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How Leader Gender Influences External Audience Response to Organizational Failures

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Across 3 studies, we examine how leader gender affects external audiences' reactions to organizational failures, and under what conditions such effects are likely to occur. We find that leader gender and failure type (ethical, competence) interact to affect individuals' perceptions of, and propensity to support, an organization after a failure. People respond more negatively to ethical failures when an organization has a female versus a male leader. In contrast, competence failures generally elicit a less negative response for female-led versus male-led organizations. These effects are mediated by trust in the organization. We also show that these relationships are moderated by factors that influence evaluators' communal perceptions of leaders (e.g., leader descriptions) or their expectations regarding organizational competence (e.g., gender congruence). Our findings contribute to the literatures on female leaders, organizational failures, and the influence of norms on evaluator judgments.

Keywords: female leaders, relational norms, competence failure, ethical failure, crisis management

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In recent years, there has been increased focus on the representation of women in leadership positions and on what organizations can do to help women succeed when they attain these roles (Perdue & Isaac, 2018). Such efforts have arisen in response to considerable research showing that female leaders are often evaluated differently from their male peers. In particular, women receive less credit, and fewer rewards, for positive organizational outcomes when compared with men in similar leadership roles (Kulich, Ryan, & Haslam, 2007). This may be because the communal traits ascribed to women are less consistent with prototypical leader characteristics, making their achievements more likely to be attributed to external factors than to their own leadership skill (Heilman, 2001; Heilman, Wallen, Fuchs, & Tamkins, 2004; Kulich et al., 2007; Rosette & Tost, 2010; Schein, 2001). More recently, questions have emerged about whether gender likewise shapes how leaders are evaluated in the wake of *failures*, particularly those related to ethical shortcomings. For example, during the 2016 U.S. presidential campaign several polls found that Donald Trump was perceived as more trustworthy than Hillary Clinton, despite evidence that he made more false statements (Dickinson, 2016; Foran, 2016). This is consistent with more rigorous work showing that women incur greater penalties for ethical transgressions than their male counterparts (e.g., Kennedy, McDonnell, & Stephens, 2016). Thus, while not conclusive, there appears to be growing evidence that gender impacts how leaders' successes *and* failures are evaluated. Such gender-based differences clearly have the potential to impact leaders' careers and professional outcomes.

Prior research, however, shows that leader characteristics shape not only evaluations of leaders themselves, but also audiences' evaluations of the *organizations* that they lead (Kulich et al., 2007; Meindl, Ehrlich, & Dukerich, 1985; Shamir, 1992). This raises the possibility that a leader's gender may also be important in understanding how audiences respond in the wake of organizational (vs. personal) failures. Such events are pivotal in organizations' relationships with stakeholders (Bundy, Pfarrer, Short, & Coombs, 2017). They negatively impact perceptions of an organization and can jeopardize stakeholders' willingness to provide resources or other forms of support going forward (Benoit, 1997; Bundy et al., 2017; Coombs, 2007; Coombs & Holladay, 2005; Suchman, 1995; Sutton & Callahan, 1987). As a result, failures often precipitate crises that threaten an organization's future performance and survival (Grégoire & Fisher, 2008; Rhee & Haunschild, 2006). Given these consequences, scholars have devoted considerable attention to understanding how external audiences perceive and respond to organizational failures (Bundy et al., 2017). However, to date this literature has not systematically explored how genders, or other leader characteristics, influence these responses.

This issue demands attention because increasingly it is leaders themselves—not PR representatives or professional spokespeople—that publicly represent their organizations in times of crisis (Amernic & Craig, 2006; Fanelli & Misangyi, 2006; Oliveira & Murphy, 2009). For example, it was Starbucks' CEO Kevin Johnson who appeared in the video that the company released to apologize for the arrest of two African American men who were waiting at a store in Philadelphia (Samuelson, 2018). As a result, it is becoming common for a leader's identity and gender to be

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observable to external audiences as they follow news regarding an organizational failure. This underscores the importance of understanding how this information may influence individuals' subsequent judgments and behavior in ways that could affect an organization's ability to survive and recover after a failure.

In this article, we integrate research on leadership and organizational failures to explore how leader gender influences individuals' responses to such failures. Following prior work in this domain, we examine responses to both ethical and competence failures (Brown & Dacin, 1997; Skowronski & Carlston, 1989; Votolato & Unnava, 2006; Wojciszke, Brycz, & Borkenau, 1993). We theorize that individuals' reactions to organizational failures will be related to the gender of an organization's leader, because gender affects the relative salience of relational versus exchange norms to evaluators. In particular, female stereotypes are strongly associated with communal traits such as being likable, sensitive, and supportive of others (Bem, 1974; Eagly & Karau, 2002; Schein, 1973, 2001). Even in leadership contexts, there is considerable evidence that women are expected to be more communal than men (Johnson, Murphy, Zewdie, & Reichard, 2008; Rosette & Tost, 2010; Schaumberg & Flynn, 2017). As a result, we expect relational norms to be relatively more salient when individuals are evaluating organizations led by women (vs. men).

Norms affect reactions to failures by fundamentally altering the *expectations* that individuals have of organizational conduct. In particular, as relational norms become more salient (relative to exchange norms), prior research suggests that evaluators *raise* their expectations of organization ethicality, but *lower* their expectations of organizational competence. Thus, they show greater tolerance for organizations' competence shortcomings than they do for their ethical ones. In contrast, when relational norms are less salient, exchange norms guide evaluator expectations. These norms are associated with expectations that organizations will function effectively and deliver promised outcomes (e.g., a quality product, a paycheck, and a profit). Such expectations are fundamentally violated whenever transactional obligations are not met, making failure attributions (i.e., ethical/competence) less relevant to individuals' reactions (Clark & Mills, 2011).

Building on this past work, we argue that differences in relational norm salience will lead to different expectations of ethicality and competence for female-led versus male-led organizations and, in turn, to different audience reactions after ethical and competence failures. Across three studies (and an additional three studies presented in the online supplemental materials), we find that audiences' trust in, and willingness to support, an organization after a failure indeed vary as a function of both the nature of that failure and the gender of the organizational leader. We show that such gender-based differences can be attenuated or reversed by changing the communal perceptions of leaders (via stereotype-consistent vs. inconsistent descriptions). We also specifically examine the relationship between norms and organizational expectations and illustrate conditions under which this relationship is weaker (i.e., when there is congruence between leader gender and that of the organization's primary constituents).

Our findings contribute to the literatures on female leaders, organizational failures, and the influence of norms on evaluator judgments. By demonstrating how gender shapes individuals' perceptions after failures, our work underscores the consequences of leaders' increasing visibility and elucidates how their personal characteristics shape audiences' judgments and behavior in ways that are important to an organization's future performance (Gaines-Ross, 2015; Weber Shandwick, 2013). Our findings also extend past research on crisis management, which has primarily focused on how characteristics of the crisis (e.g., severity or controllability) and the organization (e.g., reputation) influence stakeholder response (Bundy & Pfarrer, 2015; Bundy et al., 2017; Coombs, 2007; Elsbach, 1994). Our studies illustrate the role that leader characteristics can also play, which may further inform the kinds of organizational statements or actions that are needed to restore trust and maintain support in the wake of a failure. Finally, this work extends prior research on relational norm salience by more carefully unpacking the causal chain that connects norms to audience reactions. In doing so, it is also the first research of which we are aware to demonstrate how contextual factors can moderate the impact of relational norm salience on individuals' perceptions and behavioral intentions after a failure.

Theoretical Development

Leader Gender

Past work shows that female and male leaders are perceived differently because gender stereotypes prime different evaluator expectations (Biernat & Manis, 1994; Biernat, Manis, & Nelson, 1991; Eagly, Makhijani, & Klonsky, 1992; Rosette & Tost, 2010; Schaumberg & Flynn, 2017). While there is evidence that some prototypical leadership qualities are now viewed as gender-neutral (e.g., intelligence; Johnson et al., 2008), many others remain strongly linked to traditionally masculine traits such as decisiveness, assertiveness, and self-confidence (Schein, 1973, 2001). Such traits are often in tension with communal stereotypes of women, which center on "concern for the welfare of other people" (Eagly & Karau, 2002, p. 574). To be evaluated favorably, female leaders must strike a balance between displaying leadership qualities and conforming to communal stereotypes by being likable and displaying sensitivity to others' concerns (Johnson et al., 2008; Rosette & Tost, 2010; Schaumberg & Flynn, 2017).

Most prior research has focused on understanding the implications of such gender-based expectations on evaluations of leaders themselves. However, leader characteristics (such as gender) not only influence audiences' evaluations of individual leaders, but also evaluations of the organizations that they lead (Kulich et al., 2007; Meindl et al., 1985; Shamir, 1992). This occurs for two reasons. First, gender can directly impact *perceptions of leaders* and their ability to successfully run an organization. For example, in the business domain, there is evidence that female founders are perceived as less decisive and less effective in resolving disputes (e.g., between managers or board members) compared with male founders. The start-up organizations they run are, in turn, viewed as less likely to succeed and investors are more reluctant to support them with financial capital (Bigelow, Lundmark, McLean Parks, & Wuebker, 2014). Second, leader gender can also serve as a signal used by audiences to draw inferences about broader *organizational capabilities or values* (Welbourne, Cycyota, & Ferrante, 2007). For example, representation of women in senior leadership, or other visible roles, may be used to draw conclusions about an organization's stance toward diversity, its capabilities in serving diverse constituent groups, or its access to resource networks (Ely

& Thomas, 2001; Ibarra, 1993, 1995; Thomas & Ely, 1996; Valet, 2018). Despite such effects, research has not investigated how leader gender may influence stakeholders' support for an organization in the wake of a failure. This omission is notable since leaders increasingly serve as the public face of their organizations when failures occur (Amernic & Craig, 2006; Fanelli & Misangyi, 2006; Oliveira & Murphy, 2009).

