



# **APPOINTING A FEMALE CEO AS A BUSINESS STRATEGY**

**A Moderated Mediation Model**

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## EXECUTIVE SUMMARY

This research aims to find out if there are significant variables that influence the specific choice of appointing a female CEO over a male CEO as a business strategy.

Women often find themselves on a “glass cliff”. This metaphor sketches conditions under which women are more likely to be appointed to an upper management function. Literature indicates that women are more likely to be appointed to functions with greater risk of failure. The reasoning behind this is that it is generally believed that women have a better crisis management: multitasking, empathy and problem solving skills. Looking at this phenomenon from the companies’ side, they benefit from the glass cliff by using the appointment of a female CEO as business strategy to signal positive change to their stakeholders. Interesting is that there is no literature on this. Moreover, the level of visibility of a company has also not been taken into account when examining the circumstances of appointing a female CEO. Therefore, this paper aims to provide a deeper understanding of this phenomenon and a new perspective on the circumstances in which the glass cliff emerges. The moderated mediation model that this paper examines consists out of a dependent variable *performance* that includes the stages *successful, crisis and severe crisis*; an independent variable *appointment of a female CEO*; a mediating variable *business strategy*; and a moderating variable *visibility*.

The present research was conducted with an online quantitative survey. The sample group, consisting out of 162 participants, helped to find predictors that are important for the appointment of a female CEO. The first test suggested that there is no difference of variance in the performance levels crisis and severe crisis. In addition, the findings showed that the level of performance of a company has no direct effect on the appointment of a female CEO. However, the business strategy of company does have an impact on the appointment of a female CEO. Moreover, as business strategy was expected to be a mediating force, the performance of a company does have an indirect effect on the appointment of a female CEO. The level of visibility was expected to enhance the relationships mentioned above, however the impact of visibility is found to be insignificant. The results also demonstrated that age and gender have an impact on the appointment of a female CEO as well, as especially

females older than 20 years are more likely to select a female CEO over a male CEO.

The paper found some results that support literature, but the majority of results suggests the contrary. First, the findings of this paper support the relationship between a company's performance, business strategy and the appointment of a CEO. However, results showed that in times of distress, men are more likely to be appointed than women. Secondly, this paper tried to find a relationship between the level of visibility of a company and the model, but this relationship indicated insignificance. Lastly, this paper does not support the importance of gender stereotypes appointment of a male or female CEO. Instead, the findings indicate that the business strategy of an organization is the main catalyzer for appointment. Within this study, the glass cliff is suggested to be non-existent.

This paper's relevance goes out to managers in HR and board members especially, as the glass cliff is a phenomenon often seen within companies when appointing a new upper management. This research will give them more insight into present biases within the appointment of a new CEO under various forms of performance, business strategy and visibility. Moreover, it also provides insight into strategic decisions, as business strategy is expected to influence HR decisions.

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## 1. SETTING SCENE

*Daniel Akerson, CEO of General Motors, unexpectedly announced his early retirement in 2013 and on December 10<sup>th</sup> the board appointed Mary Barra as the first female CEO of General Motors (hereinafter referred to as GM). GM is one of the three biggest car manufacturers in the United States and operates on six continents. The company designs, manufactures and distributes vehicles, including Buick, Cadillac, Chevrolet and GMC. GM was founded in 1908 and has known four male CEOs until 2013 (CNN, 2015).*

*Barra had worked for the company since she was 18 years old and gained experience in each department of the company. As she was not considered a front-runner for the position, her appointment was a complete surprise. In a press release, GM stated that Barra was considered “a leader in the company’s ongoing turnaround, revitalizing GM’s product development process resulting in the launch of critically acclaimed new products while delivering record product quality ratings and higher customer satisfaction” (General Motors, 2013). Barra had cracked the glass ceiling.*

*A couple of weeks after Barra’s appointment, GM revealed troubling information related to the design of the ignition switch for cars made between 2003-2007. A recall of 1.3 million cars (CNN, 2015) was organized on February 7<sup>th</sup> 2014, as the problem linked to 13 deaths. Barra argued that she had no knowledge of these problems before she was selected as the new CEO of GM, which suggests that important information was not shared with her.*

*Whether she was intentionally or unintentionally set up to be appointed at that time, this situation seems to indicate that women are more likely to be selected in a moment of crisis. Others within GM knew about the faulty ignition switches since 2001 (Wallace, 2014) and when customers filed complaints GM must have known what was coming. Barra was not considered a front-runner in the run for CEO and did not expect to be selected nor did GM declare any clear reasons for choosing her over the other applicants, so it looks like Barra had hit the glass cliff (Colby, 2015).*



As illustrated by the case above, it is not strange to consider that firms benefit from the glass cliff phenomenon. By selecting a female CEO in times of crisis, where they had a male CEO before, the company signals it wants to make a change. Moreover, a highly visible or well-known company such as GM may be more willing to appoint a female CEO; hereby moderating the relationship between a company's performance and its business strategy. This paper will look deeper into the circumstances under which the glass cliff phenomenon emerges.

Companies benefit from the glass cliff by using the appointment of a female CEO as business strategy to signal positive change to their stakeholders. Interesting is that there is no literature or research on this issue. Moreover, the level of visibility of a company has also not been taken into account when examining the circumstances of appointing a female CEO. As this paper aims to provide a complete picture of the circumstances in which the glass cliff emerges, it will examine the relationships between the performance of a company, its business strategy, the level of visibility and the appointment of a female CEO. With this research, it will introduce new variables and new relationships on which other studies can build. The present research conducted an online quantitative survey, which helped to find predictors that are important to identify the circumstances in which the glass cliff emerges. By looking at new variables, such as a company's strategy and the level of visibility this paper hopes to fill the gap in literature.

This paper's relevance goes out to managers in HR and board members especially, as the glass cliff is a phenomenon often seen within companies when appointing a new upper management. This research will give them more insight into present biases within the appointment of a new CEO under various forms of performance, business strategy and visibility. It also provides insight into strategic decisions, as business strategy is expected to influence HR decisions. Moreover, this paper also serves as a new foundation for future studies as new variables will be tested.

## 2. LITERATURE REVIEW

As to understand where the glass ceiling and glass cliff come from, theoretical foundation is provided in the sections below. Firstly, the glass ceiling and glass cliff will be scrutinized with the help of literature. Secondly, arguments will be developed and explained on which this paper will build its research. This section aims to provide a theoretical background and a new perspective together with new predictors on the glass cliff phenomenon.

### 2.1 Glass Ceiling

The term “glass ceiling” was first used in 1984, to refer to gender inequality in upper management (Bruckmuller, Ryan, Rink, & Haslam, 2014). This inequality had to do with the fact that it was significantly more difficult for women to obtain a top management function due to invisible (glass), yet actual barriers (ceiling).

According to the ANP (2012) the number of women with top functions slowly increased in the Netherlands during the years 2011-2012; on average the number grew from 17.8% to 18.5%. However, most women with an upper management function were positioned in employment organizations, catering services, commerce organizations and health institutions.

In 2012, the CBS (2014) stated that increasingly more women choose a technical education but that regardless of this increase, women are still discriminated in salary. In 2012 women only earned 80% of the salary of men. Fortune (Giang, 2015) argued that women are being discriminated on salary in the tech industry especially. It has been argued that women are paid less, overlooked for opportunities and not considered for promotions. Due to such developments Europe created programs for promoting gender equality (Reding, 2012). Several EU laws reduced sex discrimination and encouraged women to pursue higher education. Consequently, the employment rate increased throughout the years 1997-2012 from 55% to 62%.

However, this did not solve the glass ceiling phenomenon. In 2012 still only 13.7% of board members were female (Reding, 2012). Belgium, France, Italy, the Netherlands, Spain, Portugal, Denmark, Finland, Greece, Austria and Slovenia decided to tackle this issue and introduced several rules to improve the number of

women on boards. However, this approach will not be sufficient on international level, as companies need a clear legal framework to comply to. For multinational companies, this is of major importance. Different values across countries may work as a disadvantage for their organisational structure.

Over the past few decades, women gradually succeeded in breaking through the glass ceiling. This is visible through the following aspects: women are graduating at equal or higher rates than men. And more companies try to eliminate biases and encourage women's participation with diversity and inclusion programs.

