

## RESEARCH NOTES AND COMMENTARIES

### ABOVE THE GLASS CEILING: WHEN ARE WOMEN AND RACIAL/ETHNIC MINORITIES PROMOTED TO CEO?

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*Using a dataset of all CEO transitions in Fortune 500 companies over a 15-year period, we analyze mechanisms that shape the promotion probabilities and leadership tenure of women and racial/ethnic minority CEOs. Consistent with the theory of the glass cliff, we find that occupational minorities—defined as white women and men and women of color—are more likely than white men to be promoted CEO of weakly performing firms. Though we find no significant differences in tenure length between occupational minorities and white men, we find that when firm performance declines during the tenure of occupational minority CEOs, these leaders are likely to be replaced by white men. We term this phenomenon the “savior effect.” Copyright © 2013 John Wiley & Sons, Ltd.*

## INTRODUCTION

Nineteen Fortune 500 companies are currently headed by people of color, and 21 are headed by women (Catalyst Organization, 2013; Diversity Inc., 2013). Net of other factors, women and racial/ethnic minorities are significantly less likely than white men to exercise managerial control and authority in work organizations (for a review, see Smith, 2002). While barriers to mobility are well documented, organizational conditions that increase the odds of women and minorities being promoted to top positions remain underexplored. A small and growing body of scholarship has

sought to identify the conditions under which organizational barriers might be overcome (Cohen, Broschak, and Haveman, 1998; Elliott and Smith, 2001; Ely, 1995; Gorman, 2006; Ryan and Haslam, 2007).

The current study contributes to this scholarship by analyzing the mechanisms that shape the promotion probabilities and postpromotion tenure of white women and men and women of color. While there are important differences in the career paths of white women and men and women of color (Bell and Nkomo, 2001; Collins, 1997), white women and racial/ethnic minorities represent occupational minorities within the ranks of top corporate executives. Taylor (2010) defines occupational minorities as members of an occupation that are numerical rarities. The concept allows analysis of the mobility chances of nontraditional incumbents within an occupation independent of organizational characteristics (Taylor, 2010: 190). While most

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literature tends to analyze gender and race/ethnicity separately, we seek to bridge these sub-fields in order to advance scholarship on vertical mobility at the top of the organizational hierarchy.

The current study relies on a unique dataset of all CEO transitions in Fortune 500 companies over a 15-year period. We find that occupational minorities are more likely than white men to be promoted CEO of weakly performing firms; and when firm performance declines during their tenure, occupational minority CEOs are likely to be replaced by white men, a phenomenon we term the “savior effect.”

## **THEORY: GENDER, RACE/ETHNICITY, LEADERSHIP, AND ORGANIZATIONS**

### **Mechanisms that promote ascension above the glass ceiling**

Glass cliff theory predicts that occupational minorities are more likely to be promoted to leadership positions in organizations that are struggling, in crisis, or at risk to fail (e.g., Ryan and Haslam, 2007). Decision makers tend to view women and minorities as less competent and capable of leading organizations compared to white men (Carton and Rosette, 2011; Rosette, Leonardelli, and Phillips, 2008). However, weak firm performance may alter the perceived competencies required of leaders, thereby reducing bias against occupational minorities (Ryan and Haslam, 2007). For instance, women’s assumed emotional sensitivity, relational style, and interpersonal skills may be more highly valued in struggling organizations that face difficult personnel decisions (Ryan *et al.*, 2007). Similarly, stereotypes of minority men as warm and relational (Hacker, 1992; Livingston and Pearce, 2009; Majors and Mancini Bilson, 1992; Peffley and Hurwitz, 1998) may lead decision makers to view such men as more qualified to lead organizations through periods of crisis. In weak or struggling firms, such stereotypes are more likely to be viewed as compensatory for other qualities occupational minorities are assumed to lack, such as competence, intelligence, or leadership ability (Carton and Rosette, 2011).

Occupational minorities may accept precarious leadership positions out of fear they will lack better opportunities in the future (Ryan and Haslam, 2007: 558). Collins (1997: 60) found that Black

executives were willing to accept promotions known to stifle long-term mobility out of fear that the promotion would be the “first and only opportunity” they would receive, while others felt pressured to accept risky appointments when benefactors or mentors framed these promotions as pivotal opportunities for career advancement (Collins, 1997: 59).

