

**Obstacles Beyond the Glass Ceiling:
The Glass Cliff and the Precariousness of
Women's Leadership Positions**

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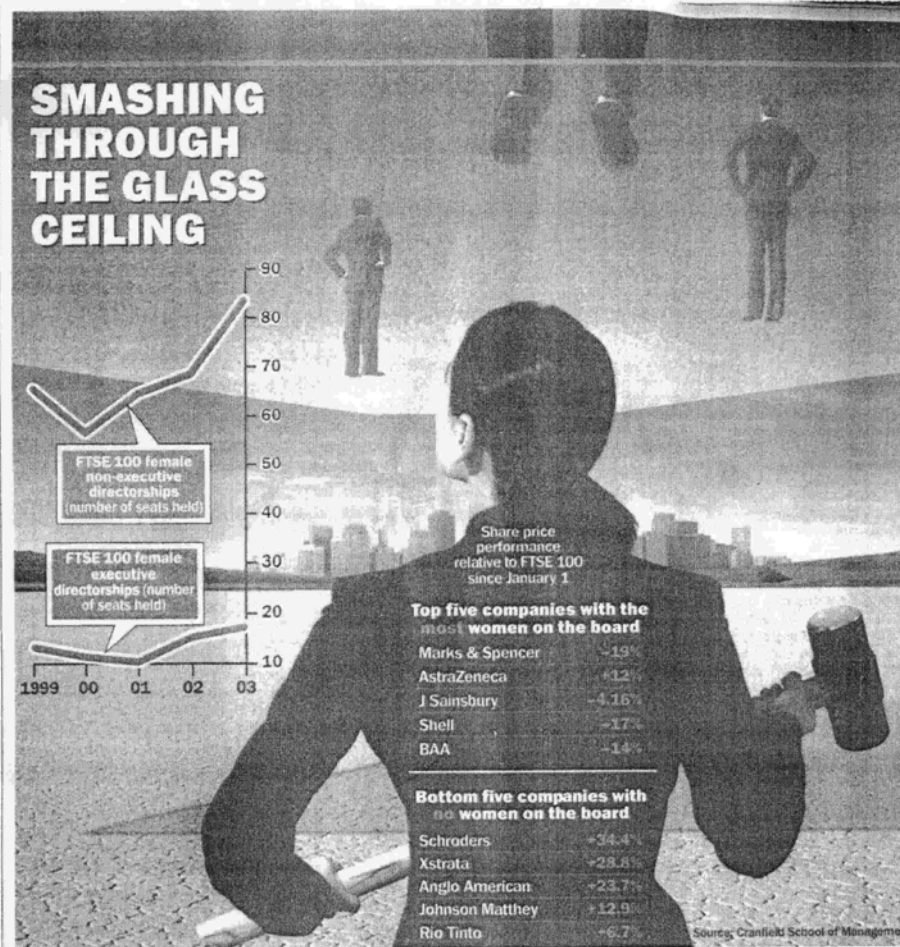


Introduction and Overview

The Glass Cliff

- # Introduction to the Glass Cliff
 - What is the Glass Cliff?: Archival studies
 - Evidence and Causality: Experimental studies
 - # Understanding Process
 - Think-manager – Think-male
 - # Quotes throughout from BBC online study
 - # Summary and Conclusions
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The Times – November 11th 2003



By Elizabeth Judge

SO MUCH for smashing the glass ceiling and using their unique skills to enhance the performance of Britain's biggest companies. The triumphant march of women into the country's boardrooms has instead wreaked havoc on companies' performance and share prices.

Research from Cranfield School of Management shows

Women on board: help or hindrance?

that a record 101 directors of FTSE 100 companies are women, 20 per cent up on last year. The number of female executive directorships has also hit a record high of 17.

However, corporate Brit-

ain may well be better off without women on the board. Of the top ten companies in the Cranfield index — which rates FTSE 100 companies according to the number of women on the board — 60 per

cent have underperformed the FTSE 100 this year. Marks & Spencer, with four women on the board, underperformed by 19 per cent. BAA, with three women, underperformed by 14 per cent.

Companies at the bottom of the Cranfield index, with a woeful lack of female representation on their boards, have generally outperformed the index since the start of the year.