It is a fact that women hold more governmental roles today. In the United States 26.3% of all governmental functions are held by women, followed by Europe with 23.8% (Walton, 2015). However, improvement is not yet visible in every industry. In the corporate world, progress of women obtaining upper management functions is still disappointing. According to the Catalyst report (2014), only 19.2% of 500 companies have women on their board in the United States. This number is even lower in European countries: 7.9% in Portugal, 18.5% in Germany and 21% in The Netherlands. Scandinavian countries contain the top scores with over 30%. Asia contains the lowest numbers, the lowest being 3.1% in Japan. Moreover, a recent study by TUC (2013) argues that fulltime working women on average still earn 5000 pounds a year less than men.

It seems clear that women are still facing a glass ceiling, but the opinions on this issue are divided. A survey conducted by the Institute of Leadership and Management (ILM) found that 62% of the interviewed men believe that there is no glass ceiling (Snowdon, 2011). This raises the question of how many people are actually aware of the situation and how much progress society has actually made so far.

Not only has it been argued that difficult for women to obtain an upper management function, evidence also suggests that women's performance is evaluated less positively within those functions compared to men's performance. A recent PWC study (Favario, Karlsson, & Neilson, 2014) found that female CEOs are fired more often (38%) than male CEOs (27%). The numbers do not add up here: how is it possible that with so few female CEOs, they are fired far more often than male CEOs?

## 2.2 Glass Cliff

Women, who finally break through the glass ceiling, often find themselves on a “glass cliff”. This metaphor sketches conditions under which women are more likely to be appointed to an upper management function. Ryan & Haslam (2011) found that women are more likely to be appointed to functions with greater risk of failure. For example, women have a bigger chance of being appointed when organizations are in crisis or distress. It is generally believed that women have a better crisis management: multitasking, empathy and problem solving skills (Kim, 2014). Harvard (2011) conducted two studies to research this phenomenon. The first experiment indicated that as long as a company with a male CEO performs well, there is no need to change leadership. However, if male leaders have brought the company within distress or crisis, a switch to female leadership is preferred. The second experiment also suggested that when a company is successful, male leaders are more likely to be appointed whereas for a company in distress it is generally believed that female skills are needed to succeed in making the company successful again.

## 2.3 Scrutinizing the Glass Ceiling and Glass Cliff in the Netherlands

Women are strongly underrepresented in the corporate sector in the Netherlands. The percentage of women in top functions is significantly lower than 10%, according to Kroes & Mees (N.D.). Research organization VNO-NCW (2015) also argued that the growth of the amount of women in top functions needs to accelerate faster. Nowadays over 30% of studied companies have no women in its executive board. In contrast, women are better represented within the supervisory board where over 19% is female (Dohmen, 2014). Unilever has the most women in a top function (5 out of 13), but they are all auditors and not executives (see Appendix A, 5). To encourage companies to hire more women over 900 suitable women have been recorded in a database (Topvrouwen.nl), according to chairman Hans de Boer. Why have they not been placed yet?

### 2.3.1 Gender Quota 2016

The Netherlands set a quota to encourage gender equality in top functions: 30% of the functions within the executive board and supervisory board need to be filled with women by the 1<sup>st</sup> of January 2016. None of the corporates meets this number yet, but AkzoNobel, PostNL and Delta Lloyd come closest. They have 50% female

executives and somewhat below 30% supervisors (Couwenbergh, 2015; NOS, 2015; Nu, 2015). Corporates do not receive a fine when they cannot obtain the quota of 30%, but they do have to report why the number could not be achieved and what they will do to change that (NOS, 2015). VARA (2014) argues that a lot of corporates are not aware of this quota and are therefore not actively looking for female executives or auditors. The numbers for the amount of female executives and supervisors has been growing for the past 10 years (Couwenbergh, 2015). The proportion of female supervisors has grown with 15% to 20% in 2015, whereas the proportion of female executives grew only with 5% to 8% in 2015 (see Appendix A, 6). According to the NRCQ (Dohmen, 2014) it will take until 2033 before the quota will be achieved with regard to female executives. With regard to the 30% female supervisors, the quota is expected to be achieved only in 2022.

To obtain a better understanding of the glass cliff phenomenon and especially the circumstances in which it emerges, this paper will research various aspects of the glass cliff. These aspects are believed to be most relevant when looking into the circumstances in which the glass cliff emerges.

#### 2.4 Glass Cliff: Performance

The performance of a company has been claimed to be one of the main aspects of the glass cliff phenomenon. Bruckmuller et al. (2014) provided more insight into the circumstances under which women and men are appointed to upper management functions. In their research they compared all FTSE 100 companies that had appointed a woman to a board function in 2003 to a matched sample of companies that appointed a man. They concluded that companies that appointed a man had a relatively stable performance over the year 2003, whereas companies that appointed a woman had performances that were either dropping or fluctuating. Women were thus more likely to be appointed when a company was in distress. Ryan & Haslam (2005, as cited in Bruckmuller et al., 2014) referred to this issue as the “glass cliff” as women would incur top positions with a lot of uncertainty.

It has been assumed that female leaders signal change to stakeholders, especially when companies find themselves in distress. More specifically, if a current CEO is male and the company's performance drops, an organization might want to change

its model of leadership (Bruckmuller et al., 2014) and thus appoint a female to replace the – previous – male. Furthermore, most companies still have never had a female CEO and thus might be willing to give them a shot when a company needs to make big changes. Argued by several papers (Ryan et al., 2009; Ryan & Haslam, 2007; Bruckmuller & Branscombe, 2010) companies favor a male leader in a context of success due to the fact that they “think manager-think male”, whereas they prefer a female leader in times of crisis or distress due to “think crisis-think female” beliefs.

Many studies support the relationship between a company’s performance and the appointment of a CEO. A company with a low performance is more likely to appoint a female CEO, whereas a company with a high performance is more likely to select a male CEO. All studies differentiate between the conditions success and crisis, but do not differentiate between crisis and severe crisis. In addition, it has been suggested that the strategy of a company also effects the appointment, but research on this relationship has not been conducted yet.

### 2.5 Glass Cliff: Business Strategy

The business strategy of a company is expected to play a role in the appointment of a male or female CEO as well, since company’s will then be able to signal positive change to their stakeholders. Nowadays, women are underrepresented in board positions, whereas diversity in the board has been argued to positively influence the corporate reputation of a company. Andringa & Engstrom and Carver (1998; 2002, as cited by Van Der Walt & Ingley, 2003) argue that diversity in the board is important in order to set up a board of quality. Diversity within the board shows that the company represents all diversities present within the company. The author highlights that one member of each minority should have a seat in the board to achieve this. Burke (2002, as cited by Van Der Walt & Ingley, 2003) disagrees with the latter by stating that diversity should not be included in the form of a presence of all minorities, but rather a contribution based on value. Both views, however, argue that women should be able to improve their presence in the board. Burke (2000, as cited by Van Der Walt & Ingley, 2003) highlights that there are not enough qualified male CEOs to fill all positions in the market. Due to the high demand for male CEOs, the supply declines and the available pool of candidates shrinks. Therefore, female CEOs

should be given a chance to prove themselves and companies should lose the traditional way of recruitment.

Bilimoria & Wheeler (2000, as cited by Van Der Walt & Ingley, 2003) state that research has implied that anxiety is associated with and by women board members. "While many women board members view themselves as directors and not women directors, many believe that an important reason they were recruited is because they are women and therefore add a different perspective to board process and decision-making" argued Bilimoria & Wheeler (2000, p. 139 as cited by Van Der Walt & Ingley, 2003). Professor Dhir identified seven consequences of gender-based heterogeneity in the board (Liswood, 2015): enhanced dialogue, better decision making, more effective risk and crisis management, better quality of monitoring management, better environment and culture, more systematic board work and positive changes in men's behavior.

Agency theory provides theoretical foundations for how diversity within boards influences a company's corporate reputation (Bear, Rahman & Post, 2010). The theory offers a foundation for how a board should monitor its management on behalf of the stakeholders. Board members should have great human capital resources, which includes the expertise of insiders, business experts, legal specialists and people that have relationships with external stakeholders, the government and local communities. This diverse group would then be able to effectively address problems (Bantal & Jackson, 1989; Joshi & Roh, 2009 as cited by Bear, Rahman & Post, 2010) and solve them using all knowledge available. The number of women on the board has a positive impact on corporate reputation and stakeholder representation. According to Hillman et al. (2002 as cited by Bear, Rahman & Post, 2010) female board members are more likely to have expert backgrounds and to provide different perspectives. In addition, females within a board take the corporate social responsibility more into account than male board members. Diverse boards, including females, are proven to have a positive impact on a company's corporate reputation and stakeholder representation. The signaling theory adds to the agency theory, as it further discusses the relationship between the gender of board positions and corporate reputation towards a company's stakeholders (Hillman & Dalziel, 2003 as cited by Bear, Rahman & Post, 2010). Signaling proposes that parties communicate relevant, observable information that is meaningful to the other party. For example,

appointing women as board members may signal that the company is paying attention to minorities. This, in turn, shows that the company is socially responsible. An analysis of the annual reports of Fortune 500 companies showed that companies with a high level of females on the board are more likely to display pictures of them within their report. In addition, evidence suggests that the same companies were more likely to appear on “World’s Most Ethical Company” list (Bernardi et al., 2009 as cited by Bear, Rahman & Post, 2010).

