ENGENDERING A SheEO: INDIVIDUAL AND ORGANIZATIONAL ANTECEDENTS TO THE APPOINTMENT OF A FEMALE CEO

Susana Velez-Castrillon, University of West Georgia

Cory Angert, University of Houston-downtown

ABSTRACT

Many studies of women in organizations have focused on analyzing barriers to the ascent of women to top managerial positions. As important as this research is, we argue that those women who make it to the top are noteworthy statistical outliers and that more research should center on them. This paper proposes a framework for the study of female Chief Executive Officers (CEOs) and the personal and organizational antecedents to the appointment of a woman as CEO – a salient event in organizational life. While the framework is based on Upper Echelons theory, the study of female CEOs can be fertile ground for testing hypotheses based on many micro- and macro-level theories and for understanding career progression and leadership development.

Keywords: Upper Echelons Theory, Institutional Theory, Female CEOs, Glass Cliff.

INTRODUCTION

The paucity of female Chief Executive Officers (CEOs), combined with the perceived unique traits that women bring to the business world, has led to a fascination with women in top-level corporate leadership positions. *Forbes* and *Fortune* magazines publish annual lists of the most powerful women in business, and the 2016 United States presidential primaries especially focused attention on female CEOs as Carly Fiorina, former CEO of Hewlett Packard, sought to pursue the Republican nomination; yet, despite the media's buzz, a quick look at the current position of women in public companies highlights how rare female CEOs actually are. In 2015, only twenty women held CEO positions at S&P 500 companies (Catalyst, 2016). In a study of smaller firms included in the S&P 400 index of mid-cap companies, researchers found that between 2006 and 2010 women constituted only 2.4% of the CEOs in the sample (Center for Women in Business, 2011). Furthermore, in a broader sample of the S&P 1500 between 1992 and 2006, the percentage of companies with more than one female executive in the Top Management Team (TMT) never exceeds 8.5% (Dezsö & Ross, 2012). Female CEOs are a subject of articles printed not only in business publications such as *The Wall Street Journal* but also in more mainstream magazines such as *Marie Claire*; yet, with few exceptions (Fitzsimmons, Callan, & Paulsen, 2014; Lee & James, 2007; McGuinness, Lam, & Vieito, 2015; Oakley, 2000; Sahoo & Lenka, 2016; Yu, Johnson, & Zhang, 2009), management researchers have largely ignored female CEOs or have merely studied them in the aggregate, focusing on potential explanations for the slow advance of women corporate officers and board members.

The academic community has shed light upon many of the social, psychological and organizational hurdles that women must overcome in order to progress in organizations (Cook & Glass, 2014;

Helfat, Harris, & Wolfson, 2006; Ibarra, Ely, & Kolb, 2013; Schein, 2001; Simpson, Sturges, Woods, & Altman, 2004; Terjesen, Sealy, & Singh, 2009). Studying the careers of women who advance to positions of power can assist in answering several salient questions: Are those women who make it to the top different from those who have filled the corporate ranks for years without ever gaining entry into the TMT? Are female CEOs different from male CEOs; and, if so, how? Are there specific circumstances that make a company more likely to appoint a female CEO? How do female CEOs respond to the challenge of rising to the upper echelons of public companies?

Female CEOs may face several obstacles beyond those associated merely with how others perceive and portray them. Their gender identity and their drive for political control of the TMT may compel them to include more women who can serve as strategic advisers (Arendt, Priem, & Ndofor, 2005; Tzioti, Wierenga, & van Osselaer, 2014) and with whom they can form coalitions based on demographic homophily (Carpenter, Westphal, & McDonald, 2010; Kogut, Colomer, & Belinky, 2014; P. McDonald, Brown, & Bradley, 2005). Seemingly counterintuitively, their own stereotypes as to what constitutes desirable managerial traits (Litzky & Greenhaus, 2007; Paustian-Underdahl, Walker, & Woehr, 2014; Powell, Butterfield, & Parent, 2002; von Hippel, Issa, Ma, & Stokes, 2011), and the desire to avoid perceptions of favoritism based on gender solidarity, may prevent them from adding more women to the team. Despite the fact that some female CEOs may have been appointed at a time of sluggish results (Kulich, Lorenzi-Cioldi, Iacoviello, Faniko, & Ryan, 2015; Ryan & Haslam, 2005; Ryan, Haslam, Hersby, & Bongiorno, 2011), all female CEOs tend to be held to higher performance standards than are male CEOs (Fitzsimmons et al., 2014; Ibarra et al., 2013; Weyer, 2007). Moreover, while the management style that many female CEOs tend to practice may be appropriate for turbulent times (Heifetz, Grashow, & Linsky, 2009; Kulich et al., 2015; Rosette & Tost, 2010), subordinates may not respond to this approach (Katila & Eriksson, 2013; von Hippel et al., 2011). Should female CEOs instead opt for a more "masculine" management style, they may be perceived as more competent, but also as "interpersonally deficient" (Rudman & Glick, 1999, p. 1004).

We begin this paper with a theoretical outline of the role of demographics in TMTs. We then present some propositions about the personal and organizational antecedents to the appointment of a female CEO. Understanding the careers of these female high-flyers – what Altman (1997) deems "the clearest manifestation of the language of achievement and success" (p. 329) – can help scholars, human resources professionals, career coaches, and advisors in assisting women to successfully navigate the course to the office of CEO (Ackah & Heaton, 2003; Burke & Vinnicombe, 2005; Gray & O'Brien, 2007; O'Neil, Hopkins, & Sullivan, 2011; Simpson et al., 2004).

LITERATURE REVIEW

The characteristics of top management teams (TMTs) and their influence in organizational decisions have been at the forefront of management research since Donald Hambrick and Phyllis Mason, in 1984, formulated the Upper Echelons (UE) theory. A widely-cited theory (Carpenter, Geletkanycz, & Sanders, 2004; Certo, Lester, Dalton, & Dalton, 2006; Wang, Holmes, Oh, & Zhu, 2016), UE emphasizes the effect of top managers on organizational outcomes through their influence on a firm's strategic choices. This perspective has motivated research in several specific areas, such as the study of boards and directors, chief executive succession, selection and

compensation, and the relationships between the composition of TMTs and different aspects of the organization.