Previous empirical tests of the glass cliff have produced conflicting results (Adams, Gupta, and Leeth, 2009; Ashby, Ryan, and Haslam, 2007; Haslam and Ryan, 2008; Ryan and Haslam, 2005). The current study will adjudicate among these competing findings by testing the relevance of the glass cliff theory for occupational minorities over time in America’s largest firms. We predict the following:

*Hypothesis 1: Occupational minorities are more likely to be appointed CEO in struggling firms.*

### **Postpromotion leadership trajectory of occupational minorities**

As formulated to date, the glass cliff theory does not consider the potential consequences of the glass cliff on the postpromotion experience of occupational minority CEOs. However, a full understanding of the consequences of the glass cliff requires analysis of the postpromotion trajectories of occupational minorities who may be set up to fail. We predict occupational minorities will experience lower average tenure rates than white men CEOs and will be replaced by traditional leaders should firms struggle under their leadership.

Occupational minorities tend to suffer token and solo status, which leads to high visibility, performance pressures, isolation, intense scrutiny, and negative performance evaluations (Kanter, 1977; Thompson and Sekaquaptewa, 2002). They may also experience hostility, resistance, and challenges to their authority by firm insiders (Heilman, Block, and Martell, 1995; Kanter, 1977). Occupational minorities that are sole incumbents of their racial/ethnic or gender group are also subject to heightened group stereotypes (Bell and Nkomo, 2001; Kanter, 1977; Niemann and Dovidio, 1998). The negative ramifications of token or solo status are enhanced when negative racial or gender stereotypes are relevant to performance expectations, as with top leadership roles (Thompson and Sekaquaptewa, 2002).

In addition to negative stereotypes and performance pressures, tokens and solos are less likely to benefit from social and professional networks and to receive organizational support, information, and assistance from peers and subordinates (Taylor, 2010). As a result, occupational minorities tend to be more cautious and frugal with organizational resources (Gutek and Cohen, 1987), and often lack control of critical organizational resources, including financial assets (Collins, 1997; Smith, 2002). These pressures and resource deficiencies in turn impact performance and job satisfaction (Inzlicht and Ben-Zeev, 2003; Spencer, Steele, and Quinn, 1999; Thompson and Sekaquaptewa, 2002). Particularly when performance requirements are shaped by group stereotypes—as in leadership contexts where prototypical leaders are white and male—the performance potential of occupational minority solos is restrained (Karakowsky and Siegal, 1999).

The pressures associated with token and solo status are likely to limit the ability of occupational minorities to succeed as corporate leaders as well as limit their job satisfaction postpromotion. While solo status is likely to lead to negative experiences across a variety of occupational and organizational contexts, these effects will be enhanced in top leadership positions, where all leaders—irrespective of race or gender—tend to experience heightened scrutiny. We predict that the experience of token or solo status will reduce job success and satisfaction, resulting in higher turnover and shorter tenures for occupational minorities. We predict the following:

*Hypothesis 2: Occupational minority CEOs will have shorter tenures than traditional CEOs.*

We also predict that occupational minorities will be replaced by white men should firm performance struggle under their leadership, a process we term the savior effect. Whiteness and maleness coconstruct the business leader prototype (Rosette *et al.*, 2008; Schein and Davidson, 1993). This prototype leads to evaluations of white men leaders as more effective, competent, and qualified than minority leaders (Eagly and Karau, 2002; Heilman *et al.*, 1995). These biases are magnified in occupations that are highly segregated, such as top leadership positions, when status differences tend to be exaggerated, rigid, and intense (Ely, 1995).

When white men leaders perform successfully, perceptions of their leadership capabilities are confirmed and reinforced. However, Black leaders are consistently evaluated negatively regardless of performance (Carton and Rosette, 2011; Powell and Butterfield, 2002). In fact, when Black leaders perform successfully, perceptions of their leadership capabilities remain unchallenged; Black leaders are simply assumed to have compensatory qualities that offset their lack of leadership abilities (Carton and Rosette, 2011). However, when performance is negative, compensatory stereotypes about occupational minorities are undermined and assumptions about their incompetence are confirmed and reinforced (Carton and Rosette, 2011).