The Times – November 11th 2003

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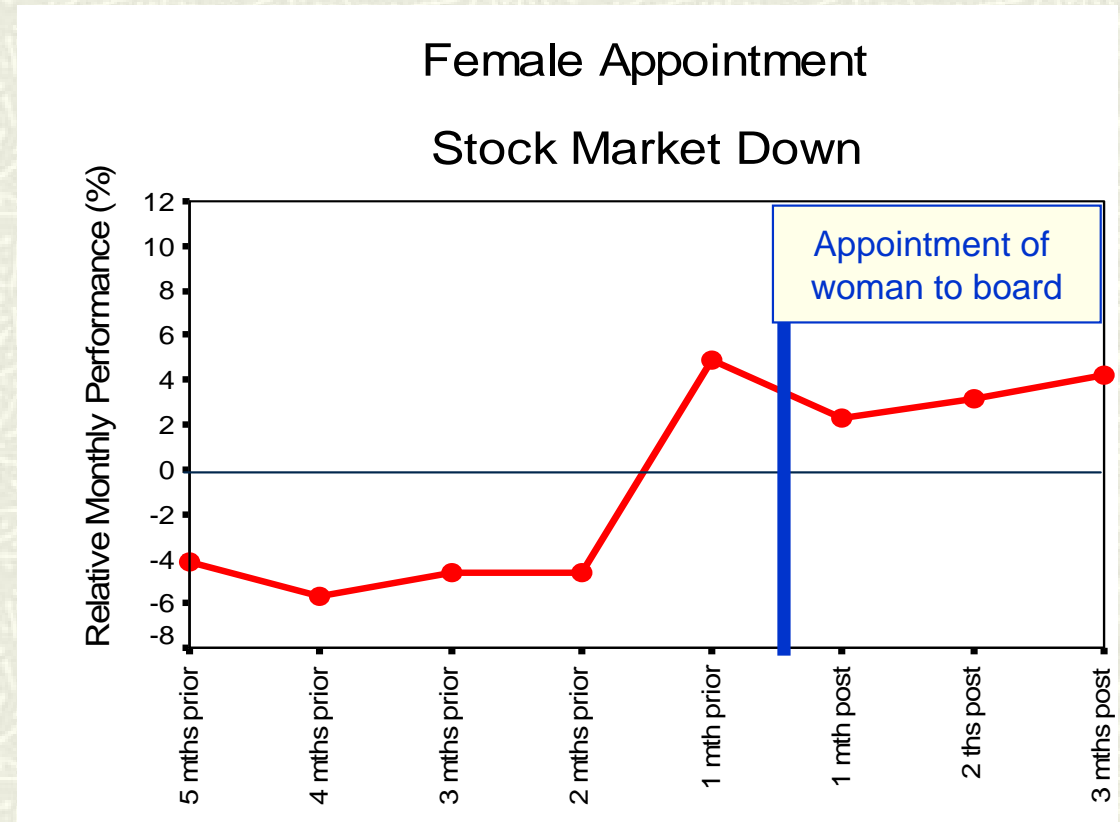
- # Cranfield Index ranking FTSE 100 companies: Percentage of women on their boards of directors
 - # 4 of the top 5 companies have underperformed
 - # The bottom 5 companies all outperformed
 - # **‘Corporate Britain may well be better off without women on the board’**
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Problems with this Analysis