Audience Reactions to Organizational Failures

Failures occur when organizations violate audiences' expectations of performance in harmful ways (Aaker, Fournier, & Brasel, 2004; Bundy & Pfarrer, 2015). Examples include product failures, industrial accidents, or labor law violations. When such events are publicly revealed, they damage an organization's reputation and can jeopardize its future performance and survival. Such adverse consequences occur because failures reduce individuals' trust in an organization and often result in lower levels of future support or engagement (Aaker et al., 2004; Grégoire, Tripp, & Legoux, 2009). As a result, scholars have sought to understand the conditions under which failures are more likely to damage audience trust and support, as well as how organizations can mitigate these consequences after a transgression (Bundy et al., 2017). Overall, this research has found that audiences' reactions to an organizational failure are shaped by the attributions that they make about the failure, and the norms that are salient to them at the time (Aaker et al., 2004; Aggarwal, 2004).

Failure attributions. Individuals' reactions to an organizational failure are contingent upon whether they perceive that failure to pertain primarily to an organization's competence or to its ethics (Raju & Rajagopal, 2008; Votolato & Unnava, 2006). Competence failures stem from an organization's perceived lack of ability, while ethical failures are attributed to moral shortcomings (Brown & Dacin, 1997; Kim, Ferrin, Cooper, & Dirks, 2004; Raju & Rajagopal, 2008; Wojciszke et al., 1993). Such attributions are inherently subjective; even failures with identical outcomes may be attributed to different causes because of the context in which they are revealed. For example, an unintentional manufacturing defect that is immediately disclosed and remedied when it is first identified is likely to be perceived by audiences as a competence failure. However, this same defect, if covered up by a company or not disclosed in a timely fashion, may instead be judged as an ethical failure.

Salient norms. The effect of these attributions on audiences' responses depends upon what norms of organizational conduct are salient to them at the time. This is because salient norms shape individuals' *expectations* of an organization when they are evaluating a failure (Aggarwal, 2004; Aggarwal & Law, 2005). Past research suggests that exchange norms, relational norms, or a combination of both, may be salient to individuals when assessing organizational actions and outcomes (Aggarwal & Law, 2005). Exchange norms emphasize the transactional nature of a relationship and, accordingly, lead audiences to expect organizations to act in ways that allow them to deliver specific outcomes or results (Clark & Mills, 2011). Such norms align with the ways in which individuals tend to interact with organizations—for example, providing money or labor in exchange for other things of comparable value (e.g., a product or service, a paycheck; Ahluwalia, Burnkrant, & Unnava, 2000; Brown & Dacin, 1997; Gürhan-Canli & Batra, 2004). However, individuals often also assign quasi-human qualities to organizations (Fournier, 1998), which can increase the salience of relational norms. These norms bear greater similarity to those observed in interpersonal relationships (e.g., friendship; Kanouse & Hanson, 1972; Wojciszke et al., 1993) and lead individuals to expect organizational conduct to more closely mirror interpersonal conduct—for example, to adhere to a moral code and to act in ways that reflect genuine concern for stakeholders and sensitivity to their needs (Aggarwal, 2004).

Individuals react more negatively to organizational failures that violate the expectations primed by salient norms (Aaker et al., 2004; Aggarwal, 2004). Not surprisingly, past research has found that exchange norms are often most salient to individuals when forming judgments of organizations. As a result, individuals' reactions to failures—regardless of attribution—are driven by the extent to which an organization has failed to deliver anticipated outcomes or results (Ahluwalia et al., 2000; Brown & Dacin, 1997; Clark & Mills, 2011; Folkes, 1984; Gürhan-Canli & Batra, 2004). That is, assuming the performance outcome is the same, there may be little difference in audience reactions to ethical versus competence failures when exchange norms are salient. In contrast, when context is manipulated to make relational norms more salient to evaluators, studies suggest that failure attributions indeed become quite important to understanding audience reactions (Aggarwal, 2004).

In particular, when relational norms have greater salience, evidence suggests that individuals judge organizational failures in much the same way that they would judge an individual's failure. Overall, evaluators tend to be *less* forgiving of ethical failings by people (vs. organizations), but *more* forgiving of their competence failings (Kanouse & Hanson, 1972; Wojciszke et al., 1993). This is because relational norms (a) heighten expectations of moral behavior (i.e., ethicality) and, (b) depress expectations of competence. In interpersonal relationships, for example, competence shortcomings are expected; even people of high ability are not presumed to achieve successful outcomes all the time. However, the expectation is that people can always choose to act in ethical ways (Kanouse & Hanson, 1972; Wojciszke et al., 1993). A similar pattern of expectations emerges in the context of organizational evaluations when relational norms are manipulated to have greater salience. As relational norms become more salient relative to exchange norms, ethical transgressions are judged more harshly, while those pertaining to competence are viewed less negatively (Aggarwal, 2004).

We propose that leader gender shapes individuals' reactions to failures by altering the salience of relational norms and, in turn, expectations of both organizational ethicality and organizational competence. The traits stereotypically associated with men (e.g., analytic, rational, and unemotional) are consistent with the "default" exchange norms used to judge organizations (Acker, 1990; Kanter, 1977). Communality, however, anchors both the female stereotype and the expectations of women leaders (Bem, 1974; Eagly & Karau, 2002). Such communal perceptions should make relational norms relatively more salient to audiences when judging female-led organizations. If leader gender indeed affects relational norm salience in this way, then failure attributions should produce greater divergence in audiences' reactions to ethical versus competence failures at female-led organizations. This is because individuals should have higher ethical expectations, but lower compe-

tence expectations, of female-led (vs. male-led) organizations. This pattern should lead to predictable differences in how leader gender affects individuals' responses to organizational failures. Formally,

> *Hypothesis 1a (H1a):* Individuals will respond less favorably to a female-led organization than to a male-led organization after an ethical failure.

> *Hypothesis 1b (H1b):* Individuals will respond more favorably to a female-led organization than to a male-led organization after a competence failure.

The mediating role of organizational trust. Organizational trust (i.e., "confidence that a firm is dependable and can be relied on") plays an important role in understanding audience reactions to both ethical and competence failures (Grégoire & Fisher, 2008, p. 41; Sirdeshmukh, Singh, & Sabol, 2002). Trust in an organization is predicated on an individual's positive expectations about an organization's future actions and intentions (Gillespie & Dietz, 2009; Lewicki, McAllister, & Bies, 1998; Mayer, Davis, & Schoorman, 1995). After an organizational failure, external audiences judge the future performance of an organization by evaluating whether it possesses the qualities needed to meet expectations in the future (Kim, Dirks, Cooper, & Ferrin, 2006; Kim et al., 2004; McKnight, Choudhury, & Kacmar, 2002; Tomlinson & Mryer, 2009). The expectations used in such assessments are a function of the norms that are salient at the time. For example, when relational norms are more salient, audiences have higher (lower) expectations of organizational ethicality (competence). As a result, audience trust is more negatively affected by ethical (vs. competence) failures because such transgressions constitute a greater violation of expectations (Elangovan & Shapiro, 1998). This damage to trust, in turn, results in less willingness to support an organization going forward (Gillespie & Dietz, 2009; Kim et al., 2006, 2004; Mayer et al., 1995; Sitkin & Roth, 1993). As a result, we predict that organizational trust will mediate the relationships proposed above:

> *Hypothesis 2 (H2):* Organizational trust will mediate the interactive effect of leader gender and failure type on individuals' responses to a failure.

The moderating role of leader description. H1a and H1b are predicated on the argument that there is a relationship between leader gender and the relative salience of relational (vs. exchange) norms. Female leaders are theorized to increase the salience of relational norms because women are perceived to be more communal than men. However, communal perceptions may also be affected by the way leaders are presented or described (Rudman & Glick, 1999; Schaumberg & Flynn, 2017). For example, a leader—regardless of gender—should be perceived as relatively more communal when he or she is described in communal terms, and less so when described using agentic terms. If this is the case, then such descriptions have potential to moderate the relationship between leader gender and relational norm salience. They should, in turn, also have implications for audiences' expectations of organizations and, ultimately, how they react to organizational failures.

Leader descriptions that are *consistent* with gender stereotypes (i.e., communal female and agentic male) should produce the same relationships predicted in H1a and H1b because these descriptions affect leader perceptions and norm salience in the same manner as leader gender alone. In contrast, stereotype-*inconsistent* descriptions (i.e., agentic female and communal male) should attenuate these relationships. For example, while relational norms are generally more salient for organizations led by women, this relationship should be weaker when a female leader is described in agentic terms. Lower relational norm salience means that ethical and competence failures should be judged more similarly for organizations led by agentic female leaders (vs. communal female leaders). For communally described male leaders, the opposite should be true. That is, we should observe more divergence in audiences' reactions to ethical and competence failures because the communal description makes relational norms more salient than they are for organizations led by agentically described men.

The implication of these changes is that stereotype-*inconsistent* descriptions should reduce the greater penalties that female-led organizations face for ethical failures (relative to male-led organizations) and increase the penalties they face for competence failures. As a result, we predict that such descriptions will attenuate the relationships outlined in H1a and H1b. Indeed, depending on the strength of the effects, H1a and H1b could even be reversed entirely such that organizations led by communally described men face greater (lesser) penalties for ethical (competence) failures than those led by agentically described women. More formally, we predict that leader description will moderate H1a and H1b, such that:

> *Hypothesis 3 (H3):* H1a and H1b will be supported when leader descriptions are *consistent* with gender stereotypes (i.e., communal female, agentic male), but attenuated or reversed when leader descriptions are *inconsistent* with gender stereotypes (i.e., agentic female, communal male).

The moderating role of gender congruence. The patterns predicted by H1a and H1b fundamentally arise because relational norm salience creates more divergence in audiences' judgments of ethical versus competence failures at female-led (vs. male-led) organizations. Indeed such divergence is fully consistent with the finding that relational norms raise expectations of ethicality and lower expectations of competence (Aggarwal, 2004). The logic underlying H3 suggests that this divergence can be attenuated by factors (i.e., agentic leader descriptions) that simply make relational norms less salient to audiences when judging female-led organizations. However, if such divergence ultimately arises from the effect of relational norms on organizational expectations, then it should also be possible to attenuate this divergence *without* affecting the salience of relational norms. More specifically, even when relational norms are salient, the presence of other factors in the evaluation context that *positively* influence individuals' expectations of organizational competence (i.e., that raise competence expectations to be more in line with ethical expectations), should lead audiences to judge female-led organizations more similarly for ethical and competence failures, relative to when such factors are not present.[1]

[1] Or, alternatively, factors that depress audiences' ethical expectations (i.e., that lower them to be more in line with competence expectations).

