THINK CRISIS, THINK FEMALE? STAKEHOLDER REACTIONS TO CEOS FOLLOWING CORPORATE VIOLATIONS

by

ABBIE GRIFFITH OLIVER

(Under the Direction of Michael D. Pfarrer)

ABSTRACT

While much is known about the biases females face in reaching the top, less is known about how stereotypes influence expectations once they become chief executive officer (CEO). I investigate a context that relies heavily on stakeholders' expectations, specifically corporate violations. I theorize how stakeholders' stereotypical gender biases shape their reactions pertaining to the CEO (male vs. female), the violation type (character vs. competence), and the response (apology vs. withholding apology). I unpack if the communal stereotype serves as either a benefit (she will fix things) or a burden (she is incompetent and should be blamed for committing a violation in the first place). In a series of controlled lab experiments, participants found female CEOs uniquely equipped to lead during crisis but also punished female CEOs more if they issued a denial. These findings support the idea that descriptive gender stereotypes do reward firms for signaling a "softer" side through female leadership, but there is a darker side to these communal attributions as female leaders are expected to behave in a gendered manner or risk punishment. The preference for female leadership did not translate in an archival setting where financial analysts punished female leaders more than male leaders when facing

lawsuits. The conflicting findings speak to the complex and important role of gender stereotypes in the formation of stakeholder perceptions.

INDEX WORDS: Female CEOs, Gender Stereotypes, and Corporate Violations

THINK CRISIS, THINK FEMALE? STAKEHOLDER REACTIONS TO CEOS FOLLOWING CORPORATE VIOLATIONS

by

ABBIE GRIFFITH OLIVER

B.A., Wake Forest University, 2002

M.B.A., University of South Carolina, 2006

A Dissertation Submitted to the Graduate Faculty of The University of Georgia in Partial Fulfillment of the Requirements for the Degree

DOCTOR OF PHILOSOPHY

ATHENS, GEORGIA

2018

THINK CRISIS, THINK FEMALE? STAKEHOLDER REACTIONS TO CEOS FOLLOWING CORPORATE VIOLATIONS

by

ABBIE GRIFFITH OLIVER

Major Professor:	Michael Pfarrer
Committee:	Scott Graffin Timothy Quigley Christine Shropshire

Electronic Version Approved:

Suzanne Barbour
Dean of Graduate School
The University of Georgia
May 2018

ACKNOWLEDGEMENTS

In short, I did not accomplish this alone. First to my family, thank you for supporting this adventure, which is just one of many crazy ideas I have had over the years. You were the biggest cheerleaders, as you have always been before, as I approached the finish line of the PhD. As your reward, you will now have to tell me to have a “super duper Dr. day” moving forward! To my committee, thank you for pushing me until the end. To Mike, my advisor, thank you for never screening your calls and being the best at listening and also at giving advice, academic or otherwise. Christy, thank you for inviting me to be part of a symposium about female leaders at my first AOM and sparking my interest in this whole thing. Scott, thank you for shepherding me to my first publication and for always standing at a three-foot distance. Marie, thank you for teaching me the ways of the dark side. To the management department at UGA, I cannot imagine five years in any other department. Both personally and professionally, it will be hard to match the memories moving forward. A special shout out to my co-conspirators in crime—Kate and Rob—I look forward to overanalyzing our PhD days over drinks at AOM for many years to come. Lastly, Sarah I will forever be grateful for your magic behind the curtains to make sure I got this dissertation done!

TABLE OF CONTENTS

Page

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1

INTRODUCTION

> MATT LAUER: ….as a **woman** and a **mom** you could present a **softe**r image and **softer** face for this company as it goes through this horrible episode. Does it make sense or does it make you bristle?
>
> (Matt Lauer interviewing Mary Barra, CEO General Motors, *The Today Show*, 2014)

> Missing from Bresch's testimony: An **apology**. She instead defended her $18 million compensation package. The public isn't buying it.
>
> (Recent headline following Mylan CEO Heather Bresch's Congressional testimony, *USA Today*, 2016)

To date, scholars have focused on how gender norms (Eagly & Karau, 2002) coupled with the pervasiveness of the stereotypical "think leader—think male" mindset have limited females' access to the top of the world's largest firms (Dixon-Fowler, Ellstrand, & Johnson, 2013; Lee & James, 2007; Park & Westphal, 2013; Ryan & Haslam, 2007). A *New York Times* headline reflected these norms, noting that "fewer women run big companies than men named John" (Wolfers, 2015). Further, recent work demonstrates that the same biases that support a glass ceiling for female executives also lead female Chief Executive Officers (CEO) to land at poorer performing firms (Cook & Glass, 2014) and drive negative market reactions to the announcement of a female CEO (Dixon-Fowler et al., 2013; Lee & James, 2007). However, the literature remains largely silent on how female CEOs are evaluated post-promotion (Jeong & Harrison, 2016; Joshi, Neely, Emrich, Griffiths, & George, 2015). This omission is surprising given that the number of female CEOs at *S&P 500* firms has tripled in the last decade (Catalyst, 2017)

and heuristic judgments, including stereotypes, are often used to judge sitting CEOs (Graffin, Boivie, & Carpenter, 2013).

Stereotypes are widely held but oversimplified beliefs, expectations, and assumptions of a particular type of person based on their group membership, e.g., males vs. females (Heilman & Parks-Stamm, 2007). Stereotypical judgments are automatic, immediate, and pervasive in daily life (Allport, 1954). Gender role theory (Eagly & Kite, 1987) suggests that women are stereotyped as possessing communal qualities associated with their traditional role of homemaker. Descriptive female stereotypes include being perceived as supporting, nurturing, and unselfish (Glick & Fiske, 2001). These descriptions stand in stark contrast to those agentic qualities attributed to males—powerful, commanding, and assertive—that are associated with the role of breadwinner. An abundance of research demonstrates that these communal vs. agentic stereotypes not only describe the genders but also prescribe rules for how members of each gender should behave (Heilman & Chen, 2005).

To understand how these gender norms influence post-promotion female CEOs, I turn to a context—corporate violations—in which a firm's behaviors deviate from stakeholders' expectations and put them at risk (Coombs, 2007a; Pfarrer, Decelles, Smith, & Taylor, 2008; Zavyalova, Pfarrer, Reger, & Shapiro, 2012). Stakeholder reactions and the ensuing firm outcomes following corporate violations are "subject to social influence" (Bundy & Pfarrer, 2015: 352), meaning stakeholders' perceptions are shaped by their own biases, heuristics, and emotions. While a body of literature exists on *what* a firm and CEO should do following a violation (Coombs & Holladay, 2008) and *when* a company and its leaders should issue a response (Frantz & Bennigson, 2005), less

is known about how prevailing stakeholder biases influence external stakeholders' reactions to a firm and its CEO following a violation (Bundy, Pfarrer, Short, & Coombs, 2017). This oversight in the literature is unexpected given that following a corporate violation, evaluators rely on heuristic and intuitive processes often based on stereotypes (Greenwald & Banaji, 1995; Tversky & Kahneman, 1974).

In response, I pose the following research question: In the wake of a corporate violation, how does CEO gender affect stakeholders' perceptions of the firm? More specifically, as suggested by Matt Lauer in his questioning of General Motors (GM) CEO, Mary Barra—"as a **woman** and a **mom** you could present a **softe**r image and **softer** face for this company as it goes through this horrible episode?" (Alter, 2014)—do gender norms reward firms for signaling a "softer" side through female leadership following a violation? Or as with reactions to Mylan CEO Heather Bresch's lack of an apology, is there a darker side to these attributions as the "fairer" sex, and are female leaders expected to act in a gendered manner or risk punishment if they do not conform?

Following a violation, stakeholders engage in sensemaking to understand a firm's deviation from expected norms (Burgoon & Poire, 1993; Coombs, 2007a), and I argue that gender norms are a critical component of setting expectations. Rooted in the principles of gender role theory and the power of descriptive stereotypes, I suggest that firms with female CEOs are more likely to signal the desired leadership attributes that stakeholders seek during a crisis—empathetic, open, and apologetic—resulting in less negative stakeholder reactions than their male counterparts. Placing a woman in front of a crisis is akin to bringing in "a nurse to administer therapy to an ailing company," which

aligns with the “think female—think communal” and “think crisis—think female” stereotypes (Rudman & Glick, 2008).

Further, drawing on gender role theory and expectations violation theory (Glick & Fiske, 1996; Glick & Fiske, 2001), I theorize that stakeholders’ reactions are also dependent on the congruence (or incongruence) of their gender norm expectations, the violation type (character vs. competence), and the given CEO response (issuing vs. withholding an apology). Prescriptive stereotypes provide a set of social rules for how each gender is expected to behave or otherwise risk consequences for non-compliance (Heilman & Chen, 2005). When female CEOs exhibit behaviors consistent with their prescribed gender roles—for example, when a female confirms her lack of competence (committing a competence violation) as opposed to acting in a more self-interested manner (committing a character violation)—I theorize that stakeholders will punish the female CEO less than the male CEO for following gendered expectations (King, Botsford, Hebl, Kazama, Dawson, & Perkins, 2012).

With regard to the CEO’s response to corporate violations, I hypothesize that providing an apology will enhance the favorability of reactions to male CEOs more than to female CEOs, whereas withholding an apology will diminish the favorability of reactions to female CEOs more than to male CEOs. This occurs because prescription-consistent actions, such as being accommodative, are routinely expected for women resulting in higher apology expectancy. Thus, in the event of a violation, female CEOs do not receive special recognition for doing that which is expected and apologizing. On the other hand, when a female CEO acts counter to gender prescriptions by withholding an

apology, her defensiveness is perceived more disapprovingly than in the case of a male CEO expressing a similarly defensive response.

I engaged in a multi-method research approach to investigate if gender serves as either a benefit (she will fix things) or a burden (she is incompetent and should be blamed for committing a violation in the first place). First, to generalize my findings, I conducted an archival study using the Audit Analytics class action lawsuit database to identify firm violations among the *S&P1500*. Using this dataset, I isolated the violation types and firm responses (in the form of a press release) to the allegations to establish relationships between CEO gender and negative stakeholder reactions (analyst coverage) with traditional regression techniques. Second, I conducted four lab experiments to isolate what biases drive perceptions of female CEOs following a violation.

I make several contributions with my dissertation. First, I develop the literature pertaining to the realities female CEOs face once they are in the role. While much is known about the hurdles women face in becoming a CEO, less is known about how stereotypes influence evaluations of female CEOs once they have taken the helm (Hillman, Shropshire, & Cannella, 2007; Joshi et al., 2015). By investigating the potential positive signal sent by female CEOs when faced with corporate violations, I explore a context that potentially offers a female leadership advantage.

Second, by investigating stakeholders' stereotypical gender biases pertaining to the violation type (character vs. competence) and the role of CEO responses (issuing vs. withholding an apology), I extend prior work from social psychology and organizational impression management to demonstrate the important role of gender prescriptive expectations in the formation of stakeholder perceptions. By exploring both the positive

and negative implications of gender stereotypes, I uncover the complexities of employing a female CEO in the context of firm violations

CHAPTER 2

GENDER ROLES AND FEMALE CEOS

Descriptive Stereotypes

Gender role theory states that people hold socially constructed views concerning how each gender will behave. Overtime, observers assume that each gender possesses the characteristics that make them productive at their historical sex-typical roles of homemaker and breadwinner. As Eagly and Karau (2002: 574) indicate, "people believe that each sex has typical—and divergent—traits and behaviors. . . . A key proposition of [gender] role theory is that the majority of these beliefs about the sexes pertain to *communal* and *agentic* attributes." Women, the homemakers, are thought to be obedient, warm, expressive, communal, nurturing, friendly, unselfish, and supportive (Eagly, Wood, & Diekman, 2000). These adjectives stand in stark contrast to male stereotypes rooted in the role of breadwinner—powerful, commanding, and assertive. These gender distinctions do not exist in a vacuum. While there are documented biological sex differences between the genders, the view held by most is that gender is also a social categorization. As (Sherif, 1982: 376) put it: "Gender is a scheme for social categorization of individuals…Every gender scheme recognizes biological differentiation while also creating social differentiations." These differentiations are also internalized by members of each gender further perpetuating the prevailing agentic vs. communal stereotypes.

These descriptive stereotypes reflect how observers believe the genders *are* and are used to set observers' expectations. Of note though is that descriptive stereotypes establish mental schemas surrounding how we perceive or assume others will act, but are not evaluative in nature. Descriptive stereotypes are used primarily for categorization not judgement. Descriptive stereotypes have been validated across time and cultures and, of importance here, across diverse employment settings (Heilman, 2012; Williams & Best, 1990).

These descriptive stereotypes influence perceptions of female managers—they are perceived to have greater sensitivity, express more concern for others, and engage in more prosocial behaviours in the workplace compared to their male peers (Johnson & Eagly, 1989). More specifically to the CEO context, female CEOs, despite the agentic nature of their role, are also viewed as higher in warmth than their male counterparts—more compassionate, attentive, and sensitive to stakeholder needs (Beutel & Marini, 1995; Dennis & Kunkel, 2004; Ibrahim, Angelidis, & Tomic, 2009; Ibrahim, Angelidis, & Howard, 2006).

Media coverage of female CEOs speaks to the pervasiveness of traditional gender roles in today's society. Britain's *Sunday Telegraph*, for instance, ran with the headline "Mother of three poised to lead the BBC" when Cambridge- and Harvard-educated Rona Fairhead was rumored to take the top position at the BBC (Petri, 2014). This media outlet appeared to be more concerned with her role as a mother, highlighting her communal nature, than her relevant credentials which included 30 years of executive experience with top British businesses.

Matt Lauer of *The Today Show* interviewed Mary Barra, CEO of GM, asking "if it was possible for her to run a major automaker and be a good mom at the same time" (Alter, 2014). Even as she took the reins of GM, Barra was viewed as the feminine stereotype, a communal, other-concerned homemaker (Eagly & Karau, 2002). Lee and James (2007), in their investigation of media coverage of CEO succession announcements, support these anecdotal examples. They found that for female CEOs, media coverage contained gendered terms such as *woman* and *family* that were not present for their male counterparts.

The salience of a female leader's gender is also perpetuated by everyday discourse. For example, we highlight that we work for a "female boss," but we do not distinguish when we are discussing our "male boss." In our patriarchal discourse, we take the masculine as the norm and feel the need to distinguish the abnormal—the feminine—and in doing so, we reify the salience of gender (West & Zimmerman, 1987). Descriptive data collected from qualitative interviews with employees pertaining to leader evaluations provides evidence of this phenomenon; gender was mentioned in relation to female executives 25 times more often than for male executives (Lyons & McArthur, 2007).

"Think leader—think male." The idea that females are the more communal gender comes with the inherent tradeoff of being viewed as less capable leaders for two main reasons. First, descriptive stereotypes map to observers' perceptions of an individual's competency and warmth (agentic males are competent and communal females are warm), and these stereotype-driven biases account for almost 85% of the variance in one's perceptions of all social interactions (Abele, Cuddy, Judd, & Yzerbyt, 2008; Cuddy, Fiske, & Glick, 2008). Of note is that these judgments "operate

reciprocally, like a see-saw" for observers, such that enhanced warmth judgments tend to diminish competence judgments and vice versa (Fiske, Xu, Cuddy, & Glick, 1999: 476). Hence, females are assumed to be higher in warmth and lower in competence than males.

For example, Arianna Huffington, an Uber board member, was discussing the benefits of increasing board diversity on a company conference call and mentioned that just one female board member increases the probability of another female joining the board. David Bonderman, another Uber board member, quipped, "Actually, what it shows is that it's much more likely to be more talking" (Issac & Chira, 2017). While the joke was in poor taste, it also shows how the highlighting of a communal quality—talking more—insinuates that the quality of the boardroom will be negatively impacted.

Second, the view that females are less capable leaders is based on the lack-of-fit argument articulated in gender role theory (Eagly et al., 2000; Schein, 1973) and reflects "society's cognitive division of men as breadwinners and women as homemakers" (Hoobler, Lemmon, & Wayne, 2014: 707). If successful leadership is associated with stereotypically male qualities such as being objective, ambitious, aggressive, and rational, then stereotypically female qualities are perceived as incompatible with successful leadership. This lack-of-fit argument is often referred to as the "think manager—think male" association (Heilman & Haynes, 2005; Koenig, Eagly, Mitchell, & Ristikari, 2011; Schein, 1973). A host of studies argue that this mentality results in less favorable assessments of female employees' competence in the workplace (Eagly & Makhijani, 1992; Lyness & Heilman, 2006).

The fact that competency judgments affect many work-related outcomes is well-established; research in social and organizational psychology demonstrate that gender

stereotypes alter perceptions of job-fit (Heilman, Block, & Martell, 1995), leadership ability (Eagly & Karau, 2002), and the likelihood of promotion (Rudman & Glick, 2008) for females. As such, female leaders may be subject to a higher standard of credentials (e.g., education, management experience) than their male peers (Biernat & Kobrynowicz, 1997). Social psychologists also demonstrate that women internalize society's categorization of the genders when performing self-evaluations. Heilman and Haynes (2005) indicated that females, when working with men, are unwilling to take the credit that is due to them and view themselves as less competent than their male coworkers.

Focusing on CEOs in particular, Dennis and Kunkel (2004) validated this lack-of-fit argument, showing that stereotypical male qualities were more strongly associated with the traits needed in a CEO than stereotypical female qualities. This bias is a key mechanism explaining why investors react more negatively to the appointment of a female CEO (Lee & James, 2007). Even more troubling, media reports of female CEO appointments not only negatively influence market value at the focal firm but also have negative spillover effects for other firms with women in leadership (Dixon-Fowler et al., 2013). Further, white male CEOs may encourage more negative media portrayals of minority-led firms (Park & Westphal, 2013), attributing weaker performance to female CEOs, for instance, due to their gender and perceived lack of competence. Bigelow and colleagues (2014) demonstrate the consequences of females being viewed as less capable in their experiments involving initial public offerings. All else being equal, females attracted less investment than their male counterparts. Heather Bresch, CEO of *Fortune 500* company Mylan, stated in an interview: "My experiences with gender bias are probably the norm . . . expectations of women were simply lower" (Bussey, 2012).

Due to the ramifications of the "think leader—think male" mindset, much of the literature has focused on the glass ceiling facing females as they try to break into the upper echelons (Helfat, Harris, & Wolfson, 2006; Hillman et al., 2007; Park & Westphal, 2013). Research on this oft-debated glass ceiling has focused on the demand-side of the labor market and suggests that although women actively seek high-level leadership positions, employers' discriminatory screening and evaluation processes constrain their advancement (Cook & Glass, 2014; Foschi, 2000). At the same time, there is a stream of research focused on the supply-side explanations, such as the *opt-out revolution hypothesis*. This view proposes that women are deliberately not pursuing top executive positions due to demands at home, lack of the necessary training and skills required of executives, or the heightened stress and challenge associated with executive roles (Belkin, 2003; Hoobler et al., 2014).

"Think crisis—think female." For those women who break through the glass ceiling, research is just now beginning to look at the types of firms that females lead. Recent research has introduced the concept of the glass cliff, suggesting females are more likely to land at firms in precarious situations (e.g., poor performance, crisis, activist target) (Cook & Glass, 2014; Ryan & Haslam, 2007; Ryan, Haslam, Hersby, & Bongiorno, 2011). Research into the glass cliff phenomenon was spurred by an article in *The Times* (UK) claiming that "the triumphant march of women into the country's boardrooms ha[d]….wreaked havoc on companies' performance." In response, scholars investigated an alternative explanation—in times of poor performance, do firms turn to female leadership (Judge, 2003: 21)? In the first effort to understand *The Times'* claim, Ryan and Haslam (2005) demonstrated that among the FTSE 100, females were more

likely to be appointed to boards that had consistently lower stock prices, not that there was a causal link between female representation and poor performance. Cook and Glass (2014) provide further support with their investigation of *Fortune 500* firms claiming poor performing firms are more likely to promote a female over a white male CEO.

Scholars have put forth a number of hypotheses to explain why females may be preferred in times of poor performance (Eagly & Carli, 2003). One line of thought is that when firms are facing performance pressure, they often make riskier decisions (Kahneman & Tversky, 1979; Mishina, Dykes, Block, & Pollock, 2010). This mindset allows boards to swing for the fences and potentially disrupt the status quo with an out-of-the box hire like a female CEO.

A more negative view of the glass cliff phenomenon asserts that for female leaders, "beggars can't be choosers," and they do not have the opportunities to land at better performing firms (Ryan, Haslam, Morgenroth, Rink, Stoker, & Peters, 2016: 452). An even darker view is that female CEOs are potentially appointed because they are viewed as more expendable and could potentially be a scapegoat for the board during a crisis (Ryan, Alexander Haslam, & Postmes, 2007).

Another line of inquiry—and the motivation for this manuscript—focuses on the perception that females are better suited to handle difficult situations due to their collaborative nature. When asked to describe the qualities a leader should possess in times of crisis, participants across a variety of studies identified more stereotypically female qualities (Bruckmüller & Branscombe, 2010; Gartzia, Ryan, Balluerka, & Aritzeta, 2012). Akin to the "think leader—think male" mindset, scholars attest that the desirable trait of communality during crisis leads to a "think crisis—think female"

mindset among observers (Pillai, 1996; Ryan et al., 2011). Ryan and colleagues (Ryan et al., 2016) confirmed in a series of lab experiments that a selection bias does occur where females are the preferred candidate to lead firms in difficulty based on ability and suitability, thus providing support for the "think crisis—think female" mindset (Cook & Glass, 2014; Hunt-Earle, 2012; Ryan & Haslam, 2005).

Anecdotal high profile examples have also caught the attention of the public and media. Most recently, Mary Barra was announced CEO of GM just weeks before a massive recall of 1.6 million automobiles, and Anne Mulchaly took the reins of Xerox as it was filing for bankruptcy and facing investigation by the United States Securities and Exchange Commission.

Prescriptive Stereotypes

My discussion above focused on how observers use descriptive gender stereotypes to make assumptions pertaining to how a female CEO *will* act. While descriptive stereotypes provide a basis for categorization, prescriptive stereotypes provide the rules for what behavior is considered acceptable, appropriate, or desirable for each gender. Prescriptive stereotypes establish social rules for how the genders *should* act and are used to justify and rationalize a social system that has historically been successful (Heilman & Parks-Stamm, 2007). Prescriptive stereotypes for gender carry more weight in social interactions than other group stereotypes and are often more pervasive than observers realize. For example, Rudman and Glick (2008) argue that it is more socially acceptable to tell a woman you "ought" to be more nurturing or a man you "should" be more aggressive than to tell an Asian- or African-American that they are not conforming to racial or ethnic stereotypes.

Prescriptive stereotypes about women specify that women *should* behave more communally and demonstrate social sensitivity and concern for others' welfare, such as being kind, sympathetic, and understanding (Heilman & Parks-Stamm, 2007). These normative *shoulds* also come with reciprocal *should nots*. For example, the attributes that are desirable for males, agentic achievement-oriented behaviors, are deemed inappropriate for women and vice versa. Males should be agentic and should not display communal service-oriented behaviors (Eagly & Karau, 2002).

Those females who violate prescriptive gender role expectations generate anger among observers and face disapproval and social penalties for threatening the historical social hierarchy (Cialdini & Trost, 1998; Heilman & Chen, 2005; Rudman, Moss-Racusin, Glick, & Phelan, 2012). Research to date supports the negative implications for females who act in stereotypically male ways (Dennis & Kunkel, 2004; Johnson & Eagly, 1989) and also for those who fail to act like females *should* (Heilman & Chen, 2005). A key distinction is that females are not only punished when they actually violate a norm, but also when a violation is inferred (e.g., she is successful, hence she is competent and not warm) (Heilman, 2012).

For example, when female leaders are successful by demonstrating stereotypical male traits such as competitiveness and dominance, their successes are considered inappropriate and unlikeable by observers (Cialdini & Trost, 1998; Heilman & Okimoto, 2007). This reaction is conforming to the same see-saw phenomenon where warm females are viewed as less competent, except here more competent females are deemed less likeable, triggering a well-documented "backlash effect" (Bowles, Babcock, & Lai,

2007; Okimoto & Brescoll, 2010; Phelan, Moss-Racusin, & Rudman, 2008; Rudman, Moss-Racusin, Phelan, & Nauts, 2012; Rudman & Phelan, 2008).

Just by having achieved a CEO title, a marker of success, female CEOs induce more negative reactions from stakeholders. In an experimental setting, when participants were told that a female manager was successful (no additional behavioral information was provided), participants reported that these female leaders lacked "the prescribed favorable interpersonal qualities related to communality and [instead possessed] traits such as selfishness, deceitfulness, deviousness, coldness, and manipulativeness" (Heilman & Okimoto, 2007: 82). White male top managers provide less help and support to colleagues and the CEO herself after the appointment of a female CEO as she is deemed unlikeable simply because she successfully attained a high position (Keeves, Westphal, & McDonald, 2017). Social psychologists have concluded that due to the implied communality deficit among female leaders, it takes very little for a female leader (indeed, as little as the perception that she is successful) to induce negative perceptions of her.

Research has also shown that men care more about gender roles than women, and they are the most disgruntled with out-of-role behavior by both men and women (Eagly & Mladinic, 1989). This is especially relevant for female CEOs, as they represent only 5.8% of the *S&P 500*, and boards are still dominated by 81% male representation (Catalyst, 2017). Meanwhile, research reveals that men on average think that women are now equally advantaged in U.S. society and no longer have a right to complain about perceived differences (Sue, 2010).

The Double-Bind

How do female leaders, and CEOs in particular, navigate these stereotypes to avoid the backlash effect and find success? Scholars argue female leaders are caught in a phenomenon known as the "double-bind," wherein descriptive stereotypes lead observers to doubt their competence because they are presumed communal, but if females display qualities associated with competent leadership—assertiveness, dominance, or even just confidence—they risk punishment for violating prescriptive gender norms. Navigating this double-bind is a significant challenge for female leaders, as they must strike a balance that is not expected of their male counterparts. Meta-analytic research (Eagly & Makhijani, 1992) indicates that female leaders who want to be viewed as competent must take care to also be seen as nice and not dominant, suggesting that "nice and able" is the most successful route for female CEOs (Carli, LaFleur, & Loeber, 1995: 1040). In their study, Heilman and Okimoto (2007) demonstrated this imperative to be "nice and able." Successful female managers were rated more favorable if they were also more communal.

Indra Nooyi, CEO of PepsiCo, has discussed publicly this reality for female leaders. She can be viewed positively as a taskmaster and tough negotiator in line with her role as CEO as long as she is also unusually communal for a CEO. She "throws dinners for members of her team and their spouses, . . . feels comfortable advising colleagues on how to dress correctly, and . . . is also known for her humor and for singing in the office" (Toegel & Barsoux, 2012).

Benevolent Sexism

Traditionally, people think of sexism in terms of the extreme end of gender bias, or what scholars refer to as hostile sexism. Individuals who engage in hostile sexism—openly striving to disadvantage females—want to punish females for challenging male dominance. Those whose views align with hostile sexism see agentic females, such as female CEOs, as threating the status quo, taking a job from a male, and ultimately trying to usurp men's power. Due to the overt nature of hostile sexism, scholars contend it is often not a strong predictor of outcomes for female CEOs due to the status of their role as CEO, suggesting scholars need to look at subtler forms of sexism such as benevolent sexism (Ryan & Haslam, 2007).

Benevolent sexism, a manifestation of the ideals of both descriptive and prescriptive gender roles, assumes that not only should the genders abide by their gender roles, but also that both men and women are naturally better off in those roles. Benevolent sexism represents "a more positive attitude . . . toward women that appears favorable [for the perceiver] . . . because it portrays women as warm but incompetent or weak individuals in need of men's protection and support" (Dardenne, Dumont, & Bollier, 2007: 764). Inherent in this view is that women and men have different (communal vs. agentic) traits that are not only complementary in nature but necessary. Men need the love of women and women need the protection and support of men (Glick & Fiske, 1996). Females should be lauded for being especially warm (e.g., good-natured, loveable) and taking on roles that serve men's needs; they should therefore be protected from struggles. At the same time, men should be seen as the provider and rewarded for masculine acts (e.g., displays of power, status, and aggression). Ultimately, "men are bad

but bold and women are wonderful but weaker" (Glick, Lameiras, Fiske, Eckes, Masser, Volpato et al., 2004: 714).

These attitudes are so prevalent in modern society that when people engage in benevolent sexism, they are often not labeled as sexist (Barreto & Ellemers, 2005) and targets may even feel positive after exposure to benevolent sexism (Becker & Wright, 2011; Jones, Peddie, Gilrane, King, & Gray, 2016). Both sexes engage in benevolent sexism, and although women are more likely to resist hostile sexism than men, the same is not true for benevolent sexism.

While not typically judged as harshly as hostile sexism, benevolent sexism comes with as many documented pitfalls. This "pitying" prejudice towards women reflects a contradictory combination of admiration and disrespect (Glick & Fiske, 2001) while further perpetuating prescriptive norms. As a recent report on benevolent sexism suggests, there is an inherent dark side to this chivalrous ideology that rewards females for embracing female stereotypes. It is well documented that benevolent sexism, while more subtle than hostile sexism, still harms females in multiple ways by:

> (a) justifying and reinforcing hostile sexism, (b) fostering often unrecognized discrimination that limits women's opportunities and diminishes their performance, (c) eliciting backlash towards women who resist their traditional roles, and (d) sapping women's personal ambitions and resistance to inequality (Glick, 2013).

Engaging in benevolent sexism, such as asking the female manager to organize a baby shower, is often viewed as complimentary because she is "better" at it then her male counterpart, but it comes with the inherent view that she is not capable of taking on more

demanding assignments (Barreto, Ellemers, Piebinga, & Moya, 2010; Becker & Wright, 2011). When a colleague apologizes to the females in the room for using profanity, it may come across as innocuous, but it is an example of benevolent sexism that reinforces gendered norms that females are delicate and need to be protected and supported by men (Che, 2016; Huffman & Fiske, 2012).

In the workplace, benevolent sexism has also been linked to an increase in help offered to female employees (Shnabel, Bar-Anan, Kende, Bareket, & Lazar, 2016), led managers to avoid discussions of performance deficits with female subordinates (Vescio, Gervais, Snyder, & Hoover, 2005), and resulted in females receiving less challenging assignments (King et al., 2012). A high-profile example of the subtlety of benevolent sexism is present in the words of Microsoft CEO, Satya Nadella, when he was asked his advice on how women, who traditionally are not mentored in negotiations, should ask for a raise: “It’s not really about asking for the raise, but knowing and having faith that the system will actually give you the right raises as you go along" (Stampler, 2014). He went on further to suggest good karma would help a boss realize the employee needs a raise. While potentially not Nadella’s intention, his words can easily be reinterpreted as a directive for female employees in the technology sector to be “wonderful, but weak” (Glick & Fiske, 1996). Speaking recently at the World Economic Forum, Tupperware CEO Rick Going claimed, “It’s a benevolent sexism,” and went on to state, “I’m going to take care of her, because she’s not that smart and she’s frail” (Che, 2016).

