaking. Fractional CEO Architecture externalises capacity while retaining accountability: the executive operates on a recurring rather than project basis, carries decision authority and named strategic outcomes, and is embedded, to the degree the architecture is well designed, within the firm's own governance structures rather than alongside them. The distinction is not one of seniority or cost, but of what is being transferred. Outsourcing transfers the performance of a task. Fractional CEO Architecture transfers part of the firm's own executive capacity, on a recurring basis, while the firm retains strategic ownership of the outcomes that capacity is directed towards.

#### 4. Executive bandwidth as the strategic problem

Executive bandwidth is the available senior leadership capacity to interpret strategic signals, make binding decisions, coordinate execution, manage stakeholders and sustain confidence at the pace required by the firm's strategic complexity. The construct is not the same as raw managerial labour hours. Many firms have abundant managerial hours but limited senior judgement applied with sufficient cadence to keep the firm coherent. The constraint that matters is strategic, not managerial: the capacity to make strategy-grade decisions consistently, with the authority and information to make them stick.

The construct draws on the attention-based view of the firm (Ocasio, 1997, 2011) and on dynamic managerial capabilities (Helfat and Martin, 2015; Helfat and Peteraf, 2015). The attention-based view treats firm behaviour as a function of how senior decision-makers allocate scarce attention across competing issues. Dynamic managerial capabilities scholarship treats senior managers as the actors through whom the firm senses, seizes and reconfigures resources for strategic change. Both literatures imply that senior leadership capacity is a scarce, cognitively demanding resource that shapes strategic outcomes. Cross-national work indicates that the strength of the CEO's effect on firm outcomes is itself shaped by institutional context (Crossland and Hambrick, 2011), which suggests that bandwidth pressures and the design space for fractional arrangements vary by setting.

Five dimensions specify the construct. 1] Cognitive bandwidth is the capacity to interpret strategic complexity. 2] Temporal bandwidth is the available senior leadership time, where availability includes regularity and predictability rather than headline hours alone. 3] Relational bandwidth is the capacity to engage board, founder, management team, investors, employees and partners productively. 4] Decision bandwidth is the capacity to make and enforce binding choices under uncertainty and 5] Execution bandwidth is the capacity to sustain cadence and follow-through across a horizon long enough for transformation to take effect.

In resource-constrained firms, all five dimensions are typically compressed at once. Founders carry strategy, customer relationships, hiring and cash management simultaneously, often without a peer who can challenge them. Cash flow constraints limit hiring at senior level. Regulatory and infrastructure complexity drains senior time. Investor pressure introduces a second cadence the firm must satisfy. The combination produces a recognisable pattern: decisions delayed, strategy restated rather than executed, transformation programmes started and stalled, senior leaders working harder rather than smarter. The fractional CEO becomes strategically relevant at this point, not because it is cheaper but because it offers a way to acquire executive bandwidth, in cognitive, decision, relational and execution terms, before the firm can support the structural cost of full-time executive capacity.

## **5. The coherence-momentum-confidence mechanism**

The conceptual heart of the paper is the mechanism that connects fractional CEO architecture to strategic outcomes. The argument is that these outcomes are causally ordered: fractional CEO architecture shapes strategic coherence; strategic coherence drives transformation momentum; transformation momentum produces stakeholder confidence. The ordering matters both theoretically and practically. It implies that the route to confidence runs through visible progress and that visible progress depends on coherent strategic direction.

### **5.1 Strategic coherence**

Strategic coherence is the perceived consistency, clarity and credibility of the firm's direction, priorities, decision logic and transformation agenda. Coherence is *not the same as* strategy quality. A high-quality strategy that the management team interprets inconsistently produces low coherence; a more modest strategy interpreted consistently produces high coherence. The construct concerns the lived experience of strategy across the workforce, not the design quality of the strategic plan itself.

Coherence is grounded in strategic leadership and upper-echelons scholarship, which treats senior executives as interpreters of strategic complexity and carriers of organisational direction (Hambrick, 2007; Hambrick and Quigley, 2014; Keller, Glaum, Bausch and Bunz, 2023; Samimi et al., 2022). It also connects to dynamic managerial capabilities, where senior leaders' cognition, social capital and human capital shape strategic change (Helfat and Martin, 2015; Helfat and Peteraf, 2015) and to sensemaking research, where coherence is inferred through communication, routines and behavioural consistency over time (Maitlis and Christianson, 2014). Top management team studies show that shared leadership influences organisational outcomes through governance interactions rather than individual attributes alone (Mihalache, Jansen, Van den Bosch and Volberda, 2014), which supports the architectural focus adopted here.

Fractional CEO architecture improves coherence when its six dimensions reduce interpretive ambiguity. Limited physical presence reduces the moments in which the executive can model decision logic for the team. Unclear authority introduces ambiguity about whose decisions count. Founder interference can reverse decisions privately, leaving employees uncertain about which version of the strategy is real. These threats are addressable through architectural design: an explicit mandate, communicated decision rights, a predictable operating rhythm, a small set of named priorities and public board and founder support.

### **5.2 Transformation momentum**

Transformation momentum is visible forward movement on strategic priorities, created when coherent direction translates into coordinated action and reinforced commitment.

Momentum is *not the same as* speed. It is disciplined progress on a small number of priorities, carried far enough to become visible to the organisation and its stakeholders.

Momentum connects to change scholarship that emphasises clarity, early progress, sensemaking and visible commitment as conditions for sustained change (Stouten, Rousseau and de Cremer, 2018; Vaara and Whittington, 2012). Coherence is a necessary condition for momentum: when direction shifts week by week, effort is wasted; when priorities compete, decisions are deferred; when authority is contested, progress stalls. The implication for fractional CEOs is sharp. The model demands faster coherence-building than a full-time CEO would face, because the firm has fewer hours of executive time within which to make priorities visible and consistent. For fractional arrangements, momentum has a second function: it is an early signal of legitimacy. A new full-time CEO can rely on tenure to defer judgement on the appointment. A fractional CEO cannot, because the arrangement itself is unfamiliar to many stakeholders. Visible progress on a named priority within the first 60 to 90 days substitutes for the legitimacy that tenure would otherwise provide.

### **5.3 Stakeholder confidence**

Stakeholder confidence is the belief among employees, founders, boards, investors and partners that the leadership arrangement can make credible decisions and deliver progress. Confidence is *not the same as* trust in the person alone. Trust in the individual is a personal judgement; confidence here is a judgement about the arrangement, attached to observable signals about whether the architecture is working.