Research suggests that, apart from norms, there are a range of signals that influence audiences' expectations of organizational competence. For example, the resources that an organization has—financial capital, human capital, and technology—are widely believed to affect its ability to fulfill goals, compete with rivals, and deliver value to stakeholders (see Barney, Ketchen, & Wright, 2011 for a review of this research). Organizations are expected to have higher ability not only when they have more resources, but also when those resources are better matched to the demands of their environments (Castanias & Helfat, 1991; Mahoney & Pandian, 1992; Wright, Smart, & McMahan, 1995). As noted earlier, leader gender plays an important role in how audiences perceive these organizational resources and capabilities. In particular, demographic similarity between leaders and "critical consumer or constituent groups" contributes to perceptions of resource congruence (Ely & Thomas, 2001; Thomas & Ely, 1996, p. 83). Such "gender congruence" positively influences expectations of organizational competence because (rightly or wrongly) it is viewed as a signal of the organization's access to more relevant resource networks and better knowledge about constituents and their preferences (Welbourne et al., 2007). Thus, even though relational norms are still salient, female-congruent domains may help offset lower competence expectations for female-led organizations. This should, consequently, bring audiences' reactions to ethical and competence failures at female-led organizations more in line with one another. Formally:

> *Hypothesis 4 (H4):* The difference in audience reactions to ethical versus competence failures at female-led firms will be attenuated in female-congruent (vs. -incongruent) domains.

In turn, female-congruent settings should also have implications for how audiences respond to competence failures at female- versus male-led organizations. H1b predicts that, in general, audiences will respond more favorably to female-led firms after such failures because of the lower competence expectations that accompany relational norm salience. However, this effect should be attenuated in female-congruent domains where congruence serves to somewhat offset lower competence expectations for female-led firms. Indeed, because female-congruent settings are gender-*incongruent* for male-led organizations, H1b could even be reversed entirely. That is, it may be that audiences judge *female*-led, rather than male-led, organizations more harshly for competence failures in these settings.

> *Hypothesis 5 (H5):* In female-congruent domains, the difference in audience reactions to competence failures at female-led (vs. male led) firms will be attenuated or reversed.

We report three studies that test our hypotheses in the context of a product failure at a business organization (Aaker et al., 2004; Grégoire et al., 2009). We selected this context because much of the current discussion and research on female leaders is focused on female CEOs (Bruckmüller & Branscombe, 2010; Johnson et al., 2008; Kulich et al., 2007; Perdue & Isaac, 2018). We utilize consumers as the external audience in our studies. This group is particularly important to organizational recovery and performance in business settings (Grégoire & Fisher, 2008; Rhee & Haunschild, 2006). In Study 1, we confirm our core prediction regarding the interactive effect of leader gender and failure type (H1a and H1b) on individuals' responses, and we find evidence for process by showing how individuals' trust in the organization mediates the observed effects (H2). In Study 2, we show the moderating role of leader description (H3), and, in doing so, demonstrate how the gender differences that arise for organizational leaders can be reversed. In Study 3, we investigate the moderating effect of gender congruence on our observed effects (H4 and H5). Finally, we report several supplemental studies that provide additional support for our theorizing and help to rule out alternative explanations.

Study 1

Study 1 had two main objectives. First, we wanted to see whether, after learning about a product failure, individuals' responses (i.e., purchase intentions) would vary based on CEO gender and failure type as predicted in H1a and H1b. Second, we wanted to examine the role of organizational trust in mediating the interactive effect of CEO gender and failure type on individuals' responses (H2). Study 1, and the two subsequent studies (as well as those reported in the online supplemental materials), received Institutional Review Board (IRB) approval.

Method

Stimulus materials pretest. All of our studies presented information to respondents in the form of a news article about a product failure. In Study 1, and the two subsequent studies, U.S.-based participants were recruited from Amazon's Mechanical Turk (MTurk) service in return for monetary compensation. Study 1 presented information to participants in the form of a news article about a product failure that occurred at XYZ Motorcars. The article reported that independent laboratory results had recently revealed that several XYZ car models failed to achieve their advertised fuel efficiency claims because of a defective fuel system sensor. In both scenarios, the outcome or result is the same (i.e., the product is flawed—cars have a defective fuel sensor), but we manipulated perceptions of whether this is a competence or ethical failure by altering the circumstances surrounding the company's prior knowledge of the defect. In the competence failure version of the article, the company is reported to be previously unaware of defect; in the ethical failure version, the company is said to have known about the defect for 6 months but not to have addressed it because of the high cost of replacing the component (see Appendix A).

Before the main study, we conducted a pretest ($N = 49$, 57.1% female, $M_{Age} = 33.14$) to ensure that participants viewed the failures as related to organizational competence or ethics, as intended. Participants were randomly assigned to evaluate either the ethical or the competence version of the article. We did not vary CEO gender during this pretest; we only referred to the CEO by last name (Clayton). After reading their assigned article, respondents were asked to evaluate, using a two-item scale, the extent to which the failure was attributable to ethical matters at XYZ (e.g., *The failure was because of unethical behavior*, *The failure was because of a lapse in moral judgment*; 1 = *strongly disagree*, 7 = *strongly agree*; $\alpha = .86$). They were also asked to rate the extent to which the failure described was attributable to competence matters at XYZ, again using a two-item scale (e.g., *The failure was*

because of a lack of ability, *The failure was because of incompetence*; $\alpha = .62$). These two-item scales were developed based on characteristics identified in prior studies of competence and ethical failures, as well as related work in psychology on the negativity effect (Brown & Dacin, 1997; Kim et al., 2006; Reeder & Brewer, 1979; Skowronski & Carlston, 1989). We also asked respondents to rate how severe they perceived the failure to be using a single-item measure (1 = *not at all severe*, 7 = *very severe*). We included this last item to ensure that any observed effects were attributable to differences in failure type, rather than differences in the severity of the failure.

We conducted an analysis of variance (ANOVA) with failure type as a between-subjects variable and the ethics and competence measures as within-subjects variables. The analysis revealed a significant interaction between failure type and the measures, $F(1, 47) = 29.03$, $p < .01$, $\eta_p^2 = .38$. In line with our expectations, the problem conveyed in the ethical failure version of the stimulus was perceived as attributable to ethical matters to a greater extent ($M = 5.48$, $SE = 0.30$) than in the competence failure version ($M = 3.70$, $SE = 0.29$), $t(47) = 4.30$, $p < .01$, $d = 1.25$. In contrast, the problem conveyed in the competence failure version was perceived as attributable to a lack of ability to a greater extent ($M = 5.00$, $SE = 0.23$) than in the ethical failure version of the stimulus ($M = 3.58$, $SE = 0.24$), $t(47) = -4.27$, ($p < .01$, $d = 1.25$). The analysis of the failure severity measure showed no differences in perceived severity between the ethical failure ($M = 5.04$, $SE = 0.29$) and competence failure conditions ($M = 4.32$, $SE = 0.28$), $t(47) = 1.80$, $p = .08$, $d = .53$. In summary, the pretest confirmed that our competence and ethical failure manipulations were effective, and it increased our confidence that any observed differences across failure type are not because of differences in perceived severity.

Participants and design. Participants ($N = 512$, 54.1% female, $M_{Age} = 36.70$) completed the main study via an online survey. We manipulated both CEO gender (female, male) and failure type (competence, ethical, and control/no failure) using a between-subjects design. Sample sizes for all three studies were determined a priori with the program *G*Power* (Erdfelder, Faul, & Buchner, 1996). We utilized a medium effect size of $f = 0.25$, in line with past work on organizational leader gender (Bruckmüller & Branscombe, 2010; Johnson et al., 2008). In addition, we conducted a sensitivity power analysis for each of our studies using *G*Power*. The minimal detectable effect size (MDES) in Study 1 with an alpha of .05 and a power of .80 was determined to be $f = 0.12$.[2]

Procedure. Participants were asked to read a brief business news article about an auto manufacturer, as described above (see Appendix A). They were informed that the names of the company and the CEO were disguised for confidentiality reasons. We manipulated the gender of the CEO, between subjects, by changing the CEO's first name (male = "Adam," female = "Abigail"). Within each CEO gender condition, we also varied the type of failure presented in the article. One third of participants read the ethical failure version, and one third read the competence failure version of the stimulus. The final third of participants were not given any information about a failure; they simply read the description of the company (control condition). This condition was included to assess the extent to which the failures alone impacted individuals' support of the organization.

We utilized purchase intent as our dependent variable of interest because this measure is reflective of consumer support of the organization and predictive of actual purchase behavior (Bhargave & Montgomery, 2015; Facebook Business, 2015; Fishbein & Ajzen, 1975; Park, MacInnis, Priester, Eisingerich, & Iacobucci, 2010; Rajagopal & Montgomery, 2011). Consistent with past work (Park et al., 2010; Rajagopal & Montgomery, 2011), we measured purchase intent by asking participants to indicate their likelihood of purchasing XYZ automobiles the next time they were in the market for a car (1 = *not at all likely*, 7 = *very likely*). They also reported their trust in the organization using two different measures. The first operationalizes trust as a function of the underlying beliefs (three-item scale: "I feel that XYZ is . . ." 1 = *very undependable/very incompetent/of low integrity*, 7 = *very dependable/very competent/of high integrity*; $\alpha = .94$) that support an individual's willingness to rely on an organization ("trust beliefs"; Castaldo, Premazzi, & Zerbini, 2010; Mayer et al., 1995; Mc Knight et al., 2002; Morgan & Hunt, 1994). This measure is frequently used in research on organizational failures, including studies of ethical and competence transgressions, as well as in other settings where less obtrusive trust measures are preferred (e.g., Grégoire & Fisher, 2008; Grégoire et al., 2009; Kim et al., 2004; Mayer & Davis, 1999; Montgomery, Raju, Desai, & Unnava, 2018; Sirdeshmukh et al., 2002; Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). The second measure is a general trust measure often used in studies of customer-brand relationships (three-item scale: "XYZ will meet my expectations in the future," "XYZ is trustworthy," "I can count on XYZ," 1 = *strongly disagree*, 7 = *strongly agree*; $\alpha = .94$; e.g., Aaker et al., 2004; Chaudhuri & Holbrook, 2001; Crosby, Evans, & Cowles, 1990; Tax, Brown, & Chandrashekaran, 1998). We included both measures to ensure that our results were robust to these different methodological approaches. As expected, the two measures of trust were positively and significantly correlated ($r = .87$). Finally, participants provided their demographic information, including gender and age, before being thanked and debriefed.

