

The Psychology Behind the Lack of Female CEOs

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The most vigorous and highly regarded title in business is the CEO, the chief executive officer. When thinking of a chief executive officer, CEO, what comes to mind. Do you think of Elon Musk, Jeff Bezos, Warren Buffet, Tim Cook, and Mark Zuckerberg automatically? What do these individuals all have in common? They are all men. There is very limited diversity in the executive office of American corporations and an underrepresentation of women in these positions. In business school, individuals are taught to have a mindset of a CEO however, the examples that are given are of those who are men. Female CEOs and business leaders have to approach these positions differently due to the patriarchal society that still exists today in business practices. Due to the lack of females in the position, there is limited foundation research on the psychological mindset of women CEOs. Holistically, gender bias negatively affects women's corporate management success. Thus, this paper's purpose is aimed at analyzing how women achieve success in the field in spite of gender bias, historical disadvantage, the glass ceiling phenomena, and dominant gender stereotypes.

As of March 2022, only seventy-four, or 14.8% of all CEOs of Fortune 500 companies, are females (Buchholz, 2022). In stark contrast to this statistic, is the overall composition of the United States workforce, in which women comprise more than half of all employers (Sheppard, 2018). Therefore, indicating that the journey to having more executive female representation has been a slow one, and historically females have suffered many disadvantages in the workforce. During wartime production in the 1900s, a majority of women first entered the workforce, as men were sent overseas to combat. During this time, women received low wages and worked in poor, dangerous conditions. In the 1960s, an influx of women joined the labor force to support their families (Bramlett & Whitworth, 2012); although, women who did join the workforce often faced backlash as they were expected to remain the homemakers. However, in tough times including wartime and economic instability, women were needed in the workforce. Ultimately, changing the paradigm that women were made to stay in the house,

care for the family, and the perspective of women in society as a whole. In the eyes of society, women's capabilities permanently changed; finally, they were welcomed into the world of business. However, because women entered the workforce later than men, they are still struggling in today's society due to historical gender biases prior and the assumption that females are more submissive than men.

There has been legislation to help women in the workforce including The Equal Pay Act of 1963 to protect women, so that they are guaranteed equal pay as men. This law also granted access to contraception which allowed women to plan when they are having children so it does not interfere with their careers. However, to this day women are still paid 84% of what men are paid in 2020 (Gonzalez, 2020). The Equal employment opportunity commission was made to ensure women were given equal representation in job offerings. This shows that there is a known lack of females in higher executive positions and a need for them in these positions. Women now have made great advancements in society and the workforce. However, women are still underrepresented in CEO positions and as business leaders due to the history of females in the workforce and implicit gender bias (Bramlett & Whitworth, 2012). CEOs also tend to be relatively old and working up the ladder to be a senior officer takes time. In 2021, women comprised 60 percent of enrollment in universities and colleges. Even though females make up the majority of those being educated and those in the workforce they have a tendency to quit working or stop climbing the ladder to have children and start a family. Biologically, women usually have families at a relatively younger age because their reproductive abilities decrease with age, but from a business standpoint, it impedes on expanding their career into the CEO position. Men are not typically burdened with these expectations of child bearing. It is this lack of desire to have a CEO role when wanting to start a family for women, that creates a gap in female and male CEOs.

The history of females in society has greatly affected the way females are perceived in the workforce. Stereotypically, women are seen as having communal personality traits, while men are seen as possessing agentic character traits. Communal traits consist of being other-oriented, friendly, warm, and caring, and agentic traits include being task oriented, pursuing goals, and being in control of their own destiny (Braun and Stegmann and Hernandez Bark and Junker and van Dick, 2017). These are all stereotypes that society assumes based on genders. The characteristics that are used to describe a strong leader are those that are agentic and task oriented, which are typically masculine traits. The characteristics to describe the ideal follower are being communal and caring. Therefore, the personality types of women more align with followers, rather than leaders. More specifically, a study revealed “that employees positively perceive their female coworkers, but they are perceived with stereotypes and negativity when they become their leaders” (Baloch and Samo and Bhatti and Bhughio and Zeb, 2021). Additionally, women who possess agentic traits are seen as unattractive and do not fit this warm, comforting, friendly female stereotype that society has molded for them. Men are the ones who would be mostly working with the women, and if they find a female possessing these traits that a leader would hold they will find her unattractive, annoying, and not what a woman should be, but they would not see anything wrong with her acting this way if she were a male. Women also can judge other women in this way if they are not conforming to classic norms that other women feel all women must follow.

