

Women are more likely than men to be appointed CEO of firms in crisis

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Mounting evidence suggests that women leaders impact their organisations in positive ways. From [innovation](#) and [profitability](#) to [consumer outreach](#) and [social responsibility](#), firms that promote women to top positions reap significant benefits. We also know a great deal about the [factors](#) that limit women's advancement. But what about women who overcome the odds and ascend above the glass ceiling? Our research shows that the challenges women face in the corporate world don't end once they've become CEO.

Today, only 22 companies in the Fortune 500 — a mere four per cent — are led by women CEOs. These dismal numbers led *Fortune* to declare 2015 “[a terrible year to be a female Fortune 500 CEO](#)”. While there is enormous interest in how to increase this number, we wanted to understand how these women experience the spotlight.

To do that we tracked the careers of all women who have *ever* served as CEO in the Fortune 500 (a whopping 52 women!) and compared their career trajectories to a matched sample of 500 men CEOs. We then conducted in-depth interviews with women currently serving in top leadership roles across a number of sectors.

What we discovered might surprise you.

Women are far more likely than men to be appointed CEO in firms that are in crisis. Termed the “[glass cliff](#)”, this means that women CEOs are much more likely than men to inherit significant organisational challenges when they take the helm of their companies. From the start, women CEOs face challenges that their male peers do not—and they do so with less authority, less support and a great deal more scrutiny than men CEOs.

An example of the “glass cliff” phenomenon is Mary Barra, who was appointed CEO of General Motors (GM) in January 2014 — the first woman to ever head a major automotive company. As CEO, Barra inherited a crisis that included product defects, a recall of millions of GM cars and congressional hearings regarding corporate malfeasance. There are many other examples. In the words of one of our interviewees discussing her appointment

to key leadership positions across her career: “I was always picked when there was a problem.”

Appointments off the glass cliff can be hazardous for women’s careers. These appointments are risky — women inherit crises and, if they cannot solve the crisis quickly and effectively, they risk being [blamed for the crisis and replaced](#).

What explains this trend?

Many women leaders told us they were offered risky assignments by important men in their company. They understood that if they turned down the offer, they may risk being passed over in the future. A top executive described an instance where she was offered a risky promotion by her boss: “[He said] ‘I am handing you an opportunity but it isn’t necessarily the easy way. You have to take the risk.’” Though she took the job, she understood that failure would derail her career.

But top women leaders offered up another explanation, one that challenged our assumptions that women are *forced* to take such high-risk assignments.

Most of the top leaders we interviewed told us that very early in their career, they understood that as women in the male-dominated corporate world, it would be difficult to prove their mettle as leaders. They were highly visible in their companies — but often their visibility was due to being a woman, not to being an outstanding leader. To cultivate a reputation as a leader, women actively sought out the most challenging and risky assignments.

Though the path was high-risk — failure could equal career derailment — the potential for advancement if successful was high. In the words of one top executive, “You knew the risk was high but you knew the rewards were high too. You could go up in flames or you could get rewarded.”

Over time, this career strategy led women to develop a strong skill set that was recognized and highly valued by their companies. Many women noted this formula enabled them to cultivate a reputation as “transformation specialists” — something particularly valuable when a company entered a crisis.

So what?

When women are promoted to high-risk positions yet lack the support or authority to accomplish their goals, they face career derailment. Appointments to risky assignments also increase the scrutiny and performance pressure women face to produce results quickly. To be successful, women must lead flawlessly — and this means limiting creative innovations or experiments that may come to fruition only over the medium or long term. For these reasons and not surprisingly, women CEOs have higher turnover rates and shorter tenures than their male counterparts.

What women need is an equal playing field at the top. They need the same opportunities as men to lead both healthy firms and firms that are struggling. When they are appointed to lead in a crisis, they need sufficient degrees of freedom to prove what they can do.

They also need more organizational support to lead effectively. Organizational support can mean greater board support, stronger support from peers and subordinates, greater access to professional networks and strong support from the top executive team. And they need other senior women at the top as well. When women serve on boards and executive teams, [women CEOs have more support](#) and more freedom to lead effectively.

Women leaders are good for companies — we need more of them. But we also need to make sure that when women lead, they have the support, authority and freedom to lead well.



Notes:

- This post is based on the article, "[Leading at the Top: Understanding Women's Challenges Above the Glass Ceiling](#)", published in the journal *Leadership Quarterly*.
 - The post gives the views of its author, not the position of LSE Business Review or the London School of Economics.
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