

The Glass Cliff

In their paper *The Glass Cliff*, Ryan and Haslam dubbed a new term to describe yet-another challenge facing women in leadership positions. That is, according to the subtitle of the article, that there is “evidence that women are over-represented in precarious leadership positions”.

Perhaps because I left Corporate America in mid 2005, I missed the news furor over this research. Lost in the wilds of Shanghai, it came to my attention through the weekly Buzzwords column of *The Shanghai Daily* (Monday, 22 January 1997) where there is a valiant attempt “to improve the English rendering of new Chinese phrases or terms”; in this case, *boli xuanya* (玻璃悬崖).

Researching the phrase, I stumbled across the traditional “glass ceiling” and the newer “glass escalator” (for the men), in addition to numerous news report on the glass cliff phenomenon. As the news would have us interpret the research, once women succeed in breaking through the glass ceiling, they face a greater likelihood than men of gaining a position with a high risk of failure, and highly visible failure at that.

Ryan and Haslam are to be congratulated for going beyond the existing published work with more detailed analyses. However, it does pay to look beyond the news reports to the actual research paper and recognize the limits of research. The abstract itself is clear on limiting the conclusions.

“This hypothesis was investigated in an archival study examining the performance of FTSE 100 companies before and after the appointment of a male or female board member. The study revealed that during a period of overall stock-market decline those companies who appointed women to their boards were more likely to have experienced consistently bad performance in the preceding five months than those who appointed men.”

The analysis was based on 31 companies covering appointments of 15 women and 16 men to the board. The metric was the change in monthly share price for 5 months prior to appointment and 3 months post appointment. In addition to looking for seasonal variation associated with stock prices, Ryan and Haslam looked for linear, quadratic, cubic, fourth-, fifth-, sixth- and seventh-order effects on the relative monthly performance. Not surprisingly, they found some significant effects – namely a seventh-order three-way interaction and a cubic trend. We are then to conclude from all of this that there is some form of causality between the appointment of women to boards and recent stock-price performance. Or perhaps we should conclude that if you dig deep enough into any set of data, you will find some correlation?

Are we meant to conclude that women, once they’ve shattered the class ceiling, are likely to get stuck into challenging, high visibility, high risk positions? While I firmly believe women face many challenges in business, an exhaustive data analysis of the stock price variability before and after the appointment of 15 women to corporate boards does not provide scientific evidence of a new phenomenon. Women face sufficient work force challenges without the news media creating more with the latest buzzwords.

Reference: Ryan, Michelle, K. and S. Alexander Haslam [The Glass Cliff: Evidence that Women are Over-Represented in Precarious Leadership Positions](#)

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