British Journal of Management, Vol. 20, 13–16 (2009)
DOI: 10.1111/j.1467-8551.2008.00598.x

Glass Cliffs Are Not So Easily Scaled: On the Precariousness of Female CEOs' Positions

Michelle K. Ryan and S. Alexander Haslam
School of Psychology, University of Exeter, Exeter EX4 4QG, UK
Corresponding author email: M.Ryan@exeter.ac.uk

Adams, Gupta and Leeth (*British Journal of Management*, 2008) question the universality of the glass cliff after finding no differences in US companies' financial performance either before or after the appointment of male and female CEOs. We agree that glass cliffs are neither universal nor ineluctable, but urge caution in interpreting this null result. This is because the nature and significance of women's precarious leadership positions becomes more apparent when one goes beyond archival financial data and compares the broad circumstances of male and female leaders. Here multiple strands of research suggest that above the glass ceiling the playing field for men and women is far from level.

Adams, Gupta and Leeth (2008; hereafter AGL) present a commendably thorough analysis of companies' financial performance leading up to and following the appointment of CEOs in the USA over a 12-year period. They interrogate these data in order to test for the existence of the *glass cliff* – the tendency for women's leadership positions to be more precarious than those occupied by men and to be associated with greater risk of failure and criticism (Ryan and Haslam, 2005, 2007). AGL's analysis focuses on a number of stock market indicators and reveals no reliable evidence of difference in companies' performance in periods either preceding or following the appointment of women and men. On this basis, the authors question the universality of the glass cliff and conclude that CEO hiring practices 'are not gender biased'. Our response seeks to contextualize AGL's findings within the broad body of research on women, leadership and the glass cliff.

Work on this paper was supported by a grant from the Economic and Social Research Council (RES-062-23-0135).

The need to contextualize previous archival research into the glass cliff

Our initial empirical work on the glass cliff took the form of a careful re-analysis of data first discussed by Judge (2003). This noted a correlation between the number of women on UK company boards and lower company share price performance. Judge (2003, p. 21) argued that this reflected the fact that women had 'wreaked havoc on companies' performance'. We questioned this conclusion and suggested that the causality here might be reversed – such that it was the drop in share price (and company fortunes more generally) that had led to women being appointed to leadership positions. Our archival analysis of a matched sample of companies that had appointed men and women to their boards indicated that share price performance (a) tended to be lower *prior* to a woman's appointment than a man's, but (b) was no different after the appointment of a woman or a man. Both patterns suggest that we were right to challenge Judge's interpretation, as does replication of the latter pattern by AGL.

This initial investigation of the glass cliff, and its focus on stock market performance, was not an attempt to uncover a universal phenomenon, but rather was a direct response to a particular claim, a particular data set and a particular methodology. This uncovered evidence of the glass cliff's existence but also demonstrated risks inherent in the interpretation of (correlational) archival data. Nevertheless, we recognized the limitations of this exercise, since such data preclude causal inference and do not speak to the potential impact of unmeasured third variables.

Moreover, while the possibility of the glass cliff was uncovered in the context of poor company performance, we argued that it is the interrelated notions of *precariousness* and *risk* that define the phenomenon rather than financial performance. Significantly, too, a focus on economic data alone provides no insights into the social, organizational and psychological processes that we hypothesized might contribute to the emergence of glass cliffs. In sum, then, to see whether – and, more pertinently, *when* and *why* – women are appointed to precarious leadership positions, it was always apparent that we needed to do more than find out whether they were more likely than men to be appointed to senior positions in companies that were performing poorly on the stock market.

The need to go beyond archival data

In order to investigate the way in which precariousness and risk might be characteristic of women's leadership positions more generally, our subsequent research has centred on a series of experimental studies that use a range of scenarios (business, law, politics, youth representation) and a range of relevant samples, including senior business leaders, students and members of the general public (e.g. Haslam and Ryan, in press). In these, the risk of organizational failure is *manipulated* in order to examine the causal impact of this on the perceived suitability of men and women for leadership roles. A consistent finding in this research is that women are selected for leadership positions ahead of equally qualified men only in contexts where there is a high risk of organizational failure – a pattern that has since been independently replicated with US samples (Bruckmüller and Branscombe, 2008). Importantly, too, this pattern of results has been obtained not only when risk is operationalized in terms of poor company performance but also when it is defined by a history of failure, a high risk of criticism, low levels of support or lack of resources. Moreover, in-depth interviews with women leaders in a range of sectors and countries indicate that these operationalizations resonate with their experience of risk and precariousness as multi-faceted constructs (Ryan *et al.*, 2008).