Results

We conducted an ANOVA to examine the interactive effect of CEO gender (female, male) and failure type (competence, ethical, and control/no failure) on consumer purchase intent. We found a significant main effect of failure type, $F(2, 506) = 59.30$, $p < .01$, $\eta_p^2 = .19$, with the ethical failure ($M = 2.80$, $SE = 0.12$) resulting in the lowest purchase intent, followed by the competence failure ($M = 3.31$, $SE = 0.12$), and finally the control condition in which no failure occurred ($M = 4.60$, $SE = 0.12$). The main effect of CEO gender was not significant, $F < 1$. The interaction between CEO gender and failure type was significant, $F(2, 506) = 11.15$, $p < .01$, $\eta_p^2 = .04$.

Planned contrasts of the effect of CEO gender within each failure condition showed that when participants only read a description of the company, without any mention of a failure (control), their purchase intent did not differ by whether the CEO was female ($M = 4.51$, $SE = 0.17$) or male ($M = 4.69$, $SE = 0.17$), $t < 1$. When participants were told that the company had previously

[2] The MDES for the subsequent studies were $f = .14$ (Study 2) and $f = .12$ (Study 3).

been made aware of the fuel sensor problem (ethical failure), they reported lesser intent to purchase from XYZ when the CEO was female ($M = 2.36$, $SE = 0.17$) than when the CEO was male ($M = 3.24$, $SE = 0.17$), $t(506) = 3.66$, $p < .01$, $d = .33$. This finding supports H1a. However, when participants were told that the company was previously unaware of the problem (competence failure), they reported greater intent to purchase the products when the CEO was female ($M = 3.66$, $SE = 0.17$) than when the CEO was male ($M = 2.96$, $SE = 0.17$), $t(506) = -3.00$, $p < .01$, $d = .27$, consistent with H1b (see Figure 1). Consistent with our theorizing, we also found that these effects arise because failure attributions have greater influence on audiences' reactions to female-led (vs. male-led) organizations. Participants reported differences by failure type in their intent to purchase from female-led organizations, $t(506) = 5.47$, $p < .01$, $d = .49$, but purchase intent did not differ by failure type for male-led organizations, $t(506) = -1.18$, $p = .24$, $d = .10$.

We did not hypothesize specific effects by *respondent* gender, but these are important to explore because they could affect the generalizability of our findings. Therefore, we conducted additional analyses to examine the role of respondent gender on reactions to organizational failures with the goal of offering further insight into our findings. Specifically, we conducted an ANOVA to examine the interactive effect of respondent gender (female, male), CEO gender (female, male) and failure type (competence, ethical, and control/no failure) on consumer purchase intent in the automotive industry. We found a significant main effect of respondent gender, with female respondents reporting lower purchase intent than male respondents, $F(1, 500) = 13.70$, $p < .01$, $\eta_p^2 = .03$. The respondent Gender × CEO gender × Failure type interaction was not significant, $F < 1$.

Mediation analysis. We expected organizational trust to mediate the effects of CEO description and failure type on individuals' intent to purchase from the organization. To test these assertions, we first regressed purchase intent on CEO gender (0 = female, 1 = male), a dummy variable for the competence failure condition, a dummy variable for the ethical failure condition, the interaction between CEO gender and the competence failure dummy, and the interaction between CEO gender and the ethical failure dummy. Thus, all conditions are retained in this analysis; the control condition is an omitted variable, and the interaction between CEO gender and the control condition is the omitted interaction term. Consistent with our predictions, the competence failure interaction term was significant ($b = -0.88$, $SE = 0.33$), $t(506) = -2.62$, $p = .01$, $d = .23$, indicating differences in the pattern of evaluations between the control and the competence failure conditions. The ethical failure interaction term was also significant ($b = 0.70$, $SE = 0.34$), $t(506) = 2.05$, $p = .04$, $d = .18$, indicating differences in the pattern of evaluations between the control and the ethical failure conditions. We also confirmed that organizational trust was predicted by both the competence failure interaction (b −0.61, $SE = 0.30$), $t(506) = -2.07$, $p = .04$, $d = .18$, and the ethical failure interaction ($b = 0.77$, $SE = 0.30$), $t(506) = 2.56$, $p = .01$, $d = .23$. We utilized the trust beliefs measure as the mediator in these analyses, but an analysis with the general measure of trust yielded similar results (see Table 1). We used Preacher and Hayes' (2008) macro (Model 8) to obtain 95% bias-corrected confidence intervals (CIs) with 5,000 bootstrap samples to test for mediation. When organizational trust was included as a mediator, the direct effect of the competence failure interaction term ($b = -0.37$, $SE = 0.23$), $t(505) = -1.61$, $p = .11$, $d = .14$, and the direct effect of the ethical failure interaction term ($b = 0.05$, $SE = 0.23$), $t(505) = 0.23$, $p = .82$, $d = .02$, on purchase intent were no longer significant. However, the indirect mediation effects for both interaction terms were significant (competence: $b = -0.52$, $SE = 0.24$, 95% CI [−1.00, −0.65]; ethical: $b = 0.65$, $SE = 0.24$, 95% CI [0.17, 1.14]), supporting H2. The results of the mediation analyses for both trust measures are reported in full in Table 1.

Discussion

The findings from Study 1 show that CEO gender and failure type interact to affect audience reactions to an organizational failure. Con-

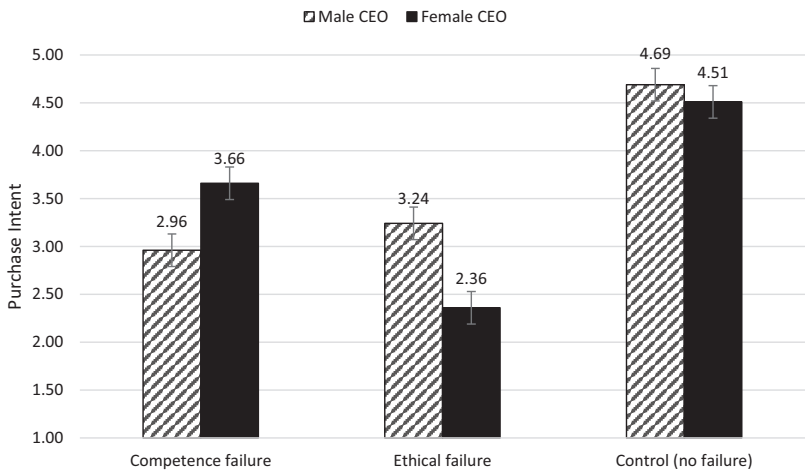


Figure 1. The effect of CEO gender and failure type on consumer purchase intent for an auto manufacturer in Study 1. Higher numbers indicate a greater likelihood of purchasing from the organization in the future (i.e., a more favorable consumer response).

Table 1
Mediation Analysis Models for Study 1

Model predictors	Model dependent variables: Purchase intent (without mediator)	Organizational trust	Purchase intent (with mediator)
Trust beliefs measure			
CEO gender	$b = .18$, $SE = .24$	$b = .04$, $SE = .21$	$b = .15$, $SE = .16$
(0 = female, 1 = male)	$t(506) = .74$, $p = .46$	$t(506) = .19$, $p = .85$	$t(505) = .89$, $p = .37$
Competence failure dummy	$b = -.85$, $SE = .24$	$b = -.92$, $SE = .21$	$b = -.08$, $SE = .16$
	$t(506) = -3.52$, $p < .01$	$t(506) = -4.34$, $p < .01$	$t(505) = -.46$, $p = .65$
Ethical failure dummy	$b = -2.15$, $SE = .24$	$b = -2.19$, $SE = .21$	$b = -.31$, $SE = .18$
	$t(506) = -8.84$, $p < .01$	$t(506) = -10.24$, $p < .01$	$t(505) = -1.71$, $p = .09$
CEO gender × Competence failure dummy	$b = -.88$, $SE = .33$	$b = -.61$, $SE = .30$	$b = -.37$, $SE = .23$
	$t(506) = -2.62$, $p = .01$	$t(506) = -2.07$, $p = .04$	$t(505) = -1.61$, $p = .11$
CEO gender × Ethical failure dummy	$b = .70$, $SE = .34$	$b = .77$, $SE = .30$	$b = .05$, $SE = .23$
	$t(506) = 2.05$, $p = .04$	$t(506) = 2.56$, $p = .01$	$t(505) = .23$, $p = .82$
Organizational trust	—	—	$b = .84$, $SE = .03$
			$t(505) = 24.71$, $p < .01$
General trust measure			
CEO gender	$b = .18$, $SE = .24$	$b = .02$, $SE = .22$	$b = .17$, $SE = .15$
(0 = female, 1 = male)	$t(506) = .74$, $p = .46$	$t(506) = .07$, $p = .94$	$t(505) = 1.11$, $p = .27$
Competence failure dummy	$b = -.85$, $SE = .24$	$b = -.78$, $SE = .22$	$b = -.18$, $SE = .15$
	$t(506) = -3.52$, $p < .01$	$t(506) = -3.55$, $p < .01$	$t(505) = -1.17$, $p = .24$
Ethical failure dummy	$b = -2.15$, $SE = .24$	$b = -2.10$, $SE = .22$	$b = -.35$, $SE = .16$
	$t(506) = -8.84$, $p < .01$	$t(506) = -9.41$, $p < .01$	$t(505) = -2.16$, $p = .03$
CEO gender × Competence failure dummy	$b = -.88$, $SE = .33$	$b = -.62$, $SE = .31$	$b = -.35$, $SE = .21$
	$t(506) = -2.62$, $p = .01$	$t(506) = -2.01$, $p = .04$	$t(505) = -1.68$, $p = .09$
CEO gender × Ethical failure dummy	$b = .70$, $SE = .34$	$b = .74$, $SE = .31$	$b = .07$, $SE = .21$
	$t(506) = 2.05$, $p = .04$	$t(506) = 2.36$, $p = .02$	$t(505) = .32$, $p = .75$
Organizational trust	—	—	$b = .86$, $SE = .03$
			$t(505) = 28.49$, $p < .01$

Note. CI = confidence interval. Trust beliefs measure indirect mediation effects: competence failure interaction term ($b = -.52$, $SE = .24$, 95% CI [−1.00, −.65]), ethical failure interaction term ($b = .65$, $SE = .24$, 95% CI [.17, 1.14]). General trust measure indirect mediation effects: competence failure interaction term ($b = -.53$, $SE = .25$, 95% CI [−1.02, −.04]), ethical failure interaction term ($b = .63$, $SE = .26$, 95% CI [.13, 1.14]).

sistent with our expectations, we find that individuals penalize organizations with female CEOs more (i.e., show lesser intent to purchase from the organization) than those with male CEOs after ethical failures. However, after competence failures, individuals penalize female-led organizations less (relative to male-led ones). These findings are consistent with H1a and H1b.