Most literature points out that companies use the appointment of women to their advantage in various ways, but mainly to signal change to their stakeholders. Again, this relationship has not been tested. However, it seems that business strategy could be one of the main catalyzers of the glass cliff. This research will therefore include the business strategy as a mediating force between the performance level of a company and the appointment of a female CEO.

#### 2.6 Glass Cliff: Visibility

Research suggests that women are most likely to be appointed when they work for large organizations, as they provide women more visibility and credible executive roles (Tarenou, 2000 as cited by Van Der Walt & Ingley, 2003). This leads to a great knowledge and experience that is needed for board chairs or CEO positions. Women on the board can then serve as role model for other women as they show that the glass ceiling and glass cliff cannot stop them from obtaining upper management functions (Van Der Walt & Ingley, 2003). Firms with a high percentage of women with an upper management function create the same value as firms with men within those functions. However, given the glass ceiling and glass cliff phenomena the latter provides suggest that even though women have a significantly harder time than men to be appointed, they perform the same (Francoeur, Labelle, & Sinclair-Desgagne, 2008).

A reason for the fact that women are most likely to be appointed for top management positions within large companies that are often covered by media is because the firm used the appointment as business strategy to signal positive change towards its stakeholders. This hypothesis has not been tested yet nor can any literature be found



on the influence of a firm's visibility on the relationship between a company's performance and the appointment of a female CEO.

### 2.7 Glass Cliff: Appointment

The final aspect of the glass cliff is the appointment of a male or female CEO. As argued before, the performance of a company together with a company's business strategy and visibility are expected to predict the appointment of a female or male CEO. However, gender stereotypes are also assumed to play a role. Results from a study conducted by Ryan et al. (2007, as cited in Bruckmuller et al., 2014) presented that stereotypes are perceived to be one of the main catalysts of the glass cliff. Literature suggests that women are more likely to be appointed as they are perceived to be more competent in tackling crises. The most dominant gender stereotypes (Bruckmuller et al., 2014; Sabharwal, 2013) describe women as communal (empathic and affectionate), whereas men are described as agentic (assertive and independent). Since leadership qualities overlap most with those of men they are perceived to be a better fit than women, which is called the social role theory. Sabharwal (2013) argued that social psychologists studied expected traits of males, females and leaders and concluded that leadership itself is mostly associated with males (Croson & Gneezy, 2009; Vinkenburg et al., 2011, as cited in Sabharwal, 2013). A similar study conducted by Ryan et al. (2011, as cited in Bruckmuller, 2014) showed that participants preferred female traits over male traits when the leader is expected to endure a crisis, to take responsibility for the company's failure and to manage employees through the crisis. In another research, conducted by Schein (1973, as cited in Ryan et al., 2011), participants were asked to assess 92 characteristics for both males and females. This research presented that women were less likely to possess characteristics that are associated with success in managerial positions. Moreover, only 8 of the 92 descriptions were seen as shared characteristics of managers and women, including being understanding, helpful and empathic.

Whereas most literature argues that external factors are the reason for the appointment of women over men, Sandberg (2010), COO of Facebook, gave a TED talk with regard to changes that women should make individually to be able to obtain a top management function. According to her, women should begin with putting

themselves out there. According to Sandberg (2010), women tend to underestimate themselves too much. Studies showed that men and women, when asked for their GPA, differ in answering. Males tend to expect their GPA to be higher, whereas females expect it to be lower. In addition, she argues that women have to negotiate more. Research showed that 75% of men negotiate their first salary and only 7% of women. Sandberg (2010) also argued that the moment that women start to think about starting a family, even though it might still be far away, they give up on career opportunities. She concludes by stating that women lack ambition at this moment and should think about these changes to improve their career.

### 2.6.1 Women and Ambition

Van Ommeren & De Visser (2010) argue that women in the Netherlands are used to working only three days a week, whereas men work fulltime. In most debates (Van Ommeren & De Visser, 2010) there is one explanation for the division in working roles of men and women: ambition. Ambition has been defined as *pursuing personal goals* (Research voor Beleid, as cited by Van Ommeren & De Visser, 2010), in which there are two main sorts: 1) intrinsic, where one pursues horizontal growth in work, personal development and adding to society; and 2) extrinsic, pursuing vertical growth in salary, promotion and status. It is often suggested that women are simply less ambitious than men (Scheepbouwer, 2004 as cited by Vizija, N.D.).

Ad Scheepbouwer, top manager at KPN, claims that women have to become a lot more ambitious to growth vertically, "they are too soft" (Dresselhuys, 2004). During his time at KPN, he offered a part-time top position to two women who both rejected. Scheepbouwer (Nobis, 2007) claims this was because of their lack of ambition but the two women argue differently. One stated that she liked her job at the time better than the position offered and the other accepted a different top position at KPN. However, both women admit that they would have accepted the position if they did not have children. Stellinga (2009) also argued that women are less interested in vertical growth, and conducted research to support this. Various other studies (Van Ommeren & De Visser, 2010; & Samhoud Women, 2009 as cited by Vizija, N.D.; Radboud Universiteit Nijmegen, 2009 as cited by Vizija, N.D.) suggested the contrary: the differences in ambition between men and women are not statistically significant. In addition, research (Van Ommeren & De Visser, 2010; Dresselhuys,

2004; Petronia, 2008) also stated that it is not always easy for women to growth vertically, as the traditional breadwinner model still seems to play a big role: men and women both feel responsible for the family, but for women this responsibility often comes down to the care side and for men to the income side. Nowadays, 75% of the females that are part of the working population work part-time, whereas only 25% of men work part-time (CBS, 2015). Part-timers work less in management positions than full-timers, explaining the low amount of female managers. Mothers of young children often work part-time, whereas fathers work full-time. The lower proportion of female management therefore depends on the presence of young children. However, mothers who do work full-time are almost as often managers compared to fathers. More details on the proportions of male and female managers can be found in Appendix A, figure 7.

Based on the theoretical foundation provided above, this paper will focus on the glass cliff with the following aspects: a company's performance, business strategy, visibility, and characteristics of a CEO to assess the appointment of a female CEO. The aim of this paper is to provide a deeper understanding of the glass cliff and to study the circumstances in which the glass cliff emerges.

### 3. THE PRESENT RESEARCH

The present research focuses on finding out under which circumstances the glass cliff emerges by looking at a company's performance, business strategy, visibility and ideal characteristics of a CEO. Literature tested the relationship between performance and appointment in the USA, but this study would like to investigate this relationship in the Netherlands. Europe is argued to be one of the most gender-equal continents, and the Netherlands is ranked no. 14 in overview of most gender-equal countries (World Economic Forum, 2014).

First of all, this paper will look at the effect of the performance of a company on the appointment of a female CEO. According to literature, a female is more likely to be appointed in times of distress. Distress was defined as a company being in crisis, however companies can also be situated in a severe crisis or close to bankruptcy. Therefore, it will be tested whether respondents perceive a difference between a company situated in a crisis and a company situated in a severe crisis. Secondly, a company's performance is expected to predict the appointment of a female CEO. However, this paper argues that the business strategy of a company also plays a role in the appointment of a female CEO. Therefore, we expect no direct relationship between a company's performance and the appointment of a CEO, but rather an indirect relationship with business strategy as mediator.

*H1: There is a difference in variance between the performance levels crisis and severe crisis on the appointment of a female CEO;*

According to Gilbert & Eyring (2010) innovation or change always goes together with risk. This refers back to the glass cliff, which presumes that female CEOs are more likely to be appointed in times of crisis. Therefore, this study argues that when the performance equals a crisis or severe crisis, there is a high need for change and thus a need for better risk management. In addition, due to the high need for change in business strategy, it is more likely that a female CEO will be appointed. The variable business strategy is thus argued to be a mediating force between performance and appointment. However, for business strategy to be a mediating force there has to be a relationship between a company's performance and its business strategy. In

addition, there also has to be a relationship between a company's business strategy and the appointment of a female CEO. If those two exist, we will be able to test the indirect relationship between the performance of a company and the appointment of a female CEO through a company's business strategy.

