

An Examination of the Impact of Macro Context on Women CEOs in the Hospitality Industry



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Abstract An extensive body of research has studied the antecedents and outcomes of gender differences at the workplace. The differential returns in objective career success (defined by promotions and salary) have been primarily attributed to individual and organizational factors. Yet, other than the effects of national culture and state interventions to promote gender equity (such as board quotas) on women's status, we know to a less extent the impact of macro context on the gender gap. In particular, we study the effects of the federal regulation Sarbanes-Oxley Act (SOX) which followed one of the largest accounting fraud scandals worldwide (i.e. Enron in 2001). We also study the 2008 financial meltdown crisis (following the bankruptcy of Lehman Brothers) on the position and pay of female CEOs. Using Standard & Poor's (S&P) Executive Compensation database (Execucomp) from 1992 to 2011, we found that SOX led to an increase in women serving as CEOs. However, neither the federal act nor the financial meltdown had an effect on the total compensation of CEOs. This evidence suggests that the gender pay gap remains constant regardless of particular events happening in the macro context.

1 Introduction

Women constitute 44.7% of total employees in S&P 500 companies (Catalyst 2017), achieving virtual parity with men at entry level positions within organization (Catalyst 1998). Yet, their progression to higher ranks of the organization has been slow regardless of the evidence that women's participation has economic benefits for organizations and countries (Roseberry and Roos 2014). For instance, the same S&P 500 companies' list show that 36.9% are first and mid-level officials and managers, 26.5% are executive and senior level officials and managers, and only 5.2% hold CEO positions. In a similar vein, women's earnings relative to men have increased

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