Upper Echelons and Gender

Upper Echelons theory focuses on the study of top management teams as relates to the observable characteristics of TMT members. Demographic characteristics are the variables of choice in studies of the managerial elites for such reasons best summarized by Pfeffer (1983) as: "parsimony, comprehensibility, logical coherence, predictive power, and testability " (p. 352) These observable characteristics are thought to influence the behaviors, preferences, and values of the individuals studied. The demographic characteristics are used as proxies, because direct cognitive and psychological measures are more difficult to operationalize and assess (Carpenter et al., 2004; Cycyota & Harrison, 2006). In their initial formulation of UE theory, Hambrick and Mason (1984) proposed that both psychological and observable characteristics of the upper echelons determine organizational performance through their influence on strategic choices. The observable variables initially proposed by Hambrick & Mason (1984) included age, functional tracks, career experiences, education, socioeconomic roots, and financial position. These variables, however, were not meant to be exhaustive, and demographic characteristics such as race and gender have since been included in studies of upper echelons (Buyl, Boone, & Matthyssens, 2011; Carpenter et al., 2004; Richard, Barnett, Dwyer, & Chadwick, 2004; Wang et al., 2016; Westphal & Milton, 2000).

In addition to focusing on demographic characteristics, Upper Echelons theory also emphasizes the study of an entire group – the TMT (Hambrick & Mason, 1984). Different definitions of this group have been used, and there is still controversy about the boundaries for inclusion of individuals as members of the top management team (Carpenter et al., 2004). More traditional definitions of TMT include only a company's executives, whereas a broader definition known as supra-TMT incorporates the board of directors as well as the executives (Jensen & Zajac, 2004). Despite these differences in the unit of analysis, research consistently supports upper echelons propositions (Buyl et al., 2011; Certo et al., 2006; Hambrick, 2005; Ling, Wei, Klimoski, & Wu, 2015; Wang et al., 2016). For instance, the cognitive characteristics of top executives have been associated with the strategies chosen by companies, the international experience of the TMT has been related to the internationalization of a firm's strategies, and the executives' educational levels have been related to innovation in a variety of industries (for two reviews that includes many other examples of the predictive validity of UE theory see Hambrick, 2005; and 2007).

Study of the TMT requires an understanding of both the central characteristics of the entire team and of the intra-team variance, or group heterogeneity (Hambrick & Mason, 1984; Ling et al., 2015). Moreover, this heterogeneity is not a static property, and organizational demography is better explained as a process by which some members join and some leave the organization (Boone, Olffen, Witteloostujin, & Brabander, 2004; Burton & Beckman, 2007; Carpenter et al., 2004). An initial point in the organizational life must be designated as a reference point by which to study the changes in the demographic constitution of the organization (Pfeffer, 1983); the appointment of a female CEO can be such a reference point. In general, CEO succession is an important event in the life of an organization (Kang, Ding, & Charoenwong, 2010; Lee & James, 2007; Martin, Nishikawa, & Williams, 2009); the appointment of a woman to the top executive office is an uncommon event and thus can be a very prominent experience in organizational life.

Organizational Antecedents to the Appointment of Female CEOs

Research on the barriers that prevent women from ascending to the CEO position has mostly focused on the individual characteristics of female executives, largely ignoring the organizational and institutional factors that constraint the pipeline to the top position of the corporation (Cook & Glass, 2014; M. L. McDonald & Westphal, 2013). It is therefore important to theorize about organizational and institutional level antecedents to the appointment of a female CEO, and are that remains relatively underexplored.

A female CEO may be a counterexample of widely held stereotypes of the archetypal manager (Katila & Eriksson, 2013; Litzky & Greenhaus, 2007; Powell et al., 2002; von Hippel et al., 2011) and may indicate an effort by the company to break with the current state of affairs (Boone et al., 2004; Heifetz et al., 2009; Kulich et al., 2015; Ryan & Haslam, 2005). In a study of British firms, Ryan and Haslam (2005) found that the appointments of women as corporate officers or directors coincided with periods of declining stock performance, while men were typically named to these positions when the share price was stable or growing. These authors suggest that companies appoint women to the supra-TMT to send the message that changes are underway; however, this practice places women on the "glass cliff," a precarious position in which poor performance proves almost inevitable and which could lead to people's attributing the adverse results to the appointed women (Cook & Glass, 2014; Ryan et al., 2011). A less cynical explanation for adding women to TMTs when companies are coping with crisis is that firms may be interested in drawing on uniquely-female leadership qualities (Heifetz et al., 2009; Kulich et al., 2015), as well as on women's knowledge of certain markets and customers (Heifetz et al., 2009; Helfat et al., 2006), to help guide them through difficult times. The generalizability of the glass cliff phenomenon to settings outside the UK has been questioned by Adams, Gupta, and Leeth (2009), although other authors have stressed that the phenomenon holds true if one considers the totality of the environments and positions of leaders from different genders (Ryan & Haslam, 2009), thus, our understanding of the glass cliff is far from settled (Cook & Glass, 2014; Ryan, Haslam, Morgenroth, Rink, Stoker, & Peters, In Press). Whether it is to signal change or to respond to crisis by diversifying the skill base of the TMT, it can be posited that:

> *Proposition 1: The appointment of a female CEO is more likely to occur when a company is going through a crisis.*

Not long ago, the appointing a female CEO – even during times of crisis – was almost completely unheard of. Women's access to managerial positions is a relatively new phenomenon that may be a result of social and legal developments external to the organization (Cook & Glass, 2014; Dalton & Dalton, 2010; Dezső, Ross, & Uribe, 2016). First, women entered the corporate world as a response to the scarcity of labor created by World Wars I and II (Amott & Matthaei, 1996). Then, the women's rights movement and government legislation against discrimination made it mandatory for companies to give equal opportunities to all individuals, regardless of gender (Amott & Matthaei, 1996). However, what started as coercion has become accepted as legitimate and has developed into an ethical standard (Burke, 1997; Torchia, Calabrò, & Huse, 2011). Thus, the entrance of women into the organization illustrates some of the postulates of institutional theory (Blum, Fields, & Goodman, 1994; DiMaggio & Powell, 1983), which proposes that "the expectations of significant actors in an organization's environment, including professional organizations, government entities,

and lenders, will influence the gender mix of its management" (Blum et al., 1994). Although the appointment of a female CEO is not required by legislation ─ nor is it likely to be expected by stakeholders ─ institutional forces might be at play when a company appoints a female CEO. It may be possible that some companies choose a woman as CEO in an attempt to follow the lead of other companies with females at the helm that they perceive as successful or in order to conform to a diversity practice that they see as popular in the industries or geographic regions in which they operate. This drive toward mimetic isomorphism (DiMaggio & Powell, 1983; Terjesen et al., 2009) could help to explain why the number of women in managerial positions is higher in certain industries. For instance, Helfat, Harris and Wolfson (2006) found that there are more women in the supra-TMTs of computer software and transportation equipment companies than there are in those of furniture companies. The authors noted that these results do not conform to general preconceptions of the degree to which women are customarily represented in particular industries. In this example, the explanation could be that having women in the TMT has become institutionalized in the software and transportation equipment industries but not in the furniture industry. Further evidence of the industry-level forces that might influence the appointment of female CEOs comes from a study of mid-cap firms in the US by the Center for Women in Business (2011). This study found that between 2000 and 2010, some industries (namely: media, pharmaceuticals, and retailing) consistently had larger proportions of female executives. Thus, from an institutional theory perspective, it can be proposed that:

> *Proposition 2: The appointment of a female CEO is positively related to how ingrained women are in an industry's TMTs.*

Although the institutionalization of non-discriminatory promotion practices may not directly lead to the appointment of a female CEO, this trend has certainly contributed to the proliferation of women in corporate upper echelons (Daily, Certo, & Dalton, 1999; Dezső et al., 2016; Sheridan, 2002; Terjesen et al., 2009; Torchia et al., 2011). There are more women in managerial positions now than there were ten years ago (Catalyst, 2006, 2016). Rosabeth Kanter (1977) argued that the opportunities available to minorities are, in part, an effect of demographic proportions; as the minority widens its representation in the organization, it gains political strength and social support within the firm (Hillman, Cannella, & Harris, 2002; Jacobs, 1992). This strength in numbers may increase the minorities' chances of advancement (Huffman, Cohen, & Pearlman, 2010; Jacobs, 1992). Interestingly, the Center for Women in Business of the US Chamber of Commerce (2011) found that industries with a higher representation of female executives, also tended to show a higher proportion of women CEOs. Accordingly, the appointment of a female CEO may be the result not only of a social process external to the organization but also of the increased gender heterogeneity experienced within the firm.

> *Proposition 3: The ratio of female hires is positively related to the appointment of a female CEO.*

The selection of a new CEO is a complex process. Empirical studies about CEO succession have shown that the "accession schedule" (Daily et al., 1999) typically begins with the extending of an invitation, to a potential CEO successor, to join the board, as data shows that new CEOs are almost always drawn from the established board of directors (Vancil, 1987). Daily, Certo, and Dalton (1999) failed to support their hypothesis that Fortune 500 firms, in 1996, had more female inside

directors than they had in 1987, and these researchers went on to predict that this dearth of female directors would result in few women in the executive suite in the years after 1996. Although a newly-appointed CEO can be an outside director, or even completely new to the organization (Vancil, 1987), an inside directorship provides an opportunity to uncover information concerning a director's background, managerial skills, and knowledge, as well as the unique insights and perspectives the director brings to the company (Zelechowski & Bilimoria, 2004). Evidence from research on internal labor markets suggests that promotion ladders are highly segregated by sex and that male outsiders can access male ladders – namely, the one that leads to the CEO position – more readily than can women (Lucey & Carron, 2011; Smith, 2012; Stockdale & Nadler, 2013). Since female outsiders have limited access to male ladders, it can be posited that, in order to become CEOs, women need to be in the internal pipeline (Helfat et al., 2006; Terjesen et al., 2009; Zelechowski & Bilimoria, 2004). If this is indeed the case, and if this criterion is applied differently for men than for women, then it can be proposed that:

> *Proposition 4: The appointment of female inside directors increases the likelihood that a female CEO will be appointed.*

Propositions 1 through 4 present only some of the potential organizational antecedents to the appointment of a female CEO. Other management perspectives, particularly theories used in corporate governance such as Agency Theory and the Resource-Based View of the firm, may also provide fruitful areas for developing our knowledge of the organization-level factors conducive to appointing a woman as CEO. Moreover, we advocate the undertaking of studies that compare the antecedents that lead to the appointment of male CEOs to those that result in the promotion of minorities to CEO. These investigations will not only likely provide a greater understanding of the succession process but will also highlight any differences that may exist within the professional trajectories of these groups.

The Individual Career Paths of Female CEOs

Organizational characteristics, such as those put forward in Propositions 1 to 4, represent only some of the antecedents that can result in the appointment of a female CEO. If we want to understand the process that leads to a woman's becoming CEO, we also need to understand the careers of the women who have ascended to the top of the corporate ladder (Altman, 1997; Fitzsimmons et al., 2014). The existence of separate promotion ladders for men and women (Lucey & Carron, 2011; Stockdale & Nadler, 2013), as well as the predominance of the "think manager-think male" stereotype (Koenig, Eagly, Mitchell, & Ristikari, 2011; Litzky & Greenhaus, 2007; Ryan et al., 2011; von Hippel et al., 2011), indicates that, in order to promote a woman to the top managerial position, long-held stereotypes and traditions must be overcome. Sometimes, however, these promotions have been considered a result of tokenism (Fairhurst & Snavely, 1983; Kanter, 1977). Individuals are considered tokens when they enter a social environment in which their presence has traditionally been rare. The dynamics of tokenism depend on the degree of majority/minority imbalance. Numerical imbalance makes the tokens more salient to the other members of the group, which increases the performance pressures for tokens. As tokens, the burden is on the women to prove that they should be considered in the CEO succession process (Murrell & Zagenczyk, 2006; Torchia et al., 2011).

To be considered good directors, members of the board have to fulfill two main roles: the provision of strategic advice and information and the exercise of control over top managers' decision making (Mizruchi, 2004). The ability to provide advice seems to be particularly important for the advancement of minorities to board positions (Tzioti et al., 2014). Westphal and Stern (2007) indicate that members of demographic minorities, such as women, must engage in a higher level of advice-giving in order to receive the same rewards as do members of the demographic majority. Additionally, career researchers have shown that, to be perceived as role models, women need to furnish – but not seek – advice (Murrell & Zagenczyk, 2006). One's ability to advise largely hinges on his/her level of expertise, what Amabile (1999) defines as a construct that "encompasses everything that a person knows and can do in the broad domain of his or her work" (p. 5). Thus, expertise is acquired through a long process by which people gain new knowledge and skills while also increasing their social capital, learning the idiosyncrasies and fundamentals of the organization, and familiarizing themselves with the external constituencies that affect the firm. Minorities can leverage their expertise in order to not only demonstrate their comparable competence relative to that of the majority members but to also change the balance of power (Fiske, 2010). A female CEO or, in fact, any demographic minority, needs superior expertise in order to provide the high level of strategic advice expected (Murrell & Zagenczyk, 2006; Westphal & Stern, 2007) and to redress the inherent power imbalance (Fiske, 2010). Since education (Martelli & Abels, 2010; Wai & Lincoln, 2016) and experience (Dokko, Wilk, & Rothbard, 2009) represent two sources of expertise, we propose that:

> *Proposition 5: Female CEOs have higher educational attainment and experience than do their male counterparts.*
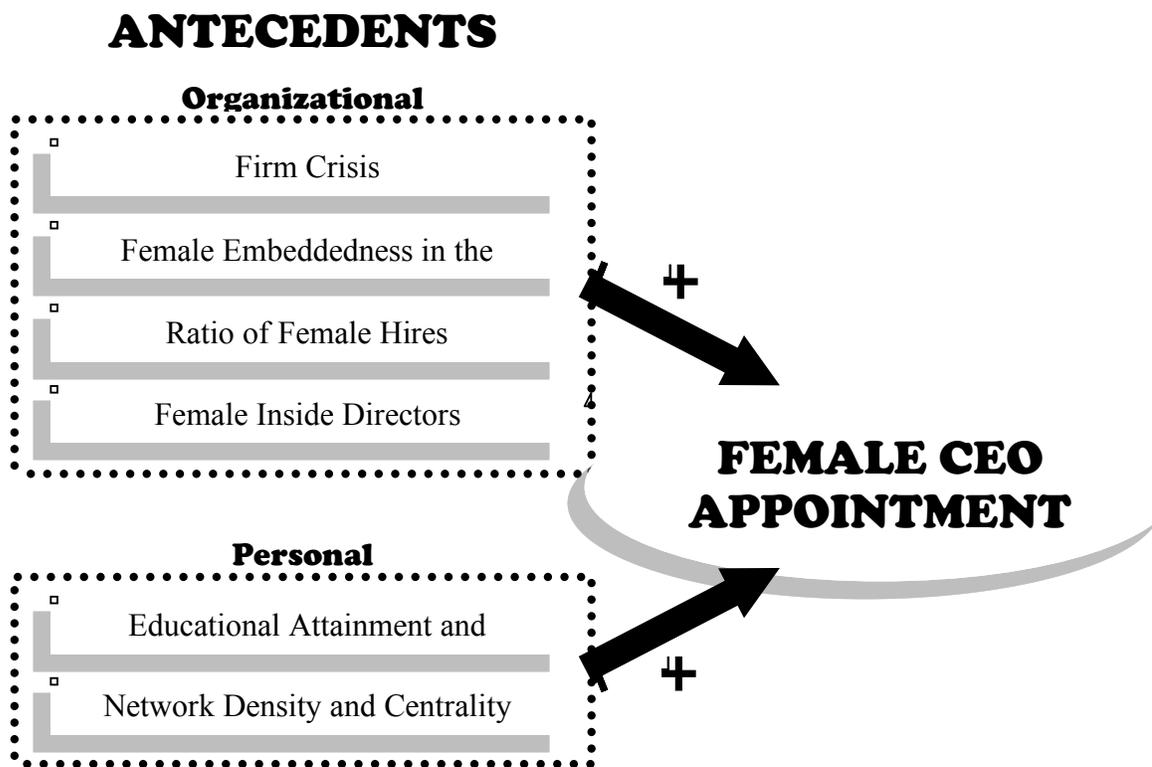
Possessing résumés with impressive educational and work credentials may help women overcome initial concerns about their abilities but may not be enough to advance their progress toward the organizational upper echelons (O'Neil et al., 2011; Simpson et al., 2004). The careers of successful female managers may be bolstered by a network of allies and mentors both within and outside of the organization (Kogut et al., 2014; M. L. McDonald & Westphal, 2013; Sheridan, 2002). Contacts outside of the organization may help women's careers by affording them information about the external environment, providing them recommendations for managerial and board positions, informing them of attractive jobs in other companies, etc. Information about the organization's external environment can help women advise the firm about courses of action, thus allowing them to better perform in their advisory roles (M. L. McDonald & Westphal, 2013; Murrell & Zagenczyk, 2006). Besides enhancing the quality of the advice that women can extend, an extensive business network can open doors for women (O'Neil et al., 2011). In a study of ultra-high net worth individual (UHNW), Wai and Lincoln (2016) found that self-made UHNW females, had the highest network power. Furthermore, Burke (1997) and Sheridan (2002) found that personal relationships proved key in the nomination of women to the board of directors of public companies in Canada and Australia; thus, we posit that women in TMTs have broken the glass ceiling, in part as a result of the strength of their social networks. We believe that these networks help women to be perceived as role models, a perception that then allows them to secure the employment and board offers necessary to advance in the business world. In social network theory terms:

> *Proposition 6: Women in the upper echelons have denser networks and a higher centrality within those networks than do men.*

An important aspect of studying the career paths of females in the upper echelons is the examination of what happens when a woman joins the TMT. While CEO succession can result in dramatic shifts, executive team changes can have significant effects of their own, particularly in rapidly-changing environments (Virany, Tushman, & Romanelli, 1992). Therefore, in order to understand the outcomes of dominant organizational coalitions, not only CEO succession but also TMT changes should be studied.

In summary, as Figure 1 shows, this paper proposes that women are appointed as CEOs when organizations are going through crisis, when women are more ingrained in an industry's TMTs, when a critical mass of women has joined the organization, and/or when female insiders are appointed to a company's board of directors. The women who are appointed as CEOs are held to different standards than those set for male CEOs; these women are more likely than are men to be inside directors of the company at the time they are appointed CEO and are more educated and experienced than are their male counterparts.

Figure 1. Summary of the Proposed Model of Antecedents to the Appointment of a Female CEO

ANTECEDENTS

Organizational

- Firm Crisis
- Female Embeddedness in the
- Ratio of Female Hires
- Female Inside Directors

\+

Personal

- Educational Attainment and
- Network Density and Centrality

\+

FEMALE CEO APPOINTMENT

Organizational Level Outcomes

Demographic diversity directly affects firm performance, but it also exerts a positive influence through effects on organizational processes (Herring, 2009; Ling et al., 2015). From a strategic point of view, diversity enhances the understanding of market niches, makes the decision-making process more rational (Buyl et al., 2011; Goll & Rasheed, 2005; Papadakis, Thanos, & Barwise, 2010), and facilitates the emergence of more creative and innovative thinking (Welbourne, Cycyota,

& Ferrante, 2007). Diversity also increases board independence and the monitoring of management (Carpenter et al., 2010; Carter, Simkins, & Simpson, 2003). In line with Hambrick and Mason's (1984) theory of Upper Echelons, diversity widens the lenses through which TMTs look at the organization and its environment. Increases in heterogeneity may lead to greater adaptability and, hence, improved long-term performance, although the effect may be moderated by industry (Bell, Villado, Lukasik, Belau, & Briggs, 2010; Joshi & Roh, 2009). A disadvantage of heterogeneity is that it can reduce efficiency because it hinders communication and social integration (van Dijk, van Engen, & van Knippenberg, 2012). Efficiency can be further decreased by the conflict created by boundary heightening. If male managers spend energy and resources in "reclaiming their turf," the decision-making process and the organization become less efficient. Nevertheless, instead of hindering the decision-making process, conflict can enhance the quality of decisions, as long as rigorous debate promotes the consideration of all alternatives and helps to achieve a final decision that proves superior to that of any of the initial solutions (de Wit, Greer, & Jehn, 2012; Walter, Kellermanns, Floyd, Veiga, & Matherne, 2013).