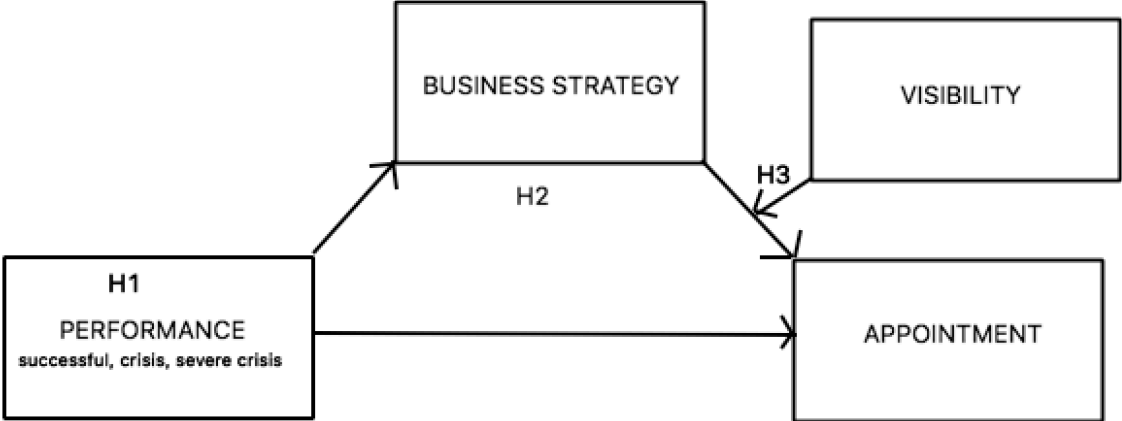
*H2: There is a positive mediating effect of business strategy on the relationship between the performance of a company and the appointment of a female CEO;*

This study would also like to investigate the effect of the level of visibility of a company on the appointment of a female CEO. The level of visibility is not expected to have a direct relationship, nor a mediating one. According to literature, visibility is expected to affect the strength of the relationship between the business strategy of a company and the appointment of a female CEO. If a company has a high need to change its business strategy and a high visibility, the company is more likely to appoint a female CEO. To be able to test this, we hypothesize that a high visibility moderates the relationship between the business strategy of a company and the appointment of a female CEO.

*H3: A high visibility positively moderates the relationship between the business strategy of a company and the appointment of a female CEO;*

All the above leads to the dependent variable appointment, and finally a clear answer should be given to under which circumstances a female CEO is more likely to be appointed. This paper hypothesizes that there is no direct relationship between performance and appointment, but that performance can predict appointment through business strategy. Therefore, this paper argues that the chances of being appointed as a female CEO are significantly higher in highly visible and low performing companies with a high need for change.

Figure 1: Moderated Mediation Model with hypotheses



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## 4. METHODOLOGY

The methodology for this research consists of a quantitative online survey, which examined the perceived performance of a company, qualification of two job applicants of which one male and one female, the preferred appointment, CEO characteristics, the perception of women versus men and the role of women in corporate life.

### 4.1 Participants

To be able to obtain valuable responses the sample group consisted of HR professionals, auditors and board members and students. Each of those groups is valuable for a different reason. HR professionals contain knowledge about recruitment processes and competencies, auditors and board members have knowledge about the strategy for selection and students have basic knowledge about both fields. In addition, students are the future leaders so it is even more interesting to see how they feel about the issue. Even though the aim was to collect an equal number of male and female respondents, the total sample group consisted out of 91 females and 72 males.

### 4.2 Data Collection

Data was collected from June 2015 until November 2015 in the form of an online survey, set up with the help of the online survey tool Qualtrics. To be able to collect as many responses as possible, the survey was distributed on the following channels: Facebook and LinkedIn. Through contacts at work I was able to find valuable HR professionals and through an event of the NCD I got in contact with auditors and board members. In addition, respondents were asked to send the same research to their contacts as well, as to generate even more respondents and to get in better contact. The latter sampling method is called snowball sampling.

### 4.3 Materials and Procedure

Within the online survey, respondents started off by reading about the vacancy they needed to fill. In addition, each respondent was randomly assigned with one of the 12 articles that covered the level of the company's performance and visibility (see Appendix B). After reading the article respondents were asked to assess the

resumes of two candidates (1 male; 1 female) and select one that they thought suited best in the company's situation. Next, participants answered questions on the business strategy they thought the company should take, the ideal characteristics of a CEO, their perception of women versus men and women in corporate life. Last, respondents needed to provide demographic information and were probed for suspicion.

#### 4.4 Measures

*Performance.* Within the variable 'performance' there are three values: successful, crisis and severe crisis. If a company is successful, this means that they perform well on the stock market – people should buy stocks. In times of crisis a company is struggling with decreasing financial performance – people should hold stocks. Lastly, when a company finds itself in a severe crisis, its financial performance continuously decreasing and showing no sign of improvement – people should sell stocks. These three levels were integrated in various form of manipulation. Each respondent received one out of 12 random articles that contained information regarding the performance of the company (see Appendix B). Performance manipulations were integrated in the form of graphs and text. Harvard (Bruckmuller & Branscombe, 2011) also used the dimensions successful and crisis in their research. In the present study, the dimension severe crisis is added to see whether respondents perceive a clear difference between a company in crisis and a company in a severe crisis.

*Business strategy.* The variable business strategy tests whether respondents believe that the company should enhance change with a new CEO. The variable was tested with a Likert scale (5 points) on an ordinal level. Within the survey, respondents were asked to assess statements that had to do with the respondents' choice for a CEO and its effects on the company's stakeholders. The higher the score, the higher the need for a change in business strategy. This variable is relevant for this study, as this paper believes that business strategy is a mediating force between the performance of a company and the appointment of a female CEO. If there is a low performance, the need for change in business strategy is high and therefore it is more likely a female CEO will be appointed.

*Visibility.* This study wanted to investigate the effect of the level of visibility of a company on the relationship of performance and business strategy and the relationship of performance and appointment. The variable contains two values that



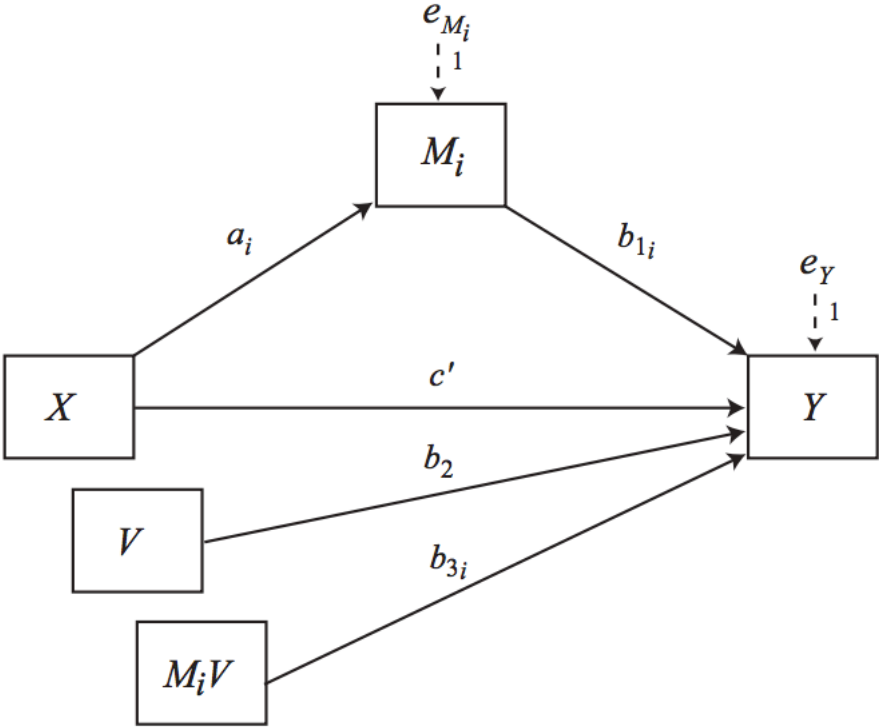
stand for the level of visibility: 0=low, 1=high. This variable is operationalized within the online article respondents had to read. The online article was either posted by the Wall Street Journal (high visibility) or NIS News Bulletin – Dutch news in English (low visibility). Each respondent received one out of 12 random articles that contained information regarding the company's level of visibility (see Appendix B). Manipulations were integrated in the form of pictures and text.

*Appointment.* The variable appointment is the dependent variable in this study. All tests should lead to a different effect on appointment. Within this variable, there are two values: 0=male, 1=female. Respondents were asked to assess a female and male applicant based on their resumes. After that, their thoughts on the applicants' suitability and abilities were tested. In the end, one out of the two candidates had to be chosen.