- # Crude measures of women in leadership and performance
 - # Does not take into account:
 - changes in the number of women
 - date of appointment
 - length of service
 - fluctuations in performance over time
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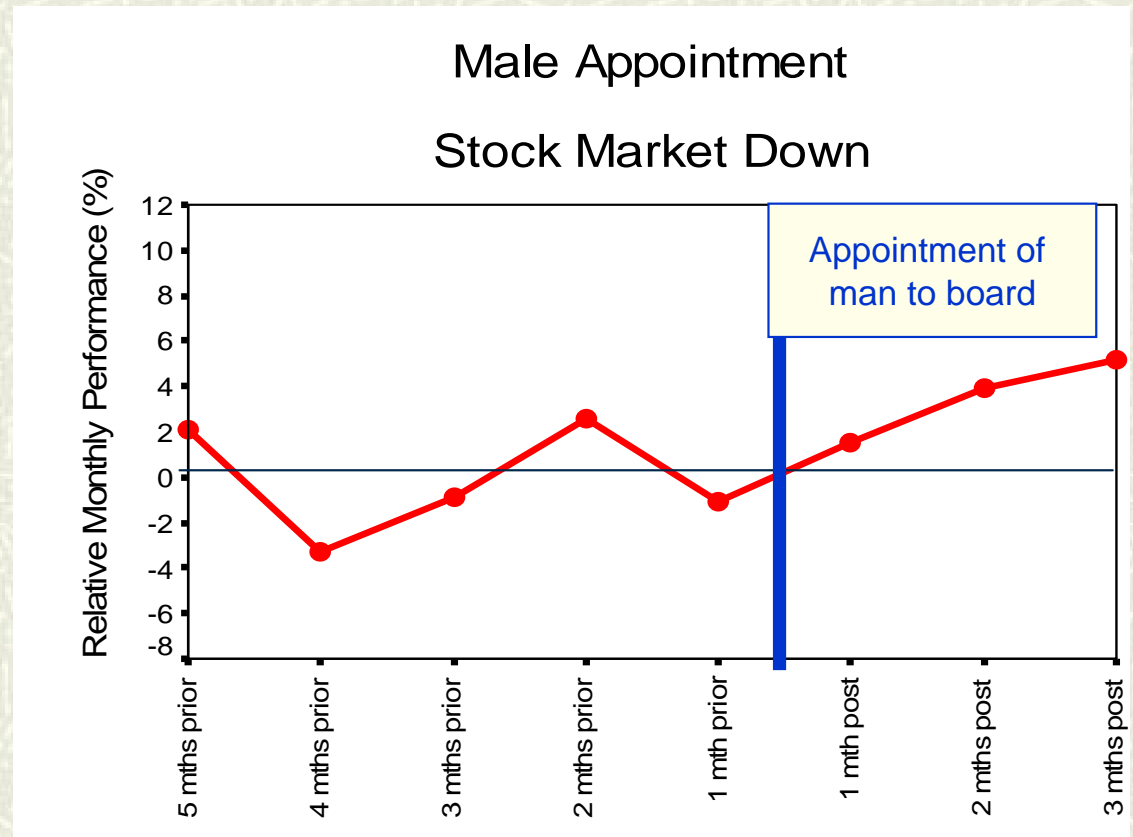
Archival Study: Ryan & Haslam, 2004

- Reverse the causal sequencing
- A company's poor performance could trigger the appointment of a woman to the board



Archival Study: Ryan & Haslam, 2004

- Reverse the causal sequencing
- A company's poor performance could trigger the appointment of a woman to the board



Archival Study: Summary

- # Contrary to the *Times*, the appointment of a woman to the board of directors was not associated with a subsequent drop in company performance
 - # In a time of a general financial downturn in the stock market, companies that appointed a woman had experienced consistently poor performance in the months preceding the appointment.
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Archival Study: Conclusions

Extending the metaphor of the 'glass ceiling', we argue that women are more likely than men to confront a '**glass cliff**', such that their leadership appointments are more likely to be made in problematic organizational circumstances and are thus more precarious

Anecdotal Evidence

“I was appointed to a position that sought to change the business focus. This had been declined by three male colleagues in my peer group on the management board. I was not told this. When I expressed reservations about the viability in the timeframe given, I was told I always produced the results and nothing else was coming up so I would have to do it for the company. At the end of 12 months my reservations were shown to be accurate. The company decided to abandon the plans and I was given another equally risky project which I refused. I was made redundant in three weeks. Four other male colleagues who also refused the ‘offer’ were not.”

Female Executive, 45

Evidence from Other Domains

In politics:

- Canada — Kim Campbell, Prime Minister
 - Australia — Joan Kirner (VIC)
Carmen Lawrence (WA), State Premiers
- All appointed mid-term, post-crisis



PM four months



Premier 3 yrs



Premier 2 yrs

Understanding Glass Cliffs

Archival research is limited:

- # Issues of **causality** (perhaps women choose difficult positions?)
 - # Issues of **process** (what's really going on?)
 - # For this reason, we have adopted a **multi-method approach** to tackling these research questions
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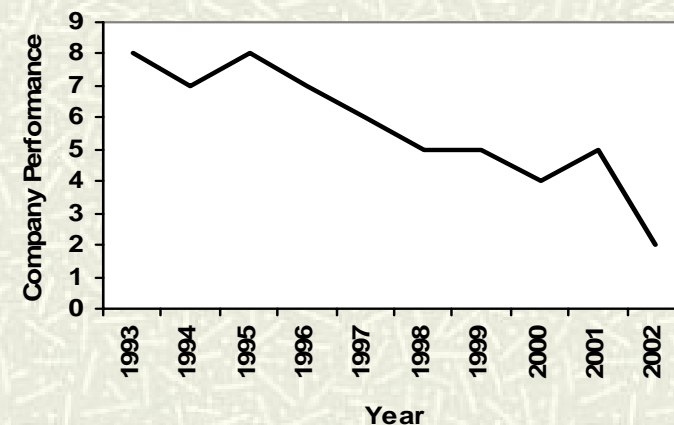
Music Festival Study

Is there any evidence that women are preferentially selected for challenging leadership positions?

