Mr. Right and Ms. Wrong: Impact of Manager's Gender and Organization Performance on Leadership Attribution

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Abstract : In an experiment with 211 students, we studied the impact of gender and performance outcomes on leadership attributions. We found that gender moderates the impact of performance outcomes on leadership attributions. In a quasi-experiment, respondents were presented with a case scenario and asked to attribute organizational performance to various factors. When managers in a hypothetical case were male, participants were more likely to attribute organizational success to them and failure to other causes. However, when managers in a hypothetical case were female, participants were more likely to attribute organizational failure to them and success to other causes.

Keywords: *Gender, Attribution, Leadership, Performance*

Ina Drew is not your typical Wall Street financial executive. Yet impeccable dressing, the astute style of speaking and the sharpness of wit, coupled with the ability to process information quickly to draw insights is the description of just about any person you might happen to cross on the Wall Street. That is until you get to know that she is (was) the Chief Investment Officer (CIO) and has put in 30 years of her professional career with one of the most progressive and leading banking and securities firms in the world – J.P. Morgan Chase. Then one day, her world came tumbling down. Drew and her boss, James Dimon had been involved in a $6 billion deal involving securities and derivatives with major traders from London and New York. The trouble with the deal started in January 2012 when the investment office made moves and investments that were adverse to market and regulatory changes as per the Securities and Exchange Commission (Dominus, 2012). The bets on the deal went sour and the bank started incurring losses. Shares in J.P. Morgan fell by 2.1% to $36.18 and the stock had lost 12% of its value since the disclosures of the actual losses started pouring in and the total loss came to $18.12 billion (Protess & Eavis, 2013). Dimon and Drew had been at the eye of the storm in this deal and yet, when it spun out of control, they could do little to salvage the money and their reputation. However, in an even more dismal turn of events, when legal proceedings were initiated against the bank and the team that engineered this colossal fall, it was Drew who was asked to resign, while Dimon stayed on. Drew was replaced by another banker – Matt Zames to take on the CIO position.

Did Drew alone have to resign? Had Drew been made a scapegoat? Why not her male counterpart - James Dimon too? He too had been involved in the deal that went sour. Have we, as observers, acquired the tendency to unfairly punish a female leader while we spare a male leader? Or do we evaluate male leaders more favourably than female ones, under a default impression that the 'man can do no wrong'?

Over the past few decades, there has been an extensive and growing body of research and study dedicated to the phenomenon of leadership. Despite having explored and analyzed various aspects and dimensions of leadership in different contexts and aspects of human life, it remains an esoteric and enigmatic precept, best understood through leaders and their actions and behaviors. An important area of leadership is that of the role of gender on leadership attributions. In organizations, men are still perceived as the 'bread-earners', and continue to enjoy the benefits of higher wages and faster promotions. Only 2% of the CEOs of the Fortune 500 companies across the world are women and only 15% of the seats on the boards of directors are held by women (Eagly & Carli, 2007). In India, the picture is slightly more encouraging with about 11% of the 240 large Indian companies having women CEOs (SiliconIndia, 2009). What explains the low percentage of women in top leadership positions? Are women leaders set up to fail? Alternatively, are they perceived to be ineffective leaders as a norm rather than the exception? Women may often find themselves promoted to precarious positions in upper management – setting them up for failure to begin with. This is termed as the 'Glass Cliff', wherein women are placed in crises to allow the self-fulfilling prophecy of failure to present itself (Ryan & Haslam, 2005).

Leadership: An Attribution

Individuals in organizations interpret events and their outcomes to derive causal understandings and make sense of their environment. Attributional processes vary depending on the nature of the attribution being made, and also the level of information processing that is consistent or relevant with the situational and/or motivational factors (Lord & Smith, 1983). Hence, attributions may be external or internal, in line with the self-serving bias mechanism, wherein an individual (or even an organization) takes personal credit for success and favorable outcomes (attributes internally), whereas attributes external agents and factors for failures and unfavorable outcomes. When it comes to assessing responsibility for a particular outcome, it is seen that responsibility is generally assigned to those agents or factors that, as per the observer's (limited) knowledge and cognition, play a relatively greater role or are causally more relevant and strong. This involves an element of subjectivity from the observer, since the weights assigned to the predominant sources or factors are derived from previously held mental

models and cognitive reasoning through experience and feedback (Hasher & Zacks, 1979). Observers may make rational and studied efforts to arrive at the causal assignments and explanations by focusing on and weighing multiple pieces of information; or simply respond to the cues that are available without thinking (Nisbett & Wilson, 1977).