Influence of Female CEOs

Scholars are also trying to understand the performance implications of females in the executive suite. There is strong support in the organizational behavior literature that

male and female leaders have systematically different leadership styles (Eagly, Johannesen-Schmidt, & Van Engen, 2003; Rosette & Tost, 2010). Meta-analytic support reveals that females tend to have a more democratic or participative leadership style (Johnson & Eagly, 1989). Specific to the executive level, strategy research has demonstrated that female board members tend to take more risk-averse positions in terms of investments and acquisition activity (Chen, Crossland, & Huang, 2016; Huang & Kisgen, 2013).

Due to the limited number of female CEOs to date, large-scale empirical investigations of the influence of female CEOs in strategy research are practically non-existent. Instead, research has focused on female representation in the top management team (TMT), with findings linking female leadership and performance being equivocal. Debate continues in the literature on the question of whether female-led firms benefit by having diversity at the top or suffer a burden because of stereotypical gender biases (Jeong & Harrison, 2016).

On one hand, the argument for positive performance implications is rooted in traditional arguments that focus on the business case for diversity. From that perspective, a diverse TMT is seen as a strategic asset for the firm. This is due in part to the belief that greater female representation on the TMT is linked to a better understanding of consumer behavior and customer needs (Brennan & McCafferty, 1997); better communication skills (Schubert, 2006); a more democratic leadership style (Eagly & Carli, 2003); more ethical sensitivity (Cumming, Leung, & Rui, 2015); and an enrichment of informational and social diversity that fosters innovation (Dezsö & Ross, 2012). Most of these benefits are tied to the more collaborative and inclusionary style attributed to female managers.

On the other hand, the arguments supporting the burden of female leadership come from the "think leader—think male" mindset and its influence on external perceptions pertaining to the competency and likability of female leaders (Lee & James, 2007). Evidence supporting these claims was presented and discussed in detail in the previous section (see ***think leader—think male***) pertaining to the stereotype-driven biases directed at female CEOs and the ensuing negative outcomes such as negative media coverage, lower stock prices, and the inability to attract growth capital (Bigelow et al., 2014; Dixon-Fowler et al., 2013; Lee & James, 2007).

A recent meta-analysis (Jeong & Harrison, 2016) of 140 studies across a range of countries, disciplines, and journals, of which only eight included a measure for female CEO, sheds light on the debate giving credence to both theoretical lenses. The authors find a weak but positive relationship between female representation in the upper echelons and long-term performance and a weak but negative relationship with short-term stock market returns. In doing so, they distinguish the temporal vs. context-driven influences of female representation on performance. Long-term benefits are due to actual changes in strategies by female leaders driving performance, supporting the notion that female representation potentially alters a firm's strategic decision making, while short-term implications are due to investors' assumptions about a female CEO's effectiveness. The authors, though, "caution against over claiming" as effect sizes, while dependable, are small (Jeong & Harrison, 2016: 34).

While recent work has made great strides in attempting to make sense of the confusing domain of research pertaining to gender, leadership, and performance, management research in particular has not yet focused on the post-promotion

circumstances faced by female CEOs. As noted by Jeong and Harrison (2016), much of the research on the perceptions of female CEOs focuses on investor reactions to the announcement of their appointment (Dixon-Fowler et al., 2013; Lee & James, 2007) and does not consider multiple stakeholder groups or reactions once the female CEO is in place. The authors highlight that "a promising direction for future research would be to investigate the cognitions of a broader range of stakeholder groups and audiences. To better understand how women leaders are perceived" (Jeong & Harrison, 2016: 37). The authors also acknowledge the ever-present issue of opening the "black box" of female CEO research—particularly through exploring the social-contextual factors that influence the perceptions and success of female CEOs, potentially in a controlled lab setting (King, Hebl, George, & Matusik, 2010).

Female CEOs in Context

As mentioned above, gendered expectations are central in the perceptions of female CEOs. Expectations are probabilistic judgments in relation to an individual's expected behavior (e.g., a female CEO) or a firm within a given set of social norms (Burgoon & Poire, 1993; Burgoon & Walther, 1990). Given the importance of understanding female CEOs in context, I plan to focus my investigation on a context that relies on stakeholders' expectations of appropriate behavior—corporate violations. While an expectancy violation may be either negative (customer death) or positive (better than expected returns), for the purposes of this proposal, I will focus on negative corporate violations—firm behaviors that deviate from stakeholders' expectations and put a firm's stakeholders at risk (Coombs, 2007a; Pfarrer et al., 2008; Zavyalova et al., 2012).

In the event of a violation, stakeholders engage in sensemaking to understand a

firm's deviation from expected norms (Burgoon, Denning, & Roberts, 2002). Under conditions of high uncertainty, such as during a crisis, evaluators also rely on more heuristic processes, often based on stereotypes that are "subject to social influence" (Bundy & Pfarrer, 2015: 352). At the same time, firms also actively work to manage this sensemaking process through impression management to mitigate negative stakeholder reactions and ensuing firm outcomes. As such, this context is a fruitful setting to investigate the interaction of expectations associated with gender, violations, and response strategies to gain a better understanding of the circumstances female CEOs face post-promotion. In the next section, I will briefly review the relevant literature on corporate violations and organizational response strategies before developing theory pertaining to stakeholder reactions to female CEOs following a corporate violation.

CHAPTER 3

CORPORATE VIOLATIONS AND ORGANIZATIONAL RESPONSE STRATEGIES

Corporate Violations

With few exceptions (Bundy & Pfarrer, 2015; Connelly, Ketchen, Gangloff, & Shook, 2016), studies in strategy have not distinguished among violation types in gauging stakeholder reactions. Much of the work to date has existed within a single violation context (Lamin & Zaheer, 2012; Love & Kraatz, 2009; Zavyalova, Pfarrer, Reger, & Hubbard, 2016; Zavyalova et al., 2012). This oversight is surprising given that violations can exist along a continuum from intentional wrongdoing to accidents and mistakes. A host of labels in the psychology, marketing, and management literature are used to distinguish the potential types of violations. Integrity, ethical, social, value-related, and character violations have all been associated with intentional wrongdoing; while technical, financial, competence, and performance-related violations have all been linked to mismanagement (Connelly et al., 2016; Greve, Palmer, & Pozner, 2010). For the purposes of this proposal, I will focus on character-related and competence-related violations.

Character-related violations include any firm behaviors that do not consistently adhere to moral principles or a code of conduct deemed acceptable to stakeholders. Examples include, but are not limited to, intentional financial mismanagement or corruption (Cowen & Marcel, 2011), illegal or harmful working conditions (Lamin &

Zaheer, 2012), and environmental malfeasance (Zyglidopoulos, 2001). Current high-profile examples include Wells Fargo's account creation fraud in which sales managers, to hit sales targets, created thousands of fraudulent accounts, and Volkswagen's emissions scandal in which the company admitted to placing technology in 11 million cars to cheat emissions tests.

Examples of competence-related violations usually include mismanagement of something related to the firm's product or service resulting in poor technical proficiency or performance. Examples include supply chain issues, product recalls, failure to address market changes, ill-fated acquisitions, or lack of internal controls (Connelly et al., 2016). The glitches in Apple's new Maps application in 2012 serve as a high-profile example that forced Tim Cook to issue a rare public apology. Cook conceded that Apple's Maps did not live up to company's standards. "We are extremely sorry for the frustration this has caused our customers," Cook wrote, "and we are doing everything we can to make Maps better" (Goldman, 2012).

Expectancy Violations and Organizational Response Strategies

Expectancy violations theory posits that individuals assume that firms' actions are not random—there is an expectancy surrounding firms' actions that is inherently predictable based on past interactions and social norms. When these expectations are violated, they are noticeable for the observer, creating cognitive dissonance and negative emotions due to the variance between what happened and what should have happened (Burgoon et al., 2002; Festinger, 1954; Greifeneder, Bless, & Pham, 2011). When this occurs, observers engage in a sensemaking process and seek information to reconcile the violation with their prior expectations.

One source of information in this sensemaking process is the firm itself. Organizations use impression management tactics to reduce information asymmetries in the marketplace in an effort to influence audiences' perceptions of the organization (Elsbach, 2003; Graffin, Carpenter, & Boivie, 2011; Westphal & Zajac, 1994). More specifically, following a firm violation, organizations engage in reactive impression management—"what management does and says after the crisis hits" (Coombs, 2007b: 135). At a high level, organizational response strategies refer to the multiple rhetorical strategies and actions that are designed and carried out by organizational spokespersons with the aim of mitigating damage to a firm's reputation and their stakeholder relationships (Benoit, 2014; Bundy & Pfarrer, 2015; Dukerich & Carter, 2000; Elsbach, 2003; Pfarrer et al., 2008). Firms typically engage in organizational responses through publicized accounts like press releases and often employ impression management when concerned with stakeholders who have power over them, such as regulators, consumers, and investors. Failure to communicate effectively following a violation can lead to distrust, anger, and negative word-of-mouth among stakeholders, potentially damaging an organization's reputation and financial performance (Bundy et al., 2017; Coombs, 2007b, 2007a; Coombs & Holladay, 2008).

Organizational response strategies can range along a continuum from defensive (rejecting responsibility) to accommodative (accepting responsibility) (Coombs & Holladay, 2011). Accommodative strategies are focused on accepting responsibility in an "attempt to manage social approval loss by acknowledging an organization's causal role in [a negative event] and attempting to reduce evaluators' negative perceptions" (Bundy & Pfarrer, 2015: 18). The language of accommodative responses includes apologies,

expressions of regret, desire for forgiveness, and displays of mortification (Kim, Ferrin, Cooper, & Dirks, 2004). At the other end of the spectrum, the language of defensive strategies includes denials, excuses, and justifications. Defensive strategies are used to shield the firm from further criticism and disassociate the firm with the negative event.

Three primary theories have emerged among communication and public relations researchers to explain how stakeholders and firms engage in a sensemaking process where stakeholders make attributions pertaining to the cause, responsibility, and blame of a violation. All three—the theory of image restoration (Benoit, 1995, 2014), attribution theory (WAT) (Weiner, 1985, 1995), and situational crisis communication theory (SCCT) (Coombs, 2007a)—argue that the effectiveness of an organization's response is dependent on observers' situational attributions of a negative event. The most effective response will come from a match between the attributions of responsibility and the response type (Bundy & Pfarrer, 2015). If stakeholders deem the firm responsible, a more accommodative strategy such as apology is deemed more appropriate. Zavyalova and colleagues (2012) support this notion, demonstrating that a more accommodative response was more beneficial when firms were facing a product recall—a violation in which the firm is deemed responsible for the issues at hand. If a firm is not held responsible in the eyes of stakeholders, then a more defensive response is acceptable.

Apologies as an Accommodative Strategy

When a firm is deemed responsible, an apology or public acceptance of responsibility fits with societal norms (Coombs, 2007a; Dean, 2004; Pfarrer et al., 2008; Tyler, 1997). At their core, stakeholders expect what any offended party wants—a sincere and straightforward apology admitting a mistake. Stakeholders may even reward

firms who apologize or provide an especially accommodative response. An apology may be seen as an act of goodwill on the part of the firm and may elicit positive emotions from stakeholders (Benoit, 1995; Bundy & Pfarrer, 2015; Coombs & Holladay, 2008; Pfarrer et al., 2008; Sutton & Callahan, 1987). As such, scholars have shown that apologizing after a violation has led to financial benefits (Patel & Reinsch, 2003), increased consumer spending (Lyon & Cameron, 2004; Marcus & Goodman, 1991), support from stakeholders (Coombs & Schmidt, 2000; Coombs & Holladay, 2008), trust in and perceived integrity of the organization (Ferrin, Kim, Cooper, & Dirks, 2007; Gillespie & Dietz, 2009; Tomlinson, Dineen, & Lewicki, 2004), and ultimately, less reputational damage (Coombs & Holladay, 2008; Lyon & Cameron, 2004).

Due to the potential advantages (or, at a minimum, the diminished disadvantages) afforded to firms that apologize, firm apologies are a key component of a firm's response strategy when a firm is deemed responsible for a violation. Some argue, especially in the legal field, that admissions of fault on the part of an organization potentially create a liability for the organization and are not recommended (Cohen, 1999; Tyler, 1997). In short, though, the literature suggests that issuing some form of apology for a violation is better for a company's reputation and performance than not, if the firm is held responsible for the violation. Not surprisingly, corporate apologies are the most widely discussed and researched response strategy in organizational and crisis communication research. While study into the origin and meaning of apologies spans multiple disciplines and eras, I will restrict the following discussion of apologies to their relevance to corporate response strategies following a violation. To date, apology research has focused on three main characteristics of an apology: timing, content, and source (Coombs,

Frandsen, Holladay, & Johansen, 2010; Wooten, James, & Smith, 2006).

Timing. Research addressing the timing of an apology focuses on the speed with which an apology is issued. The overwhelming consensus in the literature to date is that the sooner the better in terms of apology effectiveness (Pfarrer et al., 2008; Wooten et al., 2006). In terms of timing, if an apology is delayed, it is likely to be perceived as less genuine and less sincere by observers (Blanchard & McBride, 2004).

Content. Research into the content of apologies seeks to understand the particular combination of words and sentiments that form the most effective components of a corporate apology. While debate continues across fields and disciplines on the elements of a successful apology, five key elements are cited the most often. Most full apologies include an acknowledgement that the violation occurred; an acceptance of responsibility for the violation; an expression of regret and remorse; a plan for corrective action; and lastly, reassurances that the violation will not happen again (Bisel, Messersmith, & Kelley, 2012; Cohen, 1999; Coombs & Holladay, 2008; Fehr & Gelfand, 2010; Frantz & Bennigson, 2005; Hargie, Stapleton, & Tourish, 2010; Hearit, 1994, 2006; Kellerman, 2006; Koehn, 2013; Lazare, 2006; Petrucci, 2002; Salvador, Folger, & Priesemuth, 2012; Slocum, Allan, & Allan, 2011; Smith, 2005). In terms of organizational research, it is generally accepted that the most important components of an apology can be reduced to three parts: recognition of the violation, acceptance of responsibility, and a display of remorse (Coombs & Holladay, 2011).

Source. Research focused on the source effects of an apology investigates the effectiveness of a response based on attributes of the spokesperson—skills, knowledge, and most importantly, credibility (Lafferty & Goldsmith, 1999; Pornpitakpan, 2004;

Yang, Kang, & Johnson, 2010). Specific to this proposal, a line of inquiry has focused on the CEO's role as the face of the organization. When a CEO or corporate leader apologizes, the apology is often deemed more effective than an apology from another representative of the company (Kellerman, 2006). A CEO's apology can serve multiple purposes. First, it serves institutional norms for the leader to take responsibility, and it sends a signal that the organization is not going to renege on its responsibility to stakeholders (Ulmer, Seeger, & Sellnow, 2007). Second, it can serve a moral purpose if the CEO expresses remorse and regret. Third, it can individualize the event for observers, as research suggests that people are generally far less forgiving of an abstract organization than they are of an individual (Bisel et al., 2012). According to source credibility theory, if a spokesperson is deemed an expert, credible, and trustworthy, then they can have a positive influence on post-violation outcomes (Heath & Palenchar, 2008; Yang et al., 2010). The Edelman Trust Barometer (2012) also ranks CEOs among the most credible of spokespeople. CEO spokespersons not only bring "authority and credibility in highly equivocal situations" but also "establish the moral tone for the crisis response" (Seeger & Ulmer, 2001: 369).

A recent high-profile example highlights the importance of CEO apologies. CEOs who do not apologize or come off as insincere are quickly taken to task by the media and stakeholders alike. As videos showing passenger David Dao being dragged from a United flight spread like wildfire, CEO Oscar Munoz fumbled through various responses, including immediately defending United's actions on Twitter but also apologizing for the "upsetting event" (Gensler, 2017). Changing course and facing backlash from various stakeholders, his apology eventually evolved into full remorse, accepting responsibility,

and expressing shame a few days later, in line with the recommendation by scholars to apologize if a firm is deemed responsible for the incident to help mitigate negative stakeholder reactions (Gensler, 2017).

While organizational and communication scholars have investigated the effectiveness of different corporate apologies, most of these studies have been case-based and experimental in a lab setting. More importantly for strategy research, large scale empirical investigations concerning the consequences of corporate apologies are practically non-existent (Bundy, 2014; Zavyalova et al., 2012). Another critique of the current state of crisis response and organizational impression management research is that it primarily takes an organization-based perspective, focusing on what the organization says with the assumption that it will be effective (Benoit, 2014). Management scholars though are taking an increasing interest in understanding the sociocognitive processes that influence stakeholders' perceptions of firms' actions (Bitektine, 2011; Devers, Dewett, Mishina, & Belsito, 2009; Graffin et al., 2011; Graffin, Haleblian, & Kiley, 2016; Lange & Washburn, 2012; Mishina et al., 2010). In this vein, we cannot assume the effectiveness of an apology as a given; impression management research needs to take more of an "eye of the beholder" approach and begin to unpack how stakeholders' perceptions of the source, violation, and response influence post-violation outcomes for the firm (Bundy & Pfarrer, 2015; Rindova, Reger, & Dalpiaz, 2012; Zavyalova et al., 2012).

As evidenced by the above literature review, several theoretical traditions inform this dissertation proposal. First, expectancy theory posits that in the context of a firm violation, observers seek information to make sense of any deviance from expectation.

Second, theories of image repair (Benoit, 1995, 2014), situational crisis communication theory (Coombs, 1998, 2007b; Coombs & Holladay, 2011), and attribution theory (Weiner, 1985, 1995) suggest that apologies are an important communication strategy for organizations following a violation where the firm is responsible. Apologies are necessary when observers blame the organization for the violation, and apologies can help to shift the way people assign that blame. Also, the source of an apology is consequential in managing perceptions. Lastly, gender role theories (Eagly & Karau, 2002; Eagly et al., 2000) also suggest that as a source of an apology, CEOs and their gender will also shape external perceptions when evaluating the context, source, and response strategy. In the next section, I develop theory pertaining to how stakeholder-driven perceptions of the source (female CEO), the violation (character vs. competence), and the response (apology) influence stakeholder reactions to a violation that is fully attributed to the firm.

CHAPTER 4

THEORY AND HYPOTHESES

CEOs as the Face of the Organization

For observers, the majority of credit or blame for firm actions is assigned to the CEO (Meindl, Ehrlich, & Dukerich, 1985). In a phenomenon known as the romance of leadership, in times of uncertainty, observers want to make causal attributions to assign responsibility (Meindl, 1995; Waldman, Ramirez, House, & Puranam, 2001). For firms facing adversity, the CEO is a psychologically easy and attractive option for stakeholders to blame when considering the uncertainty and causal ambiguity associated with corporate violations. Research establishes that the CEO takes the brunt of the blame for firm violations such as financial restatements (Gomulya & Boeker, 2014), performance shortfalls (Sanders, 2001), and fraud (Cowen & Marcel, 2011).

Due to this romance of leadership, CEOs often represent the firm in the public sphere and help reduce information asymmetries with stakeholders by signaling unobservable qualities of their firms (Haslam, Ryan, Kulich, Trojanowski, & Atkins, 2010; Lester, Certo, Dalton, Dalton, & Cannella, 2006; Quigley, Crossland, & Campbell, 2017; Spence, 1973). From a sensemaking perspective, when stakeholders encounter a signal, such as a CEO, they rely on potentially biased schemas—patterns of thought that organize a person's assumptions and knowledge—to make sense of and then react to the signal (Weick, 1995). As such, it is not the CEOs themselves, but perceptions of the CEOs that carry the most weight in information processing for stakeholders (Beatty &

Zajac, 1987).

The strength of unambiguous demographic signals such as gender are especially relevant in the evaluations of CEOs as it is well-documented that making inferences of CEO quality is quite difficult for observers (Boivie, Graffin, Oliver, & Withers, 2016; Graffin et al., 2013). The gender of a company's CEO provides information to those in the marketplace and shapes perceptions of a firm. Psychology research contends that gender provides the strongest basis for stereotyping and categorizing of people (Haslam & Fiske, 1992; Stangor, Lynch, Duan, & Glas, 1992). Stereotypes are widely held (Heilman et al., 1995), automatically activated (Devin, 1989), and influential (Banaji & Hardin, 1996). As such, they "have a remarkable ability to dominate in impression formation" (Heilman & Parks-Stamm, 2007: 49). An individual may implicitly hold a stereotype about another person without necessarily endorsing it personally (Macrae & Bodenhausen, 2000). Specific to the upper echelons, Zhu and colleagues (Zhu & Westphal, 2014), in their study of board of directors, indicate that even among this so-called sophisticated group, gender is a more salient stereotype than age, education, functional background, or leadership experience when evaluating others.

Furthermore, it has been demonstrated that ambiguity in a situation allows for the most bias in evaluation (Davison & Burke, 2000; Heilman, Wallen, Fuchs, & Tamkins, 2004). The more ambiguity involved, the less evidence there is for an accurate evaluation and the more weight is necessarily placed on inference. Token or minority status, as is the case for female CEOs, leads to more stereotyped characterizations because observers use gender stereotypes to fill in the missing information (Kanter, 1977). Also, when facing ambiguous situations such as a corporate violation, observers often distort information to

fit their stereotypical expectations (Fiske & Taylor, 1991).

Of note here is that extensive research reports that corporate violations lead to unfavorable outcomes for CEOs and their firms (Bundy et al., 2017; Greve et al., 2010). When firms fail to meet expectations by committing a negative violation, it produces negative emotions among stakeholders, therefore fueling negative stakeholder reactions (Elsbach, 2003; Fiske & Taylor, 1991; Love & Kraatz, 2009). As such, it is a given that violations lead to negative stakeholder reactions, but I argue below that the descriptive female stereotype as the communal leader will provide for a differential female leadership advantage in terms of managing stakeholder reactions.

Female CEOs at the Helm

"Think female—think communal." Following a violation, firms with female leadership are potentially granted a leadership advantage because stakeholders adopt a "think female—think communal" cognitive frame rooted in descriptive stereotypes. This frame leads to less negative reactions from stakeholders for multiple reasons. First, the documented leadership attributes that are relevant for managing crisis contexts—being empathetic, demonstrating signs of support, and displaying a keen interest in helping others (Wooten et al., 2006; Wooten & James, 2008)— align with the descriptive stereotypes that observers assume female CEOs possess. Stakeholders will assume that the female CEO *will* behave more communally and demonstrate social sensitivity and concern for others' welfare, such as being caring, considerate, and understanding and therefore be more effective in managing the crisis (Heilman & Parks-Stamm, 2007).

Evidence also exists in the literature that female leaders possess these desired traits. Female leaders are known for their ethical sensitivity (Cumming et al., 2015) and

have been documented to be better communicators (Schubert, 2006) and more democratic leaders (Eagly & Carli, 2003). Also, female leaders are known for having a better understanding of customer needs (Brennan & McCafferty, 1997). Female leaders also tend to be more collaborative, fostering innovation at their firms (Dezsö & Ross, 2012). Echoing these sentiments, the first female CEO of a big four accounting firm, Lynne Doughtie, CEO of KMPG, recently commented, “I have found that women are really in their element in a very collaborative approach" (King, 2017).

Second, this preference for females represents a documented selection bias: During times of uncertainty, observers prefer female leadership because they desire warmth and someone who is other-concerned (Ryan et al., 2016). Ryan, Haslam, and Postmes (2007: 190) highlighted that participants in their study saw a match between women’s abilities and what was necessary to manage a crisis. They preferred female leadership because females possess “special” attributes such as “women always want to help the underdog,” they “have more skills to balance risk,” and they “tend to cope with failure more pragmatically than men.”

Press coverage of CEO Mary Barra following GM’s ignition scandal reinforces the perception that stereotypically feminine qualities are critical in handling a crisis situation. She was praised for her “honesty, humbleness, and a seemingly sincere desire to fundamentally change the errors that led to the problems she's faced” (Geier, 2014). The media contrasted her communal nature with Tony Hayward, the heavily criticized BP executive, following the 2010 Deepwater Horizon oil spill. Hayward “seemed more concerned with moving on with his life, with getting BP past the financial and reputational problems the accident caused, than with actually fixing the problems that led

to the spill and helping those affected" (Geier, 2014). Speaking to her own employees, Mary Barra also used more communal language reinforcing the female as the communal steward of the organization, stating "I never want to put this behind us. . . I want to put this painful experience permanently in our collective memories" (Colvin, 2015).

Third, observers may prefer the communication style of females during times of uncertainty. Recent medical studies have found that patients take bad news better when physicians use an other-focused communication style (Mast, Kindlimann, & Langewitz, 2005). The ideal style includes showing emotion (e.g., approachable, compassionate) in a non-dominant fashion (e.g., not assertive, not intimidating)—all stereotypically female attributes. Even in non-verbal encounters, Griffith and colleagues (2003) showed that patient satisfaction was higher when doctors engaged in a prototypical female manner—smiling, maintaining eye contact, and gesturing more. While this evidence is derived from a different setting altogether, it is not difficult to extrapolate that stakeholders would also prefer to hear from a female CEO following a negative event, as the same verbal and non-verbal qualities map to the stereotypical expectations for female behavior.

Lastly, female CEOs may also signal the desired response strategy of being apologetic and conciliatory in the marketplace because females are known to apologize more often than men (Schaumberg & Flynn, 2017). One reason that females apologize more is that "women have a lower threshold for what constitutes offensive behavior" and are therefore more likely to see a need for an apology in everyday situations (Schumann & Ross, 2010: 1651). Taken together, these arguments support the notion that when a female is evaluated following a negative violation, observers adopt a "think female—think communal" mindset aligned with gender stereotypes and grant females a leadership

advantage because female CEOs possess a particular skillset that makes them more effective in times of crisis.

Hypothesis 1: *The positive relationship between a violation and negative stakeholder reactions is weaker (stronger) for firms with a female (male) CEO.*

I argue above that assumptions underlying descriptive stereotypes drive a preference for female leadership during times of crisis. Even with this potential female leadership advantage based on females as the more communal sex, I argue in the next section that CEOs are still held to prescriptive gender norms of how they *should* act when the type of violation and response are evaluated by external stakeholders. Moving forward, I take as a starting point that due to the ethical nature of a character violation, there is traditionally a stronger (weaker) relationship between a character violation (competence violation) and negative stakeholder reactions (Bundy & Pfarrer, 2015; Zavyalova et al., 2012). Due to the image repair properties associated with an apology by a firm, there is also traditionally a weaker (stronger) relationship between issuing (withholding) an apology and negative stakeholder reactions when a firm is thought to be responsible for the violation (Bundy et al., 2017; Coombs & Holladay, 2008). Building on these direct effects, I suggest that male and female CEOs will face differential consequences depending on the type of violation (character vs. competence) committed by the firm and also their given response (apology vs. withholding an apology) because the characteristics of violation type and response type map onto the content of the prescriptive gender stereotypes present in benevolent sexism.

As described in gender role theory and the concept of benevolent sexism, the prevailing expectation is that “men are bad but bold and women are wonderful but

weaker" (Glick et al., 2004: 714). Critical to my arguments is that the normative values of benevolent sexism represent different behavioral expectations: Agentic males should be more competent, control their environment, and assert their self-interests while communal females should be more cooperative and try to integrate well with others (Abele et al., 2008). Violations of these gendered expectations generate negative emotions and contempt among observers due to the value associated with prescriptive gender norms and their role in maintaining the historical social order (Rudman & Glick, 2008: 117).

Violation Type

Character violation. A character violation represents acting in a potentially self-concerned, unethical manner that captures the drive for achievement and the promotion of one's own interests—a typical description of the bad, but bold agentic male (Wojciszke, Abele, & Baryla, 2009). When a female commits a character violation by acting in a prototypically male way, she will face anger for violating gender expectations, resulting in a backlash effect. She is not conforming to the expectation that she should exhibit communality, concern for others, and the promotion of others' interests (Wojciszke et al., 2009).

Recent research supports that women are held to a higher standard when it comes to interpersonal and ethical matters. Heilman and Caleo (2015) show that the failure to be polite and respectful is considered less tolerable for females. In a study where participants were presented with identical scenarios of a hospital administrator who intentionally filed a fabricated Medicare claim (with the name being the only difference, Jack vs. Jane), participants recommended a jail sentence of 130 days for Jane vs. 80 days for Jack,

suggesting females are held to a higher bar in terms of ethical standards (Kennedy, McDonnell, & Stephens, 2017). In a similar investigation of American Bar Association misconduct, female lawyers were 50% more likely to be disbarred for the same offense as male lawyers (Kennedy et al., 2017). These examples provide support that females are disproportionately punished for violating acts that are not typically associated with female behavior.

Due to these gendered expectations, workplace misbehavior is often viewed as less appropriate for women than for men (Rudman & Phelan, 2008). Results from Bowles and Gelfand's (2010) study of workplace deviance supports the notion that behaving badly is considered more of a *should not* for females than for their male peers. The social disapproval heaped on females who violate gender prescriptions is linked to tangible penalties for females in the work place: lower pay (Brett & Stroh, 1997), less intention to hire and promote (Rudman, 1998), and fewer recommendations for organizational rewards (Heilman & Haynes, 2005).

Competence violation. In contrast, a competence violation represents acting in an incompetent or weak manner, which aligns with the expectations for females (Hideg & Ferris, 2016). When a female commits a competence violation, she is adhering to the communal but incompetent female stereotype of benevolent sexism and the "think leader—think male" mindset. Thus, her actions are validating an expectation rather than violating one, as would be the case with a character violation. As articulated in a *Forbes* magazine commentary, observers are quick to highlight a female CEO's incompetence and do not afford her the same assumption of competence that would be granted to a male CEO: "If a woman is successful it's because she's a hard worker . . . or was lucky; if she

fails it's because she's incompetent" (Ellevate, 2011).

While much of the prescriptive stereotype literature has focused on the ramifications of gender incongruity for females acting in stereotypically male ways, males are also subjected to backlash when they do not conform to male gendered expectations. Research has demonstrated that males who work in typically feminine roles such as nursing often generate negative reactions from observers (Heilman & Wallen, 2010). Males are also penalized for displays of emotion that are typically associated with female behavior in the workplace. As such, displays of vulnerability, weakness, or powerlessness are discouraged for men (Kimmel, 2013). Also, men are rewarded less when they fail to act like males *should.* Chen (2008) showed that males who failed to perform physically demanding citizenship behaviors, which are prototypically male in nature, faced criticism.