Above and beyond the benefits of gender heterogeneity, the decision-making process of the TMT can also be improved by assembling a well-qualified group. If Proposition 5 is correct, females who join the TMT have received more formal education and have more experience than do their male counterparts; therefore, the average education and experience of the TMT should increase. Higher average educational attainment and experience of the TMT has been associated with innovativeness, the propensity for change, and company growth (Bell et al., 2010; Hambrick, 2005; Jaw & Lin, 2009).

The initial arrival of a female CEO, and the subsequent adjustment in the gender composition of the TMT, changes the decision making process in three ways: first, more gender heterogeneity widens the lens through which the dominant coalition looks at its environment; second, subsequent changes in the TMT improve the depth and breadth of expertise available; and third, the increased diversity of the TMT creates conflict that can lead to protracted decision making – and sometimes better decisions – by creating a dialectic dialogue in which more options are considered and the best solution is found by considering the relative merits of different alternatives (Buyl et al., 2011; de Wit et al., 2012). How can we know whether the effects of conflict are going to be positive or negative? We think that the answer depends on how the male members of the TMT feel about having more women among them. CEO succession literature avers that the men who are part of the TMT presumably possess positive attitudes toward women, since it is very likely that it was the men themselves who nominated a woman as CEO (Pollak, 2000). Negative feelings, on the other hand, can arise if the female CEO is imposed upon the male TMT members by others, such as after a takeover or in response to demands from activists.

The above discussion highlights several positive outcomes that organizations can reap from increased diversity in their TMTs and, in particular, from the sequence of transformations that occur after naming a woman as CEO. Decision making, innovation, propensity for change, growth, and creativity can all improve as a result of increased diversity and expertise.

IMPLICATIONS FOR RESEARCH AND MANAGEMENT

Despite the scarcity of women in CEO positions – and, in fact, in any other positions within firms' dominant coalitions – researchers have largely ignored female CEOs, tending to focus more on discovering barriers to the advancement of women in organizations. We believe that more attention should be paid to the women who make it to the top, especially since they are the few who have overcome the stereotypes. These female CEOs have finally attained positions from which they can effect greater gender diversity and remove many of the barriers that prevent female professional advancement. Successful executive women are more than role models; they themselves have faced organizational and societal prejudices, so they are in a unique position to mentor other women, and they have the skills and experience to help other females navigate the obstacles that women face in the corporate world (M. L. McDonald & Westphal, 2013; Ramaswami, Dreher, Bretz, & Wiethoff, 2010).

The proposed framework is based on the proposition of UE theory that states that executives matter and that their demographic characteristics prove excellent proxies by which to study their cognitive styles (Hambrick & Mason, 1984). Mainly, we claim that gender affects these cognitive styles and generates group dynamics that need to be studied in order to understand mixed-gender TMTs. Furthermore, mixed-gender TMTs may be better equipped for the decision-making process not only as a result of their heterogeneity but also as a result of the higher standards for expertise placed on women who are part of these teams. Notwithstanding the proposed basis in UE theory, the study of female CEOs can be fertile ground for testing hypotheses based on institutional theory, resource-dependence theory, social network theory, group-dynamics, and many other micro- and macro-level theories.

Empirical work in this area can focus on studying what female CEOs actually do. Most studies of the gender characteristics of TMTs have used archival data, annual reports, and surveys in order to discover the differences between male and female managers (Cycyota & Harrison, 2006; Helfat et al., 2006; M. L. McDonald & Westphal, 2013) or to find the characteristics that help aspirants further their goal of joining the dominant coalition (Cook & Glass, 2014; M. L. McDonald & Westphal, 2013; Westphal & Stern, 2007). Although all of this evidence supports the existence of barriers to the advancement of women in the corporate world, there has been a lack of attention to the actual behaviors of female CEOs. When they become CEOs, do men and women take similar courses of action, or can we definitively differentiate between the styles adopted by each of the genders? A benefit of this line of inquiry is that it can be addressed by looking directly at the CEOs' dealings from the first day that they are appointed. Such research could discern a company's situation before and after the appointment and trace the subsequent changes in strategy, corporate governance, and corporate responsibility policies and practices, among other variables. The fact that there are not many female CEOs can either be a disadvantage for statistical analysis or an advantage for those interested in exhaustiveness.

Future theoretical work can extend the proposed framework to include other demographic minorities. Perhaps we should not address the situation solely concerning female CEOs but, instead, label the discussion as "minority CEOs," individuals who, because of their gender, ethnicity, race, or any other characteristic that may set them apart from the group, face the dynamics of homophily, boundary heightening, and tokenism. Such extension of this framework

will need to address the question of how demographic characteristics other than gender affect cognitive styles. At any rate, we propose that companies, and society as a whole, can benefit from all forms of heterogeneity. A quick look at the demographic proportions of TMTs tells us a story of imbalance. Focusing solely on redressing discrimination misses much, as the opportunities created by heterogeneity, through better decision making and plasticity for those firms that conquer demographic stereotypes, prove boundless. As Amason (1996) aptly puts it, "Diversity provides an assorted stock of capabilities upon which a team can draw when making complex decisions" (p.124).

Despite the potential advantages of increased heterogeneity, firms may be reluctant to name a woman as CEO. First, they may perceive a scarcity of sufficiently qualified women for the position (Burke, 1997; Terjesen et al., 2009). Second, they may fear a backlash from employees or from other members of the TMT (Brescoll, 2012; Heminway, 2007; Katila & Eriksson, 2013; Phelan & Rudman, 2010). The solution to the alleged scarcity of women with the necessary skills to become CEOs stems from the policies set by firms. Companies should develop the managerial capabilities of women (Catalyst, 2016; Evans, 2011) and create internal corporate pipelines to promote the most talented people within the organization, regardless of gender (Helfat et al., 2006). In doing so, companies could also address the second part of the problem, the potential negative reaction toward a female CEO. If the company puts in place programs to train and retain female managers, all stakeholders would likely grow used to working and negotiating with women, thereby engaging in meaningful discussions in order to collaboratively effect fruitful outcomes. The eventual appointment of a woman as CEO may still come as a surprise, but the shock will be tempered. For the organization, the rewards reaped by the naming of a female CEO include a greater stock of talented managers, improved decision making, and reputational benefits from the firm's commitment to equal opportunity and diversity.