It is also interesting that responses to female-led organizations differ by failure type (i.e., ethical vs. competence), while responses to male-led organizations do not. This is consistent with our theorizing that failure attributions have a greater impact on audiences' reactions when relational norms are more salient. When relational norms are less salient, audiences' judgments of organizations align with exchange norms. These norms prioritize an organization's delivery of expected outcomes (i.e., a product free from defects), something XYZ has failed to do in *all* scenarios. Thus, for male-led firms, ethical and competence failures generate less favorable response than the control condition (where no failure occurred), but they do not differ significantly from each other.

We did not observe differences in purchase intent by leader gender in the control condition. This finding supports our contention that female-led and male-led organizations are not always viewed differently by external audiences; rather, they are *penalized* differently for ethical versus competence failures. Because we did not observe differences in the control condition in Study 1, we dropped this condition in the subsequent studies to focus only on those situations in which organizational failures arise.

Finally, the findings from Study 1 provide support for our proposed process mechanism (H2). We find that leader gender and failure type influence how much consumers trust an organization after a failure. This trust, in turn, influences consumer willingness to make purchases from the organization in the future. These results were robust across two different measures of organizational trust.

Study 2

The goal of Study 2 was to further test our theorizing about relational norm salience by exploring whether leader descriptions moderate our effects (H3). We expect that leader descriptions that are consistent with gender stereotypes (communal female leader, agentic male leader) will allow us to replicate H1a and H1b. However, leader descriptions that are inconsistent (agentic female leader, communal male leader) should attenuate or reverse these effects.

Method

Stimulus materials pretest. In Study 2, we used automobile stimuli similar to those used in Study 1 (see Appendix B). We varied the CEO descriptions in the stimuli, such that they were either consistent with gender stereotypes (female leader described as communal, male leader described as agentic) or inconsistent (female leader described as agentic, male leader described as

communal). In all conditions, we stated that CEO "Clayton proved to have the qualities that the XYZ board of directors indicated it was looking for in its search for the new CEO." In the communal descriptions (stereotype-consistent for female leaders, stereotype-inconsistent for male leaders), we additionally described the CEO as "helpful, sensitive to the needs of employees and customers, and able to listen carefully to customers' concerns," whereas in the agentic descriptions (stereotype-consistent for male leaders, stereotype-inconsistent for female leaders), we described the CEO as "skilled, strongly independent, and able to work well under pressure."

To ensure that our agentic and communal descriptions of the CEO created the intended perceptions, we conducted a pretest in which we varied both CEO gender and CEO description between-subjects in an article presented via an online survey. Participants (N = 201, 57.7% female, M_{Age} = 38.49) were randomly assigned to evaluate either the communal or the agentic CEO description of the male ("David Clayton") or female CEO ("Deborah Clayton"; see Appendix B). After reading the article, respondents rated the CEO on six agentic characteristics (*competent*, *independent*, *confident*, *determined*, *ambitious*, and *competitive*; 1 = *not at all*, 7 = *very much*; α_{Female} = 0.90; α_{Male} = 0.93) and six communal characteristics (*kind*, *sincere*, *warm*, *supportive*, *helpful*, and *likable*; α = .90, α_{Male} = 0.95). The descriptions and the measures were adapted from Rudman and Glick (1999).

To investigate the extent to which the descriptions affected perceptions of the male and female CEOs as relatively more agentic or communal, we conducted separate ANOVAs to examine the interactive effect of CEO gender (female, male) and CEO description (communal, agentic) on communal and agentic perceptions. The analysis with agentic perceptions as the dependent measure revealed a significant main effect of CEO description, with the CEO rated as more agentic after participants read the agentic CEO description (M = 6.12, SE = 0.09) as compared with the communal description (M = 5.77, SE = 0.09), $F(1, 197)$ = 7.27, p = .01, η_p^2 = .04. Neither the main effect of CEO gender nor the CEO gender × CEO description interaction was significant, $F(1, 197) < 1.24$, ps > .27. A similar analysis with communal perceptions as the dependent measure showed that respondents rated the CEO as relatively more communal after reading the communal CEO description (M = 5.73, SE = 0.10) than after reading the agentic description (M = 4.95, SE = 0.10), $F(1, 197)$ = 30.71, $p < .01$, η_p^2 = .14 (see Table 2). Thus, the descriptions were effective in altering perceptions of both the female and male CEOs to be more agentic, or more communal, as we had intended.

Table 2
CEO Description Manipulation Check in Study 2

Conditions	Agentic perceptions	Communal perceptions
Agentic CEO description		
Female CEO	6.28 (.13)	5.07 (.14)
Male CEO	5.96 (.13)	4.83 (.14)
Communal CEO description		
Female CEO	5.78 (.13)	5.73 (.14)
Male CEO	5.75 (.13)	5.72 (.14)

Note. Standard errors are denoted in parentheses.

Participants and design. Participants (N = 416, 49.0% female, M_{Age} = 36.92) completed the main study via an online survey. We manipulated the description of the CEO (stereotype-consistent vs. inconsistent) × CEO gender (female, male) × Failure type (competence, ethical) between subjects.

Procedure. Participants were asked to read a news article about an automobile manufacturer that was similar to the one used in Study 1. Failure type was manipulated using the procedure outlined in Study 1, and CEO gender and CEO description were both manipulated as described in the pretest above. After reading the news brief, participants completed the same measure of purchase intent as in Study 1, as well as the trust beliefs measure (α = .92). We did not include the general trust measure from Study 1 since this measure yielded the same pattern of results. Instead, we included measures of brand attitudes, word-of-mouth (WOM), and leadership effectiveness to further investigate the robustness of our findings across different types of consumer evaluations and behaviors. Brand attitudes were assessed on a four-item, 7-point scale (*bad*/*good*, *undesirable*/*desirable*, *unfavorable*/*favorable*, and *low quality*/*high quality*; α = .95). WOM was measured by asking respondents on a single-item scale whether they would recommend XYZ products to someone who asked their advice (1 = *strongly disagree*, 7 = *strongly agree*). Leadership effectiveness was assessed on a three-item scale (*Overall, Clayton is an effective CEO*, *CEO Clayton represents XYZ well*, and *Clayton is doing a poor job of leading XYZ*; 1 = *strongly disagree*, 7 = *strongly agree*; α = .70). Next, to understand other consequential behaviors that may be affected by consumers' evaluations, we presented respondents with an online advertisement for XYZ Motorcars (see Appendix C) and asked them to indicate their likelihood of engaging in several behaviors in response to viewing the ad (*click on the ad*, *share the ad with others online*, *'like' the ad*, and *visit XYZ's website*; 1 = *strongly disagree*, 7 = *strongly agree*). These four scales yielded the same pattern of results; therefore, we combined them into a digital ad response measure for ease of presentation (α = .94). Finally, respondents provided their demographic information and concluded the study.

Results

Purchase intent. We conducted an ANOVA to examine the interactive effect of CEO description (stereotype-consistent vs. inconsistent), CEO gender (female, male), and failure type (competence, ethical) on consumer purchase intent. We found a significant main effect of failure, with the ethical failure (M = 2.78, SE = 0.11) resulting in lower purchase intent than the competence failure (M = 3.40, SE = 0.11), $F(1, 408)$ = 15.62, $p < .01$, η_p^2 = .04. Consistent with our expectations, the CEO description × CEO gender × Failure type interaction was significant, $F(1, 408)$ = 20.05, $p < .01$, η_p^2 = .05. None of the other main effects or interactions were significant, Fs < 1.

We conducted planned contrasts of the effect of CEO gender within each CEO description and failure type condition. When participants read about an *ethical* failure, stereotype-consistent descriptions (communal female, agentic male) resulted in lesser intent to purchase from the organization in the future when the CEO female (M = 2.42, SE = 0.23) than when the CEO was male (M = 3.28, SE = 0.22), $t(408)$ = 2.72, $p < .01$, d = .27, replicating H1a. However, a stereotype-inconsistent description (agentic female, communal male) resulted in

lesser intent to purchase from the organization when the CEO *male* ($M = 2.40$, $SE = 0.23$) than when the CEO was *female* ($M = 3.00$, $SE = 0.23$), $t(408) = -1.88$, $p = .06$, $d = .19$, showing a reversal of H1a, although this difference did not reach conventional levels of significance. When participants read about a *competence* failure, a stereotype-consistent description resulted in greater intent to purchase from a female-led ($M = 3.77$, $SE = 0.23$) than a male led-organization ($M = 3.08$, $SE = 0.23$), $t(408) = -2.13$, $p = .03$, $d = .21$, replicating H1b. In contrast, a stereotype-inconsistent description resulted in greater intent to purchase from a *male-led* ($M = 3.71$, $SE = 0.22$) compared with a *female-led* organization ($M = 3.04$, $SE = 0.22$), $t(408) = 2.23$, $p = .03$, $d = .22$, reversing H1b. Thus, as expected, stereotype-inconsistent descriptions attenuated—or entirely reversed—the relationships shown in H1a and H1b.

Also, consistent with our theorizing and the results from Study 1, differences in audience reaction by failure type arose only when relational norms were more salient (i.e., CEO described as communal). Thus, stereotype-*consistent* descriptions resulted in differences in purchase intent by failure type for (communal) *female-led* organizations, $t(408) = -4.21$, $p < .01$, $d = .42$, but not for (agentic) male-led organizations, $t < 1$. In contrast, stereotype-*inconsistent* descriptions resulted in differences by failure type for (communal) *male-led* organizations, $t(408) = -4.20$, $p < .01$, $d = .42$, but not for (agentic) female-led organizations, $t < 1$ (see Figure 2).