Gaining insight into these diverse manifestations of the glass cliff also requires investigation of the phenomenon's psychological underpinnings. Here our ongoing research indicates that multiple processes have the capacity to contribute to the creation of glass cliffs (Ryan and Haslam, 2007). These include gender stereotypes, expectations about career trajectories and gender-specific judgements about what constitutes appropriate risk and stress (e.g. Haslam and Ryan, in press). For example, distinct and widespread stereotypes of men's and women's leadership qualities – with men seen more as agentic and suited to 'normal' leadership contexts and women seen more as communal and suited to handling crisis – may contribute to women being singled out for risky positions (Eagly and Karau, 2002; Ryan *et al.*, 2007; Schein, 1973).

Such research helps us to understand *why* glass cliffs occur, and ultimately this should help us to predict *when* they will (and will not) occur. This is important because we agree with AGL that they are neither universal nor ineluctable. Nevertheless, lack of universality does not imply 'lack of problem', and the robustness of various experimental findings leads to our conviction that glass cliffs are neither trivial nor rare.

The need to exercise caution in interpreting null findings

Given the multiple ways in which glass cliffs can manifest themselves, we urge particular caution in concluding that a lack of difference in the financial state of the companies that men and women lead is indicative of gender equality. For just as correlation does not imply causation (as in Judge's, 2003, data), so too a lack of correlation (as in AGL's data) cannot establish *lack* of causation (due to the possible impact of suppressor variables). Indeed, the simple fact that of the 1500 companies examined by AGL only 61 (i.e. 4%) had female CEOs suggests that it is premature to conclude that 'opportunities and responsibilities above the "glass ceiling" appear to be comparable for women' (AGL).

Rather than necessarily suggesting that the playing field is level for male and female CEOs, for us AGL's findings raise two interesting questions. First, why do female CEOs not confront (financial) glass cliffs? There are a number of potential answers to this question – including the possibility that this very select sample of individuals is constituted of women who have resources (e.g. support networks, personal connections) and strategies (e.g. of distancing themselves from other women; Ellemers *et al*., 2004) that enable them to overcome or side-step gender-based stereotyping and discrimination. However, we are wary of suggesting that CEOs avoid glass cliffs because they are 'well-informed and competent' (AGL) since this runs the risk of sending the message that those who do not avoid them are ignorant and incompetent (so 'only have themselves to blame').

A second question is whether, even if they do not face financial glass cliffs, women CEOs' positions are still precarious. We suspect they may well be. As a concrete example, it would appear that Hewlett Packard was in a very strong financial position when Carly Fiorina took over its helm in 1999 and when she left in 2005. Nevertheless, her position as the company's CEO appears to have been highly precarious – as her short and troubled term in office ultimately proved (Fiorina, 2006; Lee and James, 2006). Consistent with this observation, research suggests that women's *tenure* of CEO positions tends to be much shorter than men's – with Blanton (2005) noting that in the USA men retain CEO positions for nearly twice as long as women (8.2 versus 4.8 years). Along similar lines, in research with blue-chip Australian companies we found that, although women were under-represented in senior management, when organizational restructuring took place they were over-represented among the retrenched staff. Such data suggest – in the very starkest of terms – that the security of men and women's leadership positions is far from comparable.

Conclusion

For all the above reasons, we urge caution in interpreting the findings reported by AGL. Their research alerts us to the fact that glass cliffs will not always be apparent when one looks at the financial context in which CEO appointments are made in the USA. However, this is a long way from demonstrating that the circumstances of women who break through the glass ceiling are generally equivalent to those of their male counterparts – since to fully capture the nature and significance of glass cliffs, research needs to encompass psychological not just financial data, to be experimental as well as archival (correlational), to look at women in a range of executive roles and to explore issues of process associated with differences not only in type of leadership position but also in leadership experiences.

