Beyond the Glass Ceiling: Promised Land or Precipice?[1]

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Recent academic research has been analyzing the conditions under which women are promoted to top leadership positions and the challenges they face post-promotion. Until recently, little empirical data was available to understand the factors that shape the experience and success of women who, against large odds, are able to step beyond the glass ceiling. I summarize this new research that concludes women are more likely than men to be promoted to high risk leadership positions.

The eighty women who guided Fortune 1000 companies between 2004 and 2014 delivered shareholder returns that were three times better than the S&P 500 index, a conclusion reached by Quantopian, a Boston research firm.[2] But this evidence of women leaders' success has yet to mitigate the gendered challenges faced by women in the corporate pipeline and the C-suite.

Despite women's gains, the glass ceiling remains solidly intact. While there has been a modest increase in the number of women in senior management, women still hold only 20 percent of senior posts, and only 4.6 percent of S&P 500 corner offices.[3] For too many female CEOs, rather than their new role being their crowning achievement, it may mark the beginning of the end. This is due to the "glass cliff," or the phenomenon in which companies hire women and minorities more often in times of crisis than in times of stability. If she steers the company through, she's a hero. If the company continues to spiral, it's on her shoulders. Studies cited here show the latter is much more common.

Times tough? Call a woman. Still bad? Blame her.

Utah State University professors Christy Glass and Alison Cook are among a group of scholars in the U.S. and Europe focusing on these dynamics. They found, for example, that 42 percent of the women CEOs interviewed were hired during times of corporate crisis, versus 22 percent of the men CEOs.[4]

In an earlier study of CEO transitions using longitudinal data from the Fortune 500 over a fifteen-year period, these same researchers concluded that female and minority CEOs are more likely than men to be appointed to struggling firms. In the same vein, firms having experienced scandal, turbulence or dramatic change are more likely to have a greater proportion of female executives compared to less volatile firms.[5]

Of the current headline-grabbing female CEOs, many are in precarious positions. Yahoo's Marissa Mayer is only one example who "just can't catch a break."[6] Weighing-in on Mayer's post-Yahoo future, *The*

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[1] I am grateful to Deloitte's CEO Program for their generous support to bring this research to light.

[2] Pat Wachsler, "Women-Led Companies Perform Three Times Better than the S&P 500," Fortune.com, March 3, 2015, http://fortune.com/2-15/02/03women-led-companies-perofrm-three-times-better-than-the-sp-500/.

[3] http://www.catalyst.org/knowledge/women-ceos-sp-500

[4] Glass, C., Cook, A. "Leading at the top: Understanding women's challenges above the glass ceiling," *The Leadership Quarterly*, Vol. 27, p, 51-63 (2016)

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[5] Cook, A., & Glass A., "Above the glass ceiling: When are occupational minorities promoted to CEO?" *Strategic Management Journal*, 2014, 35 (7), 1080-1089

[6] Kosoff, M, "Yahoo Admits Some of its Employees Knew About its Massive Data Breach for Years," *Vanity Fair*, 2016, rhttp://www.vanityfair.com/news/2016/11/yahoo-admits-some-employees-knew-about-its-massive-data-breach-for-years

Wall Street Journal commented that "experts say it is tough to rebound from a rookie reign many observers see as a "…complicated and already-difficult turnaround."
European researchers have identified several mechanisms that may contribute to the glass cliff phenomenon. Women may encounter less competition from men for these positions, since highly qualified white male candidates may see these positions as too risky or otherwise undesirable. Compounding this, women may fear that a comparable opportunity may not materialize in the future and therefore be more amendable to accepting risky positions.[7]

There is also evidence that the necessary competencies of a CEO may be context specific and vary, depending on the health of a firm.[8] This could be attributed to selection bias, in which perception of gender characteristics predispose the motivations of those doing the hiring, specifically in terms of "think manager – think male," "think crisis – think female."[9] Stereotypical feminine qualities – including emotional sensitivity, strong interpersonal skills, morale building capabilities and a collaborative leadership style – may be more valued during times of crisis.[10] While men may receive job offers within more comfortable circumstances—beneficiaries of the *glass cushion*—women with fewer paths to the top may be more motivated to seize problematic opportunities.

