

# How Might Gender Stereotypes Benefit Organizations?

## The Effects of CEO Gender on Perceptions and Moral Judgments of Companies

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### Background

- Female CEOs may do a better job than male CEOs at alleviating negative perceptions of organizations as unfeeling because women are stereotyped as warmer than men
- Organizations are often judged negatively for lacking the capacity to feel or have emotions (Rai & Diermeier, 2015)
- Recent research drawing on the mind perception model (Gray, Gray, & Wegner, 2007) suggests CEOs can help alleviate perceptions of organizations as unfeeling (Tang & Gray, 2018)
- Women are typically stereotyped as more warm and communal than men (Fiske, Cuddy, Glick, & Xu, 2002), which is often attributed as a reason why women are underrepresented in leadership (Eagly & Karau, 2002)
- Ironically, these gender stereotypes may provide benefits to organizations that choose women as leaders

*H1: Organizations with female (vs. male) CEOs will be perceived as more capable of feeling.*

*H2: Organizations with female (vs. male) CEOs will be perceived as more compassionate and more likely to engage in corporate social responsibility (CSR).*

*H3: Perceived capacity to feel will mediate the effects of CEO gender on perceptions of compassion and CSR.*

- These effects on perceptions may be particularly useful if an organization appoints a new female CEO after corporate misconduct since misconduct often leads to perceived deficits in communality (Gillespie & Dietz, 2009)
- However, according to expectancy violations theory (Jussim, Coleman, & Lerch, 1987), being perceived as more compassionate may be harmful if the organization commits a transgression and violates these expectations

*H4: After organizational wrongdoing, people will be more likely to invest resources in an organization that switches to a female (vs. male) CEO.*

*H5: After organizational wrongdoing, people will desire harsher punishment for an organization with a female (vs. male) CEO.*

### References

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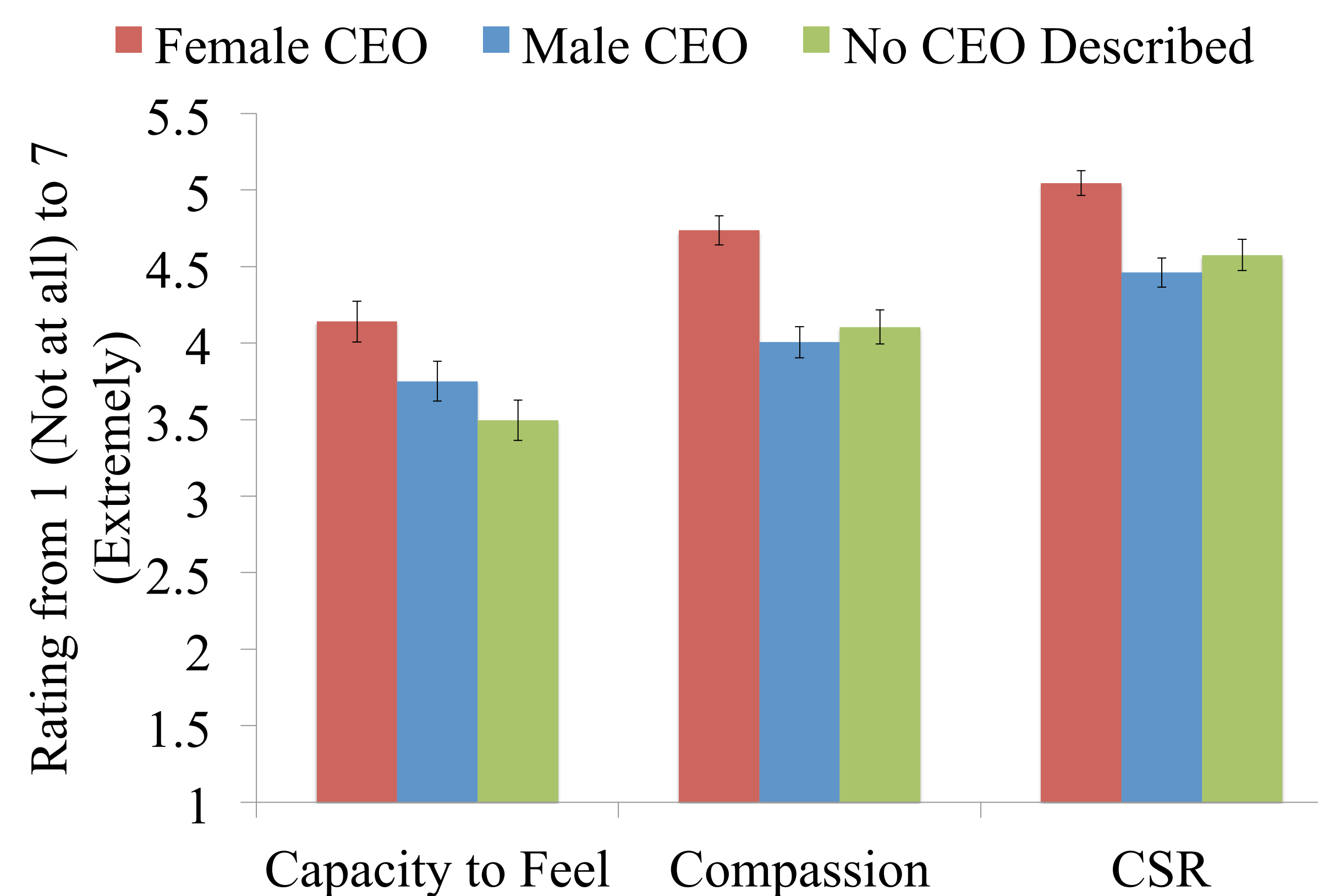
### Study 1A