Trust-in-leadership scholarship treats confidence as multidimensional and partly outcome-contingent (Mayer, Davis and Schoorman, 1995; Burke, Sims, Lazzara and Salas, 2007; Bligh and Kohles, 2013; Bligh, 2017). Followers update confidence with observed outcomes (Avolio, Walumbwa and Weber, 2009), which makes confidence formation in unfamiliar leadership configurations particularly sensitive to early evidence of progress.

The implication for fractional CEO arrangements is the conceptual originality of this paper: confidence in fractional arrangements is not structurally granted; it is earned through observable coherence and momentum. Stakeholders do not gain confidence because a title exists. They gain confidence when strategy becomes coherent and progress becomes visible. A fractional CEO who delivers momentum on a small set of priorities can recover the confidence deficit that the engagement type alone would predict, because confidence updates to observed outcomes rather than to structural arrangements. A fractional CEO who fails to produce coherence will not recover confidence simply by being engaged.

The chain is therefore not a parallel set of outcomes. It is a sequenced mechanism: engagement architecture shapes strategic coherence; coherence enables transformation momentum; momentum produces stakeholder confidence.

#### **5.4 Illustrative applications of the coherence-momentum-confidence mechanism**

The mechanism specified above is conceptual, and the propositions that follow in Section 7 are intended for future empirical testing rather than as claims about observed cases. The three short vignettes below are illustrative only: they are constructed to show how the architecture → coherence → momentum → confidence sequence would plausibly operate across three contexts that recur in practitioner accounts of fractional CEO arrangements: a founder-led firm, a growth-stage firm preparing for investment and a transformation-focused engagement. They are not data, and no claim is made about prevalence or representativeness; their purpose is to make the abstract mechanism easier to follow.

##### ***Vignette 1: a founder-led firm.***

A founder who has carried strategy, sales and operational decisions alone for several years brings in a fractional CEO for two days a week. If the architecture is weak, where the mandate is described only as “helping with strategy”, the founder keeps making decisions informally on the other days and no priorities are named, employees receive two versions of direction depending on who they ask. Coherence does not form, and the arrangement stalls regardless of the fractional CEO’s individual competence. If the architecture is strong, where three named outcomes are agreed at appointment, decision rights for those outcomes are communicated to the management team and the founder visibly defers to the fractional CEO’s decisions within that scope, employees experience a single, consistent direction even though the executive is present only part of the week. Visible progress against one of the three named outcomes within the first 90 days then provides the founder, employees and any external stakeholders with outcome-based evidence that the arrangement is working, building the confidence that the engagement type alone would not have granted.

##### ***Vignette 2: a growth-stage firm preparing for investment.***

A growth-stage firm approaching a funding round appoints a fractional CEO specifically to strengthen the executive narrative investors will scrutinise. Here, governance coupling and transition pathway are the dimensions doing the most work. If the board treats the fractional CEO as advisory, present in meetings but without a clear decision-rights charter, investor due diligence is likely to read the arrangement as a stopgap, and coherence around the firm’s strategic narrative remains weak regardless of the individual’s calibre. If, instead, the board has formally endorsed the fractional CEO’s authority over a small number of named priorities, and a transition pathway (for

example, conversion to full-time CEO contingent on the funding round, or a defined renewal point) has been agreed at appointment, the arrangement signals to investors that the firm has executive bandwidth under deliberate governance rather than executive absence under improvisation. Momentum on the named priorities ahead of the round becomes part of the evidence base investors update on, consistent with the outcome-contingent confidence mechanism specified in Proposition 5.

***Vignette 3: a transformation-focused engagement.***

A firm undertaking a defined transformation programme, for example an operational restructuring or a market-entry initiative, appoints a fractional CEO whose mandate is explicitly tied to that programme. Transformation urgency is high, which Proposition 8 identifies as requiring higher embeddedness, stronger decision rights and more frequent cadence than a lower-urgency engagement of the same time allocation. If cadence is irregular, with the fractional CEO's sessions frequently rescheduled and knowledge continuity between sessions depending on informal updates, the transformation programme loses momentum between visits, and each session is partly consumed by re-establishing context rather than advancing priorities. If cadence is protected and knowledge continuity is supported by decision logs and short executive briefs between sessions, momentum on the transformation programme can be sustained between visits, and the programme's visible progress becomes the evidence base on which employee and board confidence in the arrangement is built. In this context, the architecture-to-momentum relationship (Proposition 4, moderated by governance cadence per Proposition 6) is the dimension on which the engagement is most likely to succeed or fail.

**6. Contextual evidence: executive bandwidth pressures in South African firms**

The South Africa Enterprise Survey 2020 country profile is used as contextual grounding, not as direct measurement of fractional CEO adoption. The Enterprise Survey covers infrastructure, finance, regulation, taxes, licensing, corruption, crime, informality, labour and perceptions of obstacles to doing business (World Bank Group, 2021). Interviews were conducted in 1,097 firms between December 2019 and February 2021, stratified across small (5 to 19 employees), medium (20 to 99) and large (100 or more) firms. The dataset does not identify fractional CEO arrangements. It does identify a set of business environment pressures that bear directly on executive bandwidth.

Real annual sales growth was 14.3 per cent below the prior period (World Bank Group, 2021, p. 5). Electricity emerged as the dominant operating constraint: 92.0 per cent of firms experienced electrical outages, with 7.7 outages in a typical month and 54.6 per cent identified electricity as the biggest obstacle to doing business (World Bank Group, 2021, p. 6, p. 10). Only 4.8 per cent of firms held a bank loan or line of credit and internal

funds financed 82.0 per cent of investment, well above the upper-middle-income average of 69.0 per cent (World Bank Group, 2021, p. 7). Senior management spent 9.7 per cent of time on regulatory compliance and only 7.9 per cent of firms offered formal training, against 33.1 per cent in upper-middle-income economies (World Bank Group, 2021, p. 5, p. 8). Top managers reported a sample average of 16.0 years of sector experience.

Experienced top managers were running firms in which a substantial share of senior time was absorbed by regulatory compliance, while the workforce received less formal capability development than in peer economies. Sector experience does not automatically translate into strategic transformation capacity. The bandwidth that experienced executives might apply to coherence-building, transformation prioritisation or stakeholder confidence work is being absorbed by compliance and capability gaps lower in the organisation.