Aside from their minority status and the negative visibility that being a woman may entail, most women develop strategies to become visible for highly strategic and appropriate reasons. These may include a "willing acceptance of risky appointments, the development of a skill set based on successful crisis management and the cultivation of a reputation as a transformation expert."[11]

Finally, a crisis or high-risk situation may encourage decision-makers to promote 'non-traditional' leaders, including women, to announce to key stakeholders that the firm is taking a bold new direction.

Most female CEOs perched on the glass cliff readily accept the challenge. Beth E. Mooney, CEO of KeyCorp, was the first woman to lead a top-twenty US bank. Her 2010 appointment coincided with a trying period for most in the industry. "Taking risks and being willing to push yourself in a position where you're looking at the cliff," she told the *Wall Street Journal*'s Joann Lublin, "is part of life and part of building a career." Why? "You learn what you're made of."[12] To Kathleen Ligocki, CEO of Agility Fuel and the former CEO who took Tower Automotive out of bankruptcy, taking the helm in troubling times means "a better opportunity to take ownership of something."[13]

Though company crisis may open the door to the corner office for women, it may be a setup for failure. Research from the Rockefeller Foundation and the Global Strategy Group finds that the media cites the CEO as a source of blame for a company's crisis 80 percent of the time when that CEO is a woman,

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[7] Ryan, M.k., & Haslam, S.A. "The glass cliff: Exploring the dynamics surrounding women's appointment to precarious leadership positions." *Academy of Management Review*, 2007 32, 549-572.

[8] Eagly, A.H., & Karau, S.J. "Role congruity theory of prejudice toward female leaders." *Psychological Review*, 2002, 109, 573-598

[9] Ryan, M.k., et al., "Getting on top of the glass cliff: Reviewing a decade of evidence, explanations, and impact," *The Leadership Quarterly*, 2015, http://dx.doi.org/10.1016/j.leaqua.2015.10.008

[10] Bruckmuller, S., & Bransombe, N.R., "The glass cliff: When and why women are selected as leaders in crisis contexts." *British Journal of Social Psychology*. 2010, 49, 433-451.

[11] Glass, C., & Cook, A., ibid. p.57

[12] Lublin, J., *Earning It: Hard-Won Lessons from Trailblazing Women at the Top of the Business World*, Harper Collins, 2016. p. 103

[13] Ibid

versus 31 percent when the CEO is a man.[14] Extrapolating this data suggests that unless she pulls out a miracle, a woman at the helm has a higher probability for taking the fall if there is insufficient recovery from a crisis.

Beyond taking the helm of a ship that may already be sinking—and taking the blame for its wreckage—many women CEOs find themselves conquering additional challenges:

- **The double bind of gender bias:** If women are supposed to be feminine (warm, collaborative), and leaders are supposed to be masculine (emotionless, decisive), then how can a woman lead? Herein lies the double bind—if she *does* behave consistent with stereotypes, then she runs the risk of being dismissed or sidestepped. If she *doesn't* behave as expected of her gender, she's labelled "bossy," "intimidating," or worse. So women leaders must make demands without being demanding, speak candidly yet apologetically, and hold the line without sacrificing "niceness," all while sporting the perfect hairstyle and outfit. And even though her gender brings with it myriad disadvantages, she must never appear to leverage it for her benefit.[15]

- **Heightened scrutiny**: Women CEOs tend to be more heavily scrutinized than their male peers, both in terms of their professional achievements and their personal lives. This is suspected because they are both a minority and representatives of a departure from gender norms.[16]

- **Resistance to authority and lack of support**: Senior female leaders are more likely to experience resistance to their authority, have less control over organizational resources, and experience less access to important client interactions. They also report receiving less support from peers, particularly their male peers, than do their male counterparts. This can take the form of being excluded from professional and social networks, and treated differently at events with important customers and stakeholders (The most common example? Golf). They are ignored, referred to with demeaning nicknames such as "kiddo," or treated as a lower-level employee.[17] Resistance in these forms, not experienced equally by men, can create unnecessary challenges to the top.

All of this can lead to shortened tenure, either initiated by the company or the CEO herself, and a plunge off the glass cliff.

