

Even if doing a good job, women CEOs more likely to be fired

November 29 2018

Women CEOs are much more likely than male CEOs to be dismissed, even when the women are performing well, according to research from The University of Alabama.

The findings are detailed in the paper "You're Fired! Gender Disparities in CEO Dismissal," which is accepted for publication in the *Journal of Management*.

Female CEOs are about 45 percent more likely than male CEOs to be dismissed from their firms. Also, while [performance improvements](#) protect male CEOs from dismissal, they do not protect female CEOs, according to the study of public firms in the United States.

"Dismissing the CEO is usually viewed as evidence of good corporate governance as it suggests that the board is taking its monitoring role seriously, however our research reveals there are invisible, but serious, gender biases in how the board evaluates CEOs and its decision to retain or fire particular CEOs," said Dr. Sandra Mortal, co-author and associate professor in the UA Culverhouse College of Business.

The research did not examine whether the boards are aware of their biases in dismissing [women](#) CEOs.

Along with Mortal, co-authors include Dr. Vishal Gupta, UA associate professor at Culverhouse, with Minxing Sun, of Clemson University, Sabatino Silveri, of the University of Memphis, and Daniel Turban, of

the University of Missouri.

Gupta said the research started because consulting companies, along with the popular and business press, have raised concerns about the higher incidence of dismissals among women CEOs compared to men. The researchers wanted to determine through rigorous statistical research and cutting-edge econometrics tools if dismissals are more common among women CEOs, he said.

The study relied on press coding of news releases and media accounts of CEO departures, along with data on CEO age and continued affiliation with the firm, to determine whether a particular CEO left voluntarily. They merged the CEO data with large-scale databases such as ExecuComp and BoardEx. The sample covers large, publicly traded firms between 2000 and 2014.

"The results of this study point to the extra pressure and scrutiny directed at women in senior leadership positions relative to their male counterparts," Gupta said. "This is problematic because women face difficult barriers and obstacles in breaking through the proverbial glass ceiling, but they also seem to continue to face additional challenges even after reaching the top of the corporate hierarchy."

More information: Vishal K. Gupta et al, You're Fired! Gender Disparities in CEO Dismissal, *Journal of Management* (2018). [DOI: 10.1177/0149206318810415](https://doi.org/10.1177/0149206318810415)

Provided by University of Alabama in Tuscaloosa

Citation: Even if doing a good job, women CEOs more likely to be fired (2018, November 29) retrieved 10 April 2024 from <https://phys.org/news/2018-11-good-job-women-ceos.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.