These indicators do not prove fractional CEO adoption, nor are they used to infer demand for fractional leadership. They are used more narrowly: to show that South Africa provides a credible context in which executive bandwidth pressures are visible, concentrated and strategically consequential.

**Table 4. Enterprise Survey indicators and executive bandwidth pressure**

| Pressure cluster     | Indicator                              | South Africa 2020 value   | Bandwidth implication                                             |
|----------------------|----------------------------------------|---------------------------|-------------------------------------------------------------------|
| Sales pressure       | Real annual sales growth               | 14.3 per cent contraction | Higher volume of strategic decisions per unit of senior time      |
| Operating disruption | Firms experiencing electrical outages  | 92.0 per cent             | Senior attention diverted from strategy to firefighting           |
| Operating disruption | Electricity as biggest obstacle        | 54.6 per cent of firms    | Bandwidth available for transformation work compressed            |
| Resource constraint  | Firms with bank loan or line of credit | 4.8 per cent              | Full-time CEO compensation hard to justify                        |
| Resource constraint  | Internal financing of investment       | 82.0 per cent             | Senior managerial judgement carries growth, not capital structure |
| Regulatory burden    | Senior management time on regulation   | 9.7 per cent              | Compliance load absorbs the executive layer                       |

| Pressure cluster          | Indicator                      | South Africa<br>2020 value | Bandwidth implication                                                   |
|---------------------------|--------------------------------|----------------------------|-------------------------------------------------------------------------|
| Capability constraint     | Firms offering formal training | 7.9 per cent               | Fractional CEOs may carry transformation that the bench cannot          |
| Top management experience | Top manager sector experience  | 16.0 years                 | Experience is necessary but not sufficient for strategic coherence work |

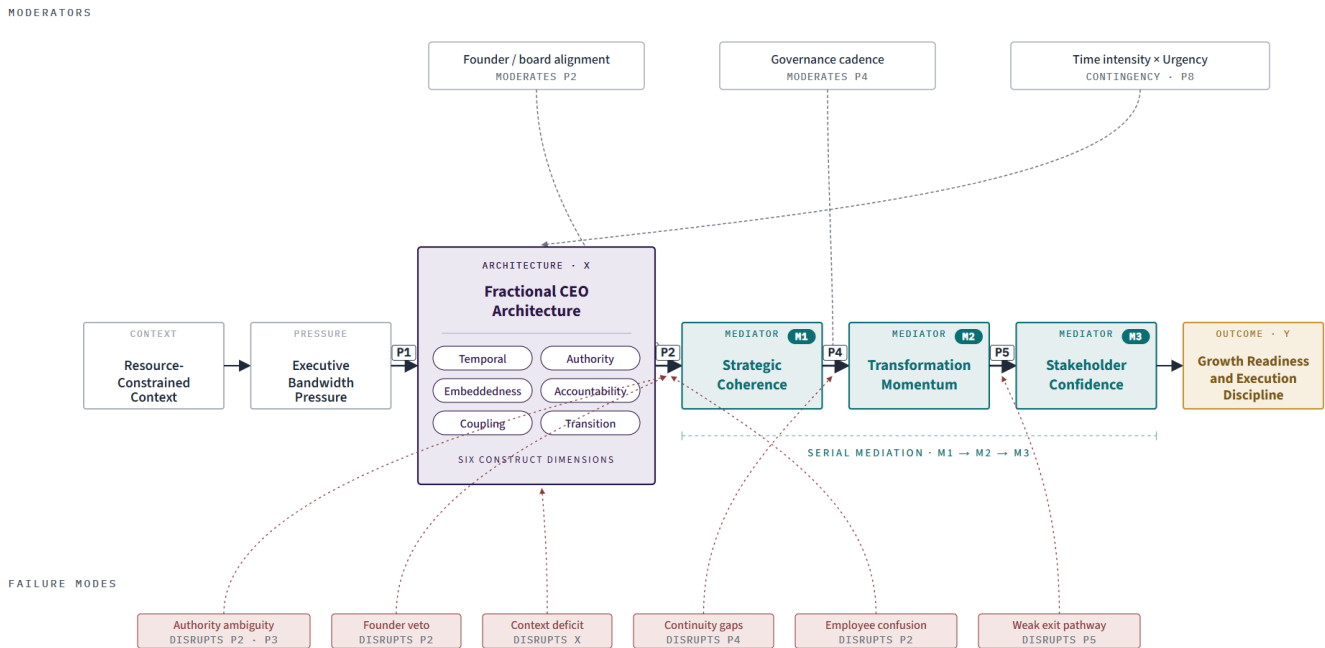
*Note. All indicators are contextual; none measures fractional CEO adoption.*

## 7. Propositions and conceptual model

The integrated framework runs from context to outcome. The resource-constrained context produces an executive bandwidth gap. Fractional CEO architecture is the firm's response. Strategic coherence is the immediate outcome the architecture either produces or fails to produce. Transformation momentum follows from coherence. Stakeholder confidence follows from momentum. Growth readiness and execution discipline are the consequences. Moderators (founder and board alignment, governance cadence, time intensity and transformation urgency) shape how strongly each link operates. Failure modes (authority ambiguity, founder veto, context deficit, continuity gaps, employee confusion, weak exit pathway) sit alongside the chain and can disrupt it at any point. Figure 1 represents the model.

**Figure 1. Fractional CEO Strategic Coherence Model**

Serial mediation with three external moderators and six failure modes acting on specific paths.



Solid arrows: structural paths (P-labels = propositions). Dashed grey: moderators acting on specific paths. Dashed red: failure modes that disrupt specific paths.

**Figure 1. Fractional CEO Strategic Coherence Model.**

The model in Figure 1 above shows how resource-constrained context creates executive bandwidth pressure, which makes fractional CEO architecture strategically relevant. Architecture quality shapes strategic coherence, which drives transformation momentum and produces stakeholder confidence. Moderators and failure modes condition the strength of these relationships.

Eight propositions translate the model into testable claims. Each specifies the core relationship, the mechanism, the boundary condition, the practical implication and a future empirical test.

Because the paper is conceptual, its results are conceptual outputs rather than empirical findings. They are nonetheless specific. The paper delivers a construct definition of the fractional CEO, a six-dimension specification of the architecture, the sequenced coherence to momentum to confidence mechanism, eight propositions that make the mechanism testable, the boundary conditions that limit it and a diagnostic tool that puts it to work. No claim is made about how common fractional CEO arrangements are or how well they perform, because those are empirical questions the model is designed to open rather than to answer.