As researchers more deeply explore the glass cliff phenomenon, many have been struck by the persistent framing of it as "a woman's problem". Considering the data which gives rise to the effect, it becomes apparent that it is driven as much, if not more, by the realization that men are given preferential access to less risky leadership positions (referred to in studies as "hot jobs") as by the fact

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[14] Simmons, J., "Female CEOs Get Blamed More than Their Male Counterparts," *The Wall Street Journal*, November 1, 2016.

[15] Baker, J. and Cangemi, J, "Why Are There So Few Women CEOs and Senior Leaders in Corporate America?" *Organization Development Journal*, p. 31-43, 2016

[16] Eagly, A.H., & Carli, L.L. *Through the labyrinth: The trust about how women become leaders*; Harvard Business School Press Boston, Ma. 2007

[17] Glass, C. and Cook, A. "Leading at the top: Understanding women's challenges above the glass ceiling," *The Leadership Quarterly*, Vol. 27, p. 51-63 (2016)

that women are appointed to precarious ones.[18] Creating a more level playing field may require that organizations focus more of their attention on men's inherently advantaged access to the glass cushion.

Is the glass cliff solely "a woman's problem?" In one sense, yes, since women feel the consequence of the phenomenon. But in a wider sense, from a business case perspective, one could argue from the data that the glass cliff is "a shareholder problem." As the next section indicates, firms may choosing a CEO who will not create the most value for the firm.

When seeking guardrails for the glass cliff, look to the boardroom

Though the issues and findings seem daunting, and grounded in entrenched factors of implicit social bias, there are actions that can be taken. It can begin with new approaches to understanding and removing the glass ceiling. Committing to a public stance in support of diversity, investing in innovative companywide education about gender and bias, and creating an inclusive environment that helps women get closer to the corner office are minimum investments. But these often-promoted measures are not close to sufficient.

Rather, what the data does show is that companies would likely benefit from reexamining their approaches. The glass ceiling and the glass cliff are inextricably linked. A 2015 report from research-based index and analytics firm MSCI examined 4200 companies over a six-year period and concluded that companies with "strong female leadership"—including a female CEO and one woman on the board—delivered better ROE than those without able women at the top, 10.1 percent compared to 7.4 percent, and enjoyed higher valuations overall. In 2014, Credit Suisse studied 28,000 executives across 3,000 companies worldwide and found similar results: those with women in top leadership positions were more highly valued, their stock performed better, and they paid out more dividends.[19] [20]

This advantage proved true not only for companies with female CEOs and one female board member, but also for boards with at least three women or a higher-than-average number of women on the board.[21] It could be that the best protection for female CEOs against the glass cliff is yet more women and greater board diversity. And so it is reasonable to consider it in the corporate board's best interest to develop, recruit, and retain women CEOs and examine their own diversity at the same time. To help meet this responsibility, board members should consider the following questions:

1. Are enough qualified women currently on the board and in the C-suite? Research points to a minimum target goal of 20%.[22]
2. To what extent is the firm's culture and pipeline process attuned to the bias challenges that women face as they professionally grow and develop?

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[18] Ryan, M.k., et al., "Getting on top of the glass cliff: Reviewing a decade of evidence, explanations, and impact," *The Leadership Quarterly*, 2015, http://dx.doi.org/10.1016/j.leaqua.2015.10.008

[19] https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b

[20] https://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=8128F3C0-99BC-22E6-838E2A5B1E4366DF

[21] Arguden, Yilmaz. "Why boards need more women." Harvard Business Review June 7, 2012. https://hbr.org/2012/06/why-boards-need-more-women

[22] 20-20 Women on Boards. Women's in Diversity Index, 2011-2016. https://www.2020wob.com/sites/default/files/2016_GDI_Report_Final.pdf

3. Is the board aggressively holding C-level incumbents responsible for monitoring a talent pipeline that equally and aggressively focuses on both genders? Are hiring policies and practices standardized and visible?
4. In what ways is a 'board bias' shaping representation of women on the board in the C-suite, and potential compromising shareholder value?
5. How does the board evaluate CEO success? Are the board's metrics standardized and visible, or are women *implicitly* judged in other ways, and by other standards?