#### 4.5 Data Analyses

After the collection period data was exported from Qualtrics to SPSS. From there various tests could be conducted to examine whether assumed relationships are statistically significant. Those tests included running two models for logistic regression. The first model includes: independent variable – performance; dependent variable – business strategy; and moderator – visibility. The second model includes: independent variable – performance; dependent variable – appointment; mediator – business strategy; and moderator – visibility. Finally, the correlations between the 14 characteristics, appointment and business strategy were also tested to exclude any external factors. The following statistical relationship (see figure 2) is tested with help of add-on PROCESS in SPSS: Conditional indirect effect of X (performance) on Y (appointment) through M<sub>i</sub> (business strategy) =  $a_i(b1_i+b3_iV)$

Figure 2: Statistical Model: template model 14 (Hayes, 2015)



X=performance  
Mi=business strategy  
Y=appointment  
V=visibility  
MiV=business strategy\*visibility

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## 5. RESULTS

This section focuses on the results of the online survey and tries to find the relationships as they were hypothesized. The first part will provide descriptive statistics, after which the second part will focus on testing and explaining the regression model. Lastly, the relationships between characteristics, a company's business strategy and the appointment of a female CEO were examined.

### 5.1 Descriptive Statistics

The sample group consisted out of 162 respondents, of which 71 (44%) were male and 91 (56%) female. This ratio does not equal the Dutch working population, in which 49.5% is male and 50.5% female (CBS, 2014). Participants were also asked to share their age as to compare the sample to the Dutch population (table 1). The percentages of the sample and population do not match. This means that the final results of this study cannot be generalized to the Dutch population.

Table 1: Division of Age Groups

Age	% Sample	% Dutch population <sup>a</sup>
< 20	11%	23%
20-40	67%	26%
40-65	21%	36%
65-80	1%	14%
80 >	0%	1%
	100%	100%

<sup>a</sup>According to CBS (2014).

The table of correlations (see table 2) provides the mean, median, standard deviation and correlations between all 8 variables. The first four variables were used in the model and the others were used as control variables. The table shows that for most tests there is no correlation. This study expected performance and business strategy to be correlated, which is supported by the results ( $p < 0.01$ ). However, it seems that gender and age also have strong correlations with multiple variables. These correlations could impact the regression model later on. With regard to the relationship between gender and appointment, gender has a significant influence on

appointment. This relationship is only significant for when gender=female. Women seem to be 74.7% more likely to select a female CEO, whereas for men the likelihood of appointing a female or male CEO is close to each other. With regard to age, age group < 20 years seems to be more likely to select a male over a female CEO, whereas older groups are more likely to select a female over a male CEO.

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Table 2: Correlations

Measure	Mean	Median	SD	1	2	3	4	5	6	7
1. Performance (3 levels)		2.00	0.60	-						
2. Business Stra.	3.60		0.58	0.26**	-					
3. Visibility		1.00	0.49	-0.06	0.12	-				
4. Appointment		1.00	0.48	-0.18*	0.12	0.06	-			
5. Gender		1.00	0.40	-0.11	0.14	0.18*	0.21**	-		
6. Age		2.00	0.58	-0.36**	0.21**	0.13	0.17*	0.21**	-	
7. Nationality		0.00	0.42	-0.12	0.12	0.14	0.05	-0.09	-0.01	-
8. Occupation		0.00	0.49	0.05	-0.09	0.05	0.04	-0.04	-0.02	0.17*

\*Correlation is significant at the 0.05 level

\*\*Correlation is significant at the 0.01 level

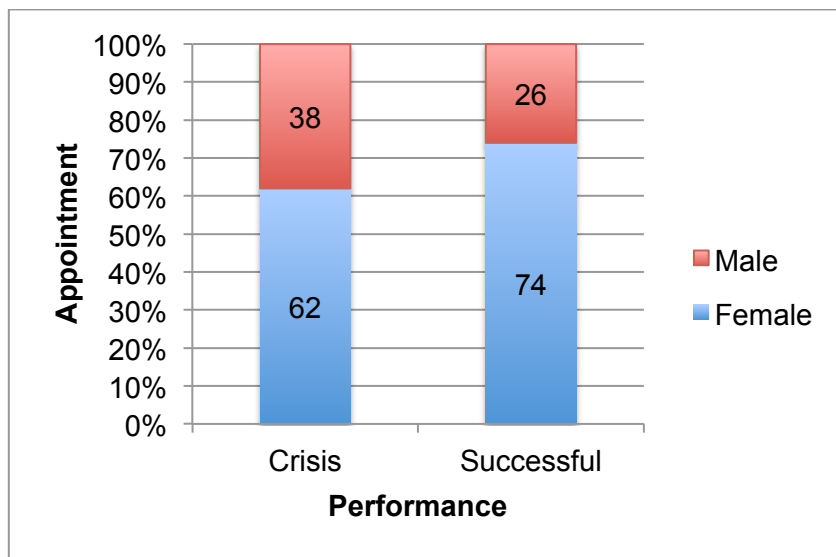
## 5.2 Difference in Variance

A one-way ANOVA was conducted to compare the effect of all three levels of performance (successful, crisis, severe crisis) on the appointment of a female CEO. The one-way ANOVA showed that the effect of the levels of performance on the appointment of a female CEO was significant,  $F(2, 159) = 3.21, p=0.04$ . However, a post hoc test was needed to see the effect of each separate level on appointment. Levene's test rejected ( $p=0.01$ ) equal variances; hence a Games-Howell post hoc test was conducted. This test revealed that there is a statistically significant difference between the levels successful and crisis ( $p=0.02$ ), but not between successful and severe crisis ( $p=0.36$ ). In addition, the levels crisis and severe crisis were found to have an equal effect on appointment ( $p=1.00$ ), hence there is no statistical difference between the levels crisis and severe crisis. We can therefore reject H1.

## 5.3 Moderated Mediation Model

The regression model was tested in two steps: 1) testing the mediating effect of business strategy on the relationship between performance and appointment; and 2) testing the moderating effect of visibility on the moderating effect of business strategy on the relationship between performance and appointment. Before running the models it had to be tested whether performance and appointment had any correlation. Due to the rejection of H1, the participants of the levels crisis and severe crisis were combined in further analyses. The correlation from table 2 between performance and appointment changes from being significant to being insignificant ( $p=0.13, b=0.12$ ). The results show that when a company is situated in a crisis 62% would appoint a female and 38% would appoint a male. To be able to confirm a relationship the percentage that would appoint a male should be higher than the percentage that appoints a female in a successful situation. This is not the case (see figure 3), as 74% would still appoint a female and only 26% would appoint a male. In both situations respondents always appointed a female over a male. Fisher's exact test also valued  $p$  at 0.16, which means there is no direct relationship.

Figure 3: Relationship between Performance and Appointment



### 5.3.1 Mediating Effect

The first model, which tested the mediating effect of business strategy on the relationship between performance and appointment, is significant. Firstly, performance is suggested to have an effect on business strategy (see table 4). This means that a company in a low performing situation has a higher need to change strategy than a company in a high performing situation. More specific, for every unit increase in performance, the need to change business strategy decreases with 0.37 ( $b=-0.37$ ). This means that within a successful company, the need to change business strategy and improve risk management is smaller. Secondly, the output (see table 5) suggests that there is a relationship between business strategy and appointment that is statistically significant ( $p=0.04$ ). The beta-coefficient ( $b=0.64$ ) indicates that for every increase in units for *business strategy*, the chances of the appointment of a female CEO increase with 64.45%. This means that for a high need to change in business strategy it is more likely that a female CEO will be appointed.

The results suggest a mediating effect. Even though the correlations indicated that performance has no direct effect on appointment, it does have a significant impact on appointment through the mediating variable business strategy. The regression output shows that performance has a significant influence on appointment through the mediator ( $p=0.04$ ). As *performance* was coded as a dummy (0=crisis and 1=successful) and *appointment* as well (0=male; 1=female) it can be concluded that

when a company is successful it is 81% more likely that a female CEO will be appointed ( $b=0.81$ ). Hence, H2 is accepted.