There are many factors that influence women's interests, abilities, and the likelihood of their becoming the CEOs of any size company. There are also many possible effects that result from women's being appointed CEO. This study plots a preliminary map that management researchers can use to trace both the antecedents and outcomes of such a unique event as the appointment of a female CEO. Executives matter, and their gender should be part of the picture.

REFERENCES

Ackah, C., & Heaton, N. (2003). Human resource management careers: Different paths for men and women? *Career Development International, 8*(3), 134 - 142.

Adams, S. M., Gupta, A., & Leeth, J. D. (2009). Are female executives over-represented in precarious leadership positions? *British Journal of Management, 20*(1), 1-12.

Altman, Y. (1997). The high-potential fast-flying achiever: Themes from the English language literature 1976-1995. *Career Development International, 2*(7), 324 - 330.

Amabile, T. (1999). How to kill creativity. In H. B. School (Ed.), *Harvard business review in breakthrough thinking* (pp. 1-27). Boston, MA: Harvard Business School Publishing.

Amason, A. C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams. *Academy of Management Journal, 39*(1), 123-148.

Amott, T. L., & Matthaei, J. (1996). *Race, gender, and work: A multi-cultural economic history of women in the united states* (2 ed.). Boston, MA: South End Press.

Arendt, L. A., Priem, R. L., & Ndofor, H. A. (2005). A CEO-adviser model of strategic decision making. *Journal of Management, 31*, 680-699.

Bell, S. T., Villado, A. J., Lukasik, M. A., Belau, L., & Briggs, A. L. (2010). Getting specific about demographic diversity variable and team performance relationships: A meta-analysis. *Journal of Management*.

Blum, T. C., Fields, D. L., & Goodman, J. S. (1994). Organizational-level determinants of women in management. *Academy of Management Journal, 37*(2), 241-268.

Boone, C., Olffen, W. V., Witteloostujin, A. V., & Brabander, B. D. (2004). The genesis of top management team diversity: Selective turnover among top management teams in Dutch newspaper publishing. *Academy of Management Review, 47*, 633-656.

Brescoll, V. L. (2012). Who takes the floor and why: Gender, power, and volubility in organizations. *Administrative Science Quarterly*.

Burke, R. J. (1997). Women on corporate boards of directors: A needed resource. *Journal of Business Ethics, 16*, 909-915.

Burke, R. J., & Vinnicombe, S. (2005). Advancing women's careers. *Career Development International, 10*(3), 165 - 167.

Burton, M. D., & Beckman, C. M. (2007). Leaving a legacy: Position imprints and successor turnover in young firms. *American Sociological Review, 72*(2), 239-266.

Buyl, T., Boone, C., & Matthyssens, P. (2011). Upper echelons research and managerial cognition. *Strategic Organization, 9*(3), 240-246.

Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management, 30*, 749-778.

Carpenter, M. A., Westphal, J. D., & McDonald, M. (2010). Corporate governance and knowledge management: How board independence may increase CEO paranoia and lead to increased top management team homophily. *International Journal of Strategic Change Management, 2*(4), 327-351.

Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003). Corporate governance, board diversity, and firm value. *The Financial Review, 38*, 33-53.

Catalyst. (2006). *2005 catalyst census of women corporate officers and top earners of the fortune 500. Ten years later: Limited progress, challenges persist.* New York:

Catalyst. (2016). Women CEOs of the S&P 500. Retrieved from http://www.catalyst.org/knowledge/women-ceos-sp-500

Center for Women in Business. (2011). *Women in leadership: A look at companies in the S&P midcap 400 index, 2000–2010.* Washington, DC: U.S. Chamber of Commerce.

Certo, S. T., Lester, R. H., Dalton, C. M., & Dalton, D. R. (2006). Top management teams, strategy and financial performance: A meta-analytic examination. *Journal of Management Studies, 43*(4), 813-839.

Cook, A., & Glass, C. (2014). Women and top leadership positions: Towards an institutional analysis. *Gender, Work & Organization, 21*(1), 91-103.

Cycyota, C. S., & Harrison, D. A. (2006). What (not) to expect when surveying executives: A meta-analysis of top manager response rates and techniques over time. *Organizational Research Methods, 9*(2), 133-160.

Daily, C. M., Certo, T., & Dalton, D. R. (1999). A decade of corporate women: Some progress in the boardroom, none in the executive suite. *Strategic Management Journal, 20*, 93-99.

Dalton, D. R., & Dalton, C. M. (2010). Women and corporate boards of directors: The promise of increased, and substantive, participation in the post sarbanes-oxley era. *Business Horizons, 53*(3), 257-268.

de Wit, F. R. C., Greer, L. L., & Jehn, K. A. (2012). The paradox of intragroup conflict: A meta-analysis. *Journal of Applied Psychology, 97*(2), 360-390.

Dezsö, C. L., & Ross, D. G. (2012). Does female representation in top management improve firm performance? A panel data investigation. *Strategic Management Journal, 33*(9), 1072-1089.

Dezső, C. L., Ross, D. G., & Uribe, J. (2016). Is there an implicit quota on women in top management? A large-sample statistical analysis. *Strategic Management Journal, 37*(1), 98-115.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147-160.

Dokko, G., Wilk, S. L., & Rothbard, N. P. (2009). Unpacking prior experience: How career history affects job performance. *Organization Science, 20*(1), 51-68.

Evans, D. (2011). Room at the top: Advancement and equity for women in the business world. *National Civic Review, 100*(2), 62-64.

Fairhurst, G. T., & Snavely, B. K. (1983). Majority and token minority group relationships: Power acquisition and communication. *Academy of Management Review, 8*(2), 292-300.

Fiske, S. T. (2010). Interpersonal stratification: Status, power, and subordination *Handbook of social psychology*: John Wiley & Sons, Inc.

Fitzsimmons, T. W., Callan, V. J., & Paulsen, N. (2014). Gender disparity in the C-suite: Do male and female CEOs differ in how they reached the top? *The Leadership Quarterly, 25*(2), 245-266.

Goll, I., & Rasheed, A. A. (2005). The relationship between top management demographic characteristics, rational decision making, environmental munificence, and firm performance. *Organization Studies, 26*, 999-1023.