Before the propositions, one precondition should be stated. Executive bandwidth pressure is what makes fractional CEO architecture strategically relevant in the first place. Where senior leadership capacity is sufficient for the firm's strategic complexity, a

fractional arrangement does not arise as a salient response. The pressure becomes a trigger only when the firm reads it as a leadership capacity problem rather than a resourcing, strategy or market problem. This precondition motivates Proposition 1 and the chain that follows.

**Proposition 1 (executive bandwidth pressure and adoption).** Executive bandwidth pressure increases the likelihood that resource-constrained firms will adopt fractional CEO arrangements, particularly when strategic complexity exceeds founder, board and internal management capacity. The mechanism is bandwidth gap recognition: the firm's strategic complexity becomes legible as a leadership capacity problem rather than a resource or structural one. The boundary condition is the existence of a credible market for fractional CEO talent. Theoretical anchors are strategic leadership (Samimi et al., 2022), dynamic managerial capabilities (Helfat and Martin, 2015) and managerial work experience research showing how context shapes the use of senior capacity (Mom, Fourné and Jansen, 2015). A future empirical test could survey founder workload, executive bench depth, strategic complexity and adoption likelihood across firms in the same growth band.

**Proposition 2 (architecture quality and coherence).** The quality of fractional CEO architecture is positively associated with strategic coherence, such that coherence is stronger when the six dimensions are clearly designed at appointment. The mechanism is interpretive ambiguity reduction. The boundary condition is that architectural design must be observed in practice, not only stated at appointment. Theoretical anchors are agency and stewardship theory (Davis, Schoorman and Donaldson, 1997) and sensemaking (Maitlis and Christianson, 2014). A future empirical test would compare engagements with high-quality architecture against those operated as informal advisory arrangements, holding firm size and sector constant.

**Proposition 3 (authority ambiguity and coherence).** Authority ambiguity weakens the relationship between fractional CEO architecture and strategic coherence by creating inconsistent interpretations of who leads, who decides and whose decisions hold. The mechanism is signal inconsistency (Maitlis and Christianson, 2014). The boundary condition is the visibility of authority signals. A future empirical test could combine employee surveys with board minutes to assess perceived authority clarity against governance behaviour.

**Proposition 4 (coherence and momentum).** Strategic coherence is positively associated with transformation momentum because coherent priorities allow organisational effort to accumulate around a small number of visible strategic moves. The mechanism is shared priorities enabling coordinated action. The boundary condition is the salience of priorities to operational layers. The theoretical anchor is change scholarship (Stouten et al., 2018) and strategy-as-practice (Vaara and Whittington, 2012).

A future empirical test would measure perceived coherence and transformation momentum in firms undergoing strategic change.

**Proposition 5 (momentum and confidence).** Transformation momentum is positively associated with stakeholder confidence because visible progress provides outcome-based evidence that the fractional CEO arrangement is working. The mechanism is outcome-contingent updating. The boundary condition is the visibility of progress to the relevant stakeholders. Theoretical anchors are trust in leadership (Burke et al., 2007; Bligh, 2017) and follower confidence updating (Avolio et al., 2009). The originality is the implication that confidence in fractional models is outcome-contingent rather than structurally allocated. A future empirical test would use temporally separated measures of architecture quality, momentum and confidence to test whether momentum mediates the architecture-to-confidence relationship.

**Proposition 6 (governance cadence as moderator).** Governance cadence moderates the relationship between fractional CEO architecture and transformation momentum, such that the relationship is stronger when executive engagement is routinised through predictable forums, decision logs and escalation rhythms. The mechanism is cadence converting limited time into organisational rhythm (Feldman and Pentland, 2003). The boundary condition is enforcement: cadence on paper without enforcement does not moderate the relationship. A future empirical test would use a comparative survey or longitudinal case comparison of firms with formal protected cadence against firms with irregular fractional CEO contact, controlling for transformation scope.

**Proposition 7 (founder and board alignment as moderator).** Founder and board alignment moderates the relationship between fractional CEO architecture and strategic coherence, such that the relationship is stronger when both publicly and behaviourally support the fractional CEO's authority. The mechanism is public alignment legitimising authority. The boundary condition is behavioural follow-through. Theoretical anchors are upper echelons theory (Hambrick, 2007) and CEO-board scholarship in entrepreneurial firms (Garg and Eisenhardt, 2017). A future empirical test could combine founder and board interviews with employee perception data on executive authority.

**Proposition 8 (urgency and time intensity fit).** The relationship between time allocation intensity and fractional CEO effectiveness is contingent on transformation urgency, such that high-urgency contexts require higher embeddedness, stronger decision rights and more frequent cadence. The mechanism is fit between role intensity and transformation urgency. The boundary condition is the fungibility of time across cadence and intensity. A future empirical test would compare time allocation, transformation urgency and performance outcomes across a sample of firms with fractional CEO arrangements.

**Table 5. Propositions, mechanisms, boundary conditions and empirical tests**

| Proposition | Core relationship                                               | Mechanism                                     | Boundary condition                              | Empirical test                                                                           |
|-------------|-----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------|
| P1          | Bandwidth pressure increases adoption likelihood                | Bandwidth gap recognition                     | Credible market for fractional CEO talent       | Survey of workload, bench depth, complexity and adoption likelihood                      |
| P2          | Architecture quality strengthens coherence                      | Interpretive ambiguity reduction              | Architecture observed in practice               | Compare high-quality and informal architectures                                          |
| P3          | Authority ambiguity weakens coherence                           | Signal inconsistency                          | Visibility of authority signals                 | Combine employee surveys with board minutes                                              |
| P4          | Coherence drives momentum                                       | Shared priorities enabling coordinated action | Priorities translated to operational salience   | Measure coherence and momentum in firms in change                                        |
| P5          | Momentum drives confidence                                      | Outcome-contingent updating                   | Visibility of progress to the stakeholder group | Temporally separated measures of architecture, momentum and confidence                   |
| P6          | Cadence moderates architecture momentum to                      | Cadence converting time into rhythm           | Enforcement of cadence                          | Comparative survey or longitudinal case comparison of protected versus irregular cadence |
| P7          | Founder and board alignment moderates architecture coherence to | Public alignment legitimising authority       | Behavioural follow-through                      | Combine founder and board interviews with employee perception data                       |
| P8          | Urgency moderates time to intensity to                          | Fit between intensity and                     | Fungibility of time across cadence and          | Compare allocation, urgency and outcomes                                                 |