At the same time, observers are quick to assume males are competent and the only thing that could bring them down is their propensity to behave poorly: "If a male succeeds, it's because he's competent; if he fails it's because of bad luck or a scandal" (Ellevate, 2011). As such, when a male commits a competence violation, he is also violating a critical gender expectation that he should be a capable agentic leader (Heilman, 2012) and, thus, he will receive more negative reactions. On the other hand, when a male commits a character violation he is in some ways adhering to the prevailing thought that he was expected to be "bad, but bold"; the self-concerned agent that is less concerned with others' welfare (Brescoll, 2011).

As such, I theorize that when a firm commits a violation, stakeholders will not only react negatively to the violation but will also engage in an additional step by

evaluating the gender congruence of the violation type and react accordingly. Therefore,

> **Hypothesis 2:** *The stronger (weaker) relationship between a character (competence) violation and negative stakeholder reactions is moderated by gender such that it is stronger for female CEOs and weaker for male CEOs.*

CEO Response

In the previous section, I focused on how the violation of gendered expectations pertaining to violation type leads to negative outcomes for both male and female CEOs. In this section, I theorize that a violation of gender expectations could produce a more positive reaction if the gender non-conformity is viewed as a positive expectancy violation. In terms of the type of response issued, I argue there is a double standard by which females are punished for withholding an apology, but males are rewarded for issuing an apology.

Withholding an apology. Central to my arguments is the concept of apology expectancy. Following a violation, apology expectancy is high for female CEOs. Females are expected to be conciliatory following violations due to prescriptive gendered norms. As such, if a female withholds an apology, she is violating a gendered expectation, resulting in a backlash effect (Heilman & Caleo, 2015). In contrast, when a male CEO withholds an apology, he is acting in a gender congruent manner; he is being self-concerned and agentic. Ultimately the same act—withholding an apology—is perceived as a violation of expectations for female CEOs and as a confirmation of expectations for male CEOs.

This notion is supported by work that demonstrates that females who communicate in a more male-dominated way, such as adopting an autocratic leadership

style (Eagly & Makhijani, 1992), engaging in self-promotion (Amanatullah & Morris, 2010; Phelan et al., 2008), displaying power-seeking behaviors (Heilman & Okimoto, 2007), and using assertive and dominant communication (Okimoto & Brescoll, 2010) face stiffer penalties then their male counterparts. Brescoll and Uhlmann (2008) found that female leaders who expressed anger, an accepted trait among males, were judged as being out of control, which justified paying females less and granting them less power and status in the workplace. The same was not true for male leaders.

Returning to the opening quotation, I argue that females are held to a higher apology expectancy and punished for self-promotion, a stereotypically male quality. As reported by *USA Today*, "Missing from Bresch's testimony: An apology. She instead defended her $18 million compensation package. The public isn't buying it" (Anonymous, 2016). Ultimately, social psychology research and expectancy violation theory support the idea that people who display negative *counter*-stereotypical traits (females withholding an apology) are punished more than people who display negative stereotypical traits (males withholding an apology) (Anderson, Lievens, van Dam, & Born, 2006; Prentice & Carranza, 2002, 2004).

Issuing an apology. While gender incongruity theory would suggest that males who act in a counter-stereotypical manner by apologizing (acting warm and communal) may also face punishment, I also propose in line with expectancy theory that one must consider the valence of the incongruity (is it viewed as a positive or negative) to understand how stakeholders will react to a male CEO issuing an apology—a stereotypically female behavior (Bettencourt, Dill, Greathouse, Charlton, & Mulholland, 1997; Jussim, Coleman, & Lerch, 1987). People who display positive counter-

stereotypical traits (e.g., male CEOs who apologize) are potentially praised, not punished. This is because engaging in positive behaviors that one is stereotypically assumed to not possess (the agentic male is not capable of communal behavior) elicits surprise, positive emotions, and therefore, praise from observers (Prentice & Carranza, 2004).

Not only does research show that males will be praised in these situations, but they will be praised more than those who display positive stereotypically congruent traits (e.g., females who apologize). This occurs because the male violator benefits from both being male (is believed to be competent and agentic) and from the idiosyncratic expression of positive female qualities (Bettencourt, Charlton, Dorr, & Hume, 2001; Bettencourt et al., 1997). In line with this idea, Bettencourt et al. (2001) demonstrated that people respond more favorably to eloquent football players than to eloquent members of an academic speech team and praise male fashion writers more than female fashion writers.

This phenomenon also exists in instances of altruistic citizenship behavior (Heilman & Chen, 2005) and male leaders' emotional displays (David, Hareli, & Hess, 2015). Specifically, when male employees engage in positive counter-stereotypical behavior such as providing help to a colleague, they are rewarded while females are not. When men display the appropriate level of sadness, they are viewed as being more intelligent and emotionally stable, a benefit that is not afforded female leaders. Therefore, I argue that male CEOs who issue an apology (engage in communal behavior) generate a positive expectancy violation with stakeholders and the effectiveness of the apology is heightened and more noteworthy (Walfisch, Van Dijk, & Kark, 2013). For female CEOs,

however, apology expectancy is high, as they are expected to be other-concerned. As such, females are rewarded less for apologizing then their male counterparts.

Taken together, high apology expectancy for female CEOs results in a double standard where females are punished more than males for withholding an apology, but also females are rewarded less for issuing an apology. Therefore,

> **Hypothesis 3:** *The weaker (stronger) relationship between issuing an apology (withholding an apology) and negative stakeholder reactions is moderated by gender such that it is stronger for male (female) CEOs and weaker for female (male) CEOs.*

Given the backlash that females will encounter by violating female prescriptions (engaging in a character violation) and also by acting in more stereotypically male ways (withholding an apology), it logically follows that females who engage in both activities will face the stiffest penalty in terms of stakeholder reactions.

> **Hypothesis 4:** *Following a character violation, withholding an apology is more detrimental to stakeholder reactions for firms with female CEOs.*

The following Figure depicts the hypothesized relationships.

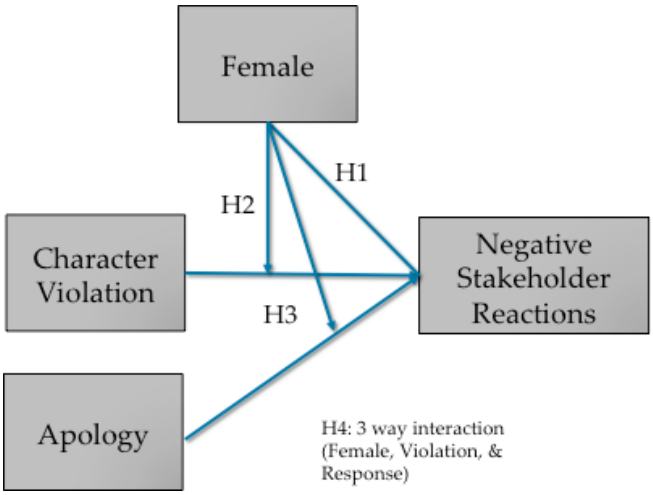


Figure 1: Hypothesized Relationships

CHAPTER 5

METHODS

From a theoretical and empirical standpoint, research pertaining to female CEOs is still in its infancy. This is in large part due to the small sample size of female CEOs—there were only 89 CEO transitions involving the appointment of a female CEO in the last 15 years in the *S&P1500* (Catalyst, 2017). Two recent meta-analyses focused on the link between female representation in the TMT and firm performance highlight the paucity of studies that have even coded for a female CEO. Including unpublished works and an array of journals across disciplines, Jeong and Harrison (2016) found eight studies with a measure for CEO gender and Hoobler, Masterson, Nkomo, and Michel (in press) located only 12 studies.

In an effort to gain a better understanding of the empirical research landscape involving female CEOs, I also performed a search for studies using Google Scholar and Web of Science. I applied the search parameters of "male CEO," "female CEO," and "CEO gender" in the following publications: *Academy of Management Journal (AMJ), Strategic Management Journal, Organization Science, Administrative Science Quarterly,* and *Journal of Management*. My initial search returned 42 studies that I then limited to those where female CEOs were the main focus of inquiry, reducing the sample to 14 studies. Table 1 below provides a summary of my findings. I also substantiated my findings in a personal conversation with a co-author of a recent AMJ meta-analysis on female TMT representation (Jeong, 2017).

Table 1: Female CEO Studies

Study	External Stakeholders	Post-promotion context	The role of CEO gender	Sample	Method
Park and Westphal (2013)	other CEOs	yes	independent variable predicting social discrimination	CEOs	survey
Dixon-Fowler et al. (2013)	investors and the media	yes	independent variable predicting stock price and media coverage	Compustat	archival
Lee and James (2007)	investors and the media	yes	independent variable predicting stock price and media coverage	Compustat	archival
Bigelow et al. (2014)	venture capitalists	yes	independent variable predicting venture capital funding		lab experiment
McDonald, Keeves, and Westphal (2018)		yes	independent variable predicting male helping behavior	CEOs	survey
Reina, Peterson, and Zhang (2017)		yes	independent variable predicting firm performance	Technology Firms	survey
Hill, Upadhyay, and Beekun (2015)		yes	independent variable predicting compensation and tenure	Compustat	archival
Daily, Certo, and Dalton (1999)			dependent variable	Fortune 500 firms	archival

Keeves et al. (2017)			independent variable predicting social undermining	CEOs	survey
Dezsö and Ross (2012)			independent variable predicting firm performance	Compustat	archival
Brescoll (2011)			independent variable predicting volubility		lab experiment
Zhang and Qu (2016)			Independent variable predicting firm performance and successor early departure	Chinese Public Firms	archival

As evidenced in the table above and relevant to my proposal, only three studies have focused on external stakeholder reactions to a female CEO. More specifically, both Lee and James (2007) and Dixon-Fowler et al. (2013) focus only on reactions to the announcement of a female CEO. Park and Westphal (2013) is the only study to focus on the post-promotion circumstances faced by female CEOs and external reactions. The authors use survey data to assess other CEOs' attributions of blame for low performance for minority and female CEOs.

In an effort to advance research in this area, scholars are calling for "multi-method approaches to develop a holistic understanding" of how gender influences topics relevant to female CEOs (Hekman, Aquino, Owens, Mitchell, Schilpzand, & Leavitt, 2010; Joshi et al., 2015: 1468). Scholars argue that commonly used methods in traditional strategy literature (e.g., archival panel data sets) may limit our ability to understand the lived reality of female CEOs (Hekman, Johnson, Foo, & Yang, 2017; Hoobler et al., in

press; Joshi et al., 2015). Scholars at the intersection of gender and management research are also advocating for a full-cycle research approach (Chatman & Flynn, 2005; Cialdini, 1980; Hekman et al., 2017). A full-cycle research approach (Fine & Elsbach, 2000; Singleton Jr, Straits, & Straits, 1993) is based on a cyclical back and forth where scholars focus on two keys steps where each can inform the next:

> (1) knowledge based on exploring, observing, or assessing the phenomenon as it exists naturally, including data gathered from surveys, observation, or archival sources;
> (2) knowledge based on manipulating or controlling the phenomenon, including data collected from laboratory or field experiments, scenario studies, and computational simulations (Chatman & Flynn, 2005: 435).

By using this approach, strategy scholars can triangulate findings and are not limited to nor expected to draw all empirical conclusions from a traditional large-scale archival or survey data set, which are constrained by low base rate of female CEOs and the necessity for statistical power. An example of such practices includes a recent *Administrative Science Quarterly* study focusing on understanding the intersection of female leaders, power, and volubility—the total amount of time spent speaking. Brescoll (2011) demonstrates potential correlation on the Senate floor in an archival study using only three variables (i.e., gender, power, and volubility) in a two-year sample and then moves to an experimental setting to replicate the findings and explicate the theoretical mechanisms. Another example includes a recent inquiry into the gender gap in funds raised by entrepreneurs and points to the differential question types investors pose to female versus male entrepreneurs to explain these significant differences(Kanze, Huang, Conley, & Higgins, 2017). The authors performed a field study that tracked actual language used at a prestigious start-up conference to establish correlational relationships but also note that "[their] field study's correlational findings and inherent limitations

inspired the development of a controlled experiment intended to establish causality and address any remaining concerns related to alternative explanations for the field effects" (Kanze et al., 2017). Proponents of this inquiry method argue that by loosening the reins on any one method scholars can use multiple methods to address both internal and external validity and at the same time lift the empirical straight jacket hindering research of topics worthy of study, including diversity (Cannella & Paetzold, 1994; Daft & Lewin, 1990; Kieser, Nicolai, & Seidl, 2015).

Overview of Studies

I conducted five studies to test my hypotheses. Study 1 employs traditional regression techniques in an archival sample to understand the correlational nature of my theorized relationships between CEO gender and negative stakeholder reactions. Acknowledging that there are potential weaknesses to a large-scale empirical investigation due to the limited number of female CEOs to date, I supplemented study 1 with a series of lab experiments. Reactions to female CEOs are primarily driven by perceptions of competence, liking, and negative emotions. As such, I use lab experiments (Study 2-5) to present participants with a series of scenarios that differed only in terms of my variables of interest. I manipulated a CEO's gender, violation type (character v. competence), and response (apology v. denial) in media coverage pertaining to a firm violation and then explicitly measured these perceptions (i.e., CEO competence, CEO liking, negative emotions). I conducted MANOVAs, ANOVAs, and mediation analyses to determine which underlying construct explains the potential differential effects of violation and response type on stakeholder reactions for female versus male CEOs. Acknowledging a key limitation that lab experiments do not assess actual behavior in the

market, I still contend lab experiments are quite useful as they eliminate many of the potential confounds that arise with an archival study (Hitt, Boyd, & Li, 2004).

Study One

To establish correlational relationships between my variables of interest (i.e., CEO gender, violation type, CEO response) and stakeholder reactions, I conducted an archival study using the *Audit Analytics* litigation database to identify corporate violations (Christensen, 2015). *Audit Analytics* covers the universe of lawsuits filed against public U.S. firms in federal district courts since the year 2000. These lawsuits include all federal securities class action claims, U.S. Securities and Exchange Commission (SEC) actions, and material federal civil litigation (Group, 2017). This database has been used in accounting research to identify the likelihood of corporate misconduct pertaining to a firm's corporate social responsibility investment (Christensen, 2015), as well as demonstrate that lawsuits influence a firm's reputation (McDonald, 2015).

As I am interested in external perceptions of firms who have potentially committed a violation, I created a sample of violations where the firms were named the lead defendant in a lawsuit and the firms were also U.S. publicly traded *S&P 1500* firms (1999-2016). I focused on this subset of firms for the following reasons (1) their size is most likely to attract stakeholder attention (Deephouse, 2000), (2) due to this attention, these firms are more likely to issue a response to a violation (Zavyalova et al., 2012), and (3) they have a larger influence on the stock market (Christensen, 2015). This set of violations contains 85 female-led violations and 3,683 male-led violations.

Due to the small percentage of female CEOs (2.3%) and the necessity of hand collection and hand coding of data in my study, I constructed a matched-sample study design (e.g., Hambrick & D'Aveni, 1988; Harris & Bromiley, 2007). A matched-sample pairs observations based on relevant characteristics such that there are no significant differences between the groups (female-led violations and male-led violations). To construct this sample design, I used propensity score matching. Using the "psmatch2" function in Stata 14, I built a predictor model in which each firm-violation in the *Audit Analytics* database (lead defendant & SP 1500) was assigned a probability of having a female CEO. I then constructed a logit model where the predictor variables were based on firm characteristics theoretically shown to influence the likelihood of appointing a female CEO: *firm size* (log of revenue), *firm performance* (ROA), and *industry* (two digit SIC code) (Cook & Glass, 2014). I used a match based on firm level characteristics as there is not a theoretical argument or literature establishing when specific types of firm violations are likely to be committed by a female CEO as compared to a male CEO. I also controlled for year.

I then paired each female-led violation with two counterfactuals (male-led violations) using its nearest-matching propensity score (the conditional probability of having a female-led violation) to minimize bias. Once a male-led violation was selected for a pair, it was removed from the options of available matches. As such, the final sample is less than a 1:2 match as there were not enough qualifying male-led violations to have two "suitable" matches. The difference in propensity scores (i.e., the difference between violations that were female-led and their matched violations) has an average value of 0.00001, with a maximum value 0.0001. These values support the similarity of

the matches (Guo & Fraser, 2009; Li, 2013).

I also conducted t-tests on the predictor variables comparing the male vs. female-led violations. These t-tests confirmed that the female sample did not significantly differ from the male sample on all firm-level variables ($p<0.05$). Further, my model appears to retain requisite levels of balance, as the Rubin's B is below the requite level (i.e., 25) and the Rubin's R is between 0.50 and 2.00 (i.e., 0.89) (Austin, 2009; Garrido, Kelley, Paris, Roza, Meier, Morrison et al., 2014; Rubin, 2001). Subsequently, I use this sample to test my hypotheses. My final sample included 218 violations (85 female-led violations and 133 male-led violations). Overall the sample includes 176 unique firms (on average 1.5 violations) and 187 unique executives (60 females, 127 males) averaging 1.4 violations each.

I also chose lawsuits as an appropriate setting as I wanted a sample that allowed the ability to code different types of violations (character v. competence) and potentially maximize the number of female CEOs in the sample. Minus a few outliers (Bundy & Pfarrer, 2015; Connelly et al., 2016), studies in strategy have not investigated various violation types in the same study and also leader characteristics in gauging stakeholder reactions (Lamin & Zaheer, 2012; Love & Kraatz, 2009; Zavyalova et al., 2016; Zavyalova et al., 2012).

The current sample includes various violations. For example, General Motors' ignition scandal is included as it was charged by federal prosecutors for "engaging in a scheme to conceal a deadly safety defect from regulators." Conagra's product liability claim that "exposure to Defendants' popcorn and natural and artificial butter flavorings directly and proximately caused . . . bronchiolitis obliterans, severe and progressive

damage to the respiratory system, extreme shortness of breath and reduced life expectancy" is also included (Group, 2017). To maximize the number of female-led violations, the data set does include more routine violations such as patent infringements, worker compensation claims, and contract violations. To assuage concerns pertaining to the magnitude of the lawsuits and their ability to impact stakeholder reactions, I control for the visibility (volume of media coverage) and severity (negative media tenor) of the violation in all analyses.

Dependent Variables

Negative stakeholder reactions. Investment analysts provide guidance to investors about firms. Analysts issue reports that incorporate their views along with market sentiment of a firm's strategies and performance that help investors evaluate a firm's prospects (Hayward & Boeker, 1998; Zuckerman, 1999). Analyst coverage influences firm outcomes, including a firm's market valuation, capital costs (Useem, 1996), the ability to garner resources (Pollock & Rindova, 2003), and even CEO turnover (Wiersema & Zhang, 2011). Analysts ultimately issue recommendations on a stock ranging from Strong Buy (upgrade) to Sell (downgrade). Analyst downgrades have been shown to have a larger impact on the market than analyst upgrades (Busenbark, Lange, & Certo, 2017). Given analyst coverage is an accumulation of various information and viewpoints pertaining to a firm and is known to influence investors and firm actions, I chose to test my hypotheses using a measure of analyst downgrades to capture negative stakeholder reactions in the month following the violation announcement. More specifically, I collected the number of downgrades for the month following the event date from Institutional Brokers Estimate System (I/B/E/S) database. I used a measure that

reflected any type of downgrade on the scale of 1 equal to “strong buy,” 2 equal to “buy,” 3 equal to “hold,” 4 equal to “underperform,” and 5 equal to “sell” (Busenbark et al., 2017). Using the of number of downgrades is preferable to other traditional measures of analysts’ reactions (e.g., percentage of analysts issuing a buy or sell, percentage of analysts downgrading) as these operationalizations entail using a ratio as the dependent variable, which is typically not recommended (Certo, Busenbark, Kalm, & LePine, 2017).

Independent Variables

Female CEO. Gender of the CEO is coded as 1 if female and 0 if male.

Violation type (character). The litigation database includes various violation types. Examples include fraud or truth-in-lending, personal injury, and accounting irregularity. *Audit Analytics* only provides the high-level category of the litigation and the legal case docket number. To code the violation type, I hand collected the details on each allegation through multiple sources. First, where feasible, I located the actual legal docket to code the lawsuit. If this was not available, I used *Factiva* and Google to try to locate the case details. Once I collected the violation details, I worked with a team of five trained coders (blind to the hypotheses) to rate 100 of the violations using a 5-point scale (extremely likely competence to extremely likely character). The five coders independently read the100 violations. The coders were provided instructions with full construct definitions and example violations. For example, coders were informed that a character violation involves a lawsuit wherein the firm’s motives, honesty, integrity, and/or character fall short. Examples include incidents such as financial fraud, withholding important negative information about new products, or tax evasion. They

were also instructed that a competence violation refers to specific situations where a firm falls short of technically proficient performance. Examples include making an ill-advised acquisition, not anticipating a foreseeable environmental shock that harms the firm, or lax internal procedures that create the need for a product recall. The inter-rater reliability on the sample was sufficient to proceed (ICC=0.85) (James, Demaree, & Wolf, 1984). With the establishment of a reliable coding scheme, one of the raters coded the remaining 118 violations. The final sample of coded violations by CEO gender is provided below. As is evident in the table below, the violations are heavily skewed towards character. This is not surprising as character-driven violations have been shown to produce more negative reactions and would thus potentially drive more lawsuits against firms. Due to the nature of the data, I operationalize violation type as a scale of character violation (1-5) where 1 is equal to "Extremely Likely Competence." This measure will be used as a control to test the direct effects in Hypothesis 1 and as an independent variable in Hypothesis 2 investigating the interaction of gender and violation type on negative stakeholder reactions.

Table 2: Frequencies of Violation Type

Violation Scale	Male CEO	Female CEO	Total
Extremely likely Competence	2	0	2
Likely Competence	9	6	15
Neutral	32	12	44
Likely Character	53	46	99
Extremely likely Character	37	21	58
Total	133	85	218

Response type. I used *Factiva* to locate firm responses in the form of press releases (i.e., PR Newswire, Business Wire). Press releases represent the specific content

that firms release pertaining to important events (Bansal & Hunter, 2003; Pollock & Rindova, 2003), especially following a negative event (Christensen, 2015; Zavyalova et al., 2012). I searched event day plus seven days to locate a response to the lawsuit filing. If no press release was found, I also searched media coverage in the same window to locate a response to the lawsuit filing. Prior research in communications has established the saliency of new information in the press lasts for approximately three days (Shoemaker & Reese, 2013), which is why I limited my window to event date plus seven days. I used a firm response as representative of the CEO responding as CEOs often use their public relations staff or surrogates to respond to firm actions (Ferrin et al., 2007). I have included two examples of the response types found. SPX Corporation responded to a lawsuit filed by the SEC claiming the CEO made materially misleading claims to inflate the stock in March 2004 by saying, "Based on its initial review of the complaint, the Company believes that the claims contained within the complaint are factually incorrect and without merit, and the Company intends to vigorously defend itself against the lawsuit." A more accommodative example is Johnson & Johnson's CEO Michael Weldon responding to a lawsuit pertaining to a product recall in 2010. He stated, "We have a standard and we hold all our companies to that standard," adding that he took full responsibility for McNeil's [the plant in question] problems. Johnson & Johnson also announced a series of moves meant to address the concerns over product quality. "We want to ensure nothing like this happens again… I know that we let the public down. We did not maintain our high quality standards, and as a result, children do not have access to our important medicines. I accept full accountability for the problems at McNeil, and I will take full accountability for fixing them."

I located 36 firm responses (16% of sample). While small, the number of responses is not all together surprising as research has shown that many firms choose to remain silent in response to allegations brought against a firm (Carlos & Lewis, In Press). Once I collected the responses, I worked with a set of three independent coders to capture the response type using the same protocol as outlined above for coding violations. To increase variance in my sample of limited responses, I used a scale measure to capture response type as opposed to a strict binary of apology v. withholding apology. Firm response strategies can range along a continuum from accommodative (accept responsibility) to defensive (reject responsibility). Accommodative responses includes apologies, expressions of regret, desire for forgiveness, and displays of mortification (Coombs & Holladay, 2011). Defensive responses include denials, excuses, and justifications. To capture each response type, the team of trained coders (blind to the hypotheses) rated the response's level of defensiveness using a 5-point scale (1 = accommodative strategy to 5 = fully defensive strategy). Due to the small number of responses, the full team coded all the responses with a high level of inter-rated reliability (ICC= 0.90). Due to the limited number of responses found and the fact that remaining silent is qualitatively different than issuing a neutral response, I created a categorical measure with four values (no response, accommodative, neutral, and defensive). The breakdown of type by CEO gender is provided below. Also the Appendix provides more details of the violation type and responses for a subsample of the female-led violations.

Table 3: Frequencies of Response Type

Response Type	Male CEO	Female CEO	Total
No response	112	70	182
Accommodative	6	7	13
Defensive	10	7	17
Neutral	5	1	6
Total	133	85	218

Controls

Violation visibility. I operationalized violation visibility as the count of media articles pertaining to the lawsuits in the seven days following the filing of the lawsuit. I used *Factiva* to collect company specific media coverage from prominent business publications (i.e., *The Wall Street Journal, Barron's, Market Watch*) and prominent national newspapers (i.e., *The New York Times, USA Today, The Washington Post*). These publications have been used in past research as they are market leaders often influencing other downstream news outlets (Bednar, 2012; Bednar, Boivie, & Prince, 2013). Example headlines include "Sumitomo Sues J. P. Morgan for Role in Copper Debacle" and "Claims in Porter Ranch gas leak could cost utility billions of dollars." On average, each firm violation received two articles of coverage with a range of no coverage to 34 articles.

Violation severity. I operationalized the violation severity by coding the negative media tenor in media coverage. I used LIWC (Language Inquiry Word Count, www.liwc.net) to identify and code for positive and negative language in each corpus of media coverage. LIWC contains dictionaries that are used to count the frequency with which positive or negative words are present in a body of text. These dictionaries have been evaluated for reliability and validity and are used frequently in management

research (Pennebaker & Francis, 1996). More specifically, I used the negative emotion LIWC score, which represents the total negative words as a percentage of total affective words (positive + negative words) in a violation's news coverage (Zavyalova et al., 2012). While the *Audit Analytics* database does include a measure of the settlement dollar amount for each lawsuit, which would potentially be a valid measure of the accusation's severity, it is not included in the analysis because this information is not known during the window of investigation (month following event date). As a robustness test of my measure's validity, negative media tenor is significantly correlated with a case being settled and not dismissed (0.18, $p<0.01$) and also with settlement dollars (0.15, $p<0.05$). Another potential operationalization would be the use of the initial claim amount, but this amount is not correlated with either the case being settled or the settlement amount.

Cumulative returns. Also, using an Eventus event study on my sample, the *cumulative abnormal return* (CAR) for the event date (filing of a lawsuit) using equally weighted market returns per firm is used as a control in all analyses. The event date represents the day the legal action is filed. Of note, as shown in the table below, is that the Abnormal Return for the full sample while negative as would be expected for the reaction to negative news is not significant and there are more positive cases than negative cases. Larger negative returns are driving the negative mean for the sample, but as seen in the figure below the CARs are normally distributed with no large outliers. While consideration was given to only include those events with a significant CAR or only those with a negative CAR that would have further reduced the already constrained sample size.

Table 4: Market Returns Surrounding the Violation

Event Window	Abnormal Return	Positive Negative	*t*
(-1,0)	-0.16%	114:98)	0.521
(0,0)	-0.13%	114:98)	1.517$
(+1,+7)	-0.29%	109:103	-0.386
(-1,+7)	-0.45%	109:103	-0.095

*** p<0.001, ** p<0.01, * p<0.05, † p<0.10, levels, respectively, using a generic one-tail test. The symbols (,< or),> etc. correspond to †,* and show the direction and significance of a generic one-tail generalized sign test.

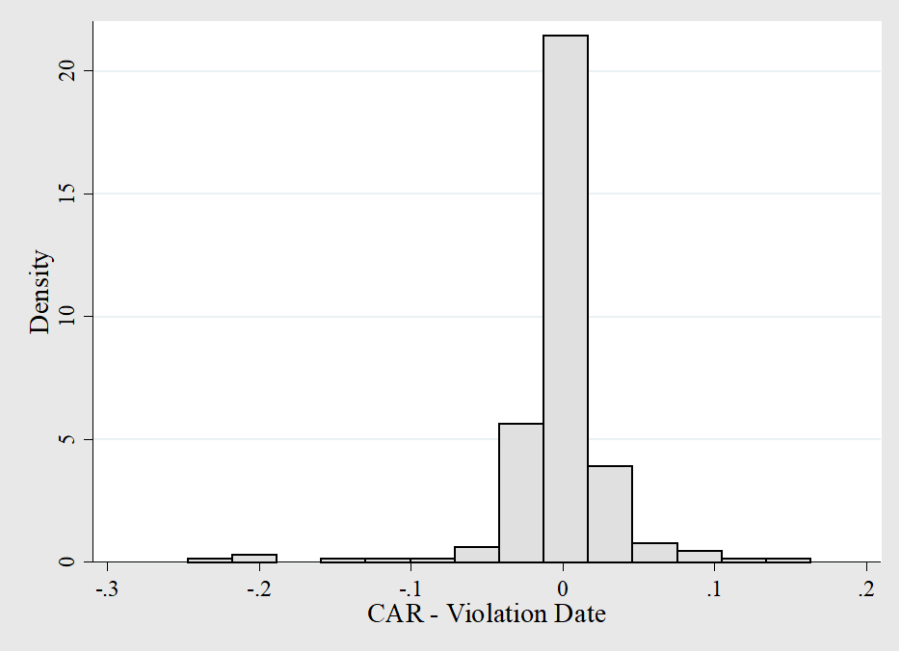


Figure 2: Distribution of Violation CAR

One concern could be that news of the violation is already known before the filing of the violation, hence the lack of a significant CAR to the release of the information. As such, I also controlled for the exposure time for each violation. The *violation exposure* represents the amount of time since the violation occurred. For example, in a securities class action, it typically represents the date the nondisclosure or fraud occurred. Only 53 firms had prior exposure and the average exposure time for the sample is less than half a

year with a median and mode of no prior exposure (the *CAR* around this exposure date was also not significant for the subsample). These findings support that the lawsuit filing date is an appropriate time frame for investigation.

Additional controls. I also controlled for variables that could theoretically influence analyst reactions. For example, as large, diverse, and prominent firms tend to attract more attention, I controlled for *firm size* (log of total revenue from Compustat in *t*-1). As performance has been shown to influence reactions, I also controlled for *firm performance* (ROA in *t*-1). As incidences of prior violations may influence perceptions of current violations, I included an attribute for *violation history* equal to "1" if a CEO had a prior violation and also if the violation's original exposure date occurred while the current CEO was CEO with the variable *violation on CEO watch*. As seen in the table below, only 20 CEOs fall into this category.