Gray, M. P., & O'Brien, K. M. (2007). Advancing the assessment of women's career choices: The career aspiration scale. *Journal of Career Assessment, 15*(3), 317-337.

Hambrick, D. C. (2005). Upper echelons theory: Origins, twists and turns, and lessons learned. In K. G. Smith & M. A. Hitt (Eds.), *Great minds in management: The process of theory development* (pp. 109-127). New York: Oxford University Press.

Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review, 32*(2), 334-343.

Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review, 9*, 193-206.

Heifetz, R., Grashow, A., & Linsky, M. (2009). Leadership in a (permanent) crisis. *Harvard Business Review, 87*(7/8), 62-69.

Helfat, C. E., Harris, D., & Wolfson, P. J. (2006). The pipeline to the top: Women and men in the top executive ranks of US corporations. *Academy of Management Perspectives, 20*(4), 42-64.

Heminway, J. M. (2007). Sex, trust, and corporate boards. *Hastings Women's LJ, 18*, 173.

Herring, C. (2009). Does diversity pay?: Race, gender, and the business case for diversity. *American Sociological Review, 74*(2), 208-224.

Hillman, A. J., Cannella, A. A., & Harris, I. C. (2002). Women and racial minorities in the boardroom: How do directors differ? *Journal of Management, 28*, 747-763.

Huffman, M. L., Cohen, P. N., & Pearlman, J. (2010). Engendering change: Organizational dynamics and workplace gender desegregation, 1975–2005. *Administrative Science Quarterly, 55*(2), 255-277.

Ibarra, H., Ely, R. J., & Kolb, D. M. (2013). Women rising: The unseen barriers. *Harvard Business Review, 91*(9), 60-66.

Jacobs, J. A. (1992). Women's entry into management: Trends in earnings, authority, and values among salaried managers. *Administrative Science Quarterly, 37*(2), 282-301.

Jaw, Y.-L., & Lin, W.-T. (2009). Corporate elite characteristics and firm's internationalization: CEO-level and TMT-level roles. *The International Journal of Human Resource Management, 20*(1), 220-233.

Jensen, M., & Zajac, E. (2004). Corporate elites and corporate strategy: How demographic preferences and structural differences shape the scope of the firm. *Strategic Management Journal, 25*, 507-524.

Joshi, A., & Roh, H. (2009). The role of context in work team diversity research: A meta-analytic review. *Academy of Management Journal, 52*(3), 599-627.

Kang, E., Ding, D. K., & Charoenwong, C. (2010). Investor reaction to women directors. *Journal of Business Research, 63*(8), 888-894.

Kanter, R. M. (1977). *Men and women of the corporation*. New York: Basic Books.

Katila, S., & Eriksson, P. (2013). He is a firm, strong-minded and empowering leader, but is she? Gendered positioning of female and male CEOs. *Gender, Work & Organization, 20*(1), 71-84.

Koenig, A. M., Eagly, A. H., Mitchell, A. A., & Ristikari, T. (2011). Are leader stereotypes masculine? A meta-analysis of three research paradigms. *Psychological Bulletin, 137*(4), 616-642.

Kogut, B., Colomer, J., & Belinky, M. (2014). Structural equality at the top of the corporation: Mandated quotas for women directors. *Strategic Management Journal, 35*(6), 891-902.

Kulich, C., Lorenzi-Cioldi, F., Iacoviello, V., Faniko, K., & Ryan, M. K. (2015). Signaling change during a crisis: Refining conditions for the glass cliff. *Journal of Experimental Social Psychology, 61*, 96-103.

Lee, P. M., & James, E. H. (2007). She'-e-os: Gender effects and investor reactions to the announcements of top executive appointments. *Strategic Management Journal, 28*(3), 227-241.

Ling, Y., Wei, L., Klimoski, R. J., & Wu, L. (2015). Benefiting from CEO's empowerment of TMTs: Does CEO–TMT dissimilarity matter? *The Leadership Quarterly, 26*(6), 1066-1079.

Litzky, B., & Greenhaus, J. (2007). The relationship between gender and aspirations to senior management. *Career Development International, 12*(7), 637 - 659.

Lucey, B. M., & Carron, B. (2011). The effect of gender on stock price reaction to the appointment of directors: The case of the FTSE 100. *Applied Economics Letters, 18*(13), 1225-1229.

Martelli, J., & Abels, P. (2010). The education of a leader: Educational credentials and other characteristics of chief executive officers. *Journal of Education for Business, 85*(4), 209-217.

Martin, A. D., Nishikawa, T., & Williams, M. A. (2009). CEO gender: Effects on valuation and risk. *Quarterly Journal of Finance and Accounting, 48*(3), 23-40.

McDonald, M. L., & Westphal, J. D. (2013). Access denied: Low mentoring of women and minority first-time directors and its negative effects on appointments to additional boards. *Academy of Management Journal, 56*(4), 1169-1198.

McDonald, P., Brown, K., & Bradley, L. (2005). Have traditional career paths given way to protean ones?: Evidence from senior managers in the Australian public sector. *Career Development International, 10*(2), 109 - 129.

McGuinness, P. B., Lam, K. C. K., & Vieito, J. P. (2015). Gender and other major board characteristics in China: Explaining corporate dividend policy and governance. *Asia Pacific Journal of Management, 32*(4), 989-1038.

Mizruchi, M. S. (2004). Berle and means revisited: The governance and power of large U.S. Corporations. *Theory and Society 33*(5), 579-617.

Murrell, A. J., & Zagenczyk, T. J. (2006). The gendered nature of role model status: An empirical study. *Career Development International, 11*(6), 560 - 578.

O'Neil, D. A., Hopkins, M. M., & Sullivan, S. E. (2011). Do women's networks help advance women's careers?: Differences in perceptions of female workers and top leadership. *Career Development International, 16*(7), 733 - 754.

Oakley, J. G. (2000). Gender-based barriers to senior management positions: Understanding the scarcity of female CEOs. *Journal of Business Ethics, 27*(4), 321-334.

Papadakis, V., Thanos, I., & Barwise, P. (2010). Research on strategic decisions: Taking stock and looking ahead. *Handbook of decision making, 37*, 31-69.

Paustian-Underdahl, S. C., Walker, L. S., & Woehr, D. J. (2014). Gender and perceptions of leadership effectiveness: A meta-analysis of contextual moderators. *Journal of Applied Psychology, 99*(6), 1129-1145.

Pfeffer, J. (1983). Organizational demography. In L. L. Cummings & B. M. Staw (Eds.), *Research in organizational behavior* (Vol. 5, pp. 299-357). Greenwich, CT: JAI Press.