Nevertheless, our previous research leads us to anticipate that some commentators will be motivated to infer from AGL's findings that glass cliffs are easy to scale and that, above the glass ceiling, the playing field for male and female leaders is entirely level (Ryan, Haslam and Postmes, 2007). In our view, such inferences are both dangerous and false.

References

Adams, S. M., A. Gupta and J. D. Leeth (2008). 'Are female executives over-represented in precarious leadership positions?', *British Journal of Management* DOI: 10.1111/j.1467-8551.2007.00549.x.

Blanton, K. (2005). 'Above glass ceiling footing is fragile: factors appear to work against longer tenures for women CEOs', *Boston Globe*, 18 February, p. D1.

Bruckmüller, S. and N. R. Branscombe (2008). 'When and why does the glass cliff in leader selection occur? The role of gender stereotypes', Manuscript submitted for publication, Universities of Erlangen and Kansas.

Eagly, A. H. and S. J. Karau (2002). 'Role congruity theory of prejudice toward female leaders', *Psychological Review*, **109**, pp. 573–598.

Ellemers, N., H. van den Heuvel, D. De Gilder, A. Maass and A. Bonvini (2004). 'The underrepresentation of women in science: differential commitment or the queen bee syndrome?', *British Journal of Social Psychology*, **43**, pp. 315–338.

Fiorina, C. (2006). *Tough Choices: A Memoir*. New York: Portfolio Hardcover.

Haslam, S. A. and M. K. Ryan (in press). 'The road to the glass cliff: differences in the perceived suitability of men and women for leadership positions in succeeding and failing organizations', *Leadership Quarterly*.

Judge, E. (2003). 'Women on board: help or hindrance?', *The Times*, 11 November, p. 21.

Lee, P. M. and E. H. James (2006). 'She-E-Os: gender effects and stock price reactions to the announcements of top executive appointments', *Strategic Management Journal*, **28**, pp. 227–241.

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

Ryan, M. K. and S. A. Haslam (2007). 'The glass cliff: exploring the dynamics surrounding the appointment of women to precarious leadership positions', *Academy of Management Review*, **32**, pp. 549–572.

Ryan, M. K., S. A. Haslam and T. Postmes (2007). 'Reactions to the glass cliff: gender differences in explanations for the precariousness of women's leadership positions', *Journal of Organizational Change Management*, **20**, pp. 182–197.

Ryan, M. K., S. A. Haslam, M. Hersby and R. Bongiorno (2007). 'Think crisis – think female: glass cliffs and contextual variation in the think manager – think male stereotype', Manuscript under review, University of Exeter.

Ryan, M. K., S. A. Haslam, M. D. Hersby, C. Kulich and M. D. Wilson-Kovacs (2008). 'The stress of working on the edge: examining the implications of glass cliffs for both women and organizations'. In M. Barreto, M. K. Ryan and M. Schmitt (eds), *Barriers to Diversity: The Glass Ceiling in the 21st Century*. APA Division 35 Book Series.

Schein, V. E. (1973). 'The relationship between sex role stereotypes and requisite management characteristics', *Journal of Applied Psychology*, **57**, pp. 95–105.

Michelle Ryan obtained her PhD from the Australian National University and is currently a Senior Research Fellow at the University of Exeter, holding a five-year Academic Fellowship from the Research Council of the UK. Her research is funded by the Economic and Social Research Council and in 2005 was short-listed for the THES Research Project of the Year. Her work has been represented in academic journals, industry publications, and within the wider media including BBC, CNN, and all major British newspapers.

Alex Haslam is Professor of Social and Organizational Psychology at the University of Exeter. He is former Editor of the *European Journal of Social Psychology*. His work with colleagues at Exeter and elsewhere focuses on the study of social identity in social and organizational contexts, illustrated by his most recent book *Psychology in Organizations: The Social Identity Approach* (2nd edn, Sage, 2004). He is a Fellow of the Canadian Institute of Advanced Research and a recipient of EAESP's Kurt Lewin award.