Table 5: On CEO Watch

Response Type	No	Yes	Total
Violation Exposure	20	33	53
No Prior Exposure	0	165	165
Total	20	198	218

As some firms may be more likely to engage in impression management efforts than other firms, I captured *strategic noise* as the number of press releases released by a firm in the same seven day window used for media coverage (Graffin et al., 2011; Zavyalova et al., 2012). I also controlled for if the violation release coincided with a firm's earnings announcement. Firms received a value of (1) for *violation earnings timing* if the lawsuit was filed within a 3-day window of an earnings announcement. This should help control for if confounding events such as earnings are driving reactions. Only

12 of the 218 violations occurred during this window. I also controlled for CEO-specific characteristics, including CEO *age*, *tenure* (years as CEO), *compensation* (TDC1 in ExecuComp, the sum of CEO salary, bonus, long-term incentive payouts, stock grants, option grants, and other income in a given year) and CEO *duality* (binary indicator equal to "1" if also chairman of the board) as they have all been shown to proxy CEO quality (Boivie et al., 2016). Specific to analyst coverage, I also controlled for the *number of recommendations* in the month following the event date, for *analyst dispersion* as the standard deviation of their recommendations, and for the *% of analysts issuing a sell recommendation* (Busenbark et al., 2017). I also employed industry (2 digit SIC code) and year fixed effects in my analyses (Certo & Semadeni, 2006). Lastly, to account for the fact that there is the potential for firms to appear more than once in the sample, I cluster standard errors by firm in all analyses.

Analysis

I employed zero-inflated negative binomial regression to test my hypotheses (Zuur, Ieno, Walker, Saveliev, & Smith, 2009) since my dependent variable (number of downgrades) is an integer count that takes only positive values and has the potential for excess zeros (instances where there were no downgrades). Whereas Poisson regressions are often used to analyze count data, such models require that the mean and variance be equal. As my sample showed signs of overdispersion, negative binomial models are more appropriate (Cameron & Trivedi, 2010). The benefit of a zero-inflated model over a traditional negative binomial regression is that it allows for the specification of variables that could potentially influence the likelihood that a number of analysts would change their recommendation. Firms who have more analysts following their actions and more

variance in their recommendations are more likely to have more downgrades, which I am able to account for with a zero-inflated model. Further, I used the *countfit* command in STATA, which plots the residuals from the Poisson and negative binomial models against count outcomes (Tyler & Caner, 2016). The smallest residuals were from the zero-inflated negative binomial model, indicating that "zinb" was the best-fitting models. Further, to correctly interpret my significant interactions I utilized the STATA 14 "margins" command to test the difference in both the point estimates and slopes (Shaver, 2006) while holding all other variables at their means (Hoetker, 2007). I also followed Long and Freese (2006) to graph the interactions based on predicted *number of downgrades*, using one standard deviation above and below the mean of *violation type (character)* and also at each level of *response type.* Due to power issues associated with limited responses, I do not test the three-way interaction theorized in Hypotheses 4 and issue caution in interpreting the results for the response type and CEO gender interactions.

Supplementary Analyses

While the purpose of Study 1 is to establish correlational relationships and not intended to establish causality, I did nonetheless engage in supplementary analyses to address potential biases in my empirical estimation. Sample selection is not a concern as there is not a significant relationship between either *CEO gender* (p=0.30) or *violation type* (character) (p=0.73) and being in the sample (receiving analyst coverage) (Certo, Busenbark, Woo, & Semadeni, 2016). Of note though is that only 209 of the 218 firms received analyst coverage of any form. Further analysis revealed that the nine firms with

no analyst coverage were significantly smaller ($p<0.01$) than those firms receiving coverage and were thus dropped from my sample, reducing my sample to 209.

Table 6 displays the correlation matrix and descriptive statistics for the variables examined in this study. The means and standard deviations reported in Table 6 are untransformed for ease of interpretation. However, as noted above, I used transformed versions of these variables in my analyses where appropriate. I also calculated the Impact Threshold of a Confounding Variable (ITCV) (Frank, 2000) to understand the influence of an omitted variable to indicate if there is bias due to endogeneity (e.g., Busenbark et al., 2017; Hubbard, Christensen, & Graffin, 2017). Using the "Konfound" command in STATA 14 to invalidate the inferences made in my regression models, 27 cases would have to be replaced with cases for which there is an effect of zero. Another interpretation would be that an omitted variable would have to be significantly correlated with both female CEO and the number of downgrades at or above 12.89%. These inference tests were conducted on the full model depicted in Model 5 of Table 7. Reviewing the current correlation table, there are not any theoretically relevant controls that are correlated with both variables of interest at or above the threshold outside of CEO age, which gives me some confidence in my analyses' robustness.

Due to correlations among my variables of interest, I tested for multicollinearity using variance inflation factors (VIF) and condition indices. While VIF does not run following a zero-inflated regression, I tested the VIF with the same variables in a supplementary regression equation. The largest mean VIF across all models was 2.60, and all individual VIFs were well below the recommended cut-off of 10 (Chatterjee & Price, 1991).

Table 6: Descriptive Statistics

	Variables	Mean	S.D.	Min	Max	1	2	3	4	5	6	7	8	9	10	11
1	Female CEO	0.38	0.49	0.00	1.00											
2	Analyst Coverage (# downgrades)	0.47	1.10	0.00	7.00	0.01										
3	Analyst Coverage (% sell)	6.76	10.22	0.00	50.00	0.06	-0.02									
4	Analyst Coverage (dispersion)	0.80	0.28	0.00	1.73	-0.03	0.06	0.34								
5	Analyst Coverage (# of recommendations)	14.61	8.58	1.00	37.00	0.02	0.14	0.06	0.35							
6	Violation Type (character)	3.89	0.91	1.00	5.00	0.07	0.01	-0.01	0.05	0.07						
7	Violation Visibility (media coverage)	2.06	4.68	0.00	34.00	0.03	0.09	0.01	0.10	0.33	0.01					
8	Violation Severity (media tenor)	0.36	0.66	0.00	5.10	0.02	0.05	0.00	0.10	0.31	0.07	0.62				
9	Violation History	0.26	0.44	0.00	1.00	0.48	-0.05	0.09	-0.07	0.11	0.13	0.13	0.10			
10	Violation Earnings Timing	0.06	0.23	0.00	1.00	0.02	0.06	0.08	-0.04	0.01	-0.02	0.15	0.25	0.00		
11	Violation on CEO watch	0.91	0.29	0.00	1.00	0.04	-0.02	-0.04	0.00	0.00	-0.07	-0.23	-0.12	0.11	-0.14	
12	Violation Exposure	0.52	1.30	0.00	8.40	0.09	0.06	0.00	0.00	0.02	0.05	0.16	0.13	0.01	0.07	-0.65
13	Violation *CAR*	0.00	0.04	-0.25	0.16	0.03	-0.06	-0.05	-0.03	-0.01	0.06	-0.05	0.06	0.06	-0.04	-0.08
14	Response Type (no response)	0.84	0.37	0.00	1.00	-0.03	-0.05	-0.06	-0.14	-0.01	-0.14	-0.36	-0.37	-0.04	-0.23	0.04
15	Response Type (accommodative)	0.05	0.21	0.00	1.00	0.05	0.05	-0.07	-0.01	-0.01	-0.02	0.26	0.22	-0.03	0.14	-0.01
16	Response Type (defensive	0.08	0.27	0.00	1.00	0.02	0.06	0.04	0.16	0.03	0.11	0.27	0.26	0.02	0.15	-0.09
17	Response Type (neutral)	0.03	0.18	0.00	1.00	-0.04	-0.06	0.15	0.06	-0.01	0.14	0.02	0.09	0.07	0.07	0.06
18	CEO Control - Age	54.62	6.48	41.00	79.00	-0.23	-0.13	-0.05	-0.05	-0.01	-0.11	-0.01	-0.07	-0.09	0.09	-0.07

19	CEO Control - Compensation	8.66	1.09	6.09	11.81	-0.01	0.08	0.07	0.27	0.57	0.01	0.18	0.25	0.14	-0.01	-0.04
20	CEO Control - Duality	0.56	0.50	0.00	1.00	-0.16	0.00	-0.08	-0.11	0.05	0.08	0.03	0.04	0.10	0.01	0.13
21	CEO Control - Tenure	5.52	5.39	0.00	35.00	-0.25	-0.11	-0.10	-0.08	-0.11	-0.10	-0.13	-0.14	-0.10	-0.05	0.26
22	Firm Control - ROA (t-1)	0.03	0.13	-0.66	0.38	-0.07	0.00	-0.17	0.25	0.08	0.00	-0.06	0.00	-0.10	-0.09	-0.01
23	Firm Control - Size (Rev) (t-1)	16.46	30.50	0.00	222.58	-0.03	0.03	-0.03	0.12	0.39	-0.01	0.52	0.35	0.08	-0.04	-0.19

N=209, $|r| > 0.13$, $p<0.05$

	Variables	Mean	S.D.	Min	Max	12	13	14	15	16	17	18	19	20	21	22
1	Female CEO	0.38	0.49	0.00	1.00											
2	Analyst Coverage (# downgrades)	0.47	1.10	0.00	7.00											
3	Analyst Coverage (% sell)	6.76	10.22	0.00	50.00											
4	Analyst Coverage (dispersion)	0.80	0.28	0.00	1.73											
5	Analyst Coverage (# of recommendations)	14.61	8.58	1.00	37.00											
6	Violation Type (character)	3.89	0.91	1.00	5.00											
7	Violation Visibility (media coverage)	2.06	4.68	0.00	34.00											
8	Violation Severity (media tenor)	0.36	0.66	0.00	5.10											
9	Violation History	0.26	0.44	0.00	1.00											
10	Violation Earnings Timing	0.06	0.23	0.00	1.00											

11	Violation on CEO watch	0.91	0.29	0.00	1.00											
12	Violation Exposure	0.52	1.30	0.00	8.40											
13	Violation *CAR*	0.00	0.04	-0.25	0.16	0.03										
14	Response Type (no response)	0.84	0.37	0.00	1.00	-0.09	0.02									
15	Response Type (accommodative)	0.05	0.21	0.00	1.00	0.01	-0.10	-0.51								
16	Response Type (defensive)	0.08	0.27	0.00	1.00	0.09	0.05	-0.68	-0.07							
17	Response Type (neutral)	0.03	0.18	0.00	1.00	0.04	0.02	-0.42	-0.04	-0.06						
18	CEO Control - Age	54.62	6.48	41.00	79.00	0.05	0.10	0.06	0.03	-0.10	0.00					
19	CEO Control - Compensation	8.66	1.09	6.09	11.81	0.11	0.16	-0.03	-0.02	0.05	0.01	0.09				
20	CEO Control - Duality	0.56	0.50	0.00	1.00	-0.01	0.09	-0.02	0.06	0.01	-0.05	0.20	0.12			
21	CEO Control - Tenure	5.52	5.39	0.00	35.00	-0.11	0.02	0.11	-0.03	-0.06	-0.09	0.43	-0.12	0.29		
22	Firm Control - ROA (t-1)	0.03	0.13	-0.66	0.38	0.03	0.07	-0.01	0.03	-0.06	0.08	0.15	0.04	0.00	0.06	
23	Firm Control - Size (Rev) (t-1)	16.46	30.50	0.00	222.58	0.17	0.01	-0.07	0.13	-0.02	0.01	0.13	0.39	0.13	-0.17	0.11

N=209, $|r| > 0.13$, $p<0.05$

Finally, using the STATA command *coldiag2*, I calculated the variance condition index values for each of my models; all were below the recommended threshold of 30, which represents the value at which multicollinearity is potentially an issue (Belsley, Kuh, & Welsch, 2005). Of note in the correlation table is the large correlation between violation history of a firm and female CEO (0.48). This is driven by the matching process (likelihood that a firm-violation was committed by male or female-led firm based on firm-level predictors). Each female-led firm-violation was matched with potentially two male-led firm violations and those two male-led firm violations were not from the same firm. Due to this process, the average female CEO has a history of 1.8 violations vs. the average male CEO with 1.00.

Results

Table 7 contains the results of my main analyses. Model 1 contains only the control variables; Model 2 adds the key variables of interest CEO gender, violation, and response. Model 3 adds the interaction of CEO gender and violation type. Model 4 adds the interaction of CEO gender and response type. Model 5 includes both interactions. As Model 5 explains the most variance, I will use it to interpret my results.

In Hypothesis 1, I predicted that female CEOs would face less negative stakeholder reactions (i.e., fewer downgrades). This relationship was not supported. As seen in Model 3, the direct effect of female CEO on the number of analyst downgrades, not including the interactions, is not significant, and in Model 3 and 5, the relationship is significant but in the unexpected direction. Further investigation of Model 5 reveals that females face a 50% increase in downgrades (0.93 v. 0.62). Also, among firms that did have a downgrade that a change from a male-led violation to a female-led violation

results in a predicted count of 1.45 v. 2.48 downgrades. Graphical interpretation of the marginally significant interaction in Model 5 (β=-1.22, $p<0.10$) between violation type and CEO gender reveals that Hypothesis 2 is also not supported as female CEOs are punished more for a competence violation vs. a character violation. These relationships are depicted in Figure 3.

Due to the limited number of firms responding, I interpreted the results pertaining to the CEO responses with caution and would not draw any strong conclusions from the results. As expected, a defensive response (β=2.86, $p<0.01$) results in more analyst downgrades. In partial support of Hypotheses 3, graphing the marginally significant interaction (β=2.24 $p<0.10$) reveals in Figure 4 that female CEOs face more downgrades than male CEOs when they issue a denial (0.07 v. 2.71) reinforcing the argument that females who act in more stereotypically male manners face a backlash effect.

As a whole these findings are in line with the traditional "think leader—think male" mindset that females are viewed less favorably than their male counterparts and are not granted a leadership advantage due to their communal nature in times of crisis. This negative relationship could potentially be driven by multiple factors. One concern may be that analysts are not responding to the violation, but to confounding events due to the lack of a significant CAR surrounding the event. The controls for strategic noise and if the lawsuit was filed during the earnings announcement timeframe were added to help control for this situation.

Another concern may be that the filing of the lawsuit may potentially be "old news" and already baked into expectations. This does not seem to be the case as only 53 cases were potentially public before the filing of the allegation and of those that were, the

average amount of time was less than a ½ year with a mode and median of no prior exposure. Also the control for time since violation is not significant in the full model. As seen in Table 7, the control for the violation occurring while the CEO was in the current position is either marginally significant or significant in the positive direction in all models. This suggests that potentially for financial analysts, the attributions of blame for the violation coupled with the "think leader—think male mindset" are driving perceptions as opposed to the theorized relationships based on the type of leader a stakeholder would prefer during a crisis. Further supplementary analysis revealed that while not significant, an interaction between *on CEO watch* and *CEO gender* was trending in the direction that females are disproportionately blamed when they were in charge when the violation occurred. Further research should look at this timing component and potentially theorize what boundary conditions such as time, type of event, or stakeholder group drive when the communal stereotype is seen as a benefit (she will fix things) or a burden (she is incompetent and should be blamed for committing a violation in the first place).

While the restricted number of cases for a response is limiting from an analysis standpoint in interpreting my findings, I don't believe it questions the validity of the sample. A concern could be that the lack of response is due to the fact that the violation is already known and/or the firm has already addressed the issues before the lawsuit was filed. While this may be a concern, supplementary analyses reveals that a firm response is primarily driven by the violation being announced around an earnings announcement or receiving media coverage. There is a significant correlation between litigation announced in this window and a firm responding (0.21) and receiving media coverage (0.14). Firms tend to respond because they are likely asked about it and/or they materially have to

report it in their filings. So a non-response is more likely that firms chose not to respond and not that they have already addressed the issue. It is known in the literature that there are a host of reasons for why many firms may remain silent in times of scrutiny.

Given that expectations concerning how a female CEO should act are stronger, the results from my initial findings support that it is potentially best for female CEOs to not give the market any actions (either an apology or a denial) to evaluate in the first place. Future investigations should theoretically unpack what antecedents drive a response from firms and if there are gender differences in when and why firms respond the way they do.

From an archival standpoint a better test of my theory would potentially isolate attributions of blame by investigating reactions to the appointment of female and male CEOs following CEO dismissal or scandal and then measure reactions in some form to gauge if gender influences perceptions of fit for the role in terms of leading the firm forward or fixing the situation. Unfortunately the limited number of female appointments under times of distress for a firm is limited rendering this type of study infeasible in current time in an archival setting. As such, I turn to the lab to help eliminate some of these confounding factors and investigate a context where the CEO is still held accountable (pharmaceutical drug shortages) for the violation, but the many other confounds such as severity of violation, timing, and consequences are all held constant. Also, by controlling the experimental conditions, I am able to investigate if any one mechanism is acting as a mediator and driving stakeholder perceptions.

Table 7: Zero-inflated Negative Binomial Analysis

VARIABLES	Model 1	Model 2	Model 3	Model 4	Model 5
	# of Analyst Downgrades				
Analyst Coverage (% sell)	-0.02	-0.02	-0.02	-0.03	-0.02
	(0.03)	(0.03)	(0.03)	(0.05)	(0.05)
Analyst Coverage (dispersion)	1.62	1.60	1.67	1.43	1.50
	(1.69)	(1.68)	(1.77)	(2.99)	(2.97)
Violation History	-0.83+	-0.78	-0.84	-0.39	-0.71
	(0.49)	(0.67)	(0.69)	(0.69)	(0.72)
Violation CAR	-4.50	-4.33	-2.26	-5.49	-2.64
	(4.51)	(4.37)	(3.90)	(5.52)	(4.92)
Violation Earnings Timing	0.45	0.47	0.56	-0.86	-0.44
	(1.04)	(1.06)	(1.13)	(1.50)	(1.53)
Violation on CEO watch	1.96+	1.99+	1.70+	2.11*	1.84+
	(1.09)	(1.11)	(0.97)	(1.07)	(0.99)
Violation Exposure	0.17	0.17	0.14	0.15	0.17
	(0.16)	(0.16)	(0.16)	(0.17)	(0.17)
Violation Visibility (media coverage)	0.05	0.06	0.07	0.04	0.05
	(0.05)	(0.05)	(0.06)	(0.05)	(0.06)
Violation Severity (media tenor)	-0.53	-0.54	-0.66	-0.19	-0.28
	(0.57)	(0.58)	(0.72)	(0.64)	(0.72)
CEO Control - Age	-0.04	-0.04	-0.06+	-0.02	-0.04
	(0.04)	(0.04)	(0.03)	(0.04)	(0.04)
CEO Control - Compensation	0.06	0.06	-0.10	-0.10	-0.22
	(0.27)	(0.27)	(0.25)	(0.22)	(0.20)
CEO Control - Duality	-0.60	-0.62	-0.47	-0.78+	-0.59
	(0.39)	(0.43)	(0.37)	(0.47)	(0.41)
CEO Control - Tenure	-0.06	-0.06	-0.07	-0.04	-0.05
	(0.06)	(0.06)	(0.05)	(0.06)	(0.05)
Firm Control - Size (Rev) (t-1)	0.22	0.22	0.22+	0.19	0.22+
	(0.15)	(0.15)	(0.13)	(0.13)	(0.12)
Firm Control - ROA (t-1)	-1.82	-1.83	-1.29	-1.17	-0.97
	(1.78)	(1.79)	(1.49)	(2.04)	(1.81)
Violation Type (character)	0.10	0.10	0.41	0.10	0.41
	(0.28)	(0.28)	(0.25)	(0.26)	(0.27)
Response Type (accommodative)	-0.77	-0.77	-0.75	-1.71	-2.00
	(0.96)	(0.97)	(1.12)	(1.27)	(1.26)
Response Type (defensive)	1.76*	1.75*	1.89*	3.42**	2.86*
	(0.78)	(0.78)	(0.77)	(1.28)	(1.19)
Response Type (neutral)	-1.05	-1.08	-1.32	-0.57	-0.91
	(0.81)	(0.78)	(0.83)	(0.87)	(1.04)
Female CEO		-0.07	5.08*	0.15	5.07*
		(0.54)	(2.22)	(0.55)	(2.40)
Female CEO x Violation Type (character)			-1.27*		-1.22+

			(0.59)		(0.64)
Female CEO x Response Type (accommodative)				2.01	2.41
				(1.71)	(1.74)
Female CEO x Response Type (defensive)				-3.41**	-2.24+
				(1.24)	(1.21)
Female CEO x Response Type (neutral)				-18.66***	-19.37***
				(2.14)	(2.10)
Analyst Coverage (# of recommendations)	-5.75	-5.71	-2.40***	-1.14*	-1.15*
	(5.56)	(6.21)	(0.47)	(0.49)	(0.51)
Firm Control - Strategic Noise	-22.19+	-22.22	-12.90*	-2.10*	-2.08*
	(13.11)	(15.10)	(5.47)	(0.97)	(0.99)
Constant	-6.87+	-6.75+	-5.41+	-7.12	-6.30+
	(4.11)	(4.07)	(3.25)	(4.36)	(3.67)
Observations	209	209	209	209	209
Pseudo R^2	0.316	0.349	0.362	0.360	0.370

Robust standard errors in parentheses

*** p<0.001, ** p<0.01, * p<0.05, + p<0.10

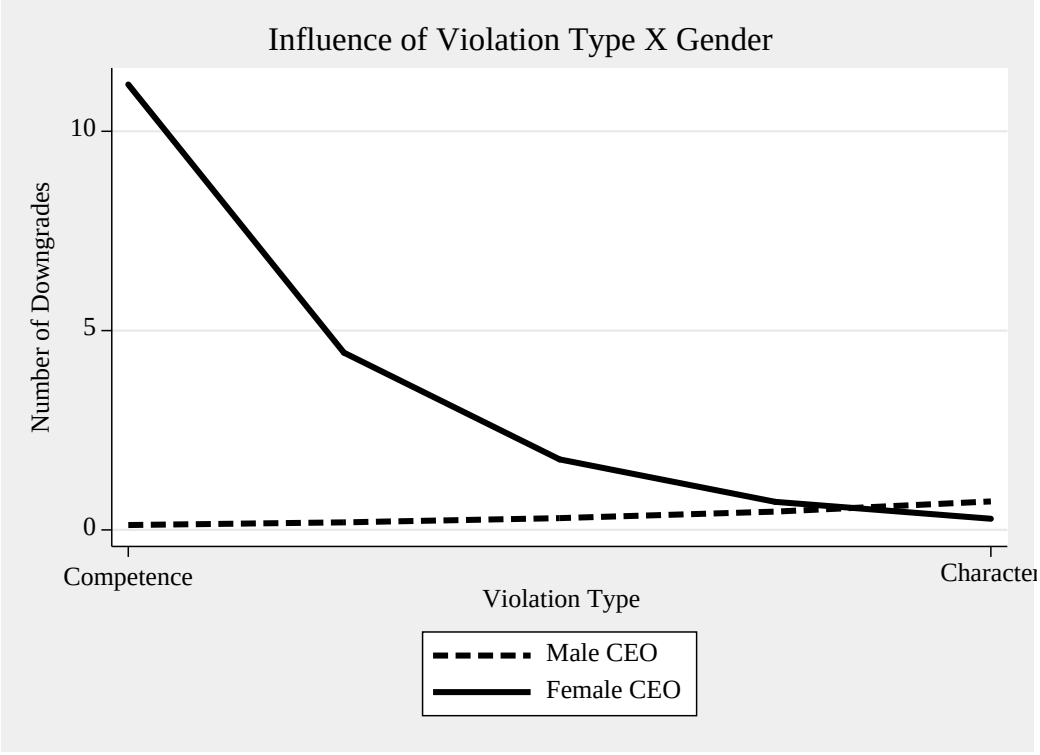


Figure 3: Influence of Violation Type X Gender

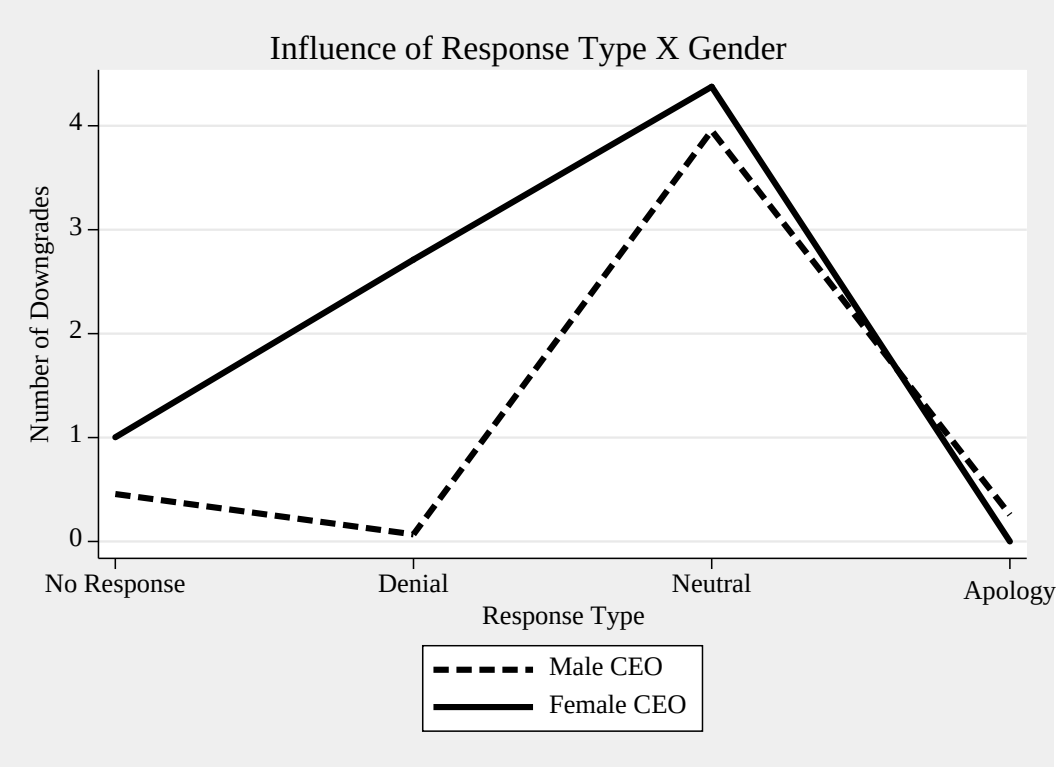


Figure 4: Influence of Response Type X Gender

Overview of Lab Studies

While the archival environment limits the ability to test the mechanisms driving stakeholder reactions, in the lab I am able to explore the perceptions of CEO competence, CEO liking, and negative emotions driving stakeholder reactions following a negative violation, I conducted a series of lab experiments to test each of my hypotheses. The table below provides an outline of each study and its corresponding relationship to my hypotheses.

Table 8: Overview of Lab Studies

		Sample	Research Design	Manipulations	Mechanism (measures)	Outcomes (measures)
Pre-test Study	Manipulation Checks	Undergraduate business students N=115, Age (*m*=20.8, *SD*=1.61), 23.64% Female	2 x 2 x 2	Female CEO Male CEO Character Violation Competence Violation Female CEO Male CEO	CEO Competence *(Heilman, M. E., Wallen, A. S., Fuchs, D., & Tamkins, M. M., 2004)* CEO Liking *(Heilman, M. E., Wallen, A. S., Fuchs, D., & Tamkins, M. M., 2004)* Negative Emotion *(Watson, D., Clark, L. A., & Tellegen, A. 1998)*	Stakeholder Engagement *(ten Brinke, L., & Adams, G. S. 2015)* Stakeholder Punishment *(ten Brinke, L., & Adams, G. S. 2015)*
Study 2	H1: CEO Gender	Full-time employees (own common stock) N=111, Age (*m*=36.02, *SD*=9.76), 40% Female	2 x 1	Female CEO Male CEO		
Study 3	H2: CEO Gender X Violation Type (character)	Full-time employees (own common stock) N=122, Age (*m*=33.94, *SD*=9.75), 41.80% Female	2 x 2	Female CEO Male CEO Character Violation Competence Violation		
Study 4	H3: CEO Gender x Response Type (apology)	Full-time employees (own common stock) N=119, Age (*m*=34.48, *SD*=9.58), 32.77% Female	2 x 2	Female CEO Male CEO Apology Denial		
Study 5	H4: CEO Gender X Violation Type (character) x Response Type (apology)	Full-time employees (own common stock) N=221, Age (m=37.76, SD=10.70), 33.94% Female	2 x 2 x 2	Female CEO Male CEO Character Violation Competence Violation Female CEO Male CEO		

Pre-test Study

To test the strength of my manipulations and the reliability of my chosen scales, I conducted a pre-test study on a sample of business students at a large southeastern university. The study directed interested students to a website that included more specific details about the study, the informed consent form, and a registration form. Participants were rewarded with class credit for their full participation. Of the 115 participants, 88 were male and 27 were female, with a mean age of 20.80 years (SD = 1.61).

Design and Procedures

The pre-test study was a 2 x 2 x 2 factorial between-subjects design with the independent variables being the violation type (character vs. competence violation), response type (apology vs. denial), and CEO gender (female vs. male). Participants were randomly assigned to the eight conditions. First, participants read the following scenario describing a CEO following a negative event. The scenario was designed to provide enough background information on the CEO, the firm violation, and the response for participants to feel they were making informed judgments and distract participants from gender as the topic of my investigation.

Scenario

> The following news article provides background information on the CEO and the CEO's company. Please read the article carefully. You will be asked to: (1) describe what you read in your own words, and (2) answer question about what you read in the article.
>
> In the passage below, gender is manipulated with **blue bold text (female CEO)** / *blue normal italicized text (male CEO).*
> The type of violation manipulation is **red bold text (character)** / *red normal italicized text (competency).*
> The type of response manipulation is **green bold text (apology)** / *green normal italicized text (denial).*

News coverage from the *Wall Street Journal*:

HEADLINE: PHARMEX'S CEO FACES TOUGH QUESTIONING IN CONGRESSIONAL DRUG HEARING
Dr. **Catherine** [*Charles*] Smith **apologizes for [***denies***] intentionally raising drug prices [***causing severe drug shortages***].**

Dr. **Catherine** [*Charles*] Smith took the reins at pharmaceutical giant Pharmex, one of the world's most profitable drug companies, in 2013. **He** [*She*] has led the company to unprecedented growth, buying up rights to older, niche drugs and rapidly growing the business. Smith's approach—which bypassed the huge research and development investments typically made by drug makers—offers a cheaper, more reliable business model and has made Pharmex and Smith a favorite of Wall Street investors.

However, the company has recently been under Congressional scrutiny after buying two life-saving epilepsy drugs, Vox and Tynul, and then **hiking their prices, tripling one and raising the other six-fold** [*immediately experiencing production issues that led to severe shortages*].