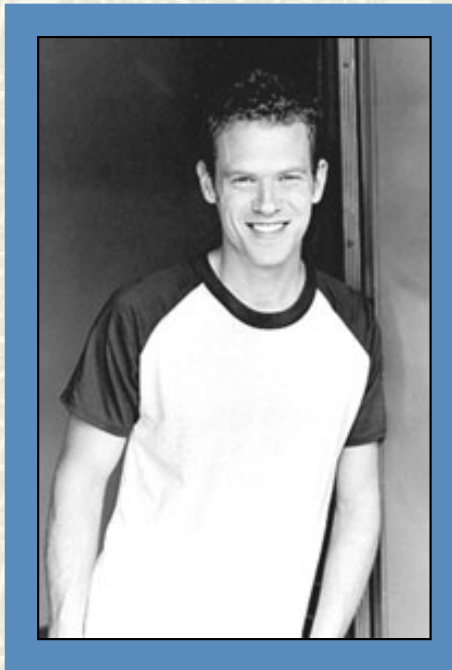
To answer this question we conducted **experimental research**

(Ryan & Haslam, 2004)

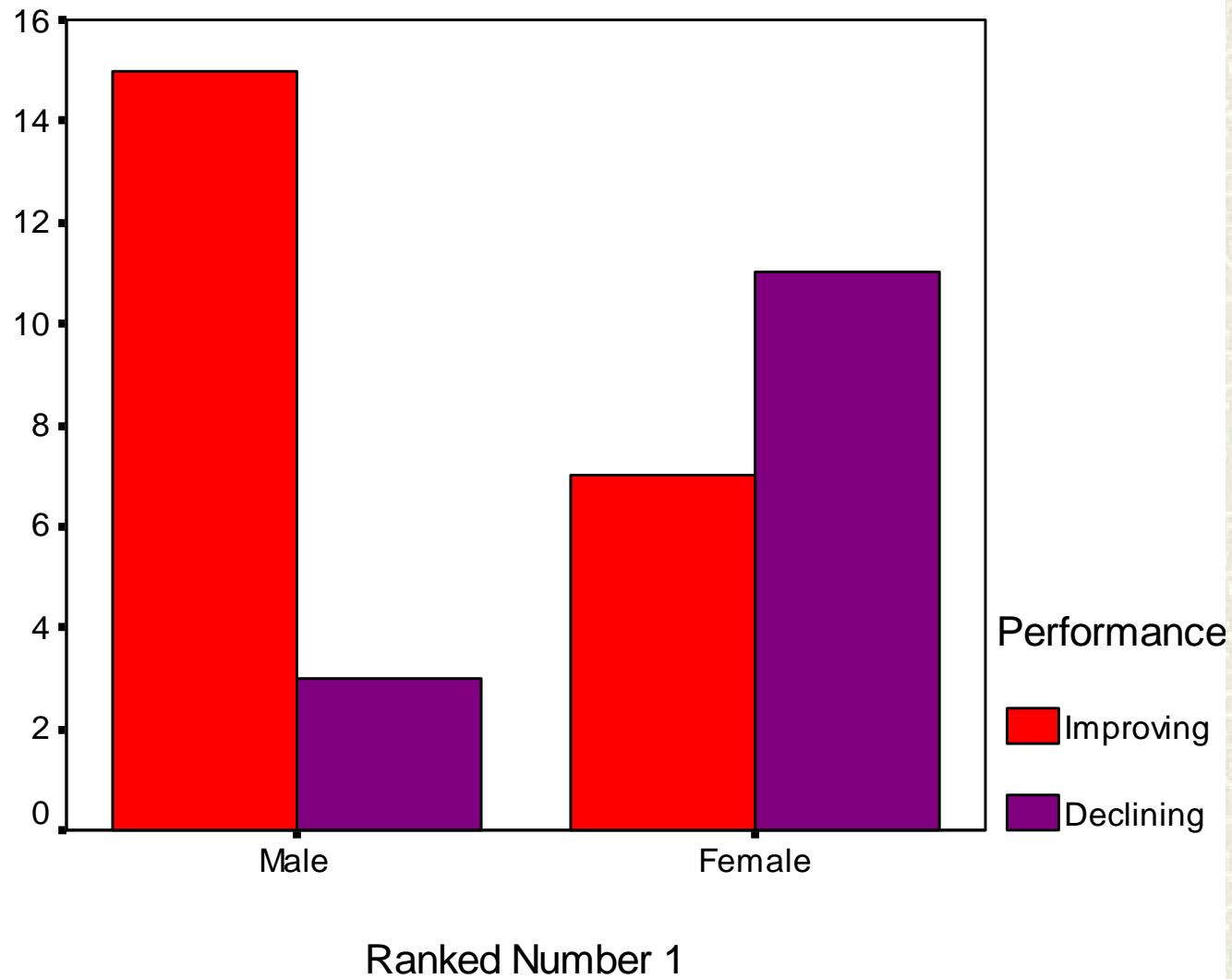
High-school students asked to select a candidate for a youth representative position for a music festival doing **well** or doing **badly**.