Table 3: Regression of Performance on Business Strategy

Variable	Coefficient	SE	p
Performance	-0.36	0.09	0.00*
Model $R^2 = 0.09$ N=162	p.<0.01		

\*Correlation is significant at 0.01 level

Note: The dependent variable in this analysis is business strategy

Table 4: Regression of Business Strategy on Appointment; Performance through Business Strategy on Appointment; Moderating Effect of Visibility on the Mediating effect of Business Strategy

Variable	Coefficient	SE	p
Business Strategy	0.64	0.32	0.05*
Performance	0.81	0.39	0.04*
Visibility	0.16	0.35	0.66
Visibility*Business Strategy	-0.32	0.63	0.61
Model pseudo $R^2 =$ (Nagelkerk) N=162	0.06		

\*Correlation is significant at 0.05 level

Note: The dependent variable in this analysis is appointment coded so that 0=male and 1=female

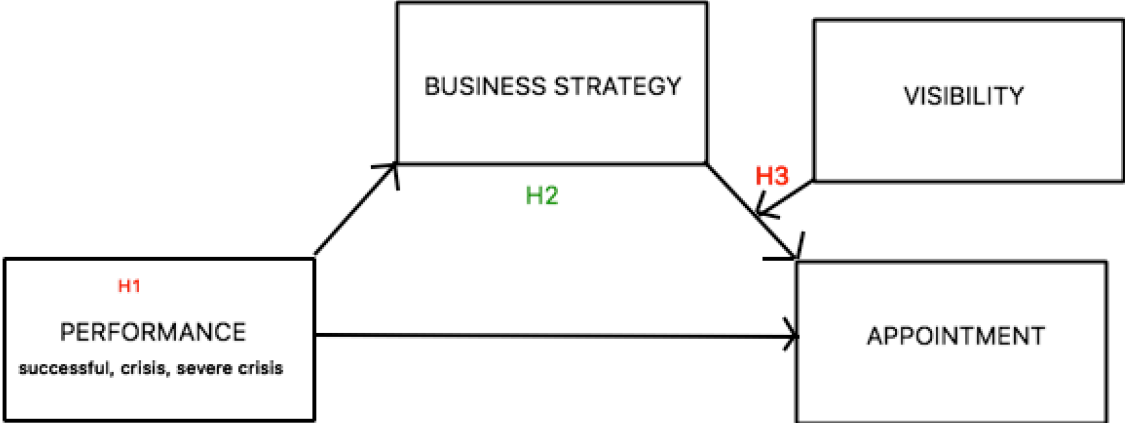
### 5.3.2 Moderating Effect

Next to the direct and indirect (mediating) effect, this paper also wanted to test the moderating effect. The output for the moderating effect of *visibility* on the mediating effect of business strategy provides a p-value that is higher than 0.05 ( $p=0.61$ ), which means that the moderator's effect is not statistically significant. This result in combination with the result of the insignificant moderating power on the relationship between performance and business strategy supports the hypothesis that visibility has no impact on the model. Hence, H3 is rejected.



It can be concluded that the level of performance of a company has no direct effect on appointment of a female CEO, but it does have an indirect effect through the business strategy of a company (see figure 4). Moreover, the level of visibility of a company has no impact whatsoever on the model.

Figure 4: Moderated Mediation Model with Accepted or Rejected Hypotheses



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## 6. DISCUSSION

Previous literature found a relationship between the performance of a company and the appointment of a female CEO. More specific, they found that when a company is in distress, it is more likely that a female CEO would be appointed. Literature discussed the presence of a company's business strategy in the model as well, but never conducted actual research to test this relationship. In addition, it was also argued that the level of visibility of a company could enhance the relationship between the performance of a company and the appointment of a female CEO. This relationship also had never been tested. The present research tried to provide a deeper understanding of the glass cliff phenomenon and the circumstances in which it emerges. In order to examine the latter, this paper introduced new variables, namely *business strategy* and *visibility*. As they were elaborately discussed in literature, but never tested, they were included in this research. By conducting an online quantitative survey, this paper found new predictors for the appointment of a female CEO.

This research showed no difference between the performance levels crisis and severe crisis. In addition, no direct relationship was found between the performance of a company and the appointment of a female CEO. Instead, it found that the mediating effect of business strategy of a company causes an indirect effect of the performance of the company on the appointment of a female CEO. When a company is situated in a crisis, the level of change in business strategy is higher than when a company is successful. Since performance has no direct effect on appointment, but it does have a significant indirect effect it can be assumed that there is partial mediation taking place within the model. This means that there is probably another factor that influences the predicting power on appointment. A high level of change in business strategy results in the appointment of a male CEO, according to this paper's results. This means that when a company wants to change its strategy it will more likely appoint a male CEO to execute this. The level of visibility was found to be insignificant in the entire model. This means that the level of visibility, whether a company is highly or lowly visible, is not a significant variable in the decision making of appointing a female CEO. It was expected to be the opposite by many other studies, but they did not confirm any significance. All the above taken together, the

results of this study could indicate the absence of a glass cliff in the Netherlands. However, the results also show that age and gender are significant predictors in the decision process to appoint a female CEO over a male CEO. Female participants other than 20 years especially show this effect. This could mean that the age and gender of participants in this study influenced the results.

### 6.1 Implications

The moderated mediation model with variables performance, business strategy, visibility and appointment has partially been studied in literature before. With regard to performance, Ryan & Haslam (2005, as cited in Bruckmüller et al., 2014) and Bruckmüller & Branscombe (2011) argued that women were more likely to be appointed when a company was in distress. Distress was supported by this paper to be defined as a company in crisis, as there was no difference in variance between the performance levels severe crisis and crisis. The present study does not confirm the result that women were more likely to be appointed in times of distress, as the results show that women were actually more likely to be appointed in times of success. This does not mean we can completely reject Ryan & Haslam's glass cliff theory. It must be acknowledged that their study was conducted in the United States, whereas this study is conducted in the Netherlands. A possible explanation for the difference in results could be that the Dutch population treats men and women more equally than the United States.

Previous literature also argued that women are more likely to be appointed to signal change in the company (Ryan et al., 2009; Ryan & Haslam, 2007; Bruckmüller & Branscombe, 2010) due to the "think crisis-think female" beliefs. This theory was not tested yet when this statement was made. Results from this study show that business strategy indeed has a predicting value on appointment. However, in this case it was not because the "think crisis-think female" beliefs as respondents appointed the female over the male in times of success. Perhaps this "think crisis-think female" belief is not that strong or even absent in the Dutch culture.

It has also been argued that women are most likely to be appointed when they work for largely visible organizations (Tarenou, 2000 as cited by Van Der Walt & Ingley, 2003). This study shows that a company's level of visibility is not a significant moderating variable in the decision making of appointing a female CEO.

The results of this paper provide relevant insights for HR managers, board members and academics. The glass cliff is a phenomenon often discussed to be present in the Netherlands, but this paper shows the contrary. The most relevant lesson to take from this research is that business strategy has a great impact on the appointment of a new CEO and should be one of the main predictors in future research.

## 6.2 Limitations and Future Research

Even though this study was set up carefully, trying to eliminate any biases, there are still some limitations. First of all, the sample did not represent the Dutch working population on gender and age. This difference could have significantly influenced the final result of the model. In addition, as the survey was shared amongst acquaintances it is most likely that most of the respondents were highly educated. Perhaps the ones with a high level of education are more aware of the situation of gender (in)equality and therefore come out as feministic in this research. Secondly, the number of respondents per condition was not equal. The category 'crisis' was twice as large compared to the category 'successful'. Even though this has not influenced the research significantly, it would have been more reliable and valid to have a close to equal number on each separate condition. Thirdly, this research suggests that visibility is not one of the predictors of appointment. However, visibility was measured in terms of visibility in the media, whereas the level of knowledge might be a better way to measure (i.e. Heineken versus local company). Lastly, no further questions were asked with regard to the respondents' household: marital status, number of kids, part-timers or full-timers. CBS (2015) argued that more females than males work part-time and that overall, part-timers work less in management positions than full-timers. More information regarding the latter would have given more insight in the perception of respondents on the gender (in)equality issue.

An important question for future research is whether the glass cliff emerges in the same way in each continent and why. The present research believes that the glass cliff is non-existent in The Netherlands, however other studies that are mainly conducted in the United States differ in results. If we are to obtain a better understanding of this phenomenon and its importance for gender equality in organizations, the question above should be the focus of next studies. Is it a

worldwide problem or do the catalysts of the glass cliff differ per continent, country or culture?

In conclusion, the present research offers a new view with new variables on the glass cliff and the circumstances in which it emerges. First, the findings of this paper support the relationship between a company's performance, business strategy and the appointment of a CEO. However, results showed that in times of distress, men are more likely to be appointed than women. Secondly, this paper tried to find a relationship between the level of visibility of a company and the model, but this relationship was suggested to be insignificant. Lastly, this paper does not support the importance of gender stereotypes appointment of a male or female CEO. Instead, the findings indicate that the business strategy of an organization is the main catalyzer for appointment. Within this study, the glass cliff is suggested to be non-existent. It is therefore recommendable to extend the academic research on this topic as to achieve more scientific knowledge concerning the significant effective variables that contribute to the existence of the glass cliff.