Because occupational minorities are viewed as less capable and qualified for leadership positions, confidence in their leadership is tenuous. If organizational performance deteriorates under their leadership, decision makers will replace them with leaders perceived to be more competent and capable. As a result, the leadership tenure of occupational minorities will be scrutinized for evidence that confirms biases, particularly when firm performance declines. Thus, if occupational minority leaders fail to produce strong performance outcomes, decision makers will search for traditional corporate saviors who can restore organizational viability (Khurana, 2004). This tendency will be particularly strong in the promotion of corporate CEOs, as these transitions are increasingly driven by board members' desire to identify charismatic corporate saviors irrespective of skill, experience, and training (Khurana, 2004). We predict the following:

*Hypothesis 3: Occupational minority CEOs will be replaced by white men CEOs if firm performance is weak during their tenure.*

## DATA AND METHODS

### Procedure

To test our hypotheses, we constructed a dataset of all CEO transitions within the Fortune 500 from 1996 to 2010. CEO names, gender, race, year of appointment, tenure, prior experience, and internal/external data were collected using several reference websites such as [investing.businessweek.com](http://investing.businessweek.com), [people.forbes.com](http://people.forbes.com),

businessweek.com, nndb.com, referenceforbusiness.com, along with company websites. The percentage of women and minorities in management by industry were collected using the EEOC (Equal Employment Opportunity Commission) government website's publication of *Job Patterns for Minorities and Women*. Ticker symbols, SIC codes, and financial measures were obtained through a combination of Compustat and CRSP (Center for Research in Security Prices) database searches. Specifically, Compustat was used to obtain the company-specific information of total number of employees, total assets, total equity, total liabilities, net income, and sales. There were 35 companies not listed in the Compustat database. For those companies, financial measures were obtained from the money.cnn.com website. The CRSP database was used to collect firms' stock price and dividend information. There were 47 companies missing stock price information in the CRSP database; no other sources were found to acquire this information.

The dataset includes all CEOs of Fortune 500 companies that transitioned into office during the 15-year study period. The dataset includes 21 women CEOs (17 white and 4 racial/ethnic minorities) and 40 racial/ethnic minority CEOs (36 men and the 4 women previously noted). In total, there are 551 transitions where a traditional (white male) leader is appointed CEO, whereas there are only 57 transitions where an occupational minority is appointed CEO. There were 28 transitions where a traditional leader followed an occupational minority and only 4 transitions where an occupational minority leader followed an occupational minority. To analyze the likelihood of an occupational minority being appointed CEO in struggling firms, we compared instances when an occupational minority was appointed CEO to instances when a white male was appointed CEO. To analyze the savior effect, we compared instances when a traditional leader replaced an occupational minority CEO to instances when both a traditional leader replaced a traditional CEO and an occupational minority leader replaced an occupational minority CEO.

During the study period, the distribution of white men and occupational minority CEO transitions was fairly homogeneous with slightly more women CEOs being appointed in recent years. From 1996 to 2000, there were 11 appointments of minority CEOs, 3 appointments of

women CEOs, and 132 appointments of white men CEOs. From 2001 to 2005, there were 14 appointments of minority CEOs, 6 appointments of women CEOs, and 222 appointments of white men CEOs. In the most recent five-year period, 2006–2010, there were 15 minority appointments, 12 women appointments, and 197 white men appointments. Although minority representation of CEOs remained fairly constant over time, women's representation was greater during the past several years. The number of women CEOs increased to 12 transitions in the most recent five years examined, whereas in the ten years examined previous to that, only 9 transitions occurred in total.

## Measures

Our dependent variable to test the glass cliff theory is the transition of an occupational minority to CEO. An occupational minority appointed CEO was coded as a one, and a white man appointed CEO was coded as a zero. Our dependent variable to test the savior effect is the transition of a traditional white male leader replacing an occupational minority CEO. This transition was compared to the transition of a white man replacing a white man CEO and the transition of an occupational minority replacing an occupational minority CEO.