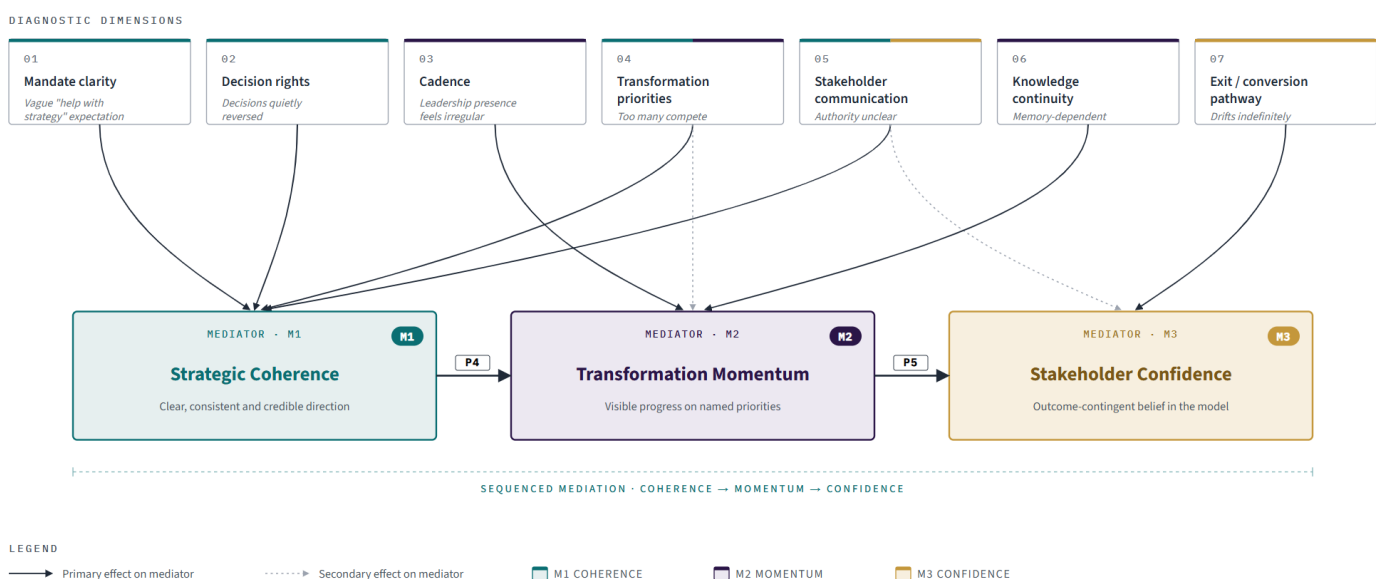
| Proposition | Core relationship | Mechanism | Boundary condition | Empirical test |
|-------------|-------------------|-----------|--------------------|----------------|
|             | effectiveness     | urgency   | intensity          | across firms   |

## 8. The Fractional CEO Architecture Diagnostic

The diagnostic operationalises the construct dimensions and helps boards, founders and investors assess whether the architecture is strong enough to generate coherence, momentum and confidence. It covers seven dimensions and links each one to the mechanism step it most directly affects. Figure 2 presents the diagnostic.

**Figure 2. Fractional CEO Architecture Diagnostic**

Seven diagnostic dimensions mapped to their first-order effect on the coherence-momentum-confidence mechanism.



Each diagnostic dimension is read by its first-order effect on the mediation chain. Top-stripe colour on each chip indicates which mediator the dimension primarily affects.

**Figure 2. Fractional CEO Architecture Diagnostic.**

The diagnostic in Figure 2 above translates fractional CEO architecture into seven governance questions that boards, founders and investors can use before adoption, during early review and when deciding whether to extend, convert or exit the engagement. The diagnostic is most useful before adoption, where the cost of redesigning the engagement is low and the cost of going to market with a vague mandate is high. It is also useful during the first 60 to 90 days, where weak dimensions are still correctable. By month six, neglected dimensions have usually shaped the organisational reading of the role and remedial cost rises sharply.

**Table 6. Fractional CEO Architecture Diagnostic**

| Dimension                  | Diagnostic question                                             | Failure signal                                  | Governance response                                         | Model link                |
|----------------------------|-----------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------|---------------------------|
| Mandate clarity            | What is the fractional CEO accountable for?                     | Vague "help with strategy" expectation          | Define 3 to 5 measurable strategic outcomes                 | Coherence                 |
| Decision rights            | What can the CEO decide without founder or board approval?      | Decisions quietly reversed                      | Written decision-rights charter, observed in practice       | Coherence                 |
| Cadence                    | How often does the CEO engage with the organisation?            | Leadership presence feels irregular             | Set a weekly or fortnightly operating rhythm                | Momentum                  |
| Transformation priorities  | Which initiatives matter most?                                  | Too many priorities compete for attention       | Name the top 3 priorities for the engagement window         | Coherence and momentum    |
| Stakeholder communication  | How is the role explained to employees, investors and partners? | People are unsure whether the CEO has authority | Communicate the mandate formally and consistently           | Coherence then confidence |
| Knowledge continuity       | How is context captured between engagements?                    | Decisions rely on memory and informal updates   | Decision logs, dashboards and short executive briefs        | Momentum                  |
| Exit or conversion pathway | When does the model end, scale or convert?                      | The arrangement drifts indefinitely             | Define review points and conversion criteria at appointment | Confidence                |

## 9. Discussion

### 9.1 Theoretical contribution

The paper's primary theoretical contribution is to extend strategic leadership theory beyond the assumption of continuous executive presence. Hambrick and Mason (1984), Hambrick (2007) and Samimi et al. (2022) frame the strategic leader as an integrated

executive presence; the fractional CEO as theorised here is an executive architecture under conditions of partial presence and governance dependence. This extension carries two secondary implications. First, it specifies the fractional CEO as a multidimensional construct rather than a part-time staffing arrangement, opening the construct to empirical operationalisation and bounding it against adjacent arrangements. Second, it shows that confidence in unfamiliar leadership configurations is outcome-contingent rather than structurally allocated, consistent with but extending trust-in-leadership scholarship that has been developed largely in continuous-presence settings (Mayer et al., 1995; Burke et al., 2007; Bligh, 2017).