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## 8. APPENDIX A: LITERATURE REVIEW

Figure 5: Top 10 Corporates with the Highest Percentages of Female Executives and Supervisors in the Netherlands, Dohmen (2014)



Figure 6: Growth of Women as Supervisors (orange) and Executives (blue), Couwenbergh (2015)

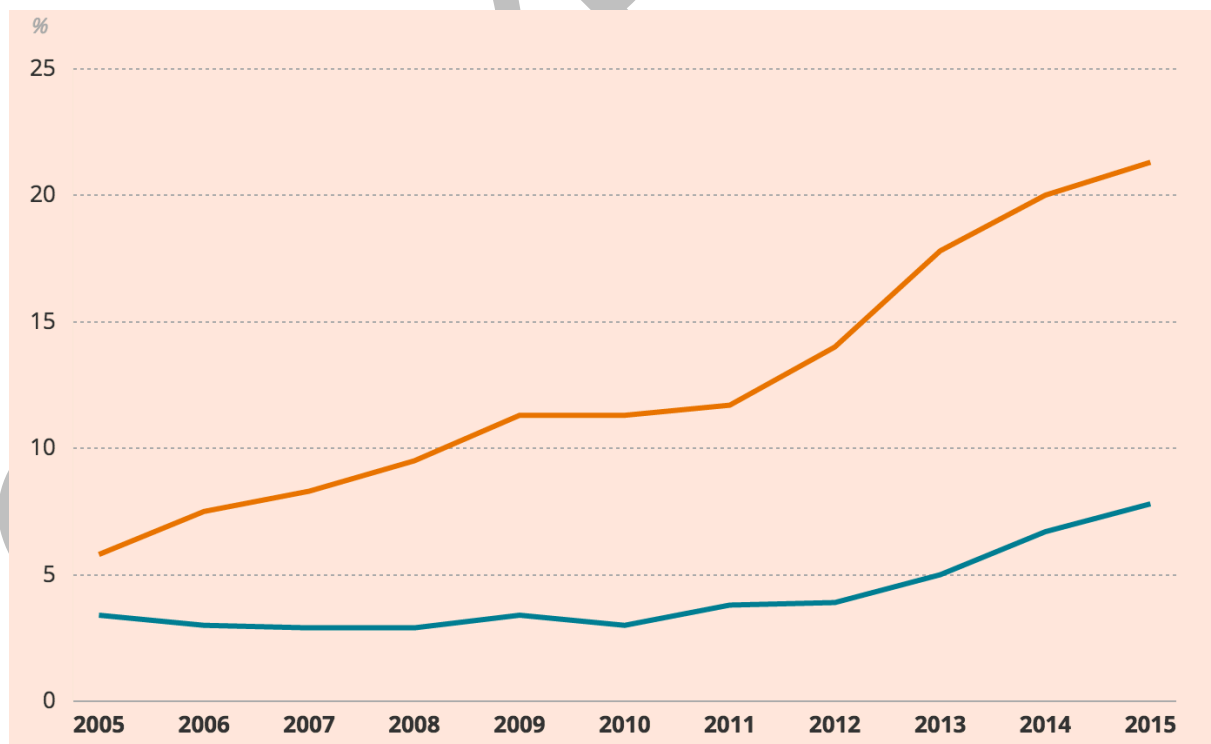
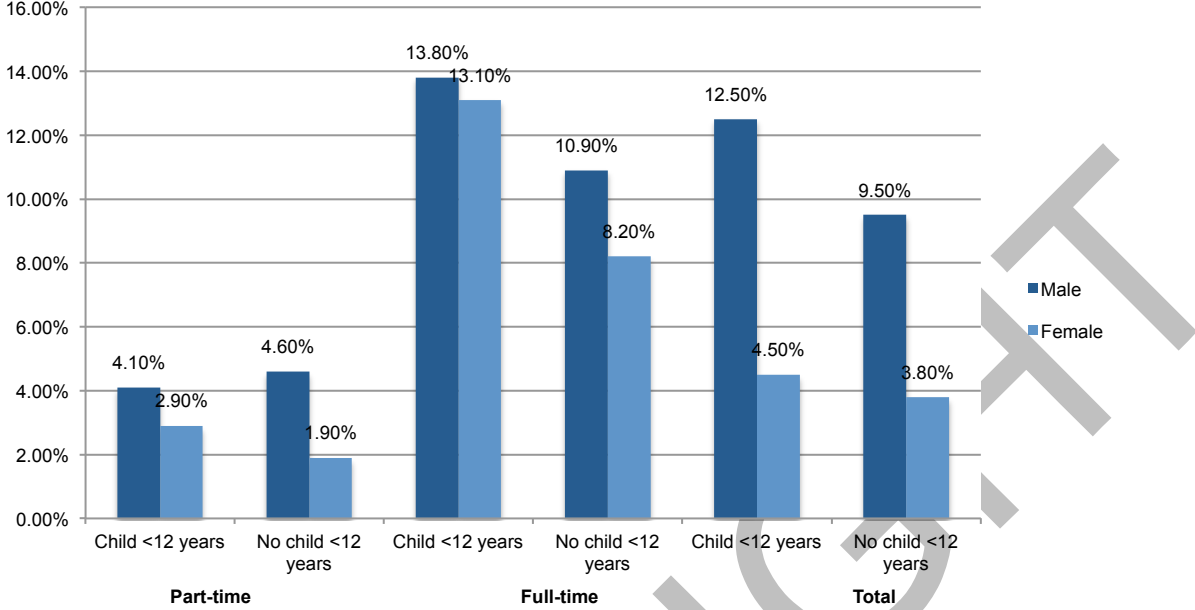


Figure 7: Proportions Managers among Males and Females, CBS (2015)



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## 9. APPENDIX B: ONLINE SURVEY MANIPULATIONS

### Overview manipulations

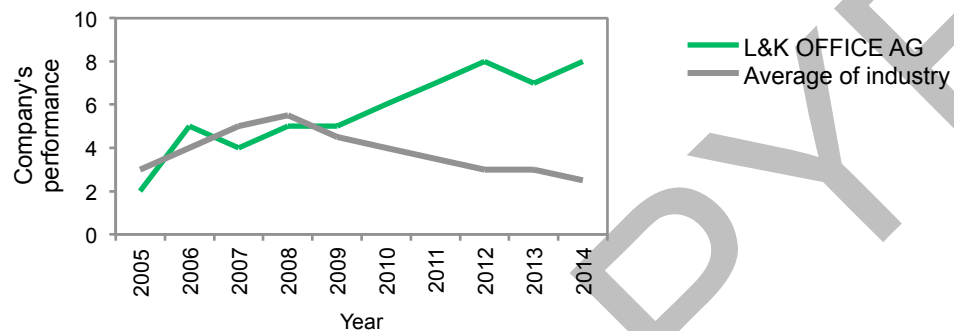
Criteria	1	2	3
Crisis	<b>Successful (S)</b>	<b>Crisis (C)</b>	<b>Severe Crisis (SC)</b>
Title	<b>Performance of L&amp;K OFFICE continuously on the rise</b>	<b>Performance of L&amp;K OFFICE continuously on the decline</b>	<b>Performance of L&amp;K OFFICE continuously on the decline towards crisis</b>
Subtitle	The company presented a positive performance assessment in its annual report yesterday.	The company presented its performance assessment in its annual report yesterday.	The company presented a negative performance assessment in its annual report yesterday.
Visibility High/Low	At yesterday's well attended shareholder meeting, L&K OFFICE, producer of office furniture, which was first listed at the stock exchange 10 years ago, presented the annual report of the past year. /// Yesterday, L&K OFFICE, producer of office furniture, which was first listed at the stock exchange 10 years ago, presented the annual report of the past year on a small scale.		
Review	Although the market has stagnated nationally and internationally in the last decade, L&K OFFICE exhibited increasing organizational performance. The company even managed the slight drop of profits in 2013 impressively.	Because the market has stagnated nationally and internationally in the last decade, L&K OFFICE struggled with its decreasing organizational performance.	Although the market has stagnated nationally and internationally in the last decade, L&K OFFICE at first was able to exhibit increasing organizational performance.
	For a long time, union representatives have observed with increasing approval how the company manages to assert itself on the market. It has become evident that the company successfully launches additional business divisions.	For a long time, union representatives have observed with growing concern that the company struggles to assert itself on the market. It has become evident that the company might not be able to launch alternative business divisions in time.	Since 2010 union representatives have observed with growing concern how fast the business for traditional office equipment has collapsed. It has become evident that the company is not able to launch alternative business divisions in time.
Business Strategy	In the annual report, it has been announced that almost all of L&K OFFICE's divisions report a gain in profits. Compared to the previous year, a significantly higher performance can be expected. Hence, the company even exceeded the forecast for 2014.	In the annual report, it has been announced that some of L&K OFFICE's divisions report a loss in profits. Compared to the previous year, a slightly lower performance can be expected. Hence, the company fails to meet the forecast for 2014.	In the annual report, it has been announced that almost all of L&K OFFICE's divisions report a high loss in profits. Compared to the previous year, a significantly lower performance can be expected. Hence, the company surprisingly fails to meet the forecast for 2014.