The concept of attribution has been applied to the study of leadership in organizations. Observing the ambiguity of the definition and measurement of leadership in organizations, Pfeffer (1977) argued that leadership was primarily an attribution made by executives to explain organizational performance since irrespective of the actual impact of leaders on their organizations, they are still held responsible for organizational outcomes depending on the nature of the outcomes.

In a comprehensive analysis of archival studies and a series of experiments Meindl, Ehrlich, and Dukerich (1985) showed that leadership was used in order to make sense of and explain extreme organizational performance. Specifically, the variation in the magnitude of the event (huge success or huge failure) had a bearing on how the performance was interpreted and attributed to. The tendency to attribute prominent events or business outcomes to leadership was greater or more pronounced, for such extraordinary events – which may have extremes of outcomes: either extremely good or extreme failures. They described the tendency to attribute organizational outcomes to leadership as "the romance of leadership." (Meindl, Ehrlich, & Dukerich, 1985, p. 78). More recently, Weber, Camerer, Rottenstreich and Knez (2001) found that experimental subjects underestimated the strength of situational factors (such as group size) and attributed success or failures in the games conducted to the traits of the group leader. While it was expected that subjects would understand and account for differences in outcomes due to the group size, the participants still blamed the leader for the outcome.

Leadership and Gender

Gender implies the sociological role of sex and is the basis for determining and assigning roles to an individual in an environment or society in general. Roles ascribed to a particular gender are derived from the way social and cultural beliefs have evolved over time, and become prescriptive in nature. By speaking of role, we also include the associated behaviours, emotions and values espoused by men and women. (Anselmi & Law 1998, p. 195). Two theories in particular –social role theory and role congruency theory make an interesting ground for exploring this.

Social Role Theory

The social role theory suggests that the division of labor in society is guided by internalized beliefs and conceptions of gender roles, and societal expectations

of those gender roles. In time, these very conceptions and expectations evolve into stereotypes. Eagly (1987) distinguishes between the communal and agentic dimensions of gender-stereotyped characteristics. The communal role is characterized by attributes, such as nurturance and emotional expressiveness, commonly associated with domestic activities, and thus, with women. The agentic role is characterized by attributes such as assertiveness and independence, commonly associated with public activities, and thus, with men. Physical characteristics and occupations have also been considered consistent or inconsistent with masculine or feminine roles.

Research has shown that the transformational type of leadership is in line with the characteristics and traits that have been historically linked to women (Eagly & Carli, 2007). These characteristics include leadership and teamwork processes associated with femininity, such as prioritizing interpersonal relationships, expressing emotions, rewarding positive behavior or paying attention to personal and socio-emotional factors that go beyond technical knowledge. In contrast, stereotypically masculine qualities such as ambition, independence, dominance or rationality relate positively to the more traditional, hierarchical component of leadership, characterized by instrumental behaviors (i.e. being goal-oriented) and represented by the so-called "think manager-think male" stereotype (Schein & Davidson, 1993).

Role Congruity theory

An extension of the social role theory is thus found in the role congruency theory, which is a more or less direct consequence of the gender stereotyping. As the name suggests, an individual is evaluated positively or even favorably when he or she occupies a role that is in accordance with the prevalent gender stereotype. This theory has more to say for women holding or aspiring to hold managerial or leadership positions, which are typically associated with the male stereotype (agentic traits). Therefore, a female leader is prone to being evaluated more negatively in her role as a leader or a manager, since the role is associated with a male social stereotype.