The Candidates



Ranking of Candidates



Anecdotal Evidence

- # Positions on glass cliffs are potentially dangerous: Bad performance is bound to attract scrutiny and explanations are likely to focus on the individual abilities of the leaders

(Meindl, 1993; Haslam et al, 2001)

- # *'[I was] promoted to manager at a time when failure of the company was inevitable. In my estimation I needed 6 months to put new practices in place and put the company on an even keel — I was made redundant after three and a half months.'*

Female Professional, 35

WH Smith in £100m record loss

'Ugly' figures put Swann's plan in spotlight

by Richard Wachman
City Editor

WH SMITH, the high street retailer, will this week report the worst set of figures in its 200-year history when it unveils losses of more than £100m. The dividend is expected to be slashed by about 30 per cent and like-for-like sales in the last few months are forecast to be in negative territory.

The poor financial performance will turn the spotlight on the recovery plan of new chief executive Kate Swann, who took over from Richard Handover, who became non-executive chairman and is expected to be replaced before Christmas. John von Sprecklesen, head of supermarkets group Somerfield, is among those on the shortlist.

'These will be ugly num-

bers for Smith and people will wonder if its out-of-date format is capable of long-term survival,' said one analyst.

Although the company will characterise its annual results as representing the nadir of Smith's fortunes, retailing experts wonder if WH Smith has a future. 'Swann can get operational improvements and boost margins, but what is this company all about?' said one.

WH Smith faces an uphill struggle to compete with the likes of Waterstones when it comes to selling books, while things like DVDs can be bought at specialists such as HMV. That leaves stationery and other household products, which can often be brought more cheaply at supermarkets.

One City retail expert said that there was a real possibil-

ity that WH Smith may not ever be able to compete effectively as Tesco becomes Britain's version of America's Wal-Mart. He explains: 'When Wal-Mart took over America, it was chains like Smith and Boots that went out of business. It could happen here.'

That said, many investors are prepared to give Swann the benefit of the doubt as she has been at the company less than a year. Shortly after she arrived, WH Smith found itself at the receiving end of a bid from Permira, the private equity group, which offered more than £900m. But a deal failed to materialise because Permira could not agree how to plug a pension deficit of nearly £200m.

Since then, the deficit has been reduced after WH Smith sold publishing arm Hodder Headline for £230m, but the



Executive grief: Kate Swann's chances of achieving her bonus windfall look remote.

transaction meant that the British company was forced to make a £50m writedown.

Swann, who stands to make £3.8m if she can get the share price up to 557p (against

336p on Friday) says she wants to improve the range of books and magazines on offer, as well as add value.

But the big test for Swann will be Christmas, when the

company will be under pressure to improve after a disappointing festive season in 2003. Failure will almost certainly spark renewed interest from venture capitalists.

Anecdotal Evidence

- # Glass cliff positions needn't necessarily lead to failure
- # Indeed they may be seen as an opportunity. Some even strategically seek them out:
- # *'I am a geologist and I have always had great difficulty getting jobs in mining. I have found that picking and accepting glass cliff situations has helped me to get jobs.... I have proved that I can and as a consequence I now charge accordingly.'*

Female Professional, 48

Understanding Process

Likely to be multiple processes at work

- # Group dynamics: Sexism, ingroup favouritism
(Female leaders may not be seen as 'one of us')
 - # Socio-structural factors: Signalling change, availability and opportunity (Do women have enough options?)
 - # Implicit leadership theories: Gender stereotypes, expectations (Think manager – Think male)
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Anecdotal Evidence