#### Design

- N = 585 full-time working adults; preregistered
- Participants saw a short description of 1 of 4 real public companies that have had both female CEOs and male CEOs
- 3 conditions: female CEO, male CEO, no CEO
- Condition determined whether participants saw an actual past female CEO of the company, an actual past male CEO of the company, or no information about the CEO

#### Results

- Companies with female CEOs seen as having greater capacity to feel ( $p = 0.036$ ), more compassionate ( $p < 0.001$ ), and more likely to engage in CSR ( $p = 0.001$ ) compared to companies with male CEOs or no CEO described



- Perceived capacity to feel mediated effects of CEO gender on perceptions of compassion and CSR

### Study 1B

#### Design

- N = 395 full-time working adults; preregistered
- Replication of Study 1A to show effects are not driven by perceptions that companies that choose female (vs. male) CEOs are fundamentally different
- 2 conditions: female CEO, male CEO
- Company described as having narrowed a CEO search down to 2 candidates—1 man and 1 woman—but company selected the man or woman as CEO for an exogenous reason

#### Results

- Replicated effects of female CEOs on capacity to feel ( $p = 0.003$ ), compassion ( $p = 0.002$ ), and CSR ( $p < 0.001$ )
- Perceived capacity to feel again mediated effects of CEO gender on perceptions of compassion and CSR