Greater the degree of deviation (incongruity) from the role expectations by a female leader, greater is the degree of negative evaluations attributed to her. This can be detrimental to the female employee in the long run, as such an undercurrent of hostility and discomfort can lead to decreased self-efficacy and confidence, ultimately resulting in continued poor performance – thus creating conditions for reinforcing the stereotype and making it a self-fulfilling prophecy (Eagly, Makhijani & Klonsky, 1992).

Previous research on the impact of gender on causal attributions showed that men's successes were more likely to be attributed to their ability (i.e., an internal cause), whereas women's successes were more likely to be attributed to luck (i.e., an external cause). In contrast, women's failures were more likely to be attributed to internal causes than were similar failures by men (Swim & Sanna, 1996). Furthermore, a man's success in either a male- or female-congenial environment was generally attributed to internal causes; a woman's success was attributed to an internal cause only in a female-congenial environment (Garcia-Retamero & López-Zafra, 2009).

Embry, Padgett, and Caldwell (2008) examined gender stereotypes for leaders using a more indirect method than is typical in stereotype research. Rather than reveal the leader's gender, this study used vignettes in which the leader's gender was unknown. Consistent with their hypothesis, the authors found that participants were more likely to infer a male (female) gender identity than a female (male) gender identity when presented with a leader using a masculine (feminine) style. In sum, the characteristics that are generally associated with leadership roles (e.g., power, competition, and authority) have been described more to men than to women. Therefore, leadership has come to be associated or be more congruent with the masculine than the feminine gender role (Eagly, 2005).

Gender and the Romance of Leadership

The perception of incongruity between the feminine gender role and the leadership role could influence people's causal attributions about male and female leaders' successes and failures. Furthermore, gender as a construct plays a significant role in various organizational systems and processes. For example, in times of promotion to higher job roles, and succession to leadership positions – it has been found that though both men and women were perceived to be equally qualified for the advance, the candidate that ultimately got promoted was the one that displayed predominantly and prominent agentic male characteristics (Ruble, 1979). The sex role stereotype has also been found to have an influence on the compensation philosophy of the organization leading to a pay gap (with females earning lesser than males even after controlling for human capital variables; Arulampalam, Booth, & Bryan, 2007; Kulich, Ryan, & Haslam, 2007; Kulich, Trojanowski, Ryan, Haslam, & Renneboog, 2009; Shin, 2012).

In this research, we wish to extend and build upon the findings reported by Meindl, Ehrlich, and Dukerich (1985) by examining the role of gender in the attribution of organizational performance or outcomes to leadership. Specifically, we hypothesize that when organizations are successful and the manager is male, organizational members are more likely to attribute the organizational success to leadership

rather than to other causes. Similarly, we hypothesize that when organizations fail and the manager is female, organizational members are more likely to attribute the organizational failure to leadership rather than to other causes. In other words, when organizations fail, are we quick to blame a female leader rather than a male one; and when organizations succeed, are we quick to credit male leaders with the responsibility for organization success, than we would a female one?

Method

Participants

The participants in the experiment were 211 students pursuing their undergraduate and postgraduate degrees from three institutions in Mumbai. The average age of the participants was 21 years (minimum = 18 years and maximum = 25 years) and average work experience was 5 months. The sample contained 110 males and 101 females.

Design

Meindl, Ehrlich, and Dukerich (1985) investigated leadership attributions by conducting two experimental studies, wherein candidates were given short vignettes to rate a firm's business performance along with the description of a leader, and certain other environmental and business factors. Following them, we adopted the performance-cue paradigm methodology (Weber, Camerer, Rottenstreich & Knez, 2001) where we created four vignettes corresponding to two extreme organizational outcomes- success and failure and for each of the extreme organizational outcomes, we had descriptions of either a male or a female manager. The general outline of the vignette was that the performance of an organization and the profile of a prominent manager were described (see Appendix). The performance of the organization was varied across a spectrum from large positive (success) to large negative (failure). The description of the manager included the educational background, the total industry experience and the tenure with the current organization in question. The only variation with respect to the manager was made in terms of the gender. This was necessary to prevent the subjects from making sweeping generalizations or even misinformed assumptions about the manager, which could significantly affect the way they perceived leadership as one of the determinants for the organization outcome. Earlier research in this area supports making such details available in the vignette, because the process of making causal attributions has been found to be highly sensitive to what contextual information becomes available or absent to the subjects when they go about making their deductions of the case (Tetlock & Levi, 1982). Participants were randomly given one of the four vignettes and were asked to rate their perception of the performance of the organization (manipulation check). Next, they were asked to rate (on a 7-point scale) the extent to which they