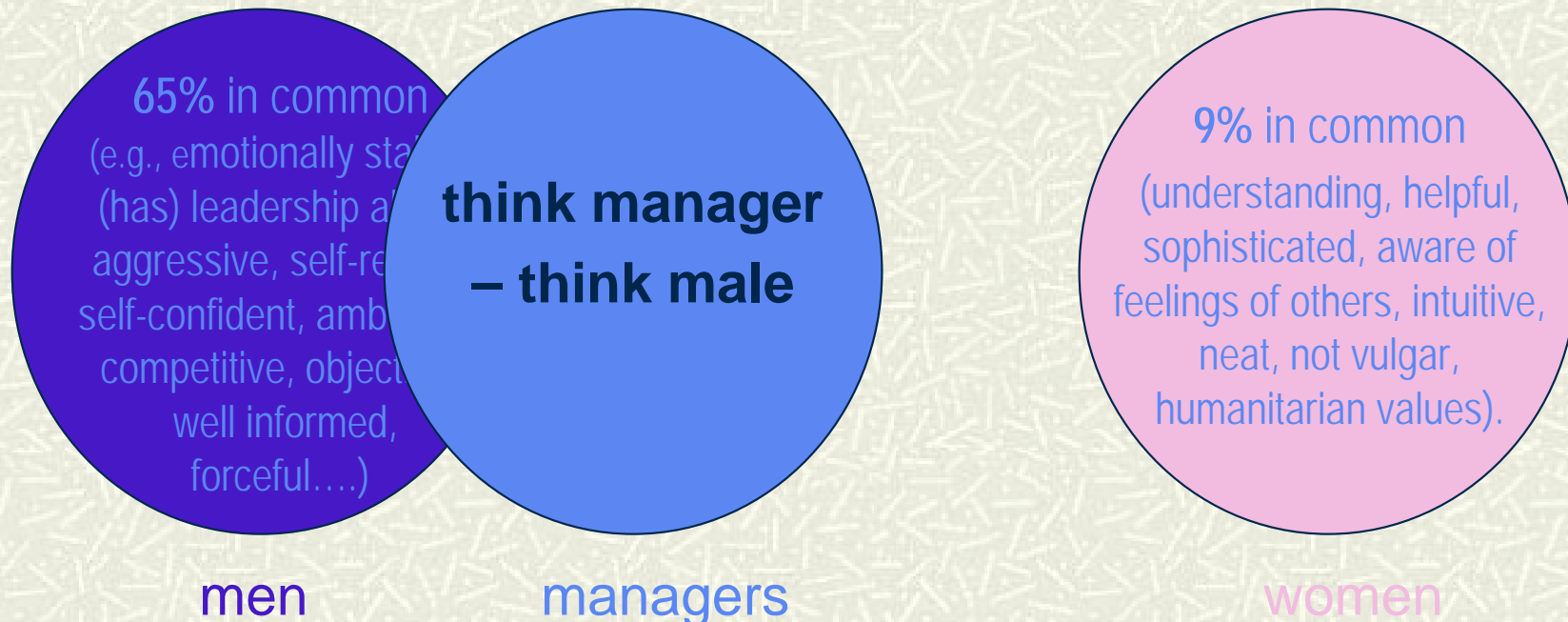
'I have been assigned projects which are failing with the belief that I can rescue these. The factors for the belief in my ability include that I am a woman and that this gives me some sort of advantage.'

Female Middle Manager, 35

Understanding Process

Think manager – think male (Schein, 1973)

Traits shared by managers and (a) men and (b) women



This may hold for 'normal' contexts but what about **abnormal** ones?

What happens when an organization is in crisis?

Understanding Process

Could there be a different heuristic for managers of a crisis?

Think crisis – think female

Ryan, Haslam, Bongiorno, & Buisman (2004, Study 1)



Overall Conclusions

- # Questions the rather simplistic assumption that women leaders are responsible for poor company performance
 - # Points to the need to take account of situational factors and stereotypes when examining organizational and leadership outcomes
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Overall Conclusions

- # Women are more likely to be placed on a '**glass cliff**', in the sense that they are appointed to leadership positions under problematic organizational circumstances that are associated with greater risk of failure and criticism.
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Overall Conclusions

The Poisoned Chalice

- Simply giving women the *opportunity* to be leaders is not the same thing as enacting *equal opportunity* if those positions do not carry the same chance of success. And opening up the game to women does not necessarily make the playing field any more level.
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Thank You!

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