What changes for the field, in concrete terms, is the locus of the dependent variable in fractional executive research. Existing work tends to ask whether part-time arrangements are effective. The model proposed here asks instead whether the architecture surrounding a part-time arrangement converts limited executive presence into coherence, momentum and confidence. The shift is small in wording but consequential for measurement: it directs empirical attention from outcomes attributable to the fractional CEO's presence to outcomes attributable to the architecture in which that presence is embedded.

## **9.2 Practical contribution**

The framework gives boards, founders, fractional CEOs, employees and investors a shared language with which to discuss adoption and governance. For boards, it isolates the architecture quality question from the candidate quality question. For founders, it forces a candid distinction between wanting advice (which calls for an adviser) and wanting leadership (which calls for granting authority). For fractional CEOs, it locates the executive's challenge in cadence design rather than additional hours and identifies coherence-building as the priority of the first 30 days. For employees, it provides a clearer route by which to interpret the executive's authority. For investors, it shifts due diligence emphasis from the executive's CV to the governance architecture surrounding the role. Read together, these implications reframe the central governance question facing boards, founders and investors. The question is conventionally posed as 'Do we need a CEO?', a binary staffing decision. The framework developed here shows that the more useful question is 'How should this firm acquire the executive bandwidth it needs, and what architecture will make that arrangement effective?', a design question with the construct dimensions in Section 3 and the diagnostic in Section 8 as its working vocabulary. The four subsections below set out what this reframing means in practice for each stakeholder group.

### ***Implications for boards***

Boards considering or overseeing a fractional CEO arrangement should separate two decisions that are routinely conflated: whether this candidate is capable, and whether the architecture surrounding the engagement is designed to convert that capability into coherence. A highly capable fractional CEO operating without a decision-rights charter, without named outcomes, and without public board endorsement of their authority will struggle to generate coherence regardless of their individual track record. The failure, when it occurs, is misattributed to the person rather than the architecture. Practically, this means boards should use the Fractional CEO Architecture Diagnostic (Section 8) as part of the appointment process itself, not as a remedial tool applied after early difficulties emerge. Three actions follow directly from the framework: agree and minute three to five named strategic outcomes at appointment; define and communicate decision rights for those outcomes, including what the fractional CEO can decide without further board approval; and set a review point at which the transition pathway, whether renewal, conversion to full-time or exit, will be revisited, so that the arrangement does not drift indefinitely by default.

### ***Implications for founders***

For founders, the framework forces an early and often uncomfortable distinction: is what is being sought advice, or is it leadership? An adviser can be engaged without ceding decision authority, and many founders default to this arrangement because it feels lower-risk. But where the underlying problem is an executive bandwidth gap, where the founder lacks not information but the capacity to make and enforce strategy-grade decisions at the pace the firm's complexity demands, an advisory arrangement will not close that gap, because advisers do not carry decision accountability. The practical implication is that founders should use the five bandwidth dimensions (Section 4) as a diagnostic for their own situation before specifying the fractional CEO's mandate: a founder whose constraint is primarily relational (managing investors, board, and key customer relationships simultaneously) needs a different architecture from one whose constraint is primarily execution (sustaining follow-through on a transformation programme). Founders should also expect, and plan for, some loss of day-to-day decision involvement in the areas where authority is granted. Governance coupling (Section 3) only functions if the founder's behavioural follow-through matches their stated endorsement, consistent with Proposition 7.

### ***Implications for investors***

For investors, the framework shifts the locus of due diligence. Where due diligence on executive leadership has conventionally focused on the credentials and track record of the individuals involved, the architecture perspective developed here implies that the governance arrangement surrounding a fractional CEO is itself a material piece of information about the firm's strategic readiness. A firm that has appointed a strong

fractional CEO into a weak architecture, with an unclear mandate, contested authority and no defined transition pathway, presents a different risk profile from a firm that has appointed the same individual into a well-specified architecture, even though the 'who' is identical in both cases. Practically, investors evaluating a portfolio or prospective investee that uses fractional executive arrangements can apply the seven diagnostic dimensions in Section 8 as a due diligence checklist: mandate clarity, decision rights, cadence, transformation priorities, stakeholder communication, knowledge continuity, and exit or conversion pathway. Weak responses across several dimensions are a signal of governance risk that sits alongside, and is partly independent of, the individual fractional CEO's personal capability.

### ***Implications for fractional executives***

For fractional executives themselves, the framework locates professional risk and professional leverage in the architecture of the engagement rather than solely in their own performance. An executive who accepts an engagement with a vague mandate, no decision-rights charter, and no defined transition pathway is accepting an assignment in which coherence, the first link in the causal chain, is structurally difficult to achieve, regardless of how the executive performs once embedded. The practical implication is that fractional executives have both the standing and the responsibility to negotiate architecture, not only scope and fees, at the point of appointment: naming three to five outcomes they will be accountable for, securing a written decision-rights charter and board endorsement before beginning, and agreeing cadence and knowledge-continuity mechanisms that allow momentum to be sustained between sessions. The first 30 days should be treated as a coherence-building period, establishing a small number of visible priorities and the decision logic behind them, because, per Proposition 5, the confidence the executive will need for the engagement to be renewed, converted or referred onward is earned through observed momentum rather than granted by the appointment itself.

### **9.3 Future research agenda**

Four research pathways follow from the framework. First, scale development for the fractional CEO architecture (six dimensions), executive bandwidth (five dimensions), strategic coherence, transformation momentum and stakeholder confidence. Existing scales for related constructs offer a starting point: trust in leadership (Mayer et al., 1995; Burke et al., 2007), organisational routines (Feldman and Pentland, 2003) and CEO-board interaction (Garg and Eisenhardt, 2017). Second, comparative survey of firms operating under fractional, interim, full-time and founder-led CEO configurations. Third, vignette experiment varying engagement architecture while holding firm context constant, providing cleaner causal estimates than observational data allow. Fourth, longitudinal case studies, particularly in resource-constrained settings, to examine how fractional CEO governance evolves across appointment, the first 90 days, the six-month review and

the exit or conversion point. The chain (architecture to coherence to momentum to confidence) lends itself to mediation analysis, but the design implications are non-trivial. Serial mediation testing requires temporally separated measurement, adequate sample size for bootstrapped indirect effects (Preacher and Hayes, 2008) and explicit acknowledgement of sequential ignorability assumptions (Imai, Keele, Tingley and Yamamoto, 2011; Hayes, 2022).