Visibility High	The shareholders expressed delight about the positive development.	The shareholders demanded accountability for the indicated development.	The shareholders demanded accountability for the critical development.
Performance	The growth of L&K OFFICE is reflected in the development of the size of workforce, too. Compared to the same date of the previous year, the number of employees rose by 15 percent. According to L&K OFFICE's statement, the company will continue to adjust its capacities.	Despite its problems, L&K OFFICE's number of employees could be maintained up to now.	The problems of the L&K OFFICE are reflected in the development of the size of workforce, too. Compared to the same date of the previous year, the number of employees decreased by 20 percent. According to L&K OFFICE's statement, the company will continue to adjust its capacities.
Visibility High/Low Business Strategy	In a national talk show broadcasted on CNN last Sunday,... // The previous day, the CEO said that as long as the profit gain will continue, hiring of new employees will continue as well. Additional 10% of jobs shall be created, primarily in the sector of production but also in sales and administration.	In a national talk show broadcasted on CNN last Sunday,... // The previous day, the CEO said that if losses in profit will continue, downsizing cannot be entirely excluded. Every effort is being made to prevent downsizing.	In a national talk show broadcasted on CNN last Sunday, // The previous day, the CEO said that as long as losses in profit will continue, downsizing will continue as well. Additional 10% of jobs shall be cut down, primarily in the sector of production but also in sales and administration. Moreover a restructuring of the middle and upper management is necessary.
Performance	This development also has a positive impact on the stock exchange as the stock of L&K OFFICE continues to rise	The development has a negative impact on the stock exchange as the stock of L&K OFFICE continues to fall	The development has a great impact on the stock exchange as the stock of L&K OFFICE crashed
Performance	and sets itself further apart from the industry average (see figure below).	and is below the industry average (see figure below).	and sets itself further apart from the industry average (see figure below).
Visibility High / Low	The large group of shareholders can expect a considerable distribution of earnings. / The few shareholders can expect a considerable profit distribution.	The large group of shareholders can only expect a small distribution of earnings. / The few shareholders can only expect a small distribution of earnings.	The large group of shareholders has to expect a cancellation of distribution of earnings. / The few shareholders have to expect a cancellation of distribution of earnings.

Addition: Performance Rating	Recently the rating agency Moody's upgraded the financial strength rating of the company to "Aaa", declaring it a safe long-term investment. According to the opinion of our analysts, the stock market experts agree on this statement (see information below).	So far, the rating agency Moody's has not announced a change of L&K OFFICE's financial strength rating. Currently the company is seen as an average investment ("Baa"). According to the opinion of our analysts, the stock market experts agree on this statement (see information below).	The L&K OFFICE has already received a profit warning in 2011. In the future, the company is facing a downgrading to "B" by the rating agency Moody's, declaring L&K OFFICE a highly speculative investment, which is not recommendable as an investment. According to the opinion of our analysts, the stock market experts agree on this statement (see information below).
Graph	Positive rate	Negative rate	Sudden loss, with additional information

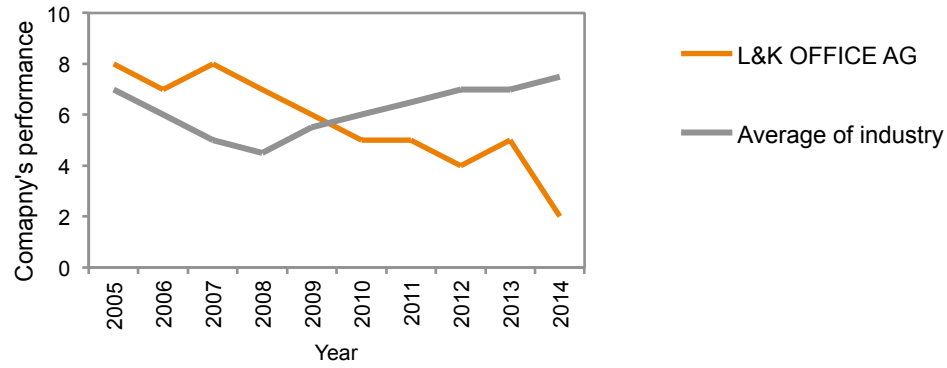
### Pictured price indexes

#### 1. Successful Company (S)

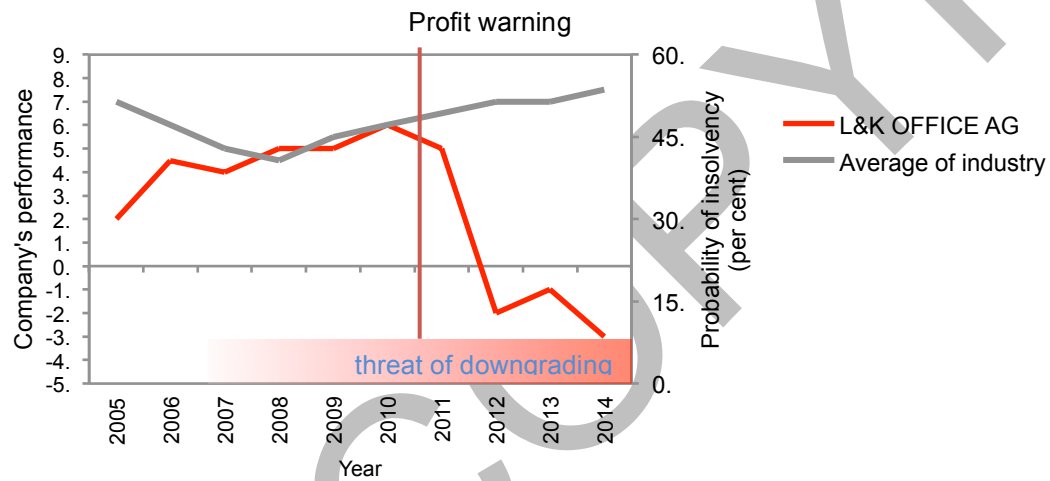




2. Company in a crisis with an index comparison (C)



3. Company in a sudden severe crisis (SC)



**Additional information on the right side of the articles:**

High visibility

Analysts' view of L&K OFFICE L&K OFFICE receives 'overweight' rating	Analysts' view of L&K OFFICE L&K OFFICE receives 'hold' rating	Analysts' view of L&K OFFICE L&K OFFICE receives 'underweight' rating
Visibility of L&K OFFICE AG	Visibility of L&K OFFICE AG	Visibility of L&K OFFICE AG
Conclusion: The majority of stock market experts recommend buying L&K OFFICE's shares. The upcoming appointment of a new CEO is eagerly awaited.	Conclusion: The majority of stock market experts recommend holding L&K OFFICE's shares. The upcoming appointment of a new CEO is eagerly awaited.	Conclusion: The majority of stock market experts recommend selling L&K OFFICE's shares. The upcoming appointment of a new CEO is eagerly awaited.

Low visibility

Analysts' view of L&K OFFICE L&K OFFICE receives 'overweight' rating	Analysts' view of L&K OFFICE L&K OFFICE receives 'hold' rating	Analysts' view of L&K OFFICE L&K OFFICE receives 'underweight' rating
Visibility of L&K OFFICE AG	Visibility of L&K OFFICE AG	Visibility of L&K OFFICE AG
Conclusion: The majority of stock market experts recommend buying L&K OFFICE's shares. The upcoming appointment of a new CEO is hardly noticed.	Conclusion: The majority of stock market experts recommend holding L&K OFFICE's shares. The upcoming appointment of a new CEO is hardly noticed.	Conclusion: The majority of stock market experts recommend selling L&K OFFICE's shares. The upcoming appointment of a new CEO is hardly noticed.