At a four-hour congressional hearing about Vox and Tynul on Wednesday, House Representatives took the CEO of Pharmex, Dr. **Catherine** [*Charles*] Smith, to task on questions concerning the drugs.

The House Committee on Oversight and Government Reform convened the hearing to address the justified outrage from families across the country struggling to **afford the high cost of** [*find alternatives for]* Vox and Tynul. As Rep. Pat Cummings's opening remarks stated, "This hearing is critical because yet another drug company, Pharmex, has **jacked up the price of lifesaving drugs for no discernible reason** [*severely limited the supply of lifesaving drugs due to their inability to manage the production process*]. The reason being, I believe, is **your sole motivation to get filthy rich at the expense of our citizens** [*that you rushed into production of these drugs and ended up with the worst case scenario possible, a complete shut-down*]."

Evidence and sources suggest that the **greed reflected in the high prices** [*problems that led to the production issues*] indicate a lack of **integrity** [*competence*] on Pharmex's and Smith's part, suggesting that the firm's leadership **clouded the truth on purpose** [*lacked the ability to manage their own operations*].

Some members of Congress didn't even take the time to ask questions, opting instead to fill up their five-minute allotments with a public shaming of the company. Peppered with criticism for hours, Dr. **Catherine** [*Charles*] Smith at one point was able to gain the floor at the end of the

hearing. **She** [*He*] steadfastly offered an emphatic **apology for** [*denial of*] the claims against the firm by the committee, stating, "It is unfortunate to our board of directors, our employees, and to me that Pharmex has become a source of controversy."

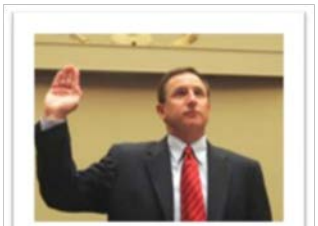
Dr. **Catherine** [*Charles*] Smith continued in **her** [*his*] testimony, "I am going on the record with you to say that on behalf of the entire firm, we **acknowledge** *[deny]* that Pharmex is solely responsible for the issues facing consumers of Vox and Tynul. The accusations brought against us today are **unfortunately true** *[definitely false]*. **I take personal responsibility; we deeply regret this situation and promise to make this situation right**. *[The reality is that certain parties have misrepresented this situation as a way of challenging my leadership and Pharmex's position in the industry]."*

The following headlines and photographs were manipulated as well to reflect the appropriate information context in the media coverage.

PHARMEX'S CEO FACES TOUGH QUESTIONING IN CONGRESSIONAL DRUG HEARING

Dr. Catherine Smith apologizes for causing severe drug shortages.

PHARMEX'S CEO FACES TOUGH QUESTIONING IN CONGRESSIONAL DRUG HEARING



Dr. Charles Smith denies responsibility for intentionally raising drug prices.

After reading the media coverage, participants were then asked a series of questions pertaining to their perceptions of the CEO and his/her firm. Participants were also asked at the end of survey if they knew what the survey was testing and/or if they

had heard anything about the study before participating. Responses provided detailed no signs of bias to the study.

Manipulated Independent Variables

CEO gender. The CEO's gender was manipulated by the name and the gender-relevant pronouns used in the media coverage—**Catherine** [*Charles*] Smith. The headline and photograph was used to further support the manipulation. Following prior research, participants were also asked to rate the attractiveness of the CEO. Lastly, participants indicated if the CEO was male or female (α=0.98) (Heilman & Chen, 2005). An analysis of variance (ANOVA) revealed a significant main effect based on CEO gender ($F(1,114) = 722.32$, $p < 0.001$, $M = 1.73$ v. -1.66) ensuring the manipulation's effectiveness. Also, there were no significant differences in the level of attractiveness between the two photographs.

Violation type. The violation type was also manipulated in the media coverage. Participants were presented with two different scenarios facing the firm. Pharmex was accused of **jacking up the price of lifesaving drugs for no discernible reason** [*severely limiting the supply of lifesaving drugs due to their inability to manage the production process*]. To determine whether the clarity of the violation type manipulation (character vs. competence) was effective, I used a measure asking the participants' level of agreement with the following statements: The firm engaged in the following: intentionally raising prices and mishandling production causing drug shortages. A 5-point response scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used (α=0.89). An analysis of variance (ANOVA) revealed a significant main effect based on violation type ensuring the manipulation's effectiveness ($F(1,114) = 259.56$, $p < 0.001$, M

= 1.30 v. -1.21). I also tested if each manipulation was viewed as an integrity and competency violation, and analysis of variance (ANOVA) revealed a significant main effect based on violation type ensuring that participants indeed view the firm violations (raising prices vs. shortages) as either a character or competence violation ($F(1,114) = 5.82$, $p < 0.05$).

Response type. The CEO's response was also manipulated to represent either an apology or denial. For example, **she** [*he*] steadfastly offered an emphatic **apology for** [*denial of*] the claims against the firm. I created a measure of the CEO response asking the participants' level of agreement with the following statements: the CEO engaged in the following: issued an apology, apologized for the violation, accepted responsibility, and expressed remorse (Ferrin et al., 2007). A 5-point response scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used ($\alpha=0.97$). An analysis of variance (ANOVA) revealed a significant main effect based on response type ensuring the manipulation's effectiveness ($F(1,114) = 189.68$, $p < 0.001$, $M = 1.99$ v. 4.25).

Dependent Measures

CEO competence. Adapting measures from Heilman and colleagues (2004), I presented the participants with the following on 5-point scales (strongly disagree to strongly agree)—"The following are words that may describe individuals. In thinking about the information provided to you about the Pharmex CEO, please rate the extent to which you agree with the following statements. In my view, Dr. Smith, the Pharmex CEO: (1) will be effective at managing this situation; (2) will perform well during this crisis situation; (3) will demonstrate excellence on the job." The mean coefficient alpha was 0.85.

CEO liking. Adapting measures from Heilman and colleagues (2004), I also presented the participants with the following on 5-point scales (strongly disagree to strongly agree)—" the following statements relate to how much you like the CEO in the scenario. In thinking about the CEO, Dr. Smith, please rate your level of agreement with the following statements concerning Dr. Smith: (1) I like this CEO; (2) I appreciate this CEO; (3) I have an affinity for this CEO; (4) I can relate to this CEO." The mean coefficient alpha was 0.84.

Negative emotion. Following the instructions outlined in the PANAS–X (Watson & Clark, 1994), I gave participants a list of adjectives and instructed them to "In thinking about the scenario, please rate the extent to which you are feeling any of these emotions" on a 5-point scale ranging from (1) very slightly or not at all to (5) very much. Example emotions included upset, distressed, irritable, hostile, disgusted, and contempt. The mean coefficient alpha was 0.96.

Stakeholder engagement. Adapting measures from ten Brinke and Adams (2015), I presented the participants with the following on 5-point scales (very unlikely to likely)—"the following statements relate to behaviors in support of a firm as a consumer or an investor. In thinking about Pharmex and the CEO's response, please rate the likelihood you would engage in the listed behaviors in support of Pharmex: (1) accept the CEO response; (2) take a job with Pharmex if you were offered one; (3) invest money in Pharmex; (4) recommend that a friend seek employment with Pharmex; (5) sell your stock in Pharmex, assuming you had previously purchased some (reverse-scored)?'' The mean coefficient alpha was 0.75. The lower, but still acceptable, alpha was driven primarily by the wording of item five.

The pre-study was conducted to ensure the manipulations were sufficient and the scales were reliable to proceed with the more formal study. As all manipulation checks were successful and all scales provided suitable reliability, I proceeded with my formal studies testing my hypotheses.

Study Two

Study 2 was conducted as an online experiment with 111 adult U.S. residents (age (*M*=36.02, *SD*=9.76), 40% female) recruited using Amazon mTurk**.** The sample was restricted via pre-selection to participants who were over 18 years of age, currently employed, and also owned common stock in an effort to replicate a participant pool who would potentially read business news coverage and have the mindset of an investor in evaluating a CEO's actions. The posting on mTurk directed interested participants to a website that included more specific details about the study, the informed consent form, and a registration form, and participants were rewarded with $2.00 for their full participation. The same selection criteria, process, and reward were used for the remainder of the studies.

Design and Procedures

Study 2 consisted of between-subjects design with the manipulated variable being CEO gender (female vs. male). Study 2 was designed to test the direct effect of CEO gender on stakeholder reactions proposed in H1. The violation type and response were not provided. Participants were randomly assigned to the two conditions. Participants read an adapted version of the scenario presented in the pre-study and were then directed to answer a series of questions.

Scenario

The following news article provides background information on the CEO and the CEO's company. Please read the article carefully. You will be asked to: (1) describe what you read in your own words, and (2) answer question about what you read in the article.

In the passage below, gender is manipulated with **blue bold text (female CEO)** / *blue normal italicized text (male CEO).*

News coverage from the *Wall Street Journal*:

HEADLINE: PHARMEX'S CEO FACES TOUGH QUESTIONING IN CONGRESSIONAL DRUG HEARING
Dr. **Catherine** [*Charles*] Smith to hopefully provide answers.

Dr. **Catherine** [*Charles*] Smith took the reins at pharmaceutical giant Pharmex, one of the world's most profitable drug companies, in 2013. **He** [*She*] has led the company to unprecedented growth, buying up rights to older, niche drugs and rapidly growing the business. Smith's approach—which bypassed the huge research and development investments typically made by drug makers—offers a cheaper, more reliable business model and has made Pharmex and Smith a favorite of Wall Street investors.

However, the company has recently been under public and Congressional scrutiny due to severe shortages of two of their life-saving epilepsy drugs, Vox and Tynul. A congressional hearing about Vox and Tynul is scheduled for tomorrow. House Representatives will try to get answers from the CEO of Pharmex, Dr. **Catherine** [*Charles*] Smith, in order to understand why families across the country are struggling to find alternatives for Vox and Tynul.

Dependent Measures

As in the pre-test study, the key dependent variables were *CEO competence, CEO liking, negative emotion,* and *stakeholder engagement*. The scales for each measure in Study 2 were identical to those constructed for the pre-test study. The reliability was α=.94 for the *CEO competence* scale, α=.90 for the *CEO liking* scale, α=.96 for *negative emotion*, and α=.88 for *stakeholder engagement*.

Stakeholder punishment. To complement the stakeholder engagement measure, I also created a measure from ten Brinke and Adams (2015) for *stakeholder punishment* for my primary studies of interest (Study 2-5) to analyze if there were differences in engagement vs. punishment behaviors for stakeholders. Therefore, I also presented the participants with the following on 5-point scales (very unlikely to likely)—"the following statements relate to behaviors to punish a firm as a consumer or an investor. In thinking about Pharmex and the CEO's response, please rate the likelihood you would engage in the listed behaviors against Pharmex: (1) punish Pharmex in some way; (2) cause inconvenience for Pharmex; (3) get even with Pharmex; (4) Make Pharmex get what it deserves; (5) Make them pay for what happened.'' The mean coefficient alpha was 0.95. Correlations among the dependent variable measures appear in Table 9.

Analysis

For my analyses in Study 2-5, I ensured scales were sufficiently reliable by performing between subjects ANOVAs to test the manipulations' effectiveness. I also conducted a multivariate analysis of variance (MANOVA) on the dependent measures—*CEO competence, CEO liking, negative emotion, stakeholder engagement,* and *stakeholder punishment* for each of my lab studies. I then conducted univariate ANOVAs and, to test my hypotheses directly, intercell contrasts. I tested all intercell contrasts (the cell mean differences between ratings of male and female CEOs in each information condition) using Fischer's Least Significant test differences ($p < 0.05$). To further test mediation and moderated mediation where appropriate, I used SEM in Stata 14 presenting bootstrapped confidence intervals at 1,000 repetitions and followed the process outlined in Edwards & Lambert (2007).

Manipulation checks

An analysis of variance (ANOVA) revealed a significant main effect based on gender (F (1,114) = 259.56, p <0.001, *M* = 1.30 v. -1.21) ensuring the manipulation's effectiveness.

Results

Results of the multivariate analysis of variance conducted on the dependent measures of interest revealed a multiple F significant for gender (F (6, 104) = 171.35, p <0.0001). Table 9 presents the relevant means and standard deviations for each of the dependent variables.

Table 9: Means, Standard Deviations, and Correlations among Dependent Variable Measures, Study 2

Dependent Variables	M	SD	1	2	3	4
CEO Competence	3.38	0.97				
CEO Liking	2.63	0.86	0.65*			
Negative Emotion	1.93	0.85	-0.38*	-0.37*		
Stakeholder Engagement	2.70	1.00	0.61*	0.75*	-0.35*	
Stakeholder Punishment	2.70	1.00	-0.39*	-0.35*	0.51*	-0.37*

† <.10 * p < .05 , ** p < .01, ***p<.001

Dependent variables. An ANOVA of participants' ratings on the *CEO competence* scale revealed a significant main effect for gender (F (1, 109) = 6.23, p<0.05). Intercell contrasts further clarify this effect and reveal that females are viewed as more competent in the violation context. As displayed in Table 10, female CEOs are rated as 14% more competent (3.61 v. 3.16, p<0.05) providing support for H1 that female CEOs may be viewed as better equipped to handle crisis situations. The ANOVA tests did not reveal a significant effect on either of the other proposed mediators (*CEO liking* or *negative emotion*) or on *stakeholder engagement* and *punishment*.

Table 10: Means and Standard Deviations, Study 2

Condition	CEO Competence	CEO Liking	Negative Emotion	Stakeholder Engagement	Stakeholder Punishment
Female	3.61 (0.75)	2.53a (.92)	2.00a (0.90)	2.71a (0.90)	2.63a (1.03)
Male	3.16 (1.10)	2.74a (0.77)	1.86a (0.79)	2.68a (1.11)	2.77a (0.98)

Means within a column with different subscripts differ significantly at p<.05 as indicted by Fisher's LSD procedure. Standard deviations in parentheses

Mediation. Given the significant direct effect of gender on *CEO competence* revealed above and the significant correlation between *CEO competence* and both *stakeholder engagement* (r=0.61) and *punishment* (r=-0.39) in Table 9, I used SEM in Stata 14 to estimate the path estimates of the indirect, direct, and total effects for CEO gender predicting *stakeholder engagement* and *punishment* as presented in Table 11. The path coefficient from Female CEO to *CEO competence* (b = 0.45) was significant, and the path coefficients from *CEO competence* to both *stakeholder engagement* (b=0.67) and *stakeholder punishment* (b = -0.44) were significant as well. Likewise, the positive indirect effects of Female CEO on *stakeholder engagement* through *CEO competence* (b = 0.67) and the negative indirect effects of Female CEO on *stakeholder punishment* through *CEO Competence* (b = -0.44) were also significant. These findings provide support for H1 that due to participants' perceptions of effectiveness in managing a crisis situation, stakeholders are more likely to engage with and punish less a female CEO than her male counterpart.

Table 11: Path Estimates of Indirect, Direct, and Total Effects for Gender Predicting Engagement and Punishment

	Female--> mediator	Mediator--> Stakeholder Engagement	Indirect	Direct	Total
CEO Competence	.45**	.67***	.28*	-.27	.03

	Female--> mediator	Mediator--> Stakeholder Punishment	Indirect	Direct	Total
CEO Competence	.45**	-.44***	-.20*	.33†	.14

Significance tests for the indirect and total effects are based on the bias-corrected confidence intervals derived from bootstrapping estimates with 1000 samples, as explained in Edwards and Lambert (2007). Note. N = 111 Standardized regression coefficients are presented. Two-tailed tests. † <.10 * p < .05 , ** p < .01, ***p<.001

Study Three

Study 3 was conducted as an online experiment using 122 adult US residents (age (*M*=33.94, *SD*=9.75), 41.80% female) recruited using Amazon mTurk following the same recruitment procedures as outlined above.

Design and Procedures

Study 3 consisted of a 2 x 2 factorial between-subjects design with the independent variables being CEO gender (female vs. male) and violation type (character v. competence) to test the proposed relationships in H2. As Study 3 was designed to test the interaction effect of CEO gender and violation type on stakeholder reactions, the response type was not provided. Participants were randomly assigned to the four conditions. Participants read an adapted version of the scenario presented in the pre-study and then answered a series of questions.

Scenario

The following news article provides background information on the CEO and the CEO's company. Please read the article carefully. You will be asked to: (1) describe what you read in your own words, and (2) answer question about what you read in the article.

In the passage below, gender is manipulated with **blue bold text (female CEO)** / *blue normal italicized text (male CEO).*
The type of violation manipulation is **red bold text (character)** / *red normal italicized text (competency).*

News coverage from the *Wall Street Journal*:

HEADLINE: PHARMEX'S CEO FACES TOUGH QUESTIONING IN CONGRESSIONAL DRUG HEARING
Dr. **Catherine** [*Charles*] Smith **intentionally raise drug prices [***cause severe drug shortages***].**

Dr. **Catherine** [*Charles*] Smith took the reins at pharmaceutical giant Pharmex, one of the world's most profitable drug companies, in 2013. **He** [*She*] has led the company to unprecedented growth, buying up rights to older, niche drugs and rapidly growing the business. Smith's approach—which bypassed the huge research and development investments typically made by drug makers—offers a cheaper, more reliable business model and has made Pharmex and Smith a favorite of Wall Street investors.

However, the company has recently been under Congressional scrutiny after buying two life-saving epilepsy drugs, Vox and Tynul, and then **hiking their prices, tripling one and raising the other six-fold** [*immediately experiencing production issues that led to severe shortages*].

At a four-hour congressional hearing about Vox and Tynul on Wednesday, House Representatives took the CEO of Pharmex, Dr. **Catherine** [*Charles*] Smith, to task on questions concerning the drugs.

The House Committee on Oversight and Government Reform convened the hearing to address the justified outrage from families across the country struggling to **afford the high cost of** [*find alternatives for]* Vox and Tynul. As Rep. Pat Cummings's opening remarks stated, "This hearing is critical because yet another drug company, Pharmex, has **jacked up the price of lifesaving drugs for no discernible reason** [*severely limited the supply of lifesaving drugs due to their inability to manage the production process*]. The reason being, I believe, is **your sole motivation to get filthy rich at the expense of our citizens** [*that you rushed into production of these drugs and ended up with the worst case scenario possible, a complete shut-down*]."

> Evidence and sources suggest that the **greed reflected in the high prices** [*problems that led to the production issues*] indicate a lack of **integrity** [*competence*] on Pharmex's and Smith's part, suggesting that the firm's leadership **clouded the truth on purpose** [*lacked the ability to manage their own operations*].
>
> Some members of Congress didn't even take the time to ask questions, opting instead to fill up their five-minute allotments with a public shaming of the company.

Dependent Measures

As in Study 2, the key dependent variables were *CEO competence, CEO liking, negative emotion, stakeholder engagement,* and *stakeholder punishment*. The scales for each measure in Study 3 were identical to those constructed for Study 2. The reliability was α=.94 for the *CEO competence scale*, α=.96 for the *CEO liking* scale, α=.96 for *negative emotion*, α=.86 for *stakeholder engagement*, and α=.94 for *stakeholder punishment*. Correlations among the dependent variable measures appear in Table 12.

Manipulation checks

An analysis of variance (ANOVA) revealed a significant main effect based on gender ($F(1,114) = 259.56$, $p < 0.001$, $M = 1.30$ v. -1.21) and violation type ($F(1,114) = 259.56$, $p<0.001$, $M = 1.30$ v. -1.21) ensuring the manipulations' effectiveness.

Results

Results of the multivariate analysis of variance conducted on the dependent measures of interest revealed a multiple F significant for the full model ($F(3, 116) = 6.43$, $p < 0.0001$) and violation type ($F(1, 116) = 6.02$, $p < 0.001$), and the predicted interaction CEO gender x violation type was also marginally significant, $F(3, 116) = 2.30$, $p<0.10$.

Table 12: Means, Standard Deviations, and Correlations among Dependent Variable Measures, Study 3

Dependent Variables	M	SD	1	2	3	4
CEO Competence	2.71	1.12				
CEO Liking	2.07	1.10	0.67*			
Negative Emotion	2.62	0.98	-0.26*	-0.21*		
Stakeholder Engagement	2.08	1.02	0.62*	0.80*	-0.20*	
Stakeholder Punishment	3.29	1.08	-0.37*	-0.30*	0.54*	-0.29*

† <.10 * p < .05 , ** p < .01, ***p<.001

Dependent variables. An ANOVA of participants' ratings on the *negative emotion* scale revealed a significant main effect for type ($F(1,118) = 10.8$, $p<0.01$) and the predicted interaction CEO gender X violation type ($F(1, 118) = 5.67$, $p<0.05$. The ANOVA tests did not reveal a significant effect on either of the other proposed mediators (*CEO liking* or *CEO competency*) or the dependent variables (*stakeholder engagement* and *punishment*). Character violations did produce more negative emotion than competence violations (*M*= 2.89 v. 2.33) supporting the theorized relationship in the crisis communication literature (Kim et al., 2004). Intercell contrasts as displayed in Table 13 were conducted to further clarify this effect and revealed that the significant slope for males ($p<0.05$) is driving the significant interaction. In this information context, participants' negative emotions for female CEOs are not altered by violation type but are for males. Males are viewed with more negative emotion when they commit a character violation as opposed to a competence violation (3.06 v. 2.11). Also, this analysis reveals there were no point estimate differences between a male and female CEO for either a character violation or competence violation. These findings are counter to my theorizing

in H2 where I argued that females would evoke more of a backlash for a character violation. A graphical representation is below in Figure 5.

Table 13: Means and Standard Deviations, Study 3

Condition	CEO Competence	CEO Liking	Negative Emotion	Stakeholder Engagement	Stakeholder Punishment
Female Character Violation	3.02b (1.03)	2.09ab (0.97)	2.71bc (0.80)	2.15a (0.93)	3.19ab (1.00)
Competence Violation	2.41a (1.18)	2.18ab (1.28)	2.56ab (.97)	2.10a (1.05)	3.27ab (1.20)
Male Character Violation	2.66ab (1.08)	1.71a (1.05)	3.06c (0.96)	1.81a (0.99)	3.62b (1.11)
Competence Violation	2.41a (1.17)	2.31b (1.02)	2.11a (0.97)	2.27a (1.10)	3.07a (0.97)

Means within a column with different subscripts differ significantly at $p<.05$ as indicted by Fisher's LSD procedure Standard deviations in parentheses

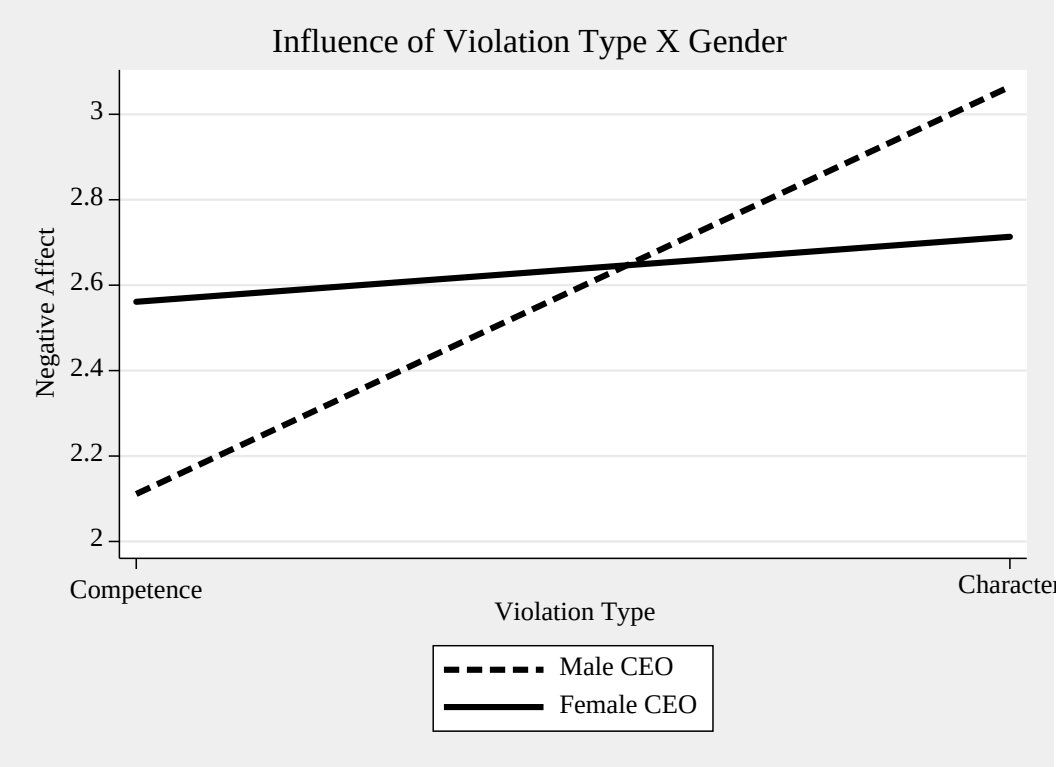


Figure 5: Lab Study Interaction, Violation Type X CEO Gender

Mediation. Given the marginally significant interaction effect of gender and violation type on *negative emotion* revealed above and the significant correlation between *negative emotion* and both *stakeholder engagement* (r=-0.20) and *punishment* (r=0.54) in Table 12. I estimated the path estimates of the indirect, direct, and total effects for CEO gender predicting *stakeholder engagement* and *punishment* using the moderated mediation process outlined in Edwards and Lambert (2007) as presented in Table 14. The path coefficient from male CEO to *negative emotion* (b = .95) was significant and the path coefficients from *negative emotion* to *stakeholder punishment* (b = .62 v. 59) for both male and female CEOs were significant. Table 14 reveals the only significant indirect path though is for the positive indirect effects of a male CEO on *stakeholder punishment* through *negative emotion* (b= .59).

Table 14: Path Estimates of Indirect, Direct, and Total Effects for the Two-Way Interaction (Gender x Violation Type) Predicting Engagement and Punishment

	Character Violation -->mediator	Mediator--> Stakeholder Engagement	Indirect	Direct	Total
Negative Emotion					
Male CEO	.95***	-.23	-.23	-.23	-.46†
Female CEO	.15	-.15	-.01	.06	.05
Difference			-.22	.29	-.51
	Character Violation-->mediator	Mediator--> Stakeholder Punishment	Indirect	Direct	Total
Negative Emotion					
Male CEO	.95***	.62***	.59**	-.04	.55*
Female CEO	.15	.59***	.09	-.16	-.16
Difference			.50*	-.13	.63

Significance tests for the indirect and total effects are based on the bias-corrected confidence intervals derived from bootstrapping estimates with 1000 samples, as explained in Edwards and Lambert (2007).

Note. N = 122 Standardized regression coefficients are presented. Two-tailed tests. † <.10 * p < .05 , ** p < .01, ***p<.001

Study Four

Study 4 was also conducted as an online experiment using 119 adult US residents (age (*M*=34.48, *SD*=9.58), 32.77% female) using Amazon mTurk and following the same recruitment procedures.

Design and Procedures

Study 4 consisted of a 2 x 2 factorial between-subjects design with the independent variables being CEO gender (female vs. male) and response type (apology v. denial) to test the proposed relationships in H3. As Study 4 was designed to test the interaction effect of CEO gender and response type on stakeholder reactions, the

violation type was not provided. Participants were randomly assigned to the four conditions. Participants read an adapted version of the scenario presented in the pre-study and then answered a series of questions.

Scenario

The following news article provides background information on the CEO and the CEO's company. Please read the article carefully. You will be asked to: (1) describe what you read in your own words, and (2) answer question about what you read in the article.

In the passage below, gender is manipulated with **blue bold text (female CEO)** / *blue normal italicized text (male CEO).*
The type of violation manipulation is **red bold text (character)** / *red normal italicized text (competency).*
The type of response manipulation is **green bold text (apology)** / *green normal italicized text (denial).*

News coverage from the *Wall Street Journal*:

HEADLINE: PHARMEX'S CEO FACES TOUGH QUESTIONING IN CONGRESSIONAL DRUG HEARING
Dr. **Catherine** [*Charles*] Smith **apologizes for [***denies***] intentionally raising drug prices [***causing severe drug shortages***].**

Dr. **Catherine** [*Charles*] Smith took the reins at pharmaceutical giant Pharmex, one of the world's most profitable drug companies, in 2013. **He** [*She*] has led the company to unprecedented growth, buying up rights to older, niche drugs and rapidly growing the business. Smith's approach—which bypassed the huge research and development investments typically made by drug makers—offers a cheaper, more reliable business model and has made Pharmex and Smith a favorite of Wall Street investors.

However, the company has recently been under public and Congressional scrutiny due to severe shortages of two of their life-saving epilepsy drugs, Vox and Tynul.

At a four-hour congressional hearing about Vox and Tynul on Wednesday, House representatives took the CEO of Pharmex, **Catherine** [*Charles*], to task on questions concerning the drugs.

The House Committee on Oversight and Government Reform convened the hearing to address the justified outrage from families across the country struggling to find alternatives for Vox and Tynul.

> Some members of Congress didn't even take the time to ask questions, opting instead to fill up their five-minute allotments with a public shaming of the company. Peppered with criticism for hours, Dr. **Catherine** [*Charles*] Smith at one point was able to gain the floor at the end of the hearing. **She** [*He*] steadfastly offered an emphatic **apology for** [*denial of*] the claims against the firm by the committee, stating, "It is unfortunate to our board of directors, our employees, and to me that Pharmex has become a source of controversy."
>
> Dr. **Catherine** [*Charles*] Smith continued in **her** [*his*] testimony, "I am going on the record with you to say that on behalf of the entire firm, we **acknowledge** *[deny]* that Pharmex is solely responsible for the issues facing consumers of Vox and Tynul. The accusations brought against us today are **unfortunately true** *[definitely false]*. **I take personal responsibility; we deeply regret this situation and promise to make this situation right**. *[The reality is that certain parties have misrepresented this situation as a way of challenging my leadership and Pharmex's position in the industry]."*

Dependent Measures

As in the prior studies, the key dependent variables were *CEO competence, CEO liking, negative emotion, stakeholder engagement,* and *stakeholder punishment*. The scales for each measure in Study 4 were identical to those constructed for the prior studies. The reliability was α=.92 for the *CEO competence* scale, α=.94 for the *CEO liking* scale, α=.96 for *negative emotion*, α=.87 for *stakeholder engagement*, and α=.95 for *stakeholder punishment*. Correlations among the dependent variable measures appear in Table 15.

Manipulation Checks

An analysis of variance (ANOVA) revealed a significant main effect based on gender ($F(1,114) = 259.56$, $p < 0.001$, $M = 1.30$ v. -1.21) and response type ($F(1,114) = 259.56$, $p<0.001$, $M = 1.30$ v. -1.21) ensuring the manipulations' effectiveness.