felt each of seven factors was responsible for the performance of the organization. The seven factors listed were leadership, demand fluctuation, marketing strategy, employee turnover, entry of foreign players, loss of distributors, and lack of competitive pricing.

Results

We first did a manipulation check to see if participants perceived the organizational performance as intended by us. We found that when the vignette narrated organizational success, on a scale of 1 to 5, participants gave an average performance rating of 4.00 (SD = 0.56) and when the vignette narrated organizational failure, participants gave an average performance rating of

2.11 (SD = 0.92). The difference in the two ratings was highly significant (F = 324.11, p < .001) hence, our manipulation was effective. Moreover, attributing the organization's performance to leadership was not related to the respondent's gender, age, or work experience.

We did one-way ANOVAs to check if the manager's gender and organizational performance had any impact on leadership attributions independently. We found that irrespective of organizational performance, with male managers, organizational outcomes were more often attributed with leadership as compared to female managers. Specifically, on a scale of 1 to 7, the average rating for male managers was 5.47 (SD = 1.46) and the average rating for female managers was 4.95 (SD = 1.68). The difference between the two means was highly significant (F = 5.67, p= .01). With respect to organizational performance we did not find any such effect i.e., there was no significant difference in leadership attributions when organizational performance was high or low.

We did a two-way ANOVA to check for the interaction between manager's gender and organizational performance in predicting leadership attributions. The results of the analysis are reported in Table 1.

Table 1: Two-way ANOVA to Study the Interaction of Manager's Gender and Organizational Performance on Leadership Attributions

Variable	Mean Square	F
Corrected model	75.800	51.039**
Intercept	5541.394	3731.236**
Main effects		
Manager's gender	11.460	7.716**
(Male = 1, Female = 2)		
Organizational outcome	0.003	0.002 (n.s.)
(Success = 1, Failure = 2)		
Interaction effects		
Manager's Gender X Organizational outcome	213.215	143.566**

Dependent variable is leadership attributions; Adjusted R squared = 0.417

** $p < .01$, n.s. = not significant.

We found that there was a main effect for manager's gender such that when managers were male, organizational outcomes were more likely to be attributed to leadership. We also found a significant interaction effect between manager's gender and organizational performance in predicting the extent to which participants attributed organizational outcomes to leadership. The average leadership attribution in each of the four conditions is shown in Figure 1.

Figure 1: Average Leadership Attribution – Impact of Manager's Gender and Organizational Outcomes

Male Manager in a Successful Organization Leadership Attribution = 6.38 (*SD* = 0.16) *N* = 57	Male Manager in a Failed Organization Leadership Attribution = 4.36 (*SD* = 0.17) *N* = 47
Female Manager in a Successful Organization Leadership Attribution = 3.90 (*SD* = 0.17) *N* = 51	Female Manager in a Failed Organization Leadership Attribution = 5.91 (*SD* = 0.16) *N* = 56

Discussion

There has been much anecdotal evidence of male managers being credited with success in organizations, whereas women in managerial positions have been evaluated harshly and negatively, and have been unfairly held responsible for the poor outcomes. In this paper, we show how participants are more likely to credit a male manager for a successful organization and female manager for a failed organization. In order words, participants are more likely to praise male managers

for success and blame female managers for failure. This shows that there is a significant bias and difference in the way male and female leaders are evaluated with respect to organization outcomes.