Women must possess “successfully balanced organizational femininity” (Braun et al., 2017) in order to be successful in business endeavors. This is difficult to achieve and almost contradictory in nature as females must act feminine to be liked by others, but also have masculine traits where they assert their dominance. As the female CEO of the tech company Sweeten, Jill Brownhill Lauer says, “My advice to women in tech, and women who want to start their own companies, is to be joyful and passionate – maybe some people will call these

'feminine' traits – but don't allow people to convince you that you are on the wrong path” (Braun et al., 2017). Lauer agrees that women must have a balance of femininity and masculinity, and she goes on to say, “You need to tap into what might be conventionally perceived as a strong masculine drive but hold on to and highlight what might be perceived as feminine enthusiasm” (Braun et al., 2017).

There is evidence that women CEOs may be selected specifically for stereotypically feminine qualities. Women who are too masculine have been shown to have negative reviews, loss of status, and personalities that are difficult to work with. However, in order to be a leader, women must have some assertiveness. When describing female managers, Judith Oakley states that “they must be tough and authoritative (like men) to be taken seriously, but they will be perceived as "bitches" if they act too aggressively” (Oakley, 2000). This makes it very difficult for women to be seen as in these positions of authority where they lead and direct men and other women. Combining both feminine and masculine traits is a delicate balance for female CEOs to find and master in order to gain respect and compliance from their followers. Wiley’s research suggests that men and women experience very different paths to leadership. Men are rewarded and promoted based on stereotypical masculine qualities such as dominance, assertiveness and confidence. Women are penalized for these qualities because they are viewed as violations of appropriate norms of femininity. This bias results in fewer women in leadership positions and more negative evaluations of female leaders (Baloch et al, 2021). The study done by Wiley is interesting because females had both agentic and communal skills, but men lacked the communal skills. Being communal is seen as a trait that limits one’s ability to stand apart and be a leader. This shows that one can be task-oriented, yet also be other-oriented. In females being other-oriented surpasses being task-oriented. There is evidence that women can perform better if they are given the chance because they have both traits (Baloch et al., 2021).

According to Cowen & Montgomery (2020), women tend to accept full responsibility even when the fault is not entirely theirs, and they tend to credit other people even when they fully deserve to be recognized individually. This goes along with the other-oriented mindset of protecting the feelings of subordinates. Women tend to apologize significantly more than men do (Cowen & Montgomery, 2020). This comes off as a lack of confidence and authority. Females are also less likely to ask for a raise than men; they tend to be more content and complacent with lower positions. Females apologize more frequently than men which can show wariness and inconsistency in facts and strategies. This makes followers start to question a leader's ability and authority (Braun et al., 2017).

Women tend to view themselves as having less leadership ability than how males view themselves. Women have a lower self efficacy than male counterparts, partially due to the gender gap and this idea that being a leader is inherently masculine (Braun et al., 2017). However, not only did the majority of females report they were less likely to attain high level leadership positions, they also showed less interest in elite leadership roles. Leah Sheppard who studied gender differences in leadership aspirations wrote “They [women] were also less likely than male participants to indicate a willingness to accept a promotion that would require them to sacrifice enjoyable work” (Sheppard, 2018). Women stereotypically value family and good health over work and high salary whereas men more often than not value promotion (Sheppard, 2018). A major consequence of this is that there are fewer female CEOs, but it is a choice that women make that may bring them personal happiness. Part of the puzzle is that female CEOs have to value high level positions in order to apply for them and obtain them. “Another commonly proposed explanation for the gender pay gap is that men and women self-select into different fields of work, with men choosing jobs that are more difficult or risky and hence more highly compensated” (Newton & Simutin, 2015). Men are more likely to go after a CEO position than females which can be a part of females having lower self-efficacy and

possibly a less desire to have these high level positions. This goes along with the idea that women tend to be more risk averse than men, and tend to take the safer option. Perhaps there are male CEOs who would have rather spent more time with their families. There is this expectation of men to value promotion which supports a family financially, which can also hold men back from spending more time taking care of families.

Women also tend to be more risk-averse than men especially during economic downturns. During economically stable times men and female CEOs in the Fortune 1,000 both shared similar risk aversion when acquiring risky investments. However, in times of economic downturn females showed significantly more risk aversion than men (Palvia and Vahamaa and Vahamaa, 2015). This is also not necessarily a negative characteristic, even if the short termism of the corporate world means it puts women at a disadvantage. In the study when asking male or female CEOs whether they would take a risky option or a safe option for their company, females showed significantly more risk aversion (Shropshire and Peterson and Bartels and Amanatullah and Lee, 2021). Women are also more likely to follow the rules and be more cautious than men are, which also can be seen as a factor holding women back from these positions (Belot & Serve, 2017). Something interesting that relates to males being less risk averse is that the most successful male CEOs are college drop-outs including Steve Jobs, Mark Zuckerberg, and Bill Gates where female CEOs all had to prove their knowledge by graduating college and obtaining a degree.