Analyses of the other dependent measures, including the digital ad response measures, showed the same patterns of results (see Table 3 for means). This collection of results provides strong support for H3 and for our theorizing about how communal perceptions alter the salience of relational norms.

As in Study 1, we conducted additional analyses to examine the role of respondent gender on reactions to organizational failures in each CEO description condition (stereotype-consistent and stereotype-inconsistent). Across both CEO description conditions, we find similar effects for male and female respondents (Respondent gender × CEO gender × Failure type; Fs < 1).

Mediation analysis. To test the mediating role of organizational trust, we first regressed purchase intent on CEO description (0 = stereotype-consistent, 1 = stereotype-inconsistent), CEO gender (0 = female, 1 = male), failure type (0 = competence, 1 = ethics), and their interaction.[3] Consistent with our predictions, the interaction term was significant ($b = -2.83$, $SE = 0.63$), $t(408) = -4.48$, $p < .01$, $d = .44$. We also confirmed that the interaction term predicted organizational trust ($b = -2.01$, $SE = 0.54$), $t(408) = -3.76$, $p < .01$, $d = .37$. We used Preacher and Hayes' (2008) macro (Model 12) to obtain 95% bias-corrected confidence intervals with 5,000 bootstrap samples to test for mediation. Consistent with H2, this analysis showed support for mediation. That is, when organizational trust was included as a mediator, the direct effect of the interaction term on purchase intent decreased ($b = -0.91$, $SE = 0.38$), $t(407) = -2.40$, $p = .02$ $d = .24$, and the indirect mediation effect was significant ($b = -1.91$, $SE = 0.51$, 95% CI [−2.93, −0.91]; see Figure 3).

Discussion

The findings from Study 2 provide further insight into how CEO gender and failure type affect audiences' responses to organizational failures. Our intent was to use leader descriptions to provide further evidence for our theorizing about the role of leader gender in shaping reactions to ethical and competence failures. We argued that descriptive statements had the potential to change communal perceptions of leaders, thereby moderating the relationship between leader gender and relational norm salience. As a result, we expected such descriptions to have implications for H1a and H1b. When leader descriptions were consistent with gender stereotypes, we expected to observe the same patterns as in H1a and H1b. However, we expected the patterns to be attenuated or reversed when such descriptions were stereotype-inconsistent. This is indeed what we observe.

When leaders are described in ways that reinforce stereotypes, we continue to find that individuals penalize female-led organizations more for ethical failures and less for competence failures. However, when leaders are characterized using traits that are counterstereotypical (agentic female, communal male), individuals penalize *male-led* organizations more for ethical failures and less for competence failures. This is important as it shows that by changing how male and female CEOs are described it may be possible to attenuate differences in how organizations are evaluated after a failure. Indeed the results show that, regardless of gender, agentically described or communally described leaders face exactly the same penalties for both ethical and competence failures.

In addition, the findings from Study 2 provide additional support for organizational trust as our process mechanism (H2). We find that both how a leader is described and gender of the leader impacts how much consumers trust an organization after a failure. Consequently, this trust influences consumer willingness to make purchases from the organization, attitudes toward the brand, propensity to recommend the organization's products to others (WOM), and engagement with online advertising.

We show consistent support for H1a and H1b in Studies 1 and 2, which are set in the context of the automotive industry. However, our theorizing suggests that, in addition to salient norms, gender congruence (i.e., between a leader and the organization's constituents) may also affect audiences' expectations of organizational competence. We investigate the implications of this further in Study 3 by varying the industry setting (i.e., female-congruent vs. -incongruent domain), as well as CEO gender and failure type.

Study 3

The objective of Study 3 was to more directly examine the role of expectations in linking salient norms to evaluator judgments. We argued that if norms affect evaluator judgments by altering expectations of organizational competence and ethicality, then other factors that also shape these expectations should serve to moderate the relationship between leader gender and audiences' reactions to failures. Our theorizing focused specifically on expectations of organizational competence, proposing that such expectations would be elevated in gender-congruent (vs. -incongruent) domains. As a result, we expected that female-led firms would be judged more similarly for ethical and competence failures in congruent domains (H4) and that, as a result, the gender-based discrepancies predicted in H1b would be attenuated or reversed

[3] The mediation models with brand attitudes ($a \times b = -1.56$, $SE = 0.42$, 95% CI [−2.42, −0.76]), WOM ($a \times b = -2.05$, $SE = 0.55$, 95% CI [−3.14, −0.99]), and digital ad response ($a \times b = -1.53$, $SE = 0.42$, 95% CI [−2.37, −0.73]) yielded the same effects as purchase intentions.

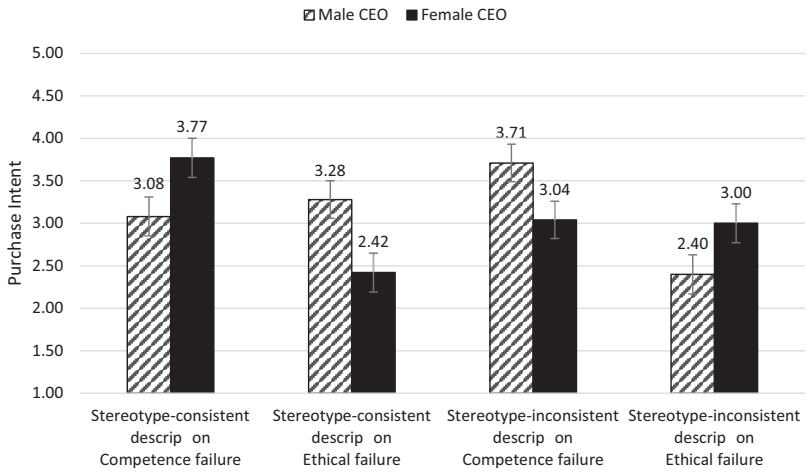


Figure 2. The effect of CEO description, CEO gender, and failure type on consumer purchase intent for an auto manufacturer in Study 2. Higher numbers indicate a greater likelihood of purchasing from the organization in the future (i.e., a more favorable consumer response).

(H5). To test these hypotheses, we examine product failures set in both a female-congruent domain (i.e., child products) and a female-incongruent domain (i.e., automotive).

Method

Stimulus materials pretest. Before conducting Study 3, we ran several pretests. The first pretest was designed to facilitate the selection of female-congruent and female-incongruent domains. A congruent setting for one gender is, by definition, incongruent for the other gender. Thus, a male-congruent domain was used for the female-*incongruent* domain. Once these domains were identified, we ran a second pretest to verify that congruence between leader and customer gender indeed raised expectations of organizational competence as theorized. In a third pretest, we sought to verify that our congruence manipulation was *not* inadvertently affecting any other constructs in our proposed causal chain—namely, leader perceptions or relational norm salience. The measures used in these three pretests are reported in Table 4.

To identify appropriate product domains, in the first pretest we asked participants to indicate how interested a "typical" man or woman would be in purchasing automotive or child products (scale reported in Table 4). As expected, participants perceived that women would be more interested in purchasing child products ($M = 3.70$, $SE = 0.12$), whereas men would be more interested in purchasing automobiles ($M = 2.18$, $SE = 0.12$), $t(55) = 8.18$, $p < .01$, $d = 2.21$. Both means were significantly different from the scale midpoint (automotive: $t(55) = -6.86$, $p < .01$, $d = 1.85$, child products: $t(55) = 5.98$, $p < .01$, $d = 1.61$). The second pretest confirmed that a female-led organization was expected to be *more* competent in the female-congruent child products domain ($M = 3.69$, $SE = 0.11$) than in the female-incongruent automotive domain ($M = 2.35$, $SE = 0.12$), $t(59) = 7.84$, $p < .01$, $d = 2.04$. Consistent with the notion of child products being gender-*incongruent* for *male*-led organizations, the results also showed that in this setting, male-led organizations were perceived as *less* competent than in the automotive domain.[4] This provides evidence that our manipulation operates as theorized—gender congruence raises expectations of organizational competence.

The third pretest confirmed that any observed effects in the main study are not attributable to unintended effects of gender congruence on leader perceptions or relational norm salience. For this pretest, participants were randomly assigned an automotive or a child products company with either a male or female CEO. They then responded to a series of items designed to measure leader perceptions and relational norm salience (see Table 4). We found that there was a significant main effect of CEO gender on communal perceptions, as well as on relational norm salience. Across both domains, female (vs. male) CEOs ($M_{\text{Female}} = 5.65$, $SE = 0.11$; $M_{\text{Male}} = 5.02$, $SE = 0.11$) were rated as more communal, $F(1, 195) = 16.97$, $p < .01$, $\eta_p^2 = .08$, and they were associated with greater relational norm salience ($M_{\text{Female}} = 5.45$, $SE = 0.11$; $M_{\text{Male}} = 5.05$, $SE = 0.11$), $F(1, 195) = 6.51$, $p = .01$, $\eta_p^2 = .03$. These results are fully consistent with our theorizing about the relationships between leader gender, communal perceptions, and relational norm salience. There were no main or interactive effects of domain on communal perceptions or relational norm salience (communal perceptions: $F(1, 195) < 3.39$, $p > .07$; relational norms: $F(1, 195) < 1.83$, $p > .18$).[5] This latter result is important in that it gives us confidence that any moderating effects of gender congruence are indeed attributable to its effect on expectations of competence.

Finally, as in the development of our first stimulus, we conducted a pretest ($N = 117$, 53.0% female, $M_{Age} = 37.56$) to assess the effectiveness of our ethical and competence failure manipulations, as well as their perceived severity. We also wanted to ensure that the domain presented in the article did not significantly affect these characteristics. We utilized the same proce-

[4] The means for automotive, $t(59) = -5.57$, $p < .01$, $d = 1.45$, and child products, $t(59) = 6.31$, $p < .01$, $d = 1.64$, were significantly different from the scale midpoint.

[5] An analysis with agentic perceptions as the dependent measure did not yield any significant effects ($F(1, 195) < 1.19$, $p > .28$).