Phelan, J. E., & Rudman, L. A. (2010). Prejudice toward female leaders: Backlash effects and women's impression management dilemma. *Social and Personality Psychology Compass, 4*(10), 807-820.

Pollak, M. (2000). Catalyst corporate board placement: New seats at the table. In R. J. Burke & M. C. Mattis (Eds.), *Women on corporate boards of directors: International challenges and opportunities* (pp. 263-269). Dordrecht: Springer Netherlands.

Powell, G. N., Butterfield, D. A., & Parent, J. D. (2002). Gender and managerial stereotypes: Have the times changed? *Journal of Management, 28*(2), 177-193.

Ramaswami, A., Dreher, G. F., Bretz, R., & Wiethoff, C. (2010). Gender, mentoring, and career success: The importance of organizational context. *Personnel Psychology, 63*(2), 385-405.

Richard, O. C., Barnett, T., Dwyer, S., & Chadwick, K. (2004). Cultural diversity in management, firm performance, and the moderating role of entrepreneurial orientation dimensions. *Academy of Management Journal, 47*, 255-266.

Rosette, A. S., & Tost, L. P. (2010). Agentic women and communal leadership: How role prescriptions confer advantage to top women leaders. *Journal of Applied Psychology, 95*(2), 221-235.

Rudman, L. A., & Glick, P. (1999). Feminized management and backlash toward agentic women: The hidden costs to women of a kinder, gentler image of middle managers. *Journal of Personality and Social Psychology, 77*(5), 1004-1010.

Ryan, M. K., & Haslam, S. A. (2005). The glass cliff: Evidence that women are over-represented in precarious leadership positions. *British Journal of Management, 16*(2), 81-90.

Ryan, M. K., & Haslam, S. A. (2009). Glass cliffs are not so easily scaled: On the precariousness of female CEOs' positions. *British Journal of Management, 20*(1), 13-16.

Ryan, M. K., Haslam, S. A., Hersby, M. D., & Bongiorno, R. (2011). Think crisis–think female: The glass cliff and contextual variation in the think manager–think male stereotype. *Journal of Applied Psychology, 96*(3), 470-484.

Ryan, M. K., Haslam, S. A., Morgenroth, T., Rink, F., Stoker, J., & Peters, K. (In Press). Getting on top of the glass cliff: Reviewing a decade of evidence, explanations, and impact. *The Leadership Quarterly*.

Sahoo, D. K., & Lenka, U. (2016). Breaking the glass ceiling: Opportunity for the organization. *Industrial and Commercial Training, 48*(6), null.

Schein, V. E. (2001). A global look at psychological barriers to women's progress in management. *Journal of Social Issues, 57*(4), 675-688.

Sheridan, A. (2002). What you know and who you know: "Successful" women's experiences of accessing board positions. *Career Development International, 7*(4), 203-210.

Simpson, R., Sturges, J., Woods, A., & Altman, Y. (2004). Career progress and career barriers: Women MBA graduates in Canada and the UK. *Career Development International, 9*(5), 459-477.

Smith, R. A. (2012). Money, benefits, and power: A test of the glass ceiling and glass escalator hypotheses. *The ANNALS of the American Academy of Political and Social Science, 639*(1), 149-172.

Stockdale, M. S., & Nadler, J. T. (2013). Paradigmatic assumptions of disciplinary research on gender disparities: The case of occupational sex segregation. *Sex Roles, 68*(3), 207-215.

Terjesen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review, 17*(3), 320-337.

Torchia, M., Calabrò, A., & Huse, M. (2011). Women directors on corporate boards: From tokenism to critical mass. *Journal of Business Ethics, 102*(2), 299-317.

Tzioti, S. C., Wierenga, B., & van Osselaer, S. M. J. (2014). The effect of intuitive advice justification on advice taking. *Journal of Behavioral Decision Making, 27*(1), 66-77.

van Dijk, H., van Engen, M. L., & van Knippenberg, D. (2012). Defying conventional wisdom: A meta-analytical examination of the differences between demographic and job-related diversity relationships with performance. *Organizational Behavior and Human Decision Processes, 119*(1), 38-53.

Vancil, R. F. (1987). *Passing the baton: Managing the process of CEO succession*. Boston, MA: Harvard Business School Press.

Virany, B., Tushman, M. L., & Romanelli, E. (1992). Executive succession and organization outcomes in turbulent environments: An organization learning approach. *Organization Science, 3*(1), 72-91.

von Hippel, C., Issa, M., Ma, R., & Stokes, A. (2011). Stereotype threat: Antecedents and consequences for working women. *European Journal of Social Psychology, 41*(2), 151-161.

Wai, J., & Lincoln, D. (2016). Investigating the right tail of wealth: Education, cognitive ability, giving, network power, gender, ethnicity, leadership, and other characteristics. *Intelligence, 54*, 1-32.

Walter, J., Kellermanns, F. W., Floyd, S. W., Veiga, J. F., & Matherne, C. (2013). Strategic alignment: A missing link in the relationship between strategic consensus and organizational performance. *Strategic Organization, 11*(3), 304-328.

Wang, G., Holmes, R. M., Oh, I.-S., & Zhu, W. (2016). Do CEOs matter to firm strategic actions and firm performance? A meta-analytic investigation based on upper echelons theory. *Personnel Psychology*, n/a-n/a.

Welbourne, T. M., Cycyota, C. S., & Ferrante, C. J. (2007). Wall street reaction to women in ipos: An examination of gender diversity in top management teams. *Group & Organization Management, 32*(5), 524-547.

Westphal, J. D., & Milton, L. P. (2000). How experience and network ties affect the influence of demographic minorities on corporate boards. *Administrative Science Quarterly, 45*, 366-398.

Westphal, J. D., & Stern, I. (2007). Flattery will get you everywhere (especially if you are a male caucasian): How ingratiation, boardroom behavior, and demographic minority status affect additional board appointments at U.S. Companies. *Academy of Management Journal, 50*(2), 267-288.

Weyer, B. (2007). Twenty years later: Explaining the persistence of the glass ceiling for women leaders. *Women in Management Review, 22*(6), 482-496.

Yu, T. T., Johnson, V., & Zhang, M. M. (2009). Comparative analysis of financial performance of companies with female CEOs and companies without female CEOs. *International Journal of Economics and Business Research, 1*(2), 204-213.

Zelechowski, D. D., & Bilimoria, D. (2004). Characteristics of women and men corporate inside directors in the US. *Corporate Governance, 12*, 337-342.

QRBD

QUARTERLY REVIEW OF BUSINESS DISCIPLINES

May 2016

Volume 3
Issue 1