Of these four pathways, scale development for executive bandwidth is identified as a priority. Executive bandwidth is specified here across five dimensions (cognitive, temporal, relational, decision and execution) as the strategic problem that motivates fractional CEO architecture, but it is, in principle, a construct of broader application: the same five dimensions plausibly describe senior leadership capacity constraints independent of whether a fractional arrangement is the chosen response. Developing and validating a measurement instrument for executive bandwidth would therefore serve two purposes at once. It would allow the bandwidth-pressure-to-adoption relationship specified in Proposition 1 to be tested empirically and it would open executive bandwidth to study as a strategic leadership construct in its own right, including in firms that have not adopted fractional arrangements. This pathway is deliberately sequenced ahead of the comparative and longitudinal pathways below, since a validated bandwidth measure would strengthen the design of both.

#### **9.4 Boundary conditions**

The model is most applicable to resource-constrained firms where executive bandwidth is limited but governance actors are sufficiently mature to grant authority, protect cadence and review outcomes. It may be less applicable in crisis turnarounds requiring daily executive command, highly regulated firms where formal accountability cannot be fractionalised, founder-led firms where the founder is unwilling to cede decision authority, or firms whose internal management bench is too weak to sustain execution between fractional CEO engagements. These boundary conditions matter because fractional CEO architecture does not compensate for absent governance maturity; it depends on it.

#### **9.5 Implications for research, practice and society**

For research, the framework turns a loose interest in part-time executives into measurable constructs. It offers six architecture dimensions, a five-dimension account of executive bandwidth and three outcome constructs that existing scales can be adapted to capture, which gives empirical work a clear target and a sequence to test.

For practice, the contribution is a design and review discipline. Boards, founders and investors can use the diagnostic in Section 8 to set decision rights, cadence and named outcomes at appointment, then review them within the first 90 days while redesign is still

cheap. Fractional executives gain a clearer brief: build coherence first, make progress visible early and let confidence follow the evidence.

For enterprise ecosystems, the implication is modest but useful. Better-governed fractional leadership may let resource-constrained firms reach senior judgement they cannot yet fund full-time, which could help such firms through the stage at which executive bandwidth, not ambition, is the binding constraint. The claim is conditional. The benefit depends on governance maturity and disciplined design. A poorly governed fractional arrangement may add ambiguity rather than capacity.

## **10. Conclusion**

Fractional CEO arrangements are likely to become more relevant as firms seek senior leadership capacity before full executive scale. The pressures driving the model (founder overload, financing constraints, infrastructure complexity, transformation urgency and capability gaps) appear wherever ambition outruns executive bandwidth.

The theoretical implication of the framework is that strategic leadership theory should no longer rely exclusively on the assumption of continuous executive presence. Once that assumption is relaxed, the locus of inquiry shifts from the leader to the architecture in which leadership is embedded and the relevant dependent variable becomes the coherence-momentum-confidence chain rather than the leader's tenure or attributes. The practical implication is that adoption decisions should ask whether the architecture can produce coherence, not whether the candidate has impressive credentials. The fractional CEO should be judged not by hours worked but by whether limited executive presence creates coherent direction, visible momentum and credible confidence.

## **References**

- Adner, R. and Helfat, C. E. (2003) 'Corporate effects and dynamic managerial capabilities', *Strategic Management Journal*, 24(10), pp. 1011–1025.
- Avolio, B. J., Walumbwa, F. O. and Weber, T. J. (2009) 'Leadership: current theories, research and future directions', *Annual Review of Psychology*, 60, pp. 421–449.
- Ballinger, G. A. and Marcel, J. J. (2010) 'The use of an interim CEO during succession episodes and firm performance', *Strategic Management Journal*, 31(3), pp. 262–283.
- Bligh, M. C. (2017) 'Leadership and trust', in Marques, J. and Dhiman, S. (eds) *Leadership today*. Cham: Springer, pp. 21–42.
- Bligh, M. C. and Kohles, J. C. (2013) 'Do I trust you to lead the way? Exploring trust and mistrust in leader-follower relations', in Lewis, R., Leonard, S. and Passmore, J. (eds) *Handbook of the psychology of leadership, organization development and change*. Oxford: Wiley-Blackwell.

- Burke, C. S., Sims, D. E., Lazzara, E. H. and Salas, E. (2007) 'Trust in leadership: a multi-level review and integration', *Leadership Quarterly*, 18(6), pp. 606–632.
- Crossland, C. and Hambrick, D. C. (2011) 'Differences in managerial discretion across countries: how nation-level institutions affect the degree to which CEOs matter', *Strategic Management Journal*, 32(8), pp. 797–819.
- Davis, J. H., Schoorman, F. D. and Donaldson, L. (1997) 'Toward a stewardship theory of management', *Academy of Management Review*, 22(1), pp. 20–47.
- Dirks, K. T. and Ferrin, D. L. (2002) 'Trust in leadership: meta-analytic findings and implications for research and practice', *Journal of Applied Psychology*, 87(4), pp. 611–628.
- Feldman, M. S. and Pentland, B. T. (2003) 'Reconceptualizing organizational routines as a source of flexibility and change', *Administrative Science Quarterly*, 48(1), pp. 94–118.
- Finkelstein, S., Hambrick, D. C. and Cannella, A. A. (2009) *Strategic leadership: theory and research on executives, top management teams and boards*. New York: Oxford University Press.
- Garg, S. and Eisenhardt, K. M. (2017) 'Unpacking the CEO-board relationship: how strategy-making happens in entrepreneurial firms', *Academy of Management Journal*, 60(5), pp. 1828–1858.
- Hambrick, D. C. (2007) 'Upper echelons theory: an update', *Academy of Management Review*, 32(2), pp. 334–343.
- Hambrick, D. C. and Mason, P. A. (1984) 'Upper echelons: the organization as a reflection of its top managers', *Academy of Management Review*, 9(2), pp. 193–206.
- Hambrick, D. C. and Quigley, T. J. (2014) 'Toward more accurate contextualization of the CEO effect on firm performance', *Strategic Management Journal*, 35(4), pp. 473–491.
- Hayes, A. F. (2022) *Introduction to mediation, moderation and conditional process analysis*. 3rd edn. New York: Guilford Press.
- Helfat, C. E. and Martin, J. A. (2015) 'Dynamic managerial capabilities: review and assessment of managerial impact on strategic change', *Journal of Management*, 41(5), pp. 1281–1312.
- Helfat, C. E. and Peteraf, M. A. (2015) 'Managerial cognitive capabilities and the microfoundations of dynamic capabilities', *Strategic Management Journal*, 36(6), pp. 831–850.
- Imai, K., Keele, L., Tingley, D. and Yamamoto, T. (2011) 'Unpacking the black box of causality: learning about causal mechanisms from experimental and observational studies', *American Political Science Review*, 105(4), pp. 765–789.