Table 3
Other Dependent Measure Means by Condition in Study 2

Conditions	Organizational trust	Brand attitudes	WOM	Leadership effectiveness	Digital ad response
Stereotype-consistent description					
Competence failure					
Male CEO	3.54 (.19)	3.97 (.18)	3.02 (.24)	3.84 (.18)	2.54 (.24)
Female CEO	4.07 (.19)	4.32 (.18)	3.51 (.24)	4.31 (.18)	3.09 (.23)
Ethical failure					
Male CEO	3.55 (.19)	4.03 (.18)	3.11 (.23)	3.51 (.17)	3.09 (.23)
Female CEO	2.79 (.19)	3.25 (.18)	2.12 (.24)	3.15 (.18)	2.19 (.24)
Stereotype-inconsistent description					
Competence failure					
Male CEO	3.79 (.18)	4.25 (.17)	3.38 (.22)	4.35 (.17)	2.86 (.22)
Female CEO	3.54 (.18)	3.68 (.17)	2.77 (.22)	3.91 (.17)	2.55 (.22)
Ethical failure					
Male CEO	2.87 (.19)	3.20 (.18)	2.08 (.24)	3.06 (.18)	2.03 (.24)
Female CEO	3.33 (.19)	3.87 (.18)	2.84 (.24)	3.84 (.18)	2.76 (.23)

Note. Standard errors are denoted in parentheses.

dure and measures as in Study 1. We used the automotive stimuli from Study 2 (see Appendix B), and we developed an ethical and competence failure version of the article for the child products industry (see Appendix D), for a total of four different versions of the article. Participants were randomly assigned to evaluate one of these four versions. An ANOVA with industry and failure type as factors, showed only a main effect of failure type on the ethics, $F(1, 113) = 17.61$, $p < .01$, $\eta_p^2 = .14$, and competence measures, $F(1, 113) = 11.38$, $p < .01$, $\eta_p^2 = .09$.[6] As intended, the problems conveyed in the ethical failure stimuli were attributed to integrity issues to a greater extent ($M = 5.23$, $SE = 0.21$) than in the competence failure stimuli ($M = 4.00$, $SE = 0.20$), $t(115) = 4.16$, $p < .01$, $d = .78$. In contrast, the problems conveyed in the competence failure stimuli were attributed to lack of ability to a greater extent ($M = 4.76$, $SE = 0.19$) than in the ethical failure stimuli ($M = 3.85$, $SE = 0.19$), $t(115) = -3.32$, $p < .01$, $d = .62$. There were no differences in perceived severity by industry or failure type, Fs$(1, 113) < 1.36$, $p > .25$.

Participants and design. Participants ($N = 512$, 54.7% female, $M_{Age} = 38.00$) completed the main study via an online survey. The study used a Gender congruence (female-incongruent domain/automotive, female-congruent domain/child products) × CEO gender (female, male) × Failure type (competence, ethical) between-subjects design, with all three factors manipulated.

Procedure. Participants were asked to read a brief business news article about either an automotive or child products company. They were informed that the name of the company and the CEO mentioned in the article were changed for confidentiality reasons. Failure type was manipulated using the approach described in the pretest above. We manipulated CEO gender in the same manner as in Study 1 (male = "Adam," female = "Abigail"). After reading the news brief, participants completed the same measure of purchase intent as in Studies 1 and 2. Then they reported their trust in the organization using the same three-item scale as in Study 2 ($\alpha = .93$). We did not include the additional dependent measures from Study 2 (brand attitudes, WOM, digital ad response, and leadership effectiveness) because these measures yielded the same pattern of results as purchase intent. Finally, respondents provided their demographic information and concluded the study.

Results

Purchase intent. We conducted an ANOVA to examine the interactive effect of gender congruence (female-incongruent domain/automotive, female-congruent domain/child products), CEO gender (female, male), and failure type (competence, ethical) on consumer purchase intent. We found a significant main effect of failure, with the ethical failure ($M = 2.84$, $SE = 0.11$) resulting in lower purchase intent than the competence failure ($M = 3.29$, $SE = 0.11$), $F(1, 504) = 8.69$, $p < .01$, $\eta_p^2 = .02$. The CEO gender × Failure type interaction was also significant, $F(1, 504) = 5.78$, $p = .02$, $\eta_p^2 = .01$, as in Study 1. The Gender congruence × CEO gender × Failure type interaction was significant, $F(1, 504) = 3.99$, $p = .046$, $\eta_p^2 = .01$ (see Figure 4).

We conducted planned contrasts to further investigate this three-way interaction. We find that in the *female-incongruent* domain (automotive), participants reported differences in purchase intent by failure type for the *female-led* organization, $t(504) = -3.98$, $p < .01$, $d = .35$, but not for the male-led organization, $t < 1$, as in Study 1. However, in the *female-congruent* domain, audience reactions did not differ by failure type for either the female-led organization, $t(504) = -1.25$, $p = .21$, $d = .11$, or the male-led organization, $t < 1$. Thus, the female-congruent domain attenuated the divergence in audiences' reactions to ethical versus competence failures at female-led firms, as predicted in H4. Notice that this happens because audiences' reactions to competence failures at female-led firms differ between domains, $t(504) = 2.10$, $p = .04$, $d = .19$, while their reactions to ethical failures remain the same, $t < 1$. This is consistent with our theorizing about the impact of gender congruence specifically on competence expectations. Indeed by increasing competence expectations of female-led organizations, we document a condition under which competence and ethical failures are judged similarly, despite the greater salience of relational norms.

We also find that when the article pertained to a company in the automotive industry (i.e., female-incongruent domain), partici-

[6] Neither the industry x failure type interaction nor the main effect of industry was significant, Fs$(1, 113) < 2.42$, $p > .12$.

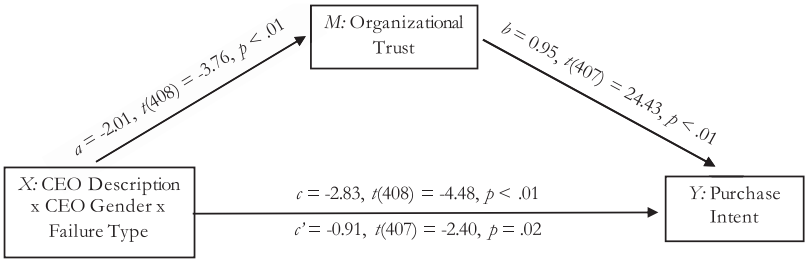


Figure 3. Organizational trust mediates the effect of CEO description, CEO gender, and failure type on consumer purchase intent for an auto manufacturer in Study 2. Indirect mediation effect: $b = -1.91$, $SE = 0.51$, 95% CI [−2.93, −0.91].

pants that read about a *competence* failure reported greater intent to purchase the products when the CEO was female ($M = 3.62$, $SE = 0.21$) than when the CEO was male ($M = 2.95$, $SE = 0.21$), $t(504) = -2.20$, $p = .03$, $d = .20$, consistent with H1b. However, when the article pertained to a company in the child products industry (i.e., female-congruent domain), participants that read about a competence failure reported *lesser* intent to purchase the products when the CEO was female ($M = 2.97$, $SE = 0.22$) than when the CEO was male ($M = 3.61$, $SE = 0.21$), $t(504) = 2.11$, $p = .04$, $d = .19$, reversing the pattern in H1b. Thus, this study showed the moderating role of gender congruence, consistent with the prediction advanced in H5 (see Figure 4).

It is also worth noting that H1a continues to be supported across *both* domains. In the female-incongruent setting, participants that read about an *ethical* failure reported lesser intent to purchase from the company when the CEO was female ($M = 2.38$, $SE = 0.23$) than when the CEO was male ($M = 3.06$, $SE = 0.21$), $t(504) = 2.22$, $p = .03$, $d = .20$. Similarly, in the female-congruent setting participants *also* reported lesser intent to purchase from the female-led ($M = 2.57$, $SE = 0.22$) versus male-led organization

Table 4
Manipulation Check Measures in Study 3

Pretest	Dependent measures	Scale
Pretest 1 ($N = 56$, 46.4% female, $M_{Age} = 35.75$)	Typical customer gender	For each product listed below, please indicate whether you believe a typical woman would be more interested in purchasing, a typical man would be more interested in purchasing, or whether a woman and man would be equally interested in purchasing. 1 = *typical man would be much more interested*, 3 = *typical man and typical woman would be equally interested*, 5 = *typical woman would be much more interested* Adapted from Garcia-Retamero and López-Zafra (2006).
Pretest 2 ($N = 60$, 50.0% female, $M_{Age} = 36.78$)	Competence expectations	1. For each type of organization listed below, please indicate whether you expect an organization with a male CEO or an organization with a female CEO to be more competent. 1 = *organization with male CEO would be much more competent*, 3 = *organization with male CEO and female CEO would be equally competent*, 5 = *organization with female CEO would be much more competent* 2. For each type of organization listed below, please indicate whether you expect an organization with a male CEO or an organization with a female CEO to be of higher ability. 1 = *organization with male CEO would be of much higher ability*, 3 = *organization with male CEO and female CEO would be of equal ability*, 5 = *organization with female CEO would be of much higher ability* $\alpha_{Automotive} = .83$; $\alpha_{Child\ products} = .69$
Pretest 3 ($N = 199$, 55.3% female, $M_{Age} = 37.20$)	Relational norm salience	1. Customers would like the company. 2. The company would be concerned about customers' needs. 3. The company would treat customers like you would treat a friend. 4. The company would care about its customers. 5. The company would enjoy doing things to help customers. 6. The company would enjoy responding to customers' needs. 1 = *strongly disagree CEO*, 7 = *strongly agree* Adapted from Aggarwal (2004); Aggarwal and Larrick (2012); Aggarwal and Zhang (2006); $\alpha = .94$.
	Agentic and communal perceptions	Same measures as in Study 1 pretest. $\alpha_{Agentic} = .92$; $\alpha_{Communal} = .95$

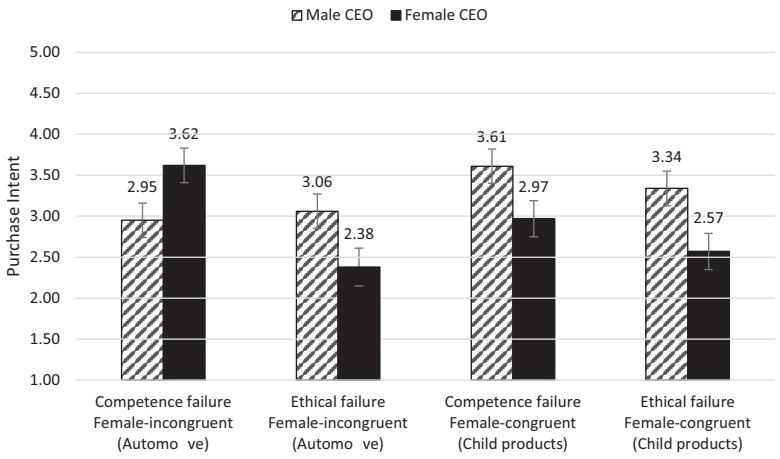


Figure 4. The effect of gender congruence, CEO gender, and failure type on consumer purchase intent for automobiles versus child products in Study 3. Higher numbers indicate a greater likelihood of purchasing from the organization in the future (i.e., a more favorable consumer response).

after an ethical failure ($M = 3.34$, $SE = 0.21$), $t(504) = 2.53$, $p = .01$, $d = .23$. Thus, consistent with relational norms being more salient for female-led firms in both domains, respondents continue to show less willingness to purchase from female-led (vs. male-led) firms after an ethical failure.