In history, taking risks in business was seen as something that can potentially have high rewards. However, companies have been looking for a new paradigm of business where maximizing profits is not the sole purpose of business, but to have corporate social responsibility and creating sustainable products and companies that benefit all stakeholders and not just the shareholders (Ingersoll and Glass, and Cook and Olsen, 2017). Firms have been

faced with the pressure to appoint ethical leaders who will avoid scandals and unnecessary risks. Women are more ethical and risk averse than men (Zalata and Ntim and Abound and Gyapong, 2018), which would be seen as a positive, yet there are still only very few female CEOs. Female CEOs report more conservative earnings, and are more likely to explicitly follow rules that are set in place for ethical business practices (Ho and Li and Tam and Zhang, 2015). Following the rules set into place is a positive when dealing with ethical leadership which is something that has been emphasized in today's business climate. A study done by the *Consulting Psychology Journal* analyzed gender and preferred leadership behavior sampling 857 women and 857 men in upper-level management. The results of the study concluded that there was a preference for female leadership styles over male (Kaiser and Wallace, 2016). Female style leadership was collaborative and participative where the group made decisions together, but was directed by a leader which male leadership styles included being given a specific task by the leader without any say on what that task is.

The Big 5 Personality Test is a personality scale that has five different dimensions to help understand the differences in how to lead other people. The five scales consist of extraversion, agreeableness, openness, conscientious, and neuroticism. These are all measured on a scale symbolizing that some people can be more extroverted than others. A study done by IBM's Watson, a highly developed artificial intelligence software, distinguished that firms with more extroverted, more conscientious, less open, less agreeable, and less neurotic CEO's experience significantly higher corporate social responsibility performance (Hrazdil and Mahmoudian and Nazari, 2021). Some of these traits are masculine in nature as females tend to be more open and agreeable than men (Shropshire et al., 2021). The modern workplace not only allows, but celebrates collaboration and team building and diversity. With females being more empathetic and relational, this collaborative style leadership favors feminine qualities (Kaiser and Wallace, 2016). However, still women are underrepresented as CEOs.

The “Think Manager Think Male” theory is an implicit theory, in which someone thinks of a manager they subconsciously think of a male due to the idea that in society that men have leadership traits and females have submissive follower traits. Women are other-oriented and tend to make decisions concerning other people's orientations rather than their own. Being other oriented is negatively related to being risk-averse and narcissistic (Shropshire et al., 2021). Intensive risk-taking is a trait that is commonly associated with narcissistic individuals. Narcissistic individuals are those with a personality disorder who have an obsession with power, need for admiration, and have a lack of empathy for others.

Due to the increased opportunity for status, visibility and power offered by top positions, narcissists are naturally drawn to organizational leadership roles (Campbell and Campbell 2009). However, the construction of a feminine gender identity and the ways in which feminine behavior is rewarded or penalized in organizations is often at odds with narcissistic personality traits (Ingersoll et al., 2019).

There has been a tendency for narcissistic individuals to manipulate their way to CEO positions. This has been predominantly found in males. Research on CEO narcissism finds that women CEOs are less likely to exhibit narcissistic personality traits compared to male CEOs. A study done by the *Journal of Business Ethics* proves that gender affects narcissism in CEOs, and that male CEOs have more narcissistic tendencies than female CEOs. Male CEOs are seen as strong, powerful, and influential leaders where female CEOs have a double standard of narcissistic traits being seen as unbearable to work with (Ingersoll et al., 2019).

The glass ceiling phenomenon is this expression used to describe the struggle women face when advancing in the workforce. The glass ceiling is this invisible barrier that women have that prevents them from achieving higher level executive positions (Oakley, 2000), yet women can watch men climb up the ladder of success and top executive positions. This theory

is still prevalent today, yet some women slip through the cracks of the ceiling to these positions. Many of these women who have slipped through the cracks have then experienced another phenomenon called the glass cliff theory coined by Ryan and Haslam. This is the idea that women are given higher level positions that are designed for them to fail. These are typically during times of crisis or downturn where decision makers choose to hire females over males. “[T]hose women who do reach the C-suite—even those outside the service industries—earn less than their male counterparts (Datta et al., 2013) and leave their roles at twice the rate of their male executives (Becker-Blease et al., 2010; Krishnan, 2009)” (Stalinski, 2014). Women are given these riskier jobs that have a lack of support, information, resources, and short time frames in poor performing companies. This is a paradox that women are put into riskier positions because women are more risk-averse than men. This phenomenon occurs because there are less opportunities for women to advance so they are more willing to take riskier positions than men because men have more opportunities to move up the ladder and less inclined to need to take up a risky job. Women feel forced to take less safe jobs because of the career barriers and lack of opportunities for females. Women see these risky executive jobs as a promotional opportunity due to internal and external barriers. This puts women in positions that are already on the decline and traps women in this cycle where once they break the glass ceiling they fall off of this glass cliff as companies are already failing and extremely difficult to restore. It is not because they are women that the companies fail, but because of the risky positions they are offered.