Results

Results of the multivariate analysis of variance conducted on the dependent measures of interest revealed a multiple F significant for the full model (F (3, 114) = 2.43, p <0.05), but not for the independent variables of interest: CEO gender, response type, and their interaction.

Table 15: Means, Standard Deviations, and Correlations among Dependent Variable Measures, Study 4

Dependent Variables	M	SD	1	2	3	4
CEO Competence	2.71	1.12				
CEO Liking	2.07	1.10	0.76*			
Negative Emotion	2.62	0.98	-0.26*	-0.31*		
Stakeholder Engagement	2.79	1.12	0.66*	0.78*	-0.22*	
Stakeholder Punishment	3.29	1.08	-0.40*	-0.32*	0.55*	-0.35*

† <.10 * p < .05 , ** p < .01, ***p<.001

Dependent variables. An ANOVA of participants' ratings on the *CEO competence* scale revealed a significant main effect for response type, F (1,114) = 6.30, p<0.05. For *negative emotion,* an ANOVA of participants' ratings revealed a significant main effect for response type, F (1,115) = 3.93, p<0.05 and the predicted interaction CEO gender X response type, F (1, 115) = 3.79, p<0.10. The ANOVA tests did not reveal a significant effect on either of the other proposed mediator (*CEO liking*) or the dependent variables (*stakeholder engagement* and *punishment*). Denials produced more negative emotions than apologies (*M*= 2.34 v. 1.98) and made participants view CEOs as less competent (*M*=3.12 v. 3.62) supporting the theorized relationship in the crisis communication literature (Coombs & Holladay, 2008). Intercell contrasts as displayed in Table 16 were conducted to further clarify the interaction between CEO gender and response type on *negative emotion.* Table 16 reveals that the significant slope for females

is driving the significant interaction. In this information context, negative emotions for female CEOs are altered by violation type (2.32 v. 1.98) but not for males. Females are also viewed with more negative emotion when they issue a denial as opposed to a male (2.32 v. 2.05). These relationships are further depicted in Figure 6. These findings provide support for my theorizing in H3 where I argue that females will evoke more of a backlash (13% more negative emotion) for issuing a denial than their male counterparts.

Table 16: Means and Standard Deviations, Study 4

Condition	CEO Competence	CEO Liking	Negative Emotion	Stakeholder Engagement	Stakeholder Punishment
Female					
Apology	3.87b (0.73)	3.14a (1.17)	1.98a (0.90)	2.51a (1.21)	2.67a (1.18)
Denial	3.09a (1.20)	2.69a (1.31)	2.32 (1.10)	2.10a (1.05)	3.33b (1.20)
Male					
Apology	3.38ab (0.95)	2.70a (1.07)	2.04a (0.81)	2.68a (1.06)	2.87ab (1.16)
Denial	3.18a (1.22)	2.62a (1.19)	2.05a (0.82)	2.67a (1.23)	2.78ab (1.25)

Means within a column with different subscripts differ significantly at $p<.05$ as indicted by Fisher's LSD procedure. Standard deviations in parentheses

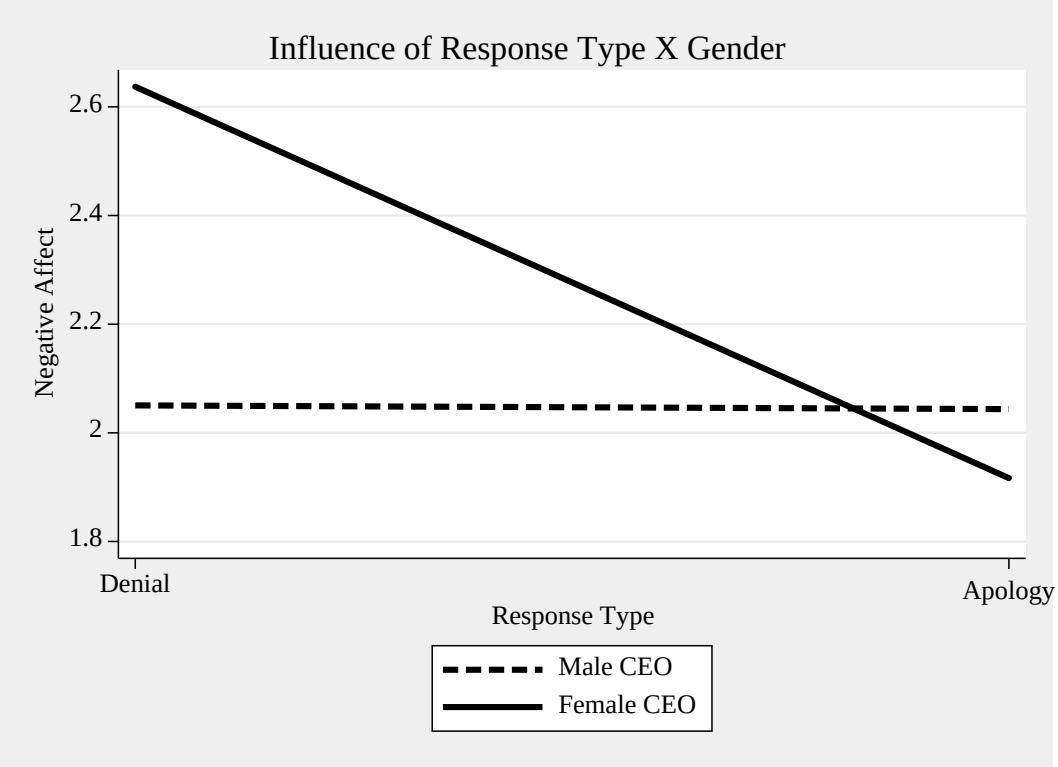


Figure 6: Lab Study Interaction, Response Type X CEO Gender

Mediation. Given the significant interaction effect of gender and response type on *negative emotion* revealed above and the significant correlation between *negative emotion* and both *stakeholder engagement* (r=-0.22) and *punishment* (r=0.55) in Table 15. I estimated the path estimates of the indirect, direct, and total effects for CEO gender predicting *stakeholder engagement* and *punishment* utilizing the moderated mediation process outlined in Edwards and Lambert (2007). The path coefficients from female CEO to *negative emotion* (b = -.72) was significant and the path coefficients from *negative emotion* to *stakeholder punishment* (b = .67 v. .60) for both male and female CEOs were significant. Table 17 reveals that the only significant indirect path is for the positive indirect effect of a female CEO on *stakeholder punishment* through *negative emotion* (b=-.44).

Table 17: Path Estimates of Indirect, Direct, and Total Effects for the Two-Way Interaction (Gender x Response Type) Predicting Stakeholder Engagement and Punishment

	Apology -->mediator	Mediator--> Stakeholder Engagement	Indirect	Direct	Total
Negative Emotion					
Male CEO	-.00	-.35†	.00	.01	.01
Female CEO	-.72**	-.16	.12	.31	.42
Difference			-.12	.20	-.41
	Apology-->mediator	Mediator--> Stakeholder Punishment	Indirect	Direct	Total
Negative Emotion					
Male CEO	-.00	.67***	-.00	.11	.10
Female CEO	-.72***	.60***	-.44*	-.23	-.67*
Difference			.43	-.34	.77

Significance tests for the indirect and total effects are based on the bias-corrected confidence intervals derived from bootstrapping estimates with 1000 samples, as explained in Edwards and Lambert (2007). Note. N = 119 Standardized regression coefficients are presented. Two-tailed tests. † <.10 * p < .05 , ** p < .01, ***p<.001

Study Five

Study 5 was also conducted as an online experiment using 221 adult US residents (age (*M*=37.76, *SD*=10.70), 33.94% female) using Amazon mTurk following the same recruitment procedures utilized in the prior studies.

Design and Procedures

Study 5 was a 2 x 2 x 2 factorial between-subjects design with the independent variables being the violation type (character vs. competence violation), CEO response (apology vs. denial), and CEO gender (female vs. male) to test the three-way interaction proposed in H4. Participants were randomly assigned to the eight conditions. Participants

read the same version of the scenario presented in the pre-study to test the influence of all three manipulations at once.

Dependent Measures

As in the prior studies, the key dependent variables were *CEO competence, CEO liking, negative emotion, stakeholder engagement,* and *stakeholder punishment*. The scales for each measure in Study 5 were identical to those constructed in the prior studies. The reliability was α=.94 for the *CEO competence* scale, α=95 for the *CEO liking* scale, α=.96 for *negative emotion*, α=.88 for *stakeholder engagement*, and α=.94 for *stakeholder punishment*. Correlations among the dependent variable measures appear in Table 18.

Manipulation Checks

An analysis of variance (ANOVA) revealed a significant main effect based on gender (F (1,114) = 259.56, p <0.001, *M* = 1.30 v. -1.21), violation type (F (1,114) = 259.56, p <0.001, *M* = 1.30 v. -1.21), and response type (F (1,114) = 259.56, p <0.001, *M* = 1.30 v. -1.21) ensuring the manipulations' effectiveness.

Results

Results of the multivariate analysis of variance conducted on the dependent measures of interest revealed a multiple F significant for the full model, F (7,213) = 9.80, *p* <0.01; gender, F (5,209) = 2.37, *p* <0.05; violation type, F (2, 209) = 9.43, p <0.01; and also for the interaction of response and violation type F (5, 209) = 2.59, *p* <0.05.

Dependent variables. An ANOVA of participants' ratings on each of the dependent variables revealed no significant three-way interaction of CEO gender, violation type, and response type therefore finding no support for H4. As supplementary analyses, I did perform intercell contrasts as displayed in Table 19 and a traditional

regression analysis as displayed in Table 20 to investigate how exposure to all three manipulations influenced the proposed direct effect in H1 that was supported in Study 2 through *CEO competence*. As revealed below, the direct effect of female CEO on perceptions of competence remained significant (3.24 v. 2.89, $p<0.05$) providing further support for H1 that female CEOs are viewed as more effective in times of crisis. When exposed to all three manipulations, participants also rated female CEOs higher in terms of CEO liking (2.57 v. 2.16, $p<0.01$) suggesting female CEOs are also liked 19% more than male CEOs following a violation.

Table 18: Means, Standard Deviations, and Correlations among Dependent Variable Measures: Study 5

Dependent Variables	M	SD	1	2	3	4
CEO Competence	3.06	1.14				
CEO Liking	2.37	1.13	0.71*			
Negative Emotion	2.16	0.93	-0.35*	-0.43*		
Stakeholder Engagement	2.34	1.06	0.58*	0.73*	-0.44*	
Stakeholder Punishment	2.85	1.11	-0.26*	-0.35*	0.46*	-0.39*

† <.10 * p < .05 , ** p < .01, ***p<.001

Table 19: Means and Standard Deviations, Study 5

Condition	CEO Competence	CEO Liking	Negative Emotion	Stakeholder Engagement	Stakeholder Punishment
Female					
Character Violation					
Apology	3.33b (1.04)	2.26bc (1.08)	2.47c (0.92)	2.34abc (0.98)	2.93abc (0.94)
Denial	2.91ab (1.19)	2.24bc (1.19)	2.11abc (0.84)	2.42abc (1.14)	3.06bc (1.05)
Competence Violation					
Apology	3.35b (1.21)	3.07d (1.27)	1.67a (0.92)	2.79c (1.05)	2.60ab (1.04)
Denial	3.36b (1.25)	2.74c (1.18)	1.93ab (0.93)	2.61bc (1.23)	2.85abc (1.11)
Male					
Character Violation					
Apology	3.21ab (1.11)	2.05ab (0.96)	2.47c (0.91)	2.10ab (1.10)	2.92abc (1.34)
Denial	2.64a (0.96)	1.62a (0.71)	2.48ca (094)	1.95a (0.74)	3.30c (1.30)
Competence Violation					
Apology	3.08ab (1.14)	2.84d (1.13)	1.83a (0.71)	2.37abc (0.92)	2.41a (0.86)
Denial	2.70a (1.09)	2.18b (1.00)	2.30bc (0.97)	2.17ab (1.07)	2.69ab (1.01)

Means within a column with different subscripts differ significantly at $p<.05$ as indicted by Fisher's LSD procedure. Standard deviations in parentheses

Table 20: ANOVA Analysis, Study 5

	(1)	(2)	(3)	(4)	(5)
VARIABLES	CEO Competence	CEO Liking	Negative Emotion	Stakeholder Engagement	Stakeholder Punishment
Female CEO	**0.66***	**0.56***	-0.37	0.44	0.17
	(0.29)	(0.28)	(0.23)	(0.27)	(0.28)
Violation type (character)	-0.06	**-0.56***	0.18	-0.21	**0.62***
	(0.30)	(0.28)	(0.24)	(0.28)	(0.29)
Response type (apology)	0.38	0.65*	**-0.48***	0.20	-0.27
	(0.29)	(0.28)	(0.23)	(0.27)	(0.28)
Female CEO x Violation type	-0.39	0.06	0.01	0.03	-0.42
	(0.42)	(0.40)	(0.33)	(0.39)	(0.41)
Female CEO x Response type	-0.39	-0.33	0.22	-0.02	0.02
	(0.43)	(0.41)	(0.34)	(0.40)	(0.42)
Violation type x Response type	0.19	-0.22	0.47	-0.06	-0.11
	(0.42)	(0.40)	(0.34)	(0.39)	(0.41)
Female CEO x Violation x Response	0.24	-0.09	0.15	-0.21	0.24
	(0.61)	(0.57)	(0.48)	(0.56)	(0.59)
Observations	221	222	222	222	222
R-squared	0.057	0.145	0.099	0.056	0.055

N=221, † <.10 * p < .05 , ** p < .01, ***p<.001

CHAPTER 6

DISCUSSION

Summary of Findings

This dissertation was rooted in understanding if there is a context where females may actually hold a perceived leadership advantage, despite the abundance of literature suggesting that female leaders are often viewed as inferior, less competent, and less likeable than their male peers (Rudman & Glick, 2008). During a 2014 interview with General Motors (GM) CEO Mary Barra regarding the ignition switch scandal, Matt Lauer suggested that "as a woman and a mom [she] could present a softer image and softer face for this company as it goes through this horrible episode" (Alter, 2014). However, before assessing if the board made a strategic move to appoint a female CEO to clean up the mess, we need to understand if there are potential benefits to having a female CEO in times of peril.

"Think crisis—think female." While nascent work demonstrates that female CEOs are more likely to be appointed to poorer performing firms, much of this work has focused on the hurdles females face in trying to reach our top firms' upper echelons. The potential negative antecedents of this glass cliff phenomenon (e.g., fewer opportunities, beggars cannot be choosers in terms of roles) were the primary focus of this work with little emphasis on the idea that females may be the preferred leaders in such situations based on the documented skill set demanded from our leaders in times of crisis (Haslam et al., 2010). We want an open communicator, an ethical leader, and a steward of the firm

to lead the way; these adjectives align with society's stereotypical bias to view female CEOs as the communal caretaker (Oliver, Krause, Busenbark, & Kalm, 2018). Given the strength of gender stereotypes in external impression formation and that expectation violations are subject to biased and heuristic judgments, I argued that placing a woman in front of a crisis is akin to bringing in "a nurse to administer therapy to an ailing company," which is the preferred leadership style during a negative event. Due to this "think crisis—think female" mindset (Rudman & Glick, 2008: 168), I proposed that firms with female CEOs would face less negative stakeholder reactions following a firm violation.

As evidenced in Study 2 focusing on this direct effect, I found support that a female CEO faces more stakeholder engagement and less punishment following a violation based on her suitability to manage the situation. Female CEOs were rated as 14% more competent than their male counterparts, supporting a female leadership advantage. This outcome has practical implications and could be one reason why Sheryl Sandberg, Facebook's Chief Operating Officer, has been the public face of Facebook's recent apology tour following the Cambridge Analytica scandal. "We know that we did not do enough to protect people's data," Sandberg said. "I'm really sorry for that. Mark [Zuckerberg] is really sorry for that, and what we're doing now is taking really firm action" (Sydell, 2018).

"Think leader—think male." At the same time though, this preference did not translate in the archival setting where I found that financial analysts punished female leaders more than male leaders. This finding aligns with the prevalent "think leader-think male" mindset that leads observers to view firms with female leadership as incompetent

or potentially guiltier for having committed a violation in the first place, which generates more negative stakeholder reactions. Others have argued that analysts are not inherently biased in their recommendations and decision-making but rather, they are simply aggregators of information and susceptible to herding behavior (Busenbark et al., 2017; Gaughan & Smith, 2016). Since the baseline view is that others (e.g., consumers, media) are biased and that female leaders generally produce negative reactions, analysts are merely representing these prejudices in their recommendations.

These conflicting findings point to potential avenues for future research to explore the boundary conditions for when the mindset ("think crisis—think female" vs. "think leader—think male") dominates in predicting stakeholder reactions. When does the communal stereotype serve as a benefit (she will fix things) or a burden (she is incompetent and should be blamed for committing a violation in the first place)? Are the divisions driven primarily by stakeholder characteristics and their professional norms and preferences? Potentially, consumers and the public view female CEOs differently than analysts who work within the Wall-Street social power structure that has long held a negative view of female leadership (Dixon-Fowler et al., 2013). Also, are there certain crises that lend themselves to the benefits of female leadership more than others? Investigating the contingencies based on if the crisis requires more people-oriented skills versus task-oriented skills may also shed light on these contradictory findings.

To have a large enough sample of female CEOs for empirical analysis, my investigation focused on the leader in charge *when the violations became public;* this may contribute to the conflicting results as attributions of blame may have clouded perceptions of who could navigate the situation best. To pair the lab studies with the

archival study context, the same scenario was maintained. A promising avenue for research lies in understanding the strategic potential of appointing female CEOs to "clean up" after a male CEO departs. Modest gains are being made as females accounted for 18% of CEO replacements in 2017, up from 15.3% in 2015 (Malito, 2018). From a practical standpoint, we are at a critical point in time to begin investigating the strategic ramifications of female appointments in times of crisis. In light of the #TimesUp and #MeToo movements, eleven CEOs at top firms stepped down in 2017 because of sexual misconduct allegations and more than 50% were replaced by women, well above the average replacement rate of 18%. As Cadreon's recently appointed first ever female global CEO, Erica Schmidt said that amid the rising #MeToo and #TimesUp movements, "It's a privilege to build a culture in advertising technology where women can thrive…Now more than ever as an industry we need to embrace the necessary change that's happening" (Rittenhouse, 2018). Scholars should work to theoretically and empirically unpack the antecedents of the increased replacement by females and the aftermath of such board decisions in the marketplace.

I focused the dissertation's first half on understanding if there was a preference for female leadership during times of crisis; the second half then focused on the information surrounding the event and how the violation type and CEO response influences reactions. I argued that stakeholders reacted differently to the same behavior depending on the CEO's gender due to gender prescriptions, which is the basic idea that females should be more communal, ethical, and nurturing. Society's gendered expectations are stronger for women resulting in negativity when broken; however, conforming to female role prescriptions is not necessarily noteworthy either. I theorized

that female CEOs would face a larger backlash when committing a character (violating gender norms as the kinder, more ethical sex) versus a competence (confirming gender norms as the more incompetent sex) violation, as well as steeper penalties for issuing a denial than their male peers. It is more acceptable for males to be bad and bold, but females need to maintain their wonderful but weak manner in communication styles.

Contrary to my theorizing pertaining to the violation type, in both the lab and archival settings, female CEOs faced stiffer negative reactions for committing a competence violation as opposed to a character violation. My arguments for a character violation to be more damaging for a female CEO were rooted in the potential backlash female leaders would face for violating the expectation to be the kinder, more ethical gender. Financial analysts, as well as the lab study participants, may have been more focused on who could fix the issue moving forward. Aligning with my theorizing pertaining to why females may be the preferred leaders during times of crisis, perhaps females are viewed as having the skills necessary to fix a more fraught ethical situation. A more sinister view of these findings could be that the "think leader—think male" mindset is driving these reactions and that a female leader is not competent enough to lead a firm past a competency violation. Further investigations should attempt to parcel out these nuances in my findings.

I further argued that female CEOs would be disproportionately punished for acting in a more male gendered defensive manner and issuing a denial and that they would not receive any benefit from acting in the expected manner and apologizing. Both the archival and lab results supported this argument that females receive increased backlash for being defensive, which supports the backlash effect experience by females

who act in more stereotypical male ways. This finding has practical implications for the language used by female CEOs in responding to criticism in the public arena.

Contributions

My work makes four key contributions to the management literature. First, as females make slow but significant strides in entering the CEO suite, management scholars must turn their focus to the circumstances females face in the CEO role and how stakeholders respond to their leadership. By focusing on external reactions to CEOs during a violation, I move the conversation past the reaction to the CEO announcement (Dixon-Fowler et al., 2013; Lee & James, 2007) and focus on a context where the CEO as the organization's "face" drives external reactions.

Second, as debate continues in the literature if female-led firms benefit by having executive diversity or suffer a burden due to persisting gender biases (Jeong & Harrison, 2016), I contribute by isolating a context where gendered bias may provide females a benefit instead of a burden. By investigating the interaction of gender expectations and what is necessary to lead during times of crisis, I provide a theoretical grounding to substantiate the claim that females' perceived communality could be an asset that is preferred and viewed as a resource during times of crisis.

Third, I contribute to the crisis communication and impression management literatures by demonstrating the important role gender expectations play when evaluating a firm's response strategies. In doing so, I demonstrate the complexities of employing a female CEO. While a female CEO's characteristics may be desired, audiences still hold gender prescriptions that drive how she should behave in handling the crisis. The stereotype driven benefits afforded a female leader are potentially stripped away when

she acts counter to stakeholders' expectations and does not appear apologetic. These findings demonstrate the continued tight rope of expectations that all female leaders must walk.

Lastly, I make an empirical contribution by using multiple studies to gain a fine-grained understanding of the realities faced by female CEOs. While recent work takes great strides in attempting to make sense of the confusing domain of research pertaining to gender, leadership, and performance, strategy research has been hampered by the limited number of female CEOs to study and the reliance on traditional regression techniques. We are hopefully turning a corner in terms of methods and numbers to foster more inquiries into the influence of female leaders in our marketplace.

Mary Barra may in fact have "present[ed] a softer image and softer face" for GM as it navigated the ignition switch scandal and sought to regain the public's trust. Whether or not the GM board made a strategic move is yet to be determined, but this work demonstrates there is a potential female leadership advantage. Future work may be able to answer questions regarding crisis types that best benefit from female leadership or stakeholder characteristics that drive prejudices and thus reactions to female CEOs' leadership styles. My work enables future efforts and shifts the focus beyond merely the female CEO's appointment to gain a better understanding of reactions to female CEOs amidst the noise of gender expectations and firm violations

REFERENCES

Abele, A. E., Cuddy, A. J., Judd, C. M., & Yzerbyt, V. Y. 2008. Fundamental dimensions of social judgment. ***European Journal of Social Psychology***, 38(7): 1063-1065.

Allport, G. W. 1954. ***The nature of prejudice***. Oxford, England: Addison-Wesley.

Alter, C. 2014. Matt lauer asked Mary Barra if she can be a good mom and run GM, ***Time***.

Amanatullah, E. T. & Morris, M. W. 2010. Negotiating gender roles: Gender differences in assertive negotiating are mediated by women's fear of backlash and attenuated when negotiating on behalf of others. ***Journal of Personality and Social Psychology***, 98(2): 256.

Anderson, N., Lievens, F., van Dam, K., & Born, M. 2006. A construct-driven investigation of gender differences in a leadership-role assessment center. ***Journal of Applied Psychology***, 91(3): 555.

Anonymous. 2016. Sorry, not sorry: Mylan CEO refuses to apologize for epipen price hikes. ***USA Today***, https://www.usatoday.com/story/news/2016/09/21/evening-news-roundup-wednesday/90778090/; Accessed Sept 21, 2016.

Austin, P. C. 2009. Balance diagnostics for comparing the distribution of baseline covariates between treatment groups in propensity‐score matched samples. ***Statistics in Medicine***, 28(25): 3083-3107.

Banaji, M. R. & Hardin, C. D. 1996. Automatic stereotyping. ***Psychological Science***, 7(3): 136-141.

Bansal, P. & Hunter, T. 2003. Strategic explanations for the early adoption of iso 14001. ***Journal of Business Ethics***, 46(3): 289-299.

Barreto, M. & Ellemers, N. 2005. The burden of benevolent sexism: How it contributes to the maintenance of gender inequalities. ***European Journal of Social Psychology***, 35(5): 633-642.

Barreto, M., Ellemers, N., Piebinga, L., & Moya, M. 2010. How nice of us and how dumb of me: The effect of exposure to benevolent sexism on women's task and relational self-descriptions. ***Sex Roles***, 62(7-8): 532-544.

Beatty, R. P. & Zajac, E. J. 1987. CEO change and firm performance in large corporations: Succession effects and manager effects. ***Strategic Management Journal***, 8(4): 305-317.

Becker, J. C. & Wright, S. C. 2011. Yet another dark side of chivalry: Benevolent sexism undermines and hostile sexism motivates collective action for social change. ***Journal of Personality and Social Psychology***, 101(1): 62.

Bednar, M. K. 2012. Watchdog or lapdog? A behavioral view of the media as a corporate governance mechanism. ***Academy of Management Journal***, 55(1): 131-150.

Bednar, M. K., Boivie, S., & Prince, N. R. 2013. Burr under the saddle: How media coverage influences strategic change. ***Organization Science***, 24(3): 910-925.

Belkin, L. 2003. The opt-out revolution. ***New York Times***, http://www.nytimes.com/2003/10/26/magazine/26WOMEN.html?pagewanted=all ,Accessed October 26, 2003.

Belsley, D. A., Kuh, E., & Welsch, R. E. 2005. ***Regression diagnostics: Identifying influential data and sources of collinearity***. Hoboken, New Jersey: John Wiley & Sons.

Benoit, W. L. 1995. ***Accounts, excuses, and apologies: A theory of image restoration strategies***. Albany, New York: SUNY Press.

Benoit, W. L. 2014. ***Accounts, excuses, and apologies: Image repair theory and research***. Albany, New York: SUNY Press.

Bettencourt, B., Charlton, K., Dorr, N., & Hume, D. L. 2001. Status differences and in-group bias: A meta-analytic examination of the effects of status stability, status legitimacy, and group permeability. ***Psychological Bulletin***, 127(4): 520.

Bettencourt, B. A., Dill, K. E., Greathouse, S. A., Charlton, K., & Mulholland, A. 1997. Evaluations of ingroup and outgroup members: The role of category-based

expectancy violation. ***Journal of Experimental Social Psychology***, 33(3): 244-275.

Beutel, A. M. & Marini, M. M. 1995. Gender and values. ***American Sociological Review***, 60(3): 436-448.

Biernat, M. & Kobrynowicz, D. 1997. Gender-and race-based standards of competence: Lower minimum standards but higher ability standards for devalued groups. ***Journal of Personality and Social Psychology***, 72(3): 544.

Bigelow, L., Lundmark, L., McLean Parks, J., & Wuebker, R. 2014. Skirting the issues: Experimental evidence of gender bias in ipo prospectus evaluations. ***Journal of Management***, 40(6): 1732-1759.

Bisel, R. S., Messersmith, A. S., & Kelley, K. M. 2012. Supervisor-subordinate communication: Hierarchical mum effect meets organizational learning. ***The Journal of Business Communication (1973)***, 49(2): 128-147.

Bitektine, A. 2011. Toward a theory of social judgments of organizations: The case of legitimacy, reputation, and status. ***Academy of Management Review***, 36(1): 151-179.

Blanchard, K. H. & McBride, M. 2004. ***The one minute apology***. New York: HarperCollins.

Boivie, S., Graffin, S., Oliver, A. G., & Withers, M. 2016. Come aboard! Exploring the effects of directorships in the executive labor market. ***Academy of Management Journal***, 59(5): 1681-1706.

Bowles, H. R., Babcock, L., & Lai, L. 2007. Social incentives for gender differences in the propensity to initiate negotiations: Sometimes it does hurt to ask. ***Organizational Behavior and human decision Processes***, 103(1): 84-103.

Bowles, H. R. & Gelfand, M. 2010. Status and the evaluation of workplace deviance. ***Psychological Science***, 21(1): 49-54.

Brennan, N. & McCafferty, J. 1997. Corporate governance practices in irish companies. ***Irish Journal of Management***, 17: 116-136.

Brescoll, V. L. & Uhlmann, E. L. 2008. Can an angry woman get ahead? Status conferral, gender, and expression of emotion in the workplace. ***Psychological Science***, 19(3): 268-275.

Brescoll, V. L. 2011. Who takes the floor and why: Gender, power, and volubility in organizations. ***Administrative Science Quarterly***, 56(4): 622-641.

Brett, J. M. & Stroh, L. K. 1997. Jumping ship: Who benefits from an external labor market career strategy? ***Journal of Applied Psychology***, 82(3): 331.

Bruckmüller, S. & Branscombe, N. R. 2010. The glass cliff: When and why women are selected as leaders in crisis contexts. ***British Journal of Social Psychology***, 49(3): 433-451.

Bundy, J. & Pfarrer, M. D. 2015. A burden of responsibility: The role of social approval at the onset of a crisis. ***Academy of Management Review***, 40(3): 345-369.

Bundy, J., Pfarrer, M. D., Short, C. E., & Coombs, W. T. 2017. Crises and crisis management integration, interpretation, and research development. ***Journal of Management***, 43(6): 1661-1692.

Bundy, J. N. 2014. ***Reputations in flux: Examining how a firm's multiple reputations influence reactions to a negative violation***. University of Georgia.

Burgoon, J. K. & Walther, J. B. 1990. Nonverbal expectancies and the evaluative consequences of violations. ***Human Communication Research***, 17(2): 232-265.

Burgoon, J. K. & Poire, L. 1993. Effects of communication expectancies, actual communication, and expectancy disconfirmation on evaluations of communicators and their communication behavior. ***Human Communication Research***, 20(1): 67-96.

Burgoon, M., Denning, V. P., & Roberts, L. 2002. ***Language expectancy theory***. Thousands Oaks, CA: Sage.

Busenbark, J. R., Lange, D., & Certo, S. T. 2017. Foreshadowing as impression managment: Illuminating the path for security analysts. ***Strategic Management Journal***, 32(12): 2486-2507.

Bussey, J. 2012. How women can get ahead: Advice from female CEOs. ***The Wall Street Journal***,

https://www.wsj.com/articles/SB10001424052702303879604577410520511235252; Accessed May 18, 2002.

Cameron, A. C. & Trivedi, P. K. 2010. ***Microeconometrics using stata***. College Station, TX: Stata Press.

Cannella, A. A. & Paetzold, R. L. 1994. Pfeffer's barriers to the advance of organizational science: A rejoinder. ***Academy of Management Review***, 19(2): 331-341.