As in the previous studies, we also conducted additional analyses to examine the role of respondent gender on reactions to organizational failures in each domain (automotive and child products). Across both domains, we find that our effects are more pronounced for male, as compared with female, respondents (automotive: Respondent gender × CEO gender × Failure type interaction, $F(1, 250) = 7.48$, $p < .01$, $\eta_p^2 = .03$; child products: Respondent gender × CEO gender interaction, $F(1, 246) = 2.74$, $p = .099$, $\eta_p^2 = .01$). Given the particular relevance that respondent gender may have in the context of our gender congruence tests, we report fuller details on these analyses in the online supplemental materials.

Mediation analysis. We tested whether differences in organizational trust mediated the interactive effect of gender congruence (0 = female-incongruent domain/automotive, 1 = female-congruent domain/child products), CEO gender (0 = female, 1 = male), and failure type (0 = competence, 1 = ethics) on purchase intent. We first confirmed that the Gender congruence × CEO gender × Failure type interaction predicted both purchase intent ($b = -1.22$, $SE = 0.61$), $t(504) = -2.00$, $p = .046$, $d = .18$, and organizational trust ($b = -1.11$, $SE = 0.52$), $t(504) = -2.13$, $p = .01$, $d = .19$. We used Preacher and Hayes' (2008) macro (Model 12) to obtain 95% bias-corrected confidence intervals with 5,000 bootstrap samples to test for mediation. Consistent with H2, this analysis showed support for mediation. That is, when organizational trust was included as a mediator, the direct effect of the Gender congruence × CEO gender × Failure type interaction on purchase intent was no longer significant ($b = -0.13$, $SE = 0.34$), $t < 1$, and the indirect mediation effect was significant ($b = -1.09$, $SE = 0.52$, 95% CI [−2.10, −0.06]; see Figure 5).

Discussion

Study 3 sought to investigate the theorized relationship between salient norms and organizational expectations in a more targeted way. To do this, we were interested in exploring conditions under which there would be countervailing effects on competence expectations. While relational norms depress such expectations, we argued that gender-congruent settings would elevate them. In the end, by showing that gender congruence moderates our effects, we hoped to more directly substantiate the role that expectations play in explaining audience reactions.

More specifically, we predicted that congruence between leader and customer gender would boost expectations of organizational competence, and alter audiences' responses to female-led firms. Results support our contention that while relational norm salience

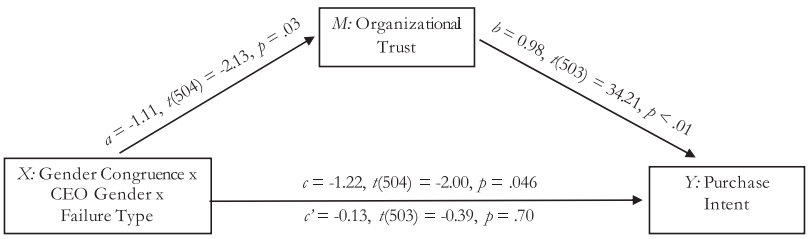


Figure 5. Organizational trust mediates the effect of gender congruence, CEO gender, and failure type on consumer purchase intent in Study 3. Indirect mediation effect: $b = -1.09$, $SE = 0.52$, 95% CI [−2.10, −0.06].

depresses competence expectations for female-led firms, this effect is weaker in female-congruent domains. Thus, female-led organizations are judged more similarly across ethical and competence failures than they are in incongruent domains (H4). H5 predicted that this effect would also attenuate, or even reverse, the relationship outlined in H1b. Study 3 showed a reversal of this relationship; in a female-congruent domain, respondents were less willing to purchase from female-led (vs. male-led) firms after competence failures. In the supplemental studies discussed below, we report a weaker gender congruence manipulation that also supports H5, but shows the attenuation of competence penalties rather than their reversal.

We found that H1a was supported in both female-congruent and -incongruent domains. Across industry domains, respondents were less willing to purchase from female-led (vs. male-led) organizations after ethical failures. This is fully consistent with our theorizing. Gender congruence was only theorized to affect expectations of organizational *competence*, not ethicality. As theorized, and verified in our pretests, relational norms continue to have greater salience for female-led firms across both industries. Thus, ethical expectations remain higher for these firms, producing more negative responses to failures. The implication is that, in female-congruent domains, female-led firms actually face harsher penalties than their male-led counterparts for *both* ethical and competence failures.

Supplemental Studies

We conducted three additional studies that further support our theorizing and address potential alternate accounts of our findings; these are reported in the online supplement. In one of these studies ("unintentional ethical failure study"), we used a different ethical failure to explore the possibility that the female-led organizations in Studies 1–3 might have been penalized more for ethical failures, not because of the salience of relational norms, but rather because the actions described in these scenarios were *deliberate* (compared with the unintentional nature of the competence failure). Thus, in the new study, we examine whether the pattern outlined in H1a replicates for an ethical failure that is not intentional (the discovery of poor working conditions at a supplier's plant). Across two domains (automotive, child products), we again find that individuals report less intent to purchase from female-led compared with male-led organizations, even when the ethical failure is not deliberate. These results confirm H1a.

In a second study, we investigate our effects using a domain in which customers are not strongly associated with a single gender (i.e., online floral sales). Thus, this is a "neutral" domain that is not incongruent or congruent for female-led (or male-led) organizations. We find that reactions to ethical versus competence failures at female-led organizations still diverge in this context (for male-led organizations they do not), with respondents reacting more negatively to ethical failures than to competence failures. However, this neutral domain does reduce the extent of that divergence (i.e., consistent with the theorizing for H4) such that female-led and male-led organizations are now penalized equivalently for competence failures. While we did not explicitly theorize about such domains, these results do align with the arguments underlying H5 as this neutral domain lies "between" the female-incongruent automotive domain (where female-led organizations are penalized less for competence failures) and the female-congruent child products domain (where female-led organizations are penalized more for competence failures). The studies mentioned above also provide support for our proposed process mechanism (H2).

Finally, again using the domain of online floral sales, in a third study we offer additional support for our argument that leader gender influences communal perceptions and the relative salience of relational norms. In this study, we again manipulated descriptions of female and male CEOs; however, we also included a control condition in which no description was provided (i.e., stereotype-consistent vs. inconsistent vs. control/no description). The objective was to compare the stereotype-consistent and -inconsistent conditions to the control condition to better understand how these leader descriptions alter audience judgments. We find that the control condition and the stereotype-consistent condition (i.e., communal female, agentic male) yield similar patterns of results. This offers more direct evidence that leader gender is related to the salience of relational norms *because* it affects communal perceptions. As expected, the pattern of results for the stereotype-inconsistent condition does differ from the control condition, providing further evidence that counterstereotypical descriptions change the relationship between gender and communal perceptions.

In this study we also find that audience reactions only differ by failure type (i.e., ethical vs. competence) in those conditions in which we predict that relational norms should be relatively more salient (i.e., control and stereotype-consistent conditions for female-led organizations, stereotype-inconsistent condition for male-led organizations), and not otherwise. These results align with our theorizing about divergence throughout the article. Finally, this study offers additional support for the mediating role of organizational trust (H2) using both trust measures presented in Study 1. Detailed analyses for all of these studies appear in the online supplemental materials.

General Discussion

In recent years, there has been an increasing focus on women's leadership as scholars and organizations seek to increase women's representation, and success, in senior roles. Most research in this area has sought to understand how personal successes and failures affect career outcomes for female leaders. There has been less attention devoted to understanding how a leader's gender may also affect *organizational* outcomes. Our research focuses on understanding how leader gender shapes audiences' perceptions of, and willingness to support, an organization in the wake of a failure. This issue is important because organizational failures are settings in which the perceptions of external stakeholders play an especially critical role in determining a firm's future performance (Benoit, 1997; Bundy et al., 2017; Coombs, 2007; Coombs & Holladay, 2005; Suchman, 1995; Sutton & Callahan, 1987). It is also leaders themselves who frequently represent their organizations in these circumstances (Amernic & Craig, 2006; Fanelli & Misangyi, 2006; Oliveira & Murphy, 2009).

Across three studies we find that, after a failure, leader gender influences individuals' perceptions of an organization and willingness to patronize it in the future. Specifically, failure attributions (ethical vs. competence) have more influence on audiences' reactions to failures at female-led (vs. male-led) organizations because of the greater salience of relational norms. This leads individuals to respond more negatively (i.e., exhibit lower purchase intent) to

female-led (vs. male-led) organizations after ethical failures, and to respond less negatively after competence failures. We show that these relationships are moderated by factors that influence audiences' communal perceptions of leaders (e.g., leader descriptions) and their expectations of organizational competence (e.g., gender congruence). We find support for our proposed effects across different organizational contexts (e.g., automobiles, child products, and online florist), various types of failures (e.g., intentional and unintentional ethical failures), and multiple measures of audience response (i.e., purchase intent, brand attitudes, leadership effectiveness, WOM, and digital ad response). This increases our confidence in the observed effects.

The empirical findings also provide evidence in support of our proposed process. We theorize that gender stereotypes influence the relative salience of relational norms when individuals are evaluating an organization. These norms affect audiences' expectations of ethicality and competence and