A woman who has surpassed the glass ceiling and the glass cliff is Meg Whitman. She is most notably known as being the CEO of Ebay and now as the CEO of Hewlett-Packard. She is credited to making ebay the massive company it is today. She joined when there were only thirty employees. She turned the company from \$4 million in annual revenue, to \$8 billion. She believes that overcoming the lack of female representation takes time. Females are given

more and more opportunities over time. She saw herself as a tom-boy who was athletic and team oriented as a child. She never saw gender as something that affected her leadership style. She was just focused on being an efficient leader and was grateful for all the opportunities she was given that females in past generations were not given. Whitman says, “I didn't spend a lot of time thinking about as a woman how I would manage differently - I was just happy to be managing. In some ways it was a blessing because I didn't second-guess myself, I didn't add that factor into my leadership style” (Chang, 2012). A struggle of being other-oriented is that people who care for others tend to second guess their decisions when thinking about others. Since women are perceived as other-oriented, they tend to second guess themselves making them look less confident and not as strong leaders. The key to Whitman's success was to not second-guess herself but to be confident in her decisions. Whitman also says, “you know there are lots of things I can change but my gender is not one of them, and so it is kind of what it is. I have to lead according to my personality, according to what I think is necessary under any set of circumstances” (Chang, 2012). She acknowledges that being a leader is based on effective leadership styles and not off of gender. Implicit biases from the past have made the road to female success a slow one, but not an impossible one.

Another strong female CEO leader is Karen Lynch who is the CEO of CVS Pharmacy. She started this role of CEO in February and is currently the highest ranking female CEO in the Fortune 500 (Connett, 2022). She is a very strong and powerful woman and was ranked at the top of Forbes' 100 Most Powerful Women in 2021. An interesting story Lynch revealed was when she was being considered for a senior management position, she was told to not wear pink because it was too girlish. She says “Indirectly, I was told my femininity was a barrier. Because of my outward appearance, they couldn't see my internal strength. Regardless, I fought back and got the job. Ever since then, I've made it a point to wear pink” (Connett, 2022). The greatest lesson to be learned by Karen Lynch is to embrace femininity and not suppress it. Being

a female leader is a strength to businesses. She stood up for herself, and by wearing pink she shows that females can be strong leaders and not have to be masculine.

A study on Female CEOs and their leadership styles and results shows that female representation has a consistent and positive relationship to corporate social responsibility. Females may have a different way of leading than men, but this does not necessarily mean they are not leaders. In the past there has been this concrete idea of what a leader is, but with more and more awareness and more females entering the workforce, there is already a shift of what an ideal leader should be in society with communal and team building leaders being more and more prevalent (Ingersoll et al., 2017). The presence of female executives and more diversity is that it leads to positive effects in a firm performance. This is due to these individuals having different mindsets, so that they can add to the cognitive capabilities of the business. The information-processing theory explains this idea that diversity in cognitive capabilities leads to more creative results and solutions (Fitzsimmons and Callan and Paulsen, 2014).

So now in society, it is recognized that women are capable of having these top executive positions and thriving in them. However, there are many factors that are preventing women from holding high level executive positions. However, the most prevalent reason goes beyond a level of consciousness of the idea that high level leadership is masculine. These stereotypes are not necessarily true (Kaiser & Wallace, 2016). Historical disadvantages of women in the workforce and implicit biases of typical feminine traits being very similar to follower traits where leadership traits tend to be seen as masculine contribute to the lack of female representation in CEO positions. Women also are less likely to go for CEO positions due to lower self-efficiency and also a lack of desire for these roles. Women also tend to value family and health over a higher salary. Men also tend to be more narcissistic than females which is this extreme desire to have power and control than women. Women also tend to be other-

oriented while men are more task oriented. The road to CEO success is a different one for women than it is for men. Women have to rise above the past and historic biases and current stereotypes about women being followers of male superiors. Females have proven that they are just as capable and just as intelligent than men. Women have overcome these barriers and make up more than half of the American workforce, however, are still underrepresented in CEO positions. The females who have accomplished the title of CEO have successfully surpassed biases and balanced both feminine and masculine traits to gain respect and trust from their subordinates. Female CEOs also have to desire the responsibility and power that belong to a CEO while also believing in themselves and being confident in their efforts to lead. The amount of female CEOs is projected to increase as it has been slowly increasing in the past. Maybe one day in the future females will make up the majority of CEOs. Although even in today's modern society, there is still a lack of aspiration in women to hold these jobs because of the idea of starting a family and valuing health and the household over the CEO position.

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