Firm performance measures served as the predictor variables. The financial measures were collected through the Compustat and CRSP databases. As suggested in prior work, measures of firm financial performance fall into two primary categories: accounting-based and market-based measures (Dalton and Kesner, 1985). Consistent with previous research (Coombs and Gilley, 2005; Dalton and Kesner, 1985; Waddock and Graves, 1997), we selected return on assets (ROA) and return on equity (ROE) to represent accounting-based measures and share price return to represent a market-based measure. We calculated firm performance measures for the year leading up to the transition, the two-year average leading up to the transition, and the three-year average leading up to the transition. All firm performance measures are reported in percentages.

Control variables include the number of employees at the firm, percent women and minorities in management within the industry, tenure of the CEO, the year of the transition, whether the appointee was internal or external, prior CEO experience, and firm size as measured by total

assets. An internal appointment was coded as one, the number of employees was reported in thousands, total assets were reported in millions, tenure was reported in months, women and minorities in management within the industry were based on two-digit SIC codes, prior CEO experience was coded as one, and dummy codes were used to account for the year of the transition. Using financial measures as predictor variables, it is important to control for aspects of the firm such as number of employees and size of firm assets. Furthermore, the timing of the appointment, as noted earlier in the disparity of female appointments over time, is an important control. The percent of women and minorities in the industry is important to control given its effect on promotion probability. Tenure, insider status of the appointee, and prior CEO experience are also factors relevant to CEO succession.

### Analyses

We tested our glass cliff hypothesis using conditional logistic regression (CLR). This method allowed us to use a case/control style of analysis where white men CEOs were the control group and occupational minorities were the case group. The appointment of these leaders as CEO was our event or outcome variable. To test our savior effect hypothesis, we used analysis of variance (ANOVA). This method allowed us to compare differences between three groups: when a white man replaced an occupational minority, when a white man replaced a white man, and when an occupational minority replaced an occupational minority.

## RESULTS

We tested three hypotheses: first, whether occupational minorities are more likely than white men to be appointed CEO in struggling firms; second, whether occupational minority CEOs experience shorter average tenures than white men; and third, whether occupational minority CEOs are more likely to be replaced by white men if firm performance is weak during their tenure. Descriptive statistics and correlations of our predictor, control, and outcome variables are presented in Table 1.

Our first hypothesis predicted that occupational minority leaders will be appointed CEO in

struggling firms. We find support for this hypothesis within all of our examined models (refer to Table 2). Model 1 examines the three-year average, Model 2 the two-year average, and Model 3 the one-year average of the firm's performance prior to the occupational minority being appointed. Within Model 1 and Model 2, ROE is significantly negative at a  $p$ -value of  $< 0.05$ , and for the one-year average, ROE is significantly negative at a  $p$ -value of  $< 0.10$ . Model 1 also indicates a significant positive relationship with the ROA of the firm ( $p < 0.10$ ). Given the consistency and significance of the findings with regard to a firm's ROE, the findings suggest that occupational minorities are more likely to be appointed CEO in struggling firms. This supports our predictions and suggests that these leaders experience a glass cliff in their ascension to CEO.

The second hypothesis predicts tenure length differences between white men and occupational minorities. To test this prediction, we conducted an independent  $t$ -test. Though white men have somewhat longer average tenure (52.38 months versus 56.03 months), the difference between tenure duration of traditional and occupational minority CEOs is not statistically significant nor is it a significant factor in any of our regression analyses. This result should be taken with caution. The appointments that occurred at the end of the 15-year period under study have substantially shorter tenure simply because they were recently appointed. Within our dataset, only two occupational minorities were appointed in 2010 compared to 24 traditional leaders. The shorter tenure reported for these individuals may have impacted this finding.