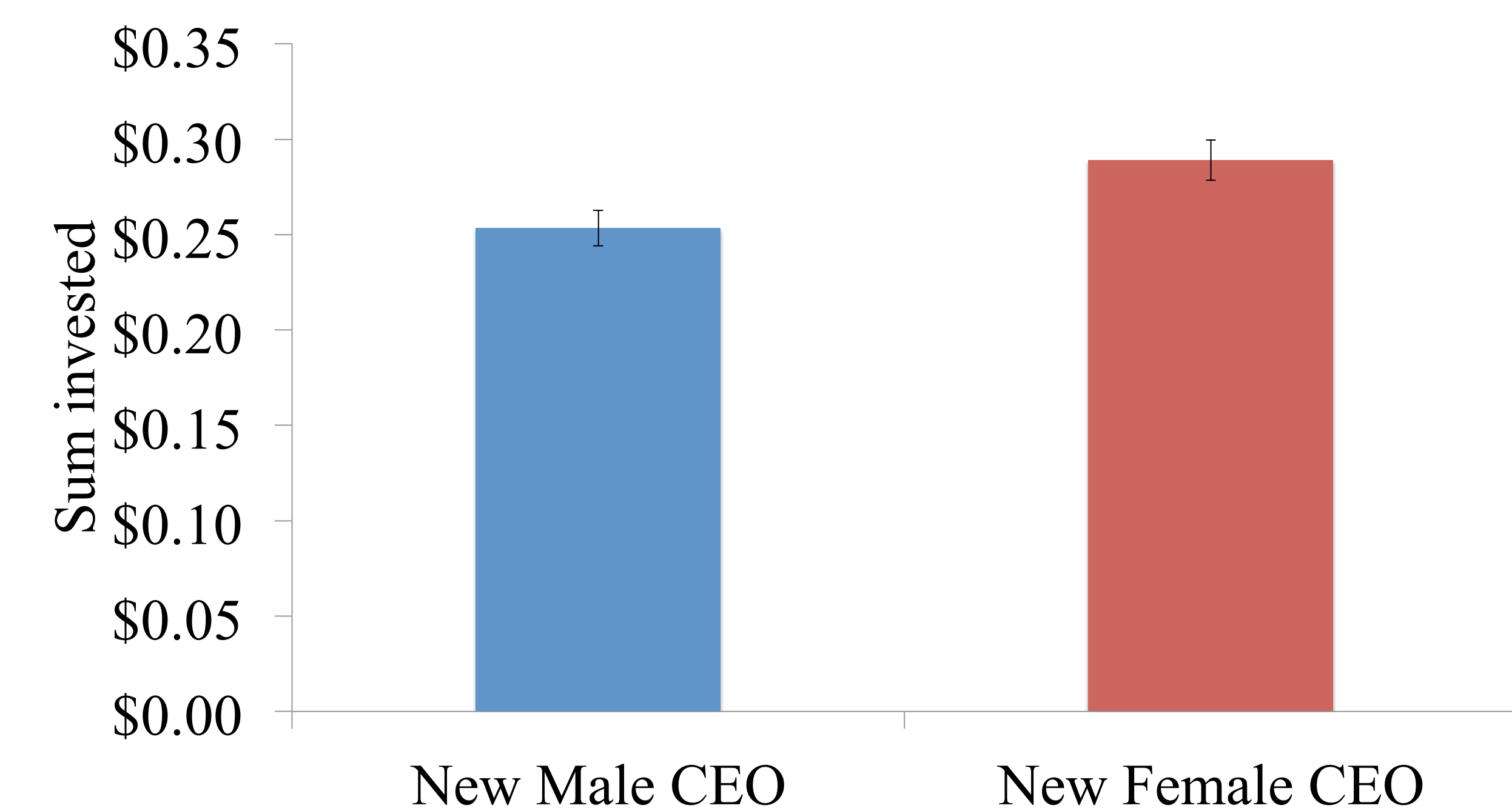
### Study 2

#### Design

- N = 402 MTurkers; incentive-compatible; preregistered
- Participants read about 2 real companies that had engaged in corporate misconduct and replaced their CEOs
- 2 conditions: new female CEO, new male CEO
- Condition determined whether target company switched to a female CEO or a male CEO after misconduct (both CEOs were actual past CEOs company had switched to)
- Participants given real money to invest in companies and were paid based on stock market returns 1 month after new CEO took office

#### Results

- Participants invested 12% more in the target company when it switched to a female CEO vs. a male CEO ( $p = 0.012$ )



- Perceived capacity to feel mediated investment decision

### Study 3

#### Design

- N = 298 participants from Prolific
- Participants read about a company that had used child labor to increase profits
- 2 conditions: female CEO, male CEO
- Condition determined whether the CEO was female or male, and the company did not switch to a new CEO

#### Results

- Company with female CEO seen as having greater capacity to feel ( $p = 0.004$ ) and more compassionate ( $p < 0.001$ )
- Participants had higher expectations that company with female (vs. male) CEO would engage in socially responsible behaviors ( $p = 0.018$ )
- Participants desired harsher punishment for company with female (vs. male) CEO ( $p = 0.028$ )
- Consistent with expectancy violations theory, expectations mediated desire for harsher punishment

### Conclusions

- We provide a new perspective on how people understand, perceive, and evaluate organizations
- We provide potentially helpful prescriptive advice for organizations looking to recover from transgressions and restore legitimacy
- Female CEOs may come with impression management benefits that have been previously overlooked, providing a new perspective on the benefits of gender diversity for organizations