

Human and Relational Capital behind the Structural Power of Female CEOs in Chinese Listed Firms*

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Summary Power at the workplace is a unique and critical dimension in understanding gender inequality. Hence, our study contributes to gender inequality literature and practice, and our findings will generate additional research on female leadership, and related issues.

1. Relevance

Gender inequality may increase as the rise of workplace power, and individual abilities and outstanding performance have been deemed to foster female executives' upward mobility (e.g. Powell 1999, Smith, 2012). Hence, more attention should be paid to human and relational capital attributes that explain female CEOs upward mobility and structural power, defined as the executive's formal organizational position relative to the focal organization's hierarchy (Finkelstein et al. 2009).

2. Aims & Objectives

Based on an emerging economy, China, we test: (1) whether female CEOs are less likely than male CEOs to achieve similar structural power, and (2) whether human and relational capital is positively associated with the likelihood for the CEO to have structural power, and increase the likelihood for female CEOs to have similar structural power to male CEOs.

3. Methods

Our study includes 2,284 Chinese public firms from 2010 to 2013. We test our hypotheses using panel data logistical regression. Given the relatively small number of female CEOs in our sample and the potential differences in their organizations, we then build a matching pair sample by pairing firms with a female CEO to comparable firms with a male CEO.

4. Results

We show that in China, although female CEOs are growing in number, it remains difficult for them to gain the same structural power, measured by a binary variable indicating whether a CEO also holds the position of chairperson of the board of directors (also called CEO duality), as their male counterparts. Although greater educational qualifications, work experience, and outside directorships are important drivers of CEO structural power, female CEOs with higher levels of human capital are still less likely to obtain similar structural power than male CEOs. On the other hand, outside directorships increase the likelihood of female CEOs to obtain structural power. This suggests that only relational capital is able to compensate gender inequality in China.

5. Conclusions

We demonstrate that, despite the sharp rise in Chinese female CEOs, the glass ceiling remains. Moreover, the standards for upward mobility differ between female and male CEOs. This calls for organizations to provide equitable training and promotion opportunities for females and males alike. Our findings also underscore the key role of relational capital in China in the appointment and promotion of top management.

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