Carli, L. L., LaFleur, S. J., & Loeber, C. C. 1995. Nonverbal behavior, gender, and influence. ***Journal of Personality and Social Psychology***, 68(6): 1030.

Carlos, W. C. & Lewis, B. W. In Press. Strategic silence. ***Administrative Science Quarterly***,

Catalyst. 2017. Women ceos of the S&P 500: Catalyst.

Certo, S. T. & Semadeni, M. 2006. Strategy research and panel data: Evidence and implications. ***Journal of Management***, 32(3): 449-471.

Certo, S. T., Busenbark, J. R., Woo, H.-S., & Semadeni, M. 2016. Sample selection bias and heckman models in strategic management research. ***Strategic Management Journal***, 37: 2639-2657.

Certo, S. T., Busenbark, J. R., Kalm, M., & LePine, J. 2017. Divided we fall: How ratios undermine strategy research, ***Academy of Management Proceedings***, vol. 2017: 11360: Academy of Management.

Chatman, J. A. & Flynn, F. J. 2005. Full-cycle micro-organizational behavior research. ***Organization Science***, 16(4): 434-447.

Chatterjee, S. & Price, B. 1991. ***Regression diagnostics***. Newbury Park, CA: Sage.

Che, J. 2016. How to eliminate the 'benevolent sexism' that plagues working women. ***Huffington Post***, https://www.huffingtonpost.com/entry/rick-goings-benevolent-sexism_us_56a29321e4b0d8cc109a0ff1; Accessed January 22, 2016.

Chen, G. L., Crossland, C., & Huang, S. 2016. Female board representation and corporate acquisition intensity. ***Strategic Management Journal***, 37(2): 303-313.

Chen, J. J. 2008. ***Ordinary vs. Extraordinary: Differential reactions to men's and women's prosocial behavior in the workplace***. New York University.

Christensen, D. M. 2015. Corporate accountability reporting and high-profile misconduct. ***The Accounting Review***, 91(2): 377-399.

Cialdini, R. B. 1980. Full-cycle social psychology. ***Applied Social Psychology Annual***, 1: 21-47.

Cialdini, R. B. & Trost, M. R. 1998. ***Social influence: Social norms, conformity and compliance***. New York, NY: McGraw-Hill.

Cohen, J. R. 1999. Apology and organizations: Exploring an example from medical practice. ***Fordham Urban Law Journal***, 27: 1447.

Colvin, G. 2015. How CEO Mary Barra is using the ignition-switch scandal to change gm's culture. ***Fortune***, http://fortune.com/2015/09/18/mary-barra-gm-culture/; Accessed Sep 18, 2015.

Connelly, B. L., Ketchen, D. J., Gangloff, K. A., & Shook, C. L. 2016. Investor perceptions of CEO successor selection in the wake of integrity and competence failures: A policy capturing study. ***Strategic Management Journal***, 37(10): 2135-2151.

Cook, A. & Glass, C. 2014. Above the glass ceiling: When are women and racial/ethnic minorities promoted to CEO? ***Strategic Management Journal***, 35(7): 1080-1089.

Coombs, T. & Schmidt, L. 2000. An empirical analysis of image restoration: Texaco's racism crisis. ***Journal of Public Relations Research***, 12(2): 163-178.

Coombs, T., W, Frandsen, F., Holladay, S. J., & Johansen, W. 2010. Why a concern for apologia and crisis communication? ***Corporate Communications: An International Journal***, 15(4): 337-349.

Coombs, W. T. 1998. An analytic framework for crisis situations: Better responses from a better understanding of the situation. ***Journal of Public Relations Research***, 10(3): 177-191.

Coombs, W. T. 2007a. Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. ***Corporate Reputation Review***, 10(3): 163-176.

Coombs, W. T. 2007b. Attribution theory as a guide for post-crisis communication research. ***Public Relations Review***, 33(2): 135-139.

Coombs, W. T. & Holladay, S. J. 2008. Comparing apology to equivalent crisis response strategies: Clarifying apology's role and value in crisis communication. ***Public Relations Review***, 34(3): 252-257.

Coombs, W. T. & Holladay, S. J. 2011. ***The handbook of crisis communication***. Malden, MA:: John Wiley & Sons.

Cowen, A. P. & Marcel, J. J. 2011. Damaged goods: Board decisions to dismiss reputationally compromised directors. ***Academy of Management Journal***, 54(3): 509-527.

Cuddy, A. J., Fiske, S. T., & Glick, P. 2008. Warmth and competence as universal dimensions of social perception: The stereotype content model and the bias map. ***Advances in Experimental Social Psychology***, 40: 61-149.

Cumming, D., Leung, T. Y., & Rui, O. 2015. Gender diversity and securities fraud. ***Academy of Management Journal***, 58(5): 1572-1593.

Daft, R. L. & Lewin, A. Y. 1990. Can organization studies begin to break out of the normal science straitjacket? An editorial essay. ***Organization Science***, 1(1): 1-9.

Daily, C. M., Certo, S. T., & Dalton, D. R. 1999. A decade of corporate women: Some progress in the boardroom, none in the executive suite. ***Strategic Management Journal***, 20(1): 93-99.

Dardenne, B., Dumont, M., & Bollier, T. 2007. Insidious dangers of benevolent sexism: Consequences for women's performance. ***Journal of Personality and Social Psychology***, 93(5): 764.

David, S., Hareli, S., & Hess, U. 2015. The influence on perceptions of truthfulness of the emotional expressions shown when talking about failure. ***Europe's Journal of Psychology***, 11(1): 125.

Davison, H. K. & Burke, M. J. 2000. Sex discrimination in simulated employment contexts: A meta-analytic investigation. ***Journal of Vocational Behavior***, 56(2): 225-248.

Dean, D. H. 2004. Consumer reaction to negative publicity: Effects of corporate reputation, response, and responsibility for a crisis event. ***The Journal of Business Communication (1973)***, 41(2): 192-211.

Deephouse, D. L. 2000. Media reputation as a strategic resource: An integration of mass communication and resource-based theories. ***Journal of Management***, 26(6): 1091-1112.

Dennis, M. R. & Kunkel, A. D. 2004. Perceptions of men, women, and ceos: The effects of gender identity. ***Social Behavior and Personality: an international journal***, 32(2): 155-171.

Devers, C. E., Dewett, T., Mishina, Y., & Belsito, C. A. 2009. A general theory of organizational stigma. ***Organization Science***, 20(1): 154-171.

Devin, P. G. 1989. Stereotypes and prejudice: Their automatic and controlled responses. ***Journal of Personality and Social Psychology***, 56: 5-18.

Dezsö, C. L. & Ross, D. G. 2012. Does female representation in top management improve firm performance? A panel data investigation. ***Strategic Management Journal***, 33(9): 1072-1089.

Dixon-Fowler, H. R., Ellstrand, A. E., & Johnson, J. L. 2013. Strength in numbers or guilt by association? Intragroup effects of female chief executive announcements. ***Strategic Management Journal***, 34(12): 1488-1501.

Dukerich, J. M. & Carter, S. M. 2000. ***Distorted images and reputation repair***. Oxford, UK: Oxford University Press.

Eagly, A. H. & Kite, M. E. 1987. Are stereotypes of nationalities applied to both women and men? ***Journal of Personality and Social Psychology***, 53(3): 451.

Eagly, A. H. & Mladinic, A. 1989. Gender stereotypes and attitudes toward women and men. ***Personality and Social Psychology Bulletin***, 15(4): 543-558.

Eagly, A. H. & Makhijani, M. G. 1992. Gender and the evaluation of leaders: A meta-analysis. ***Psychological Bulletin***, 111(1): 3-22.

Eagly, A. H., Wood, W., & Diekman, A. B. 2000. Social role theory of sex differences and similarities: A current appraisal. In T. Eckes & H. M. Trautner (Eds.), ***The developmental social psychology of gender***: 123-174. Mahwah, NJ: Lawrence Erlbaum Associates Publishers.

Eagly, A. H. & Karau, S. J. 2002. Role congruity theory of prejudice toward female leaders. ***Psychological Review***, 109(3): 573.

Eagly, A. H. & Carli, L. L. 2003. The female leadership advantage: An evaluation of the evidence. ***The Leadership Quarterly***, 14(6): 807-834.

Eagly, A. H., Johannesen-Schmidt, M. C., & Van Engen, M. L. 2003. Transformational, transactional, and laissez-faire leadership styles: A meta-analysis comparing women and men. ***Psychological Bulletin***, 129(4): 569-591.

Edelman. 2012. Edelman trust barometer 2012: Executive summary: Edelman.

Edwards, J. R. & Lambert, L. S. 2007. Methods for integrating moderation and mediation: A general analytical framework using moderated path analysis. ***Psychological Methods***, 12(1): 1-22.

Ellevate. 2011. Why is it that women are seen as less competent? , https://www.forbes.com/sites/85broads/2011/04/14/why-is-it-that-women-are-seen-as-less-competent/#6c2adc04394d.

Elsbach, K. D. 2003. Organizational perception management. ***Research in Organizational Behavior***, 25: 297-332.

Fehr, R. & Gelfand, M. J. 2010. When apologies work: How matching apology components to victims' self-construals facilitates forgiveness. ***Organizational Behavior and Human Decision Processes***, 113(1): 37-50.

Ferrin, D. L., Kim, P. H., Cooper, C. D., & Dirks, K. T. 2007. Silence speaks volumes: The effectiveness of reticence in comparison to apology and denial for responding to integrity-and competence-based trust violations. ***Journal of Applied Psychology***, 92(4): 893.

Festinger, L. 1954. A theory of social comparison processes. ***Human Relations***, 7(2): 117-140.

Fine, G. A. & Elsbach, K. D. 2000. Ethnography and experiment in social psychological theory building: Tactics for integrating qualitative field data with quantitative lab data. ***Journal of Experimental Social Psychology***, 36(1): 51-76.

Fiske, S. T. & Taylor, S. E. 1991. ***Social cognition*** (2nd ed.). New York: McGraw-Hill.

Fiske, S. T., Xu, J., Cuddy, A. C., & Glick, P. 1999. (dis) respecting versus (dis) liking: Status and interdependence predict ambivalent stereotypes of competence and warmth. ***Journal of Social Issues***, 55(3): 473-489.

Foschi, M. 2000. Double standards for competence: Theory and research. ***Annual Review of Sociology***, 26(1): 21-42.

Frank, K. A. 2000. Impact of a confounding variable on a regression coefficient. ***Sociological Methods & Research***, 29(2): 147-194.

Frantz, C. M. & Bennigson, C. 2005. Better late than early: The influence of timing on apology effectiveness. ***Journal of Experimental Social Psychology***, 41(2): 201-207.

Garrido, M. M., Kelley, A. S., Paris, J., Roza, K., Meier, D. E., Morrison, R. S., & Aldridge, M. D. 2014. Methods for constructing and assessing propensity scores. ***Health Services Research***, 49(5): 1701-1720.

Gartzia, L., Ryan, M. K., Balluerka, N., & Aritzeta, A. 2012. Think crisis–think female: Further evidence. ***European Journal of Work and Organizational Psychology***, 21(4): 603-628.

Gaughan, K. & Smith, E. B. 2016. Better in the shadows? Media coverage and market reactions to female CEO appointments, ***Academy of Management Proceedings***, vol. 2016: 13997: Academy of Management.

Geier, B. 2014. Gm's Mary Barra: Crisis manager of the year. ***Fortune***, http://fortune.com/2014/12/28/gms-barra-crisis-manager/; Accessed Dec 28, 2014.

Gensler, L. 2017. United's CEO calls passenger fiasco a 'watershed moment' as revenues climb. ***Forbes***, https://www.forbes.com/sites/laurengensler/2017/04/17/united-continental-first-quarter-earnings/#556e2ce96064; Accessed April 17, 2017.

Gillespie, N. & Dietz, G. 2009. Trust repair after an organization-level failure. ***Academy of Management Review***, 34(1): 127-145.

Glick, P. & Fiske, S. T. 1996. The ambivalent sexism inventory: Differentiating hostile and benevolent sexism. ***Journal of Personality and Social Psychology***, 70(3): 491.

Glick, P. & Fiske, S. T. 2001. An ambivalent alliance: Hostile and benevolent sexism as complementary justifications for gender inequality. ***American Psychologist***, 56(2): 109-118.

Glick, P., Lameiras, M., Fiske, S. T., Eckes, T., Masser, B., Volpato, C., Manganelli, A. M., Pek, J. C. X., Huang, L. L., Sakalli-Ugurlu, N., Castro, Y. R., Pereira, M. L. D., Willemsen, T. M., Brunner, A., Six-Materna, I., & Wells, R. 2004. Bad but bold: Ambivalent attitudes toward men predict gender inequality in 16 nations. ***Journal of Personality and Social Psychology***, 86(5): 713-728.

Glick, P. 2013. BS at work: How benevolent sexism undermines women and justifies backlash, ***Harvard Business School symposium Gender & Work: Challenging Conventional Wisdom***.

Goldman, D. 2012. Apple CEO: "We are extremely sorry" for maps frustration. ***CNN***, http://money.cnn.com/2012/09/28/technology/apple-maps-apology/index.html#sthash.efasFdFn.dpuf; Accessed September 28, 2012.

Gomulya, D. & Boeker, W. 2014. How firms respond to financial restatement: CEO successors and external reactions. ***Academy of Management Journal***, 57(6): 1759-1785.

Graffin, S. D., Carpenter, M. A., & Boivie, S. 2011. What's all that (strategic) noise? Anticipatory impression management in CEO succession. ***Strategic Management Journal***, 32(7): 748-770.

Graffin, S. D., Boivie, S., & Carpenter, M. A. 2013. Examining CEO succession and the role of heuristics in early-stage CEO evaluation. ***Strategic Management Journal***, 34(4): 383-403.

Graffin, S. D., Haleblian, J. J., & Kiley, J. T. 2016. Ready, aim, acquire: Impression offsetting and acquisitions. ***Academy of Management Journal***, 59(1): 232-252.

Greenwald, A. G. & Banaji, M. R. 1995. Implicit social cognition: Attitudes, self-esteem, and stereotypes. ***Psychological Review***, 102(1): 4-27.

Greifeneder, R., Bless, H., & Pham, M. T. 2011. When do people rely on affective and cognitive feelings in judgment? A review. ***Personality and Social Psychology Review***, 15(2): 107-141.

Greve, H. R., Palmer, D., & Pozner, J. E. 2010. Organizations gone wild: The causes, processes, and consequences of organizational misconduct. ***The Academy of Management Annals***, 4(1): 53-107.

Griffith, C. H., Wilson, J. F., Langer, S., & Haist, S. A. 2003. House staff nonverbal communication skills and standardized patient satisfaction. ***Journal of General Internal Medicine***, 18(3): 170-174.

Group, I. 2017. Audit analytics. In Ives Group (Ed.).

Guo, S. & Fraser, M. W. 2009. ***Propensity score analysis: Statistical methods and applications***. Thousand Oaks, CA: Sage Publications.

Hambrick, D. C. & D'Aveni, R. A. 1988. Large corporate failures as downward spirals. ***Administrative Science Quarterly***, 33(1): 1-23.

Hargie, O., Stapleton, K., & Tourish, D. 2010. Interpretations of CEO public apologies for the banking crisis: Attributions of blame and avoidance of responsibility. ***Organization***, 17(6): 721-742.

Harris, J. & Bromiley, P. 2007. Incentives to cheat: The influence of executive compensation and firm performance on financial misrepresentation. ***Organization Science***, 18(3): 350-367.

Haslam, N. & Fiske, A. P. 1992. Implicit relationship prototypes: Investigating five theories of the cognitive organization of social relationships. ***Journal of Experimental Social Psychology***, 28(5): 441-474.

Haslam, S. A., Ryan, M. K., Kulich, C., Trojanowski, G., & Atkins, C. 2010. Investing with prejudice: The relationship between women's presence on company boards and objective and subjective measures of company performance. ***British Journal of Management***, 21(2): 484-497.

Hayward, M. L. & Boeker, W. 1998. Power and conflicts of interest in professional firms: Evidence from investment banking. ***Administrative Science Quarterly***: 1-22.

Hearit, K. M. 1994. Apologies and public relations crises at chrysler, toshiba, and volvo. ***Public Relations Review***, 20(2): 113-125.

Hearit, K. M. 2006. ***Crisis management by apology: Corporate response to allegations of wrongdoing***. Mahwah, New Jersey: Routledge.

Heath, R. L. & Palenchar, M. J. 2008. ***Strategic issues management: Organizations and public policy challenges***. Thousand Oaks, CA: Sage Publications.

Heilman, M. E., Block, C. J., & Martell, R. F. 1995. Sex stereotypes: Do they influence perceptions of managers? ***Journal of Social Behavior and Personality***, 10(6): 237-252.

Heilman, M. E., Wallen, A. S., Fuchs, D., & Tamkins, M. M. 2004. Penalties for success: Reactions to women who succeed at male gender-typed tasks. ***Journal of Applied Psychology***, 89(3): 416.

Heilman, M. E. & Chen, J. J. 2005. Same behavior, different consequences: Reactions to men's and women's altruistic citizenship behavior. ***Journal of Applied Psychology***, 90(3): 431.

Heilman, M. E. & Haynes, M. C. 2005. No credit where credit is due: Attributional rationalization of women's success in male-female teams. ***Journal of Applied Psychology***, 90(5): 905.

Heilman, M. E. & Okimoto, T. G. 2007. Why are women penalized for success at male tasks?: The implied communality deficit. ***Journal of Applied Psychology***, 92(1): 81.

Heilman, M. E. & Parks-Stamm, E. J. 2007. Gender stereotypes in the workplace: Obstacles to women's career progress, ***Social psychology of gender***: 47-77: Emerald Group Publishing Limited.

Heilman, M. E. & Wallen, A. S. 2010. Wimpy and undeserving of respect: Penalties for men's gender-inconsistent success. ***Journal of Experimental Social Psychology***, 46(4): 664-667.

Heilman, M. E. 2012. Gender stereotypes and workplace bias. ***Research in Organizational Behavior***, 32: 113-135.

Heilman, M. E. & Caleo, S. 2015. Gender discrimination in the workplace, ***The oxford handbook of workplace discrimination***. Oxford, UK: Oxford University Press.

Hekman, D. R., Aquino, K., Owens, B. P., Mitchell, T. R., Schilpzand, P., & Leavitt, K. 2010. An examination of whether and how racial and gender biases influence customer satisfaction. ***Academy of Management Journal***, 53(2): 238-264.

Hekman, D. R., Johnson, S. K., Foo, M.-D., & Yang, W. 2017. Does diversity-valuing behavior result in diminished performance ratings for non-white and female leaders? ***Academy of Management Journal***, 60(2): 771-797.

Helfat, C. E., Harris, D., & Wolfson, P. J. 2006. The pipeline to the top: Women and men in the top executive ranks of us corporations. ***The Academy of Management Perspectives***, 20(4): 42-64.

Hideg, I. & Ferris, D. L. 2016. The compassionate sexist? How benevolent sexism promotes and undermines gender equality in the workplace. ***Journal of Personality and Social Psychology***, 111(5): 706.

Hill, A. D., Upadhyay, A. D., & Beekun, R. I. 2015. Do female and ethnically diverse executives endure inequity in the CEO position or do they benefit from their minority status? An empirical examination. ***Strategic Management Journal***, 36(8): 1115-1134.

Hillman, A. J., Shropshire, C., & Cannella, A. A. 2007. Organizational predictors of women on corporate boards. ***Academy of Management Journal***, 50(4): 941-952.

Hitt, M. A., Boyd, B. K., & Li, D. 2004. The state of strategic management research and a vision of the future, ***Research methodology in strategy and management***: 1-31: Emerald Group Publishing Limited.

Hoetker, G. 2007. The use of logit and probit models in strategic management research: Critical issues. ***Strategic Management Journal***, 28(4): 331-343.

Hoobler, J. M., Lemmon, G., & Wayne, S. J. 2014. Women's managerial aspirations an organizational development perspective. ***Journal of Management***, 40(3): 703-730.

Hoobler, J. M., Masterson, C. R., Nkomo, S. M., & Michel, E. J. in press. The business case for women leaders meta-analysis, research critique, and path forward. ***Journal of Management***.

Huang, J. & Kisgen, D. J. 2013. Gender and corporate finance: Are male executives overconfident relative to female executives? ***Journal of Financial Economics***, 108(3): 822-839.

Hubbard, T. D., Christensen, D. M., & Graffin, S. D. 2017. Higher highs and lower lows: The role of corporate social responsibility in CEO dismissal. ***Strategic Management Journal***, 38(11): 2255-2265.

Huffman, M. L. & Fiske, S. T. 2012. Managing ambivalent prejudices: Smart-but-cold and warm-but-dumb stereotypes. ***The Annals of the American Academy of Political and Social Science***, 639(1): 33-48.

Hunt‐Earle, K. 2012. Falling over a glass cliff: A study of the recruitment of women to leadership roles in troubled enterprises. ***Global Business and Organizational Excellence***, 31(5): 44-53.

Ibrahim, N., Angelidis, J., & Tomic, I. M. 2009. Managers' attitudes toward codes of ethics: Are there gender differences? ***Journal of Business Ethics***, 90: 343-353.

Ibrahim, N. A., Angelidis, J. P., & Howard, D. P. 2006. Corporate social responsibility: A comparative analysis of perceptions of practicing accountants and accounting students. ***Journal of Business Ethics***, 66(2): 157-167.

Issac, M. & Chira, S. 2017. David Bonderman resigns from Uber board after sexist remark. ***New York Times***, https://www.nytimes.com/2017/06/13/technology/uber-sexual-harassment-huffington-bonderman.html; Accessed June 17, 2017.

James, L. R., Demaree, R. G., & Wolf, G. 1984. Estimating within-group interrater reliability with and without response bias. ***Journal of Applied Psychology***, 69(1): 85.

Jeong, S.-H. & Harrison, D. 2016. Glass breaking, strategy making, and value creating: Meta-analytic outcomes of females as CEOs and TMT members. ***Academy of Management Journal***.

Jeong, S. H. 2017. Personal communication.

Johnson, B. T. & Eagly, A. H. 1989. Effects of involvement on persuasion: A meta-analysis. ***Psychological Bulletin***, 106(2): 290.

Jones, K. P., Peddie, C. I., Gilrane, V. L., King, E. B., & Gray, A. L. 2016. Not so subtle: A meta-analytic investigation of the correlates of subtle and overt discrimination. ***Journal of Management***, 42(6): 1588-1613.

Joshi, A., Neely, B., Emrich, C., Griffiths, D., & George, G. 2015. Gender research in AMJ: An overview of five decades of empirical research and calls to action. ***Academy of Management Journal***, 58(5): 1459-1475.

Judge, E. 2003. Women on board: Help or hindrance. ***The Times***, 11(21): 543-562.

Jussim, L., Coleman, L. M., & Lerch, L. 1987. The nature of stereotypes: A comparison and integration of three theories. ***Journal of Personality and Social Psychology***, 52(3): 536-546.

Kahneman, D. & Tversky, A. 1979. Prospect theory: An analysis of decision under risk. ***Econometrica: Journal of the Econometric Society***: 263-291.

Kanter, R. M. 1977. ***Men and women of the corporation***. New York: Basic.

Kanze, D., Huang, L., Conley, M. A., & Higgins, E. T. 2017. We ask men to win & women not to lose: Closing the gender gap in startup funding. ***Academy of Management Journal***, 61(2): 586-614.

Keeves, G. D., Westphal, J. D., & McDonald, M. L. 2017. Those closest wield the sharpest knife: How ingratiation leads to resentment and social undermining of the CEO. ***Administrative Science Quarterly***, 62(3): 484-523.

Kellerman, B. 2006. When should a leader apologize and when not? ***Harvard Business Review***, 84(4): 72-81; 148.

Kennedy, J. A., McDonnell, M.-H., & Stephens, N. M. 2017. Does gender raise the ethical bar? Exploring the punishment of ethical violations at work., *unpublished work.*

Kieser, A., Nicolai, A., & Seidl, D. 2015. The practical relevance of management research: Turning the debate on relevance into a rigorous scientific research program. ***Academy of Management Annals***, 9(1): 143-233.

Kim, P. H., Ferrin, D. L., Cooper, C. D., & Dirks, K. T. 2004. Removing the shadow of suspicion: The effects of apology versus denial for repairing competence-versus integrity-based trust violations. ***Journal of Applied Psychology***, 89(1): 104.

Kimmel, M. 2013. ***Angry white men: American masculinity at the end of an era***. Hachette UK: Nation Books.

King, E. B., Hebl, M. R., George, J. M., & Matusik, S. F. 2010. Understanding tokenism: Antecedents and consequences of a psychological climate of gender inequity. ***Journal of Management***, 36(2): 482-510.

King, E. B., Botsford, W., Hebl, M. R., Kazama, S., Dawson, J. F., & Perkins, A. 2012. Benevolent sexism at work: Gender differences in the distribution of challenging developmental experiences. ***Journal of Management***, 38(6): 1835-1866.

King, M. 2017. KPMG's Lynne Doughtie on why women are the future of work. ***Forbes.com***, https://www.forbes.com/sites/michelleking/2017/05/23/kpmgs-lynne-doughtie-on-why-women-are-the-future-of-work/#114c134114c1; Accessed May 23, 2017.

Koehn, D. 2013. Why saying "i'm sorry" isn't good enough: The ethics of corporate apologies. ***Business Ethics Quarterly***, 23(2): 239.

Koenig, A. M., Eagly, A. H., Mitchell, A. A., & Ristikari, T. 2011. Are leader stereotypes masculine? A meta-analysis of three research paradigms. ***Psychological Bulletin***, 137(4): 616-642.

Lafferty, B. A. & Goldsmith, R. E. 1999. Corporate credibility's role in consumers' attitudes and purchase intentions when a high versus a low credibility endorser is used in the ad. ***Journal of Business Research***, 44(2): 109-116.

Lamin, A. & Zaheer, S. 2012. Wall street vs. Main street: Firm strategies for defending legitimacy and their impact on different stakeholders. ***Organization Science***, 23(1): 47-66.

Lange, D. & Washburn, N. T. 2012. Understanding attributions of corporate social irresponsibility. ***Academy of Management Review***, 37(2): 300-326.

Lazare, A. 2006. Apology in medical practice: An emerging clinical skill. ***JAMA***, 296(11): 1401-1404.

Lee, P. M. & James, E. H. 2007. She'-e-os: Gender effects and investor reactions to the announcements of top executive appointments. ***Strategic Management Journal***, 28(3): 227-241.

Lester, R. H., Certo, S. T., Dalton, C. M., Dalton, D. R., & Cannella, A. A. 2006. Initial public offering investor valuations: An examination of top management team prestige and environmental uncertainty. ***Journal of Small Business Management***, 44(1): 1-26.

Li, M. 2013. Using the propensity score method to estimate causal effects: A review and practical guide. ***Organizational Research Methods***, 16(2): 188-226.

Long, J. S. & Freese, J. 2006. ***Regression models for categorical dependent variables using Stata***: Stata press.

Love, E. G. & Kraatz, M. 2009. Character, conformity, or the bottom line? How and why downsizing affected corporate reputation. ***Academy of Management Journal***, 52(2): 314-335.

Lyness, K. S. & Heilman, M. E. 2006. When fit is fundamental: Performance evaluations and promotions of upper-level female and male managers. ***Journal of Applied Psychology***, 91(4): 777.

Lyon, L. & Cameron, G. T. 2004. A relational approach examining the interplay of prior reputation and immediate response to a crisis. ***Journal of Public Relations Research***.

Lyons, D. & McArthur, C. 2007. Gender's unspoken role in leadership evaluations. ***People and Strategy***, 30(3): 24.

Macrae, C. N. & Bodenhausen, G. V. 2000. Social cognition: Thinking categorically about others. ***Annual Review of Psychology***, 51(1): 93-120.

Malito, A. 2018. Pepsico CEO indra nooyi has a theory on why there aren't more women ceos. ***MarketWatch***, https://www.marketwatch.com/story/next-for-timesup-and-metoo-more-women-ceos-2018-01-18; Accessed 2/4/2018.

Marcus, A. A. & Goodman, R. S. 1991. Victims and shareholders: The dilemmas of presenting corporate policy during a crisis. ***Academy of Management Journal***, 34(2): 281-305.

Mast, M. S., Kindlimann, A., & Langewitz, W. 2005. Recipients' perspective on breaking bad news: How you put it really makes a difference. ***Patient Education and Counseling***, 58(3): 244-251.

McDonald, L. M. 2015. ***Corporate social responsibility (csr) in banking: What we know, what we don't know, and what we should know***. London: Routledge.

McDonald, M., Keeves, G. D., & Westphal, J. 2018. One step forward, one step back: White male top manager organizational identification and helping behavior toward other executives following the appointment of a female or racial minority CEO. ***Academy of Management Journal***, 61(2): 405-439.

Meindl, J. R., Ehrlich, S. B., & Dukerich, J. M. 1985. The romance of leadership. ***Administrative Science Quarterly***: 78-102.

Meindl, J. R. 1995. The romance of leadership as a follower-centric theory: A social constructionist approach. ***The Leadership Quarterly***, 6(3): 329-341.

Mishina, Y., Dykes, B. J., Block, E. S., & Pollock, T. G. 2010. Why "good" firms do bad things: The effects of high aspirations, high expectations, and prominence on the incidence of corporate illegality. ***Academy of Management Journal***, 53(4): 701-722.

Okimoto, T. G. & Brescoll, V. L. 2010. The price of power: Power seeking and backlash against female politicians. ***Personality and Social Psychology Bulletin***, 36(7): 923-936.

Oliver, A. G., Krause, R., Busenbark, J. R., & Kalm, M. 2018. BS in the boardroom: Benevolent sexism and board chair orientations. ***Strategic Management Journal***, 39(1): 113-130.

Park, S. H. & Westphal, J. D. 2013. Social discrimination in the corporate elite: How status affects the propensity for minority ceos to receive blame for low firm performance. ***Administrative Science Quarterly***, 58(4): 542-586.

Patel, A. & Reinsch, L. 2003. Companies can apologize: Corporate apologies and legal liability. ***Business Communication Quarterly***, 66(1): 9-25.

Pennebaker, J. W. & Francis, M. E. 1996. Cognitive, emotional, and language processes in disclosure. ***Cognition & Emotion***, 10(6): 601-626.

Petri, A. 2014. 'Mother of three poised to lead the bbc'? Fixed those headlines for you. ***The Washington Post***, http://www.washingtonpost.com/blogs/compost/wp/2014/09/03/mother-of-three-poised-to-lead-the-bbc-fixed-those-headlines-for-you; Accessed 23 February, 2017.