Limitations of this study

The study makes use of the performance cue paradigm in having experimental participants read a short organization vignette and assess the firm's performance, along with making attributions of the same to leadership and other competing relevant factors. One area of concern is that such vignettes are limited in their ability to provide sufficient (if not detailed) information to allow observers to make informed decisions, given the cues of the performance. Factors other than leadership cannot be understood in full gravity nor can the observer have a chance to know if interactions exist between these alternative factors that may affect the magnitude and the polarity of the outcome. The need for brevity of content of the vignettes limited us from providing details that could help observers assess with more certainty the reasons of organizations outcome. These vignettes may end up 'rounding off' certain information that could otherwise provide clarity to assess the vignette more accurately.

Further, not elaborating upon the specific conditions under which one or more performance cues can affect the perception of organization performance. For example, subjects would be oblivious to aspects of leader behavior (regardless of gender here) which could make a difference in the perception of the leader, and also the assessment of the organization performance. It is possible that factors such as the nature of the industry, the sensitivity of the markets etc. could also have a bearing upon how the organization performs, and also how a certain organization performance should be rated. However, those details were reduced to the bare minimum in the vignette.

The current study examines the effect of gender on leader attribution in only extreme cases of organizational performance. There is scope for future research to understand the dynamics of this attribution relationship in instances of moderate performance, and the possibility to qualify the relationship further in the context of other organizational variables. Greater depth can also be found by exploring this in a comprehensive manner by conducting the same study in a contrasting way between experimental and control groups (for whom the gender of the leader is not known, other details remaining the same in the vignettes). Such variations may help understand the fluctuations in perception and therefore also the attributions of performance.

Furthermore, having larger sample populations and populations from similar and contrasting backgrounds may help to provide results with greater accuracy about

the nature and strength of the attributions. Specifically, this study can be replicated with working executives to confirm if their responses our similar to that of students. As an aside, writing vignettes with a slight increase in the contextual and cue information may help to assess the dynamics of the attributions with greater accuracy by minimizing (if not totally negating) the 'rounding off' effect of the brief vignette.

Conclusion

The current study draws attention yet again to the fact that romanticized conceptions of leadership have come to be a part of our collective consciousness and they color our perceptions of how organizations and the institutions perform. A manager's gender clearly has bearing on this perception and the attributions that we as observers make, owing to the limited canvas of our mental and cognitive faculties to see the entirety of factors and forces at hand. Here, we see the subtle role of gender stereotypes in appraising managers for their leadership capability. Male managers were more often given credit for the success of their organizations as compared to being held responsible for organizational failures. On the other hand, female managers were more often held responsible for organizational failures as compared to being given credit for organizational success. This systematic bias could have a substantial impact on the work outcomes for female managers. The knowledge of the fact that gender and organizational performance shapes our perceptions of a manager's responsibility for organizational outcomes should bring greater awareness to implement more transparent mechanisms for appraisal and succession planning. In other words, we need to sensitize managers to these biases and build structures and policies that will help offset the bias that these stereotypes affect.

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APPENDIX

The case scenario used in the survey is given below:

The Trans-Indic Corporation is an Indian MNC dealing in the FMCG sector and is a large scale manufacturer. They have been in business for 150 years. By acquisition of local firms and regional players, it has grown to have 150 offices and 700 outlets in the country. They have several plants and a well- established supply chain network in the country.

The FMCG industry has been showing many changes in its markets and economic factors over the past few years. Profit margins for Trans-Indic for the year ending 2011 were pegged at Rs. 35 Crores. Customer Sales at Trans- Indic is a critical business function, headed by the Director - Mr Amar Chopra (Ms. Amrita Singhania). Amar (Amrita) has 7 years of work-experience in the industry and MBA in Sales & Marketing from a reputed B-School. He (she) joined Trans-Indic 5 years ago. Ten deputy managers currently report directly to Amar (Amrita) for sales across the country's various divisions.

At the end of 2012, sales of Trans-Indic decreased by 11.2% over last quarter with revenues falling to Rs. 12.25 Crores (Failed Organization condition).

At the end of 2012, sales of Trans-Indic increased by 11.2% over last quarter with revenues rising to Rs. 46.25 Crores (Successful Organization condition).