Intintoli, V. J., Schumann, K. and Walker, M. D. (2022) 'Spotlight on the dark side of interim CEO appointments', *Journal of Corporate Finance*, 73, 102181.

Jaakkola, E. (2020) 'Designing conceptual articles: four approaches', *AMS Review*, 10(1-2), pp. 18-26.

Keller, T., Glaum, M., Bausch, A. and Bunz, T. (2023) 'The "CEO in context" technique revisited: a replication and extension of Hambrick and Quigley (2014)', *Strategic Management Journal*, 44(4), pp. 1111-1138.

Maitlis, S. and Christianson, M. (2014) 'Sensemaking in organizations: taking stock and moving forward', *Academy of Management Annals*, 8(1), pp. 57-125.

Mayer, R. C., Davis, J. H. and Schoorman, F. D. (1995) 'An integrative model of organizational trust', *Academy of Management Review*, 20(3), pp. 709-734.

Mihalache, O. R., Jansen, J. J. P., Van den Bosch, F. A. J. and Volberda, H. W. (2014) 'Top management team shared leadership and organizational ambidexterity: a moderated mediation framework', *Strategic Entrepreneurship Journal*, 8(2), pp. 128-148.

Mom, T. J. M., Fourné, S. P. L. and Jansen, J. J. P. (2015) 'Managers' work experience, ambidexterity and performance: the contingency role of the work context', *Human Resource Management*, 54(1), pp. 133-153.

Mooney, C. H., Semadeni, M. and Kesner, I. F. (2017) 'The selection of an interim CEO: boundary conditions and the pursuit of temporary leadership', *Journal of Management*, 43(2), pp. 455-475.

Ocasio, W. (1997) 'Towards an attention-based view of the firm', *Strategic Management Journal*, 18(S1), pp. 187-206.

Ocasio, W. (2011) 'Attention to attention', *Organization Science*, 22(5), pp. 1286-1296.

Preacher, K. J. and Hayes, A. F. (2008) 'Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models', *Behavior Research Methods*, 40(3), pp. 879-891.

Quigley, T. J. and Hambrick, D. C. (2015) 'Has the "CEO effect" increased in recent decades? A new explanation for the great rise in America's attention to corporate leaders', *Strategic Management Journal*, 36(6), pp. 821-830.

Quigley, T. J., Hambrick, D. C., Misangyi, V. F. and Rizzi, G. A. (2019) 'CEO selection as risk-taking: a new vantage on the debate about the consequences of insiders versus outsiders', *Strategic Management Journal*, 40(9), pp. 1453-1470.

- Samimi, M., Cortes, A. F., Anderson, M. H. and Herrmann, P. (2022) 'What is strategic leadership? Developing a framework for future research', *Leadership Quarterly*, 33(3), 101353.
- Schepker, D. J., Kim, Y., Patel, P. C., Thatcher, S. M. B. and Campion, M. C. (2017) 'CEO succession, strategic change and post-succession performance: a meta-analysis', *Leadership Quarterly*, 28(6), pp. 701–720.
- Schepker, D. J., Nyberg, A. J., Ulrich, M. D. and Wright, P. M. (2018) 'Planning for future leadership: procedural rationality, formalized succession processes and CEO influence in CEO succession planning', *Academy of Management Journal*, 61(2), pp. 523–552.
- Sirmon, D. G., Hitt, M. A. and Ireland, R. D. (2007) 'Managing firm resources in dynamic environments to create value: looking inside the black box', *Academy of Management Review*, 32(1), pp. 273–292.
- Stouten, J., Rousseau, D. M. and de Cremer, D. (2018) 'Successful organizational change: integrating the management practice and scholarly literatures', *Academy of Management Annals*, 12(2), pp. 752–788.
- Teece, D. J. (2007) 'Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance', *Strategic Management Journal*, 28(13), pp. 1319–1350.
- Teece, D. J., Pisano, G. and Shuen, A. (1997) 'Dynamic capabilities and strategic management', *Strategic Management Journal*, 18(7), pp. 509–533.
- Vaara, E. and Whittington, R. (2012) 'Strategy-as-practice: taking social practices seriously', *Academy of Management Annals*, 6(1), pp. 285–336.
- von Krogh, G., Rossi-Lamastra, C. and Haefliger, S. (2012) 'Phenomenon-based research in management and organisation science: when is it rigorous and does it matter?', *Long Range Planning*, 45(4), pp. 277–298.
- Wangrow, D. B., Schepker, D. J. and Barker, V. L. (2025) 'When does CEO succession lead to strategic change? The mediating role of top management team replacement', *Journal of Management*, 51(2), pp. 615–648.
- Wasserman, N. (2003) 'Founder-CEO succession and the paradox of entrepreneurial success', *Organization Science*, 14(2), pp. 149–172.
- World Bank Group (2021) *Enterprise Surveys: South Africa 2020 Country Profile*. Washington, DC: World Bank Group. Available at: <https://www.enterprisesurveys.org> (Accessed: April 2026).

## **Contribution statement**

This paper specifies the fractional CEO as a multidimensional strategic leadership architecture and develops a sequenced mechanism through which the architecture produces strategic coherence, transformation momentum and stakeholder confidence. Six construct dimensions [temporal allocation, decision authority, embeddedness, accountability, governance coupling, transition pathway] open the model to empirical operationalisation. Executive bandwidth is formalised as a five-dimension construct linking strategic complexity to senior leadership capacity. Eight propositions translate the model into testable claims with mechanism, boundary condition and empirical test. South Africa's Enterprise Survey 2020 country profile provides contextual grounding by illustrating an environment where executive bandwidth pressures are visible and strategically consequential: 14.3 per cent real annual sales contraction, 92.0 per cent of firms experiencing electrical outages, 4.8 per cent holding bank credit, 82.0 per cent of investment financed internally and 9.7 per cent of senior management time on regulation. The Fractional CEO Architecture Diagnostic translates the construct into a working tool for boards, founders and investors to design, govern and review fractional CEO engagements before they drift into ambiguity.