Petrucci, C. J. 2002. Apology in the criminal justice setting: Evidence for including apology as an additional component in the legal system. ***Behavioral Sciences & The Law***, 20(4): 337-362.

Pfarrer, M. D., Decelles, K. A., Smith, K. G., & Taylor, M. S. 2008. After the fall: Reintegrating the corrupt organization. ***Academy of Management Review***, 33(3): 730-749.

Phelan, J. E., Moss‐Racusin, C. A., & Rudman, L. A. 2008. Competent yet out in the cold: Shifting criteria for hiring reflect backlash toward agentic women. ***Psychology of Women Quarterly***, 32(4): 406-413.

Pillai, R. 1996. Crisis and the emergence of charismatic leadership in groups: An experimental investigation1. ***Journal of Applied Social Psychology***, 26(6): 543-562.

Pollock, T. G. & Rindova, V. P. 2003. Media legitimation effects in the market for initial public offerings. ***Academy of Management Journal***, 46(5): 631-642.

Pornpitakpan, C. 2004. The persuasiveness of source credibility: A critical review of five decades' evidence. ***Journal of Applied Social Psychology***, 34(2): 243-281.

Prentice, D. A. & Carranza, E. 2002. What women and men should be, shouldn't be, are allowed to be, and don't have to be: The contents of prescriptive gender stereotypes. ***Psychology of Women Quarterly***, 26(4): 269-281.

Prentice, D. A. & Carranza, E. 2004. Sustaining cultural beliefs in the face of their violation: The case of gender stereotypes. ***The Psychological Foundations of Culture***: 259-280.

Quigley, T. J., Crossland, C., & Campbell, R. J. 2017. Shareholder perceptions of the changing impact of ceos: Market reactions to unexpected CEO deaths, 1950–2009. ***Strategic Management Journal***, 38(4): 939-949.

Reina, C. S., Peterson, S. J., & Zhang, Z. 2017. Adverse effects of CEO family-to-work conflict on firm performance. ***Organization Science***, 28(2): 228-243.

Rindova, V. P., Reger, R. K., & Dalpiaz, E. 2012. 7 the mind of the strategist and the eye of the beholder: The socio-cognitive perspective in strategy research. ***Handbook of Research on Competitive Strategy***: 147-164.

Rittenhouse, L. 2018. Cadreon appoints first female global CEO. ***ADWEEK***, http://www.adweek.com/agencies/ipg-mediabrands-ad-tech-unit-cadreon-appoints-first-female-global-ceo/; Accessed 3/14/2018.

Rosette, A. S. & Tost, L. P. 2010. Agentic women and communal leadership: How role prescriptions confer advantage to top women leaders. ***Journal of Applied Psychology***, 95(2): 221.

Rubin, D. B. 2001. Using propensity scores to help design observational studies: Application to the tobacco litigation. ***Health Services and Outcomes Research Methodology***, 2(3-4): 169-188.

Rudman, L. A. 1998. Self-promotion as a risk factor for women: The costs and benefits of counterstereotypical impression management. ***Journal of Personality and Social Psychology***, 74(3): 629.

Rudman, L. A. & Glick, P. 2008. ***The social psychology of gender***. New York, NY: Guilford.

Rudman, L. A. & Phelan, J. E. 2008. Backlash effects for disconfirming gender stereotypes in organizations. ***Research in Organizational Behavior***, 28: 61-79.

Rudman, L. A., Moss-Racusin, C. A., Glick, P., & Phelan, J. E. 2012. 4 reactions to vanguards: Advances in backlash theory. ***Advances in Experimental Social Psychology***, 45: 167.

Rudman, L. A., Moss-Racusin, C. A., Phelan, J. E., & Nauts, S. 2012. Status incongruity and backlash effects: Defending the gender hierarchy motivates prejudice against female leaders. ***Journal of Experimental Social Psychology***, 48(1): 165-179.

Ryan, M. K. & Haslam, S. A. 2005. The glass cliff: Evidence that women are over‐represented in precarious leadership positions. ***British Journal of management***, 16(2): 81-90.

Ryan, M. K., Alexander Haslam, S., & Postmes, T. 2007. Reactions to the glass cliff: Gender differences in the explanations for the precariousness of women's leadership positions. ***Journal of Organizational Change Management***, 20(2): 182-197.

Ryan, M. K. & Haslam, S. A. 2007. The glass cliff: Exploring the dynamics surrounding the appointment of women to precarious leadership positions. ***Academy of Management Review***, 32(2): 549-572.

Ryan, M. K., Haslam, S. A., Hersby, M. D., & Bongiorno, R. 2011. Think crisis–think female: The glass cliff and contextual variation in the think manager–think male stereotype. ***Journal of Applied Psychology***, 96(3): 470-484.

Ryan, M. K., Haslam, S. A., Morgenroth, T., Rink, F., Stoker, J., & Peters, K. 2016. Getting on top of the glass cliff: Reviewing a decade of evidence, explanations, and impact. ***The Leadership Quarterly***, 27(3): 446-455.

Salvador, R. O., Folger, R., & Priesemuth, M. 2012. Organizational apology and defense: Effects of guilt and managerial status. ***Journal of Managerial Issues***: 124-139.

Sanders, W. G. 2001. Behavioral responses of ceos to stock ownership and stock option pay. ***Academy of Management Journal***, 44(3): 477-492.

Schaumberg, R. L. & Flynn, F. 2017. Self-reliance: A gender perspective on its relationship to communality and leadership evaluations. ***Academy of Management Journal***, 60(5): 1859-1881.

Schein, V. E. 1973. The relationship between sex role stereotypes and requisite management characteristics. ***Journal of Applied Psychology***, 57(2): 95.

Schubert, R. 2006. Analyzing and managing risks–on the importance of gender differences in risk attitudes. ***Managerial Finance***, 32(9): 706-715.

Schumann, K. & Ross, M. 2010. Why women apologize more than men: Gender differences in thresholds for perceiving offensive behavior. ***Psychological Science***, 21(11): 1649-1655.

Seeger, M. W. & Ulmer, R. R. 2001. Virtuous responses to organizational crisis: Aaron feuerstein and milt colt. ***Journal of Business Ethics***, 31(4): 369-376.

Shaver, J. M. 2006. Interpreting empirical findings. ***Journal of International Business Studies***, 37(4): 451.

Sherif, C. W. 1982. Needed concepts in the study of gender identity. ***Psychology of Women Quarterly***, 6(4): 375-398.

Shnabel, N., Bar-Anan, Y., Kende, A., Bareket, O., & Lazar, Y. 2016. Help to perpetuate traditional gender roles: Benevolent sexism increases engagement in dependency-oriented cross-gender helping. ***Journal of Personality and Social Psychology***, 110(1): 55.

Shoemaker, P. J. & Reese, S. D. 2013. ***Mediating the message in the 21st century: A media sociology perspective***. New York: Routledge.

Singleton Jr, R. A., Straits, B. C., & Straits, M. M. 1993. ***Approaches to social research***. Oxford, UK: Oxford University Press.

Slocum, D., Allan, A., & Allan, M. M. 2011. An emerging theory of apology. ***Australian Journal of Psychology***, 63(2): 83-92.

Smith, N. 2005. The categorical apology. ***Journal of Social Philosophy***, 36(4): 473-496.

Spence, A. M. 1973. Job market signaling. ***Quarterly Journal of Economics***, 87(3): 355-374.

Stampler, L. 2014. Microsoft's CEO tells women it's bad karma to ask for a raise. ***Time***, http://time.com/3486673/microsofts-ceo-satya-nadella-women-work-gender-pay-gap/; Accessed October 12, 2014.

Stangor, C., Lynch, L., Duan, C., & Glas, B. 1992. Categorization of individuals on the basis of multiple social features. ***Journal of Personality and Social Psychology***, 62(2): 207.

Sue, D. W. 2010. ***Microaggressions and marginality: Manifestation, dynamics, and impact***. New York: John Wiley & Sons.

Sutton, R. I. & Callahan, A. L. 1987. The stigma of bankruptcy: Spoiled organizational image and its management. ***Academy of Management journal***, 30(3): 405-436.

Sydell, L. 2018. As views of tech turn negative, remorse comes to silicon valley. https://www.npr.org/sections/alltechconsidered/2018/04/09/600140471/tech-executives-say-were-so-sorry; Accessed.

ten Brinke, L. & Adams, G. S. 2015. Saving face? When emotion displays during public apologies mitigate damage to organizational performance. ***Organizational Behavior and Human Decision Processes***, 130: 1-12.

Toegel, G. & Barsoux, J.-L. 2012. Women leaders: The gender trap. ***European Business Review***, http://www.europeanbusinessreview.com/women-leaders-the-gender-trap/; Accessed July 17, 2012.

Tomlinson, E. C., Dineen, B. R., & Lewicki, R. J. 2004. The road to reconciliation: Antecedents of victim willingness to reconcile following a broken promise. ***Journal of Management***, 30(2): 165-187.

Tversky, A. & Kahneman, D. 1974. Judgement under uncertainty - heuristics and biases. ***Science***, 185(4157): 1124-1131.

Tyler, B. B. & Caner, T. 2016. New product introductions below aspirations, slack and r&d alliances: A behavioral perspective. ***Strategic Management Journal***, 37(5): 896-910.

Tyler, L. 1997. Liability means never being able to say you're sorry: Corporate guilt, legal constraints, and defensiveness in corporate communication. ***Management Communication Quarterly***, 11(1): 51-73.

Ulmer, R. R., Seeger, M. W., & Sellnow, T. L. 2007. Post-crisis communication and renewal: Expanding the parameters of post-crisis discourse. ***Public Relations Review***, 33(2): 130-134.

Useem, M. 1996. ***Investor capitalism: How money managers are changing the face of corporate america***. New York: Basic Books.

Vescio, T. K., Gervais, S. J., Snyder, M., & Hoover, A. 2005. Power and the creation of patronizing environments: The stereotype-based behaviors of the powerful and their effects on female performance in masculine domains. ***Journal of Personality and Social Psychology***, 88(4): 658.

Waldman, D. A., Ramirez, G. G., House, R. J., & Puranam, P. 2001. Does leadership matter? CEO leadership attributes and profitability under conditions of perceived environmental uncertainty. ***Academy of Management Journal***, 44(1): 134-143.

Walfisch, T., Van Dijk, D., & Kark, R. 2013. Do you really expect me to apologize? The impact of status and gender on the effectiveness of an apology in the workplace. ***Journal of Applied Social Psychology***, 43(7): 1446-1458.

Weick, K. E. 1995. ***Sensemaking in organizations***. Thousand Oaks: Sage Publications.

Weiner, B. 1985. An attributional theory of achievement motivation and emotion. ***Psychological Review***, 92(4): 548.

Weiner, B. 1995. ***Judgments of responsibility: A foundation for a theory of social conduct***. New York: Guilford Press.

West, C. & Zimmerman, D. H. 1987. Doing gender. ***Gender & Society***, 1(2): 125-151.

Westphal, J. D. & Zajac, E. J. 1994. Substance and symbolism in ceo's long-term incentive plans. ***Administrative Science Quarterly***, 39(3): 367-390.

Wiersema, M. F. & Zhang, Y. 2011. CEO dismissal: The role of investment analysts. ***Strategic Management Journal***, 32(11): 1161-1182.

Williams, J. E. & Best, D. L. 1990. ***Measuring sex stereotypes: A multination study***. Thousand Oaks, CA: Sage Publications, Inc.

Wojciszke, B., Abele, A. E., & Baryla, W. 2009. Two dimensions of interpersonal attitudes: Liking depends on communion, respect depends on agency. ***European Journal of Social Psychology***, 39(6): 973-990.

Wolfers, J. 2015. Fewer women run big companies than men named john. ***The New York Times***, https://www.nytimes.com/2015/03/03/upshot/fewer-women-run-big-companies-than-men-named-john.html?_r=0; Accessed March 2, 2015.

Wooten, D., James, E., & Smith, L. 2006. Using apologies to overcome the bumps in the road to redemption. ***An Executive Briefing on Crisis Leadership***: 45-51.

Wooten, L. P. & James, E. H. 2008. Linking crisis management and leadership competencies: The role of human resource development. ***Advances in Developing Human Resources***, 10(3): 352-379.

Yang, S.-U., Kang, M., & Johnson, P. 2010. Effects of narratives, openness to dialogic communication, and credibility on engagement in crisis communication through organizational blogs. ***Communication Research***, 37(4): 473-497.

Zavyalova, A., Pfarrer, M. D., Reger, R. K., & Shapiro, D. L. 2012. Managing the message: The effects of firm actions and industry spillovers on media coverage following wrongdoing. ***Academy of Management Journal***, 55(5): 1079-1101.

Zavyalova, A., Pfarrer, M. D., Reger, R. K., & Hubbard, T. D. 2016. Reputation as a benefit and a burden? How stakeholders' organizational identification affects the role of reputation following a negative event. ***Academy of Management Journal***, 59(1): 253-276.

Zhang, Y. & Qu, H. 2016. The impact of CEO succession with gender change on firm performance and successor early departure: Evidence from china's publicly listed companies in 1997–2010. ***Academy of Management Journal***, 59(5): 1845-1868.

Zhu, D. & Westphal, J. 2014. How directors' prior experience with other demographically similar ceos affects their appointments onto corporate boards and the consequences for CEO compensation. ***Academy of Management Journal***, 57(3): 791-813.

Zuckerman, E. W. 1999. The categorical imperative: Securities analysts and the illegitimacy discount. ***American Journal of Sociology***, 104(5): 1398-1438.

Zuur, A. F., Ieno, E. N., Walker, N. J., Saveliev, A. A., & Smith, G. M. 2009. Zero-truncated and zero-inflated models for count data, ***Mixed effects models and extensions in ecology with R***: 261-293: Springer.

Zyglidopoulos, S. C. 2001. The impact of accidents on firms' reputation for social performance. ***Business & Society***, 40(4): 416-441.

APPENDIX

Sample Cases

ID	Firm	Case	Case Start Date	Violation Exposure (years)	Violation on CEO watch	Violation Type	Violation Description
1	Theragenics Corp	In Re Theragenics Securities Litigation	1/15/1999	1.0	1	Likely Character	Plaintiff shareholders sued defendant corporation, and some of its officers and directors, for, among other claims, securities fraud.
2	Hall Kinion & Associates Inc	In Re Parnes et al v. Hall Kinion & Assoc Securities Litigation	6/16/1999	1.9	1	Likely Character	The complaint further alleges that Defendants' false and misleading statements about the successful expansion and strong performance of Hall Kinion allowed Hall Kinion to go public on 8/4/97 at $15 and thereafter artificially inflate its stock to a Class Period high of $23.
3	Mattel Inc	Frank A Dusek et al v. Mattel Inc et al	########	0.0	1	Neutral	This litigation is comprised of two class actions brought on behalf of investors in Mattel, Inc., the Dusek v. Mattel case, which alleges violations of §14(a) and §20(a) of the Securities Exchange Act of 1934 ("Exchange Act") against Mattel and certain of its officers and directors on behalf of persons who were entitled to vote on the merger of Mattel, Inc. ("Mattel") and The Learning Company, Inc. ("TLC")

4	Autodesk Inc	In Re Preble et al v. Autodesk Inc Securities Litigation	3/20/2000	1.5	1	Extremely Likely Character	The original complaint charges Autodesk and certain of its officers and directors and its investment banker with violations of the Securities Exchange Act of 1934. The complaint alleges that to push Autodesk stock higher, Autodesk, its top officers and their investment banker/financial advisor made very positive but false statements about strong continuing demand for Autodesk's existing AutoCAD R14 product line,
5	Warnaco Group Inc	In Re Warnaco Group Inc (2000) Securities Litigation	8/23/2000	2.9	1	Likely Character	Securities and Exchange Commission placed the investors on inquiry notice as to the fraud they later alleged - financial misreporting.
6	Alpharma Inc	In Re Alpharma Inc Securities Litigation	11/3/2000	1.5	0	Extremely Likely Character	The shareholders asserted that defendants acted both individually and collectively to defraud investors by making materially false or misleading statements in connection with the sale of the corporation's stock.

7	Department 56 Inc	In Re Department 56 Inc Securities Litigation	3/5/2001	2.0	1	Likely Character	Plaintiffs bring this class action for violations of the Securities Exchange Act of 1934, 15 U.S.C. § 78. et (the -Exchan ge Act-) against Dept. 56 and four of its top officers, on behalf of a proposed class of persons who purchased the common stock of Dept. 56 on the open market, between February 24, 1999 and April 26, 2000. inclusive (the "Class Period") and were damaged thereby.
8	Warnaco Group Inc	In Re Warnaco Group Inc (2001) Securities Litigation	4/20/2001	0.7	1	Extremely Likely Character	The action arose from the corporation's collapse after numerous disclosures that it had significantly misreported its financials for several years. The purchasers alleged that the accountant knowingly made a number of affirmative misstatements during the class period.

9	Mirant Corp	In Re Mirant Corporation Securities Litigation	5/29/2002	1.7	1	Neutral	This is a class action on behalf of a class (the "Class") of all persons who purchased or otherwise acquired the securities of Mirant Corporation ("Mirant" or "the Company" formerly known as "Southern Energy Company") between September 26, 2000 and September 5, 2002, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 ("Exchange Act"), and on behalf of purchasers of Mirant securities seeking to pursue remedies under the Securities Act of 1933 (" the Securities Act.").
10	Xerox Corp	Patti et al v. Xerox Corp et al	7/1/2002	0.0	1	Likely Character	ERISA violation. The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans growth area, with low costs and high profit margins.
11	National Presto Industries Inc	SEC v. National Presto Industries Inc	7/16/2002	0.0	1	Likely Competence	Plaintiff, the United States Securities and Exchange Commission (SEC) filed an action against defendant corporation alleging that defendant had been operating as an unregistered investment company in violation of the Investment Company Act of 1940,

12	Lucent Technologies Inc	Lucent Technologies Racketeering (RICO) Act Litigation	8/8/2003	0.0	1	Extremely Likely Character	The subcontractor alleged that defendants participated in, and conspired to participate in, schemes to extort funds from the subcontractor and to bribe the Saudi government official in order to persuade him to make decisions favorable to the American corporation and harmful to the subcontractor.
13	Rite Aid Corp	Tierno v. Rite Aid Corporation	6/21/2005	0.0	1	Likely Character	Plaintiff Prag Tierno is a former Store Manager for Rite Aid, a national drug store chain that operates about 590 stores in California. Mr. Tierno contends that Rite Aid's treatment of California Store Managers violates the state's labor laws.
14	Avon Products Inc	In Re Avon Products Inc Securities Litigation	6/22/2005	0.2	1	Neutral	Plaintiffs alleged that defendants should have disclosed business practices concerning (1) direct selling in China despite the opposition of boutique retailers, (2) the recruitment of sales representatives through deceptive means, and (3) the used of forced deliveries of unordered products to sales representatives and district managers and that defendants breached their fiduciary duties by continuing to offer employer stock as an investment under personal retirement account plan

15	eBay Inc	Net2Phone Inc v. Ebay Inc et al	6/1/2006	0.0	1	Extremely Likely Character	Plaintiff Net2Phone, Inc. ("Net2Phone" or "plaintiff") filed a Complaint against defendants eBay, Inc. ("eBay"), Skype, Inc., Skype Technologies SA ("Skype"), and John Does 1-10 (collectively "defendants") alleging patent infringement 1 and violations of 35 U.S.C. § 271.
16	WellPoint Inc	Wade v. WellPoint Inc et al	3/18/2008	0.2	1	Likely Character	Securities fraud litigation. She asserted that the management of defendant, a nationwide health care benefits corporation, either knew or recklessly disregarded the falsity of debtor's communications to investors, who lost stock value as a result.
17	EI Dupont de Nemours & Co	Monsanto Company et al v. EI Dupont De Nemours and Company et al	5/4/2009	0.0	1	Extremely Likely Character	The suit accuses DuPont of conducting field tests with soybeans and corn that contain both Monsanto's Roundup Ready trait and Pioneer's Optimum GAT trait, a practice known as stacking.
18	TJX Companies Inc	Halton-Hurt et al v. The TJX Companies Inc	########	0.0	1	Likely Character	A group of T.J. Maxx employees in Texas has launched a putative collective action alleging that the discount retailer failed to pay both overtime and some regular wages to cashiers, assistant managers and other nonprofessional employees.
19	EI Dupont de Nemours	Haley Paint Company et al v. Kronos Worldwide Inc	2/9/2010	7.9	0	Likely Character	A case alleging a conspiracy to fix the price of titanium dioxide in the United States in violation of Section 1 of the Sherman Act, 15 U.S.C.S. § 1,

20	American Equity Investment Life Holding Company	Securities and Exchange Commission v. American Equity Investment Life Holding Company et al	3/3/2010	0.0	1	Likely Character	The Securities and Exchange Commission ("SEC") announced that on March 3, 2010, it charged David Noble of Longboat Key, Florida, Wendy Waugaman of Waukee, Iowa, and American Equity Investment Life Holding Company ("American Equity"), based in West Des Moines, Iowa, in connection with misleading disclosure of a related-party transaction in American Equity's proxy statement
21	Avon Products Inc	City of Brockton Retirement System v. Avon Products Inc et al	7/6/2011	4.9	1	Likely Character	The complaint alleges that during the Class Period, defendants falsely assured investors that the Company had effective internal controls and accounting systems, as required under the Foreign Corrupt Practices Act (“FCPA”). The company disclosed, in October 2008, that it had begun an investigation into possible FCPA violations in China in June 2008. The plaintiffs allege, however, that the Company had an illegal practice of paying bribes in violation of the FCPA,

22	Hewlett Packard Co	Cement & Concrete Workers District Council Pension Fund v. Hewlett Packard Company et al	8/3/2012	4.7	0	Extremely Likely Character	Alleges that HP and its former Chairman, President, and CEO Mark Hurd committed securities fraud in violation of sections 110(b) and 20(a) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78j(b), 78t(a)), and Rule 10b-5 promulgated there under by the Securities Exchange Commission (17 C.F.R. 240.10b-5).
23	Time Inc	Fox v. Time Inc	10/3/2012	3.5	0	Likely Character	Defendent improperly disclosed the private information of people who subscribed to defendant's magazines, TIME, Fortune, and Real Simple, through third-party websites. In addition, plaintiff's complaint alleges unjust enrichment under Michigan law.addition, plaintiff's complaint alleges unjust enrichment under Michigan law.
24	Cracker Barrel Old Country Store Inc	Proper v. Cracker Barrel Old Country Store Inc	4/11/2014	0.0	1	Likely Character	The complaint was filed last April by Kenneth L. Proper, an assistant manager in an upstate New York eatery, who accused the southern-themed chain of restaurants and gift stores of violating federal and state labor law and New York State Department of Labor codes, rules and regulations.

25	Neustar Inc	In Re Neustar Inc Securities Litigation	7/15/2014	1.2	1	Likely Character	Violations of the Private Securities Litigation Reform Act - Despite these and other [*3] indications that NeuStar might lose the bidding to serve as Administrator, Defendants allegedly made public statements between April 18, 2013, and June 6, 2014, reassuring investors of NeuStar's confidence in the competitiveness of its bid. (Id. ¶¶ 101-49.)
26	Avon Products Inc	In re 2014 Avon Products Inc ERISA Litigation	########	8.4	0	Likely Character	Avon Products is facing an Employee Retirement Income Security Act (ERISA) lawsuit over its handling of the company stock fund investment option in its retirement plan for employees.
27	International Business Machines Corporation	Jander v. International Business Machines Corporation et al	5/15/2015	1.3	1	Likely Character	Employees alleging that fraud involving the sale of its troubled microchip division made its stock plunge. The employees said in their complaint that IBM breached its fiduciary duties to its employees by investing retirement account money into IBM stock when it knew or must have known the stock price was artificially inflated because investors were unaware the division was faltering

28	General Motors Company	USA v. General Motors Company	9/17/2015	1.6	0	Likely Character	Federal prosecutors hit GM with a wire-fraud charge and a charge for "engaging in a scheme to conceal a deadly safety defect" from regulators.
29	QLogic Corp	Phyllis Hull v. QLogic Corporation et al	9/28/2015	0.4	0	Likely Character	A securities fraud class action against QLogic Corporation, a leading supplier of high performance network infrastructure solutions, for allegations of materially misleading the investing public by inflating the price of QLogic's common stock and publicly issuing false and misleading statements, which failed to disclose material adverse information and misrepresented the truth about QLogic's business, operations, and prospects.
30	Select Comfort Corp	Azimpour v. Select Comfort Corporation	12/4/2015	4.0	0	Likely Character	Azimpour asserts that Select Comfort has engaged in a continuous company-wide, years-long deceptive discount pricing scheme by advertising its products as discounted from fictitious "regular" prices.
31	Sempra Energy	Plumley v. Sempra Energy et al	2/29/2016	0.8	1	Likely Competence	On October 23, 2015, Sempra's subsidiary SoCalGas discovered a natural gas leak from the Company's Aliso Canyon natural gas storage facility near the Porter Ranch neighborhood in Los Angeles.

32	HCP Inc	Boynton Beach Firefighters Pension Fund v. HCP Inc et al	5/9/2016	1.1	1	Likely Character	Violations of the Private Securities Litigation Reform Act - The claims asserted herein are alleged against HCP, ManorCare, and certain of HCP's and ManorCare's executive officers (collectively "Defendants"), and arise under Sections 10(b) and 20(a) of the Securities and Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder.
33	Yahoo Inc	McMahon v. Yahoo Inc	9/24/2016	0.0	1	Likely Competence	Plaintiff brings this class action against Yahoo for its failure to secure and safeguard its users' personally identifiable information ("PII") such as users' names, email addresses, telephone numbers, dates of birth, passwords and, in some cases, security questions and answers, which Yahoo collected from its users (collectively, "Private Information")

34	CST Brands Inc	Malone v. CST Brands Inc et al	9/26/2016	0.1	1	Likely Character	Pursuant to the terms of the Merger Agreement, which was unanimously approved by the Board, CST shareholders will receive $48.53 in cash for each share of CST they own. The complaint claims that this offer is inadequate in light of the Company's recent financial performance and strong growth prospects, and that the Schedule 14A Definitive Proxy that was filed with the SEC soliciting shareholder votes provides materially incomplete and misleading information about the Company's financials and the fairness of the Proposed Transaction, in violation of Sections 14(a) and 20(a) of the Exchange Act.
35	Xerox Corp	Oklahoma Firefighters Pension and Retirement System v. Xerox Corporation et al	########	4.5	1	Neutral	Securities fraud litigation. During the Class Period, Xerox promoted its Health Enterprise Business as valuable which plantiff claims was misrepresented.

ID	Firm Response	*CAR (%)*	Response Type	Violation Visibility (media moverage)	Analyst Coverage (# downgrades)
1	"Although Theragenics customarily does not comment on pending litigation, we believe that this is precisely the type of frivolous class action lawsuit Congress considered abusive and sought to curb when it reformed the securities laws by passing the Private Securities Litigation Reform Act of 1995," stated M. Christine Jacobs, President and Chief Executive Officer of Theragenics. The company intends to vigorously defend the litigation.	-0.31	Defensive	1	1
2	The Company believes that the lawsuits are without merit and intends to defend against them vigorously.	-0.09	Defensive	0	0
3	Ms. Barad sought to head off some of the criticism, saying: "I know that Mattel has disappointed you." But she said her management team remains "confident" of the firm's potential. "We are very satisfied with this acquisition and we will prove to you we can unleash the value of these brands,"	0.00	Accommodative	7	4
4		-0.04	No Response	6	0
5		0.01	No Response	0	1
6		-0.13	No Response	0	2
7		0.05	No Response	0	0
8		-0.06	No Response	0	0
9		-0.10	No Response	3	2
10	'My particular responsibilities with Xerox's audit committee have related to a series of now completed projects," Mr. Theobald wrote in his resignation letter. "A new audit committee head can move forward with a clean slate."	-0.12	Accommodative	13	1
11	National Presto said it will fight any SEC lawsuit and it expects to be cleared if a suit is filed.	-0.04	Defensive	4	0

12	"We believe them to be without merit, and will defend ourselves vigorously."	0.00	Defensive	7	0
13	"Front end sales improved this quarter, and we made good progress on our new store development program with 42 new and relocated stores already open or under construction. This keeps us on target for the 80 new and relocated stores we expect to open in fiscal 2006," said Mary Sammons, Rite Aid president and CEO. "Pharmacy sales were disappointing and put pressure on SG&A this quarter. We remain committed to increasing pharmacy sales, improving customer satisfaction and containing costs."	-0.05	Neutral	2	0
14		0.00	No Response	0	0
15	EBay spokesman Chris Donlay said the company couldn't comment, because it hadn't received the court papers.	-0.05	Defensive	9	0
16		-0.10	No Response	0	5
17	"We fully expect Monsanto to continue the campaign of diversion for as long as they feel things are not going their way on the merits," he said. "Many other organizations and individuals share our concerns, including a large group of state attorney general that continues to investigate Monsanto's business practices today," he said	-0.07	Defensive	0	1
18	Carol Meyrowitz, President and Chief Executive Officer of The TJX Companies, Inc., didn't discuss specifics on the conference call	-0.01	Neutral	10	0
19		0.00	No Response	0	0
20	“This settlement concludes the SEC's review of this matter,” said Robert L. Howe, American Equity’s lead independent board member. “We are pleased that this resolution puts this matter behind us. The Company is focused on its ongoing success and we look forward to continuing to serve our investors, independent agents, policy holders and employees.”	0.05	Accommodative	0	0
21		0.02	No Response	0	0
22		0.08	No Response	18	0
23		0.00	No Response	0	
24	Official statement that company denies allegations	0.00	Defensive	1	0
25		0.11	No Response	0	0
26		-0.02	No Response	0	0

27		0.00	No Response	4	0
28	"The mistakes that led to the ignition switch recall should never have happened. We have apologized and we do so again today," said GM CEO Mary Barra. "We have faced our issues with a clear determination to do the right thing both for the short term and the long term. I believe that our response has been unprecedented in terms of candor, cooperation, transparency and compassion."	-0.02	Accommodative	20	0
29		0.08	No Response	0	0
30		-0.03	No Response	0	0
31	We recognize the disruption the leak has caused the community. Our primary concern is getting the residents of Porter Ranch back into their homes and helping them resume normalcy in their daily lives. We are hopeful that there can be a path forward that helps achieve that goal.		Accommodative	0	0
32		-0.04	No Response	1	0
33	"It is important to note that, in connection with Yahoo's December 2016 announcement of the August 2013 theft, Yahoo took action to protect all accounts. The company required all users who had not changed their passwords since the time of the theft to do so. Yahoo also invalidated unencrypted security questions and answers so they cannot be used to access an account," Yahoo said Tuesday.	0.00	Defensive	14	0
34		0.00	No Response	0	3
35		0.03	No Response	1	0