The third hypothesis predicts that in firms experiencing weak performance, white men are more likely to replace occupational minority CEOs compared to the likelihood of occupational minorities replacing occupational minority CEOs or white men replacing white men CEOs. As illustrated in the ANOVA (refer to Table 3), we find support for this prediction. When a white man replaces an occupational minority CEO, the firms' prior ROE for the three, two, and one-year average is significant and negative. In contrast, the ROE is positive for the three, two, and one-year average for the firm where a white man replaced a white man CEO or an occupational minority replaced an occupational minority CEO. The significance level of the differences is  $p < 0.05$  for the three-year average, and  $p < 0.01$  for the

Table 1. Descriptives and correlations from data of Fortune 500 companies (1996–2010)

	Mean	SD	N	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Occupational minority leader appointed CEO	0.09	0.29	583																	
2. Traditional leader appointed after occupational minority CEO	0.05	0.22	556																	
3. Prior CEO experience	0.33	0.47	611	-0.02	0.06															
4. % women in management in the industry	26.13	13.2	609	0.07	-0.02	0.05														
5. % minorities in management in the industry	13.18	3.28	609	0.10*	-0.01	0.03	0.54**													
6. Internal/external (internal coded 1)	0.71	0.45	610	0.00	-0.04	-0.33**	-0.06	-0.07												
7. Tenure (months)	54.9	33.5	613	-0.03	-0.11**	-0.07	0.10*	0.12**	0.16**											
8. Firm employees	77	227	589	-0.01	-0.01	-0.01	0.12**	0.10*	-0.03	0.03										
9. Firm assets	69,887	203,606	608	0.04	0.06	0.13**	0.22**	-0.06	-0.06	-0.11**	0.08*									
10. Average 3-year ROA	0.04	0.06	607	0.00	-0.05	-0.13**	-0.01	0.04	0.20**	0.09*	0.01	-0.12**								
11. Average 3-year ROE	0.08	0.93	605	-0.01	-0.13**	-0.05	0.08	0.06	0.02	-0.02	0.03	0.02	0.31**							
12. Average 3-year shareholder return	0.04	0.22	564	0.05	-0.09*	-0.02	0.02	0.03	0.10*	0.04	-0.01	-0.04	0.10*	0.06						
13. Average 2-year ROA	0.03	0.07	608	0.00	-0.07	-0.11**	-0.03	0.03	0.19**	0.06	0.02	-0.11**	0.92**	0.32**	0.19**					
14. Average 2-year ROE	0.03	1.32	606	-0.05	-0.13**	-0.04	0.07	0.05	0.03	-0.02	0.03	0.02	0.27**	0.97**	0.08*	0.30**				
15. Average 2-year shareholder return	0.02	0.27	569	0.04	-0.10*	-0.01	0.00	0.03	0.12**	0.08*	0.02	-0.05	0.11**	0.05	0.72**	0.21**	0.07			
16. Prior 1-year ROA	0.03	0.10	608	-0.04	-0.07	-0.08*	-0.02	0.03	0.15**	0.05	0.02	-0.07	0.75**	0.29**	0.19**	0.86**	0.28**	0.25**		
17. Prior 1-year ROE	-0.05	2.6	606	-0.07	-0.13**	-0.03	0.06	0.04	0.02	-0.04	0.02	0.02	0.23**	0.96**	0.08	0.25**	0.98**	0.07	0.26**	
18. Prior 1-year shareholder return	0.00	0.43	573	0.06	-0.05	0.00	0.02	-0.01	0.04	0.02	0.07	0.02	0.01	-0.01	0.50**	0.06	0.01	0.67**	0.13**	0.01

\*\*\* < .01, \* < .05.

Table 2. Conditional logistic regression results—Hypothesis 1—Test of glass cliff theory DV, the transition of an occupational minority leader appointed to CEO

IVs	Model 1			Model 2			Model 3		
	B	SE	Odds ratio	B	SE	Odds ratio	B	SE	Odds ratio
Tenure	0.00	(0.01)	1.00	0.00	(0.01)	1.00	0.00	(0.01)	1.00
Prior CEO experience	0.06	(0.36)	1.06	0.10	(0.35)	1.11	0.06	(0.35)	1.06
Internal/external hire	0.14	(0.38)	1.15	0.24	(0.38)	1.27	0.25	(0.37)	1.28
Firm assets	0.00	(0.00)	1.00	0.00	(0.00)	1.00	0.00	(0.00)	1.00
Number of employees	0.00	(0.00)	1.00	0.00	(0.00)	1.00	0.00	(0.00)	1.00
% women in management in industry	0.00	(0.02)	1.00	0.01	(0.02)	1.01	0.01	(0.02)	1.01
% minorities in management in industry	0.15***	(0.05)	1.16	0.14**	(0.05)	1.15	0.14***	(0.02)	1.15
(Firm performance measures as predictor variables)	(3-year average)			(2-year average)			(1-year average)		
ROA of prior CEO	5.83*	(3.16)	340.28	3.86	(2.84)	44.87	0.22	(1.85)	1.24
ROE of prior CEO	-0.29**	(0.12)	0.75	-0.18**	(0.08)	0.83	-0.07*	(0.04)	0.93
Shareholder returns of prior CEO	0.76	(0.70)	2.13	0.44	(0.62)	1.56	0.39	(0.35)	1.48
$\chi^2$	35.52*			34.66*			35.52*		

The year of the transition is controlled with dummy coding in the analysis. For space purposes, it is not included in the table. DV = dependent variable; IV = independent variable.

Model 1,  $n = 513$ ; Model 2,  $n = 517$ ; Model 3,  $n = 521$ .

\* $p < 0.10$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$ .

two- and one-year averages. This finding is also supported by the correlational analysis, which suggests that a traditional leader replacing an occupational minority CEO is significantly and negatively related to a firm’s ROE (refer to Table 1).

## DISCUSSION

Our study contributes to a growing body of scholarly work that seeks to identify the mechanisms that increase the likelihood that women and racial/ethnic minorities will be promoted to leadership positions. Our intent was to identify the conditions under which occupational minorities are promoted to top positions and analyze their postpromotion trajectory. Consistent with the glass cliff, we find that occupational minorities are more likely than white men to be promoted CEO in firms experiencing short-, medium-, or long-term declines. We also find that negative firm performance in the short, medium, or longer term leads to the replacement of occupational minority CEOs with white men, a process we term the savior effect. These findings suggest that occupational minorities face greater challenges when

appointed CEO and are provided few degrees of freedom with which to establish their leadership capabilities.

Contrary to our prediction, we find no evidence that occupational minorities experience shorter average tenures compared to white men. This finding is counterintuitive given the support for the glass cliff and savior effect, which together suggest that occupational minorities face greater challenges as leaders than white men. There are at least two explanations for this finding. First, the lack of a tenure gap may be the result of the shrinking tenure length for all CEOs, irrespective of gender or race/ethnicity. Second, the lack of a tenure gap may reflect the exceptional leadership capabilities of the occupational minorities in our sample. As previous scholars have suggested (e.g., Ferree and Purkayastha, 2000), occupational minorities who attain top leadership positions have survived successive levels of discrimination and are therefore likely to be exceptional. Thus, the occupational minorities in our sample may be exceptionally qualified leaders; the absence of a significant tenure gap may reflect this.

Our findings advance the literature on vertical mobility in work organizations in three ways. First, our findings suggest that occupational

Table 3. ANOVA—Hypothesis 3—Test of savior effect

Variable	F-value	White male follows occupational minority (n = 28)		White male follows white male (n = 527)		Occupational minority follows occupational minority (n = 4)	
		Mean	SD	Mean	SD	Mean	SD
Tenure	4.12*	39.12	(34.31)	56.09	(33.52)	34.50	(18.57)
Prior CEO experience	1.13	0.46	(0.51)	0.33	(0.47)	0.25	(0.50)
Internal/external hire	0.79	0.64	(0.49)	0.72	(0.45)	0.50	(0.57)
Firm assets	1.00	113,266	(267,709)	65,002	(186,074)	14,275	(9,297)
Number of employees	0.14	66.23	(87.19)	78.46	(243.06)	23.56	(20.93)
% women in management in industry	0.40	25.34	(8.28)	26.50	(11.38)	22.53	(8.56)
% minorities in management in industry	0.23	12.99	(3.07)	13.08	(3.23)	12.22	(2.43)
3-year ROA of prior CEO	0.72	0.02	(0.08)	0.04	(0.06)	0.05	(0.03)
3-year ROE of prior CEO	4.43*	-0.40	(2.35)	0.11	(0.73)	0.15	(0.10)
3-year shareholder returns of prior CEO	2.41	-0.04	(0.20)	0.04	(0.21)	-0.05	(0.20)
2-year ROA of prior CEO	1.16	0.01	(0.10)	0.04	(0.07)	0.04	(0.02)
2-year ROE of prior CEO	4.95**	-0.68	(3.50)	0.10	(1.04)	0.11	(0.06)
2-year shareholder returns of prior CEO	3.02	-0.10	(0.26)	0.02	(0.26)	-0.11	(0.26)
1-year ROA of prior CEO	1.21	0.00	(0.13)	0.03	(0.09)	0.03	(0.01)
1-year ROE of prior CEO	4.94**	-1.43	(6.77)	0.07	(2.00)	0.09	(0.02)
1-year shareholder returns of prior CEO	0.81	-0.10	(0.49)	0.00	(0.39)	-0.11	(0.36)

\* $p < 0.05$ ; \*\* $p < 0.01$ .

minority leaders face challenges that begin at the point of promotion and go beyond underrepresentation. Unlike white men, they are more likely to be appointed to struggling firms, creating greater obstacles to successful leadership than their white male peers. Second, consistent with the savior effect, occupational minority CEOs are provided with fewer degrees of freedom than white men to lead their firms out of crisis. Even short-term performance declines increase the odds of replacement by corporate saviors. In this way, the promotion of occupational minority leaders “off the glass cliff” risks reinforcing stereotypes about and bias against occupational minorities and reaffirming the tendency of decision makers to “think manager—think male” (Schein and Davidson, 1993). Finally, a potential silver lining is provided by our findings on tenure duration. Occupational minorities do not face shorter average tenures than white men—despite facing greater barriers to success. While this finding could be a function of declining tenure for all CEOs, it may also indicate that occupational minority CEOs are able to demonstrate leadership capabilities sufficient to lead struggling firms out of danger.

## CONCLUSION

While our analysis focuses on CEO appointments, we expect our findings are generalizable to other leadership contexts where organizational performance is measurable and guides promotion decisions. Indeed, given that the mechanisms we identify relate to gender and racial biases and stereotypes, we expect these mechanisms to operate in a variety of contexts where women and racial/ethnic minorities remain occupational minorities.

While our findings make a strong contribution to scholarship, future research must extend the insights presented here and address the current study’s limitations. Our study is limited due to the small number of observations in the population under study. Between 1996 and 2010, only 57 occupational minorities replaced white men as CEO in Fortune 500 companies. Given the small population under study, the significance of our findings is particularly noteworthy. However, future research could seek larger samples, including samples of corporate leadership transitions outside of the Fortune 500 as well as leadership transitions in noncorporate settings.



Furthermore, future research should seek to analyze the career trajectory of white women, minority men, and minority women leaders separately. Previous scholarship suggests that the leadership and career trajectories of these groups vary in significant ways (Bell and Nkomo, 2001; Collins, 1997), and scholars have identified important interactions between race/ethnicity and gender that shape career trajectories (Combs, 2003; Lach, 1999; Livingston, Rosette, and Washington, 2012). Such variations may have important implications for the glass cliff, and we strongly encourage scholars to test this potential in future research.

Future research should also test the relevance of important variations among and between racial/ethnic groups. Previous research has identified important intraethnic differences in career trajectories and opportunities and the ability to overcome structural and cultural barriers (Al Ariss and Syed, 2011; Chung-Herrera and Lankau, 2005; Hosoda, Nguyen, and Stone-Romero, 2011). We call on scholars to consider these important differences in future research that relies on leadership contexts beyond the Fortune 500 where an adequate number of observations would allow for separate analysis by racial/ethnic group.

Finally, elaboration and confirmation of the savior effect is one of the most novel contributions of this study. We encourage future research to further probe the relevance of this mechanism in other settings. In particular, future research might test additional mechanisms that may shape the postpromotion trajectory of occupational minority leaders, including board composition, industry and sector characteristics, and leadership experience of the CEO. Future tests of the savior effect may even incorporate qualitative analysis of factors that shape boards of directors' decisions with regard to promotion and replacement of occupational minorities, as well as occupational minority leaders' subjective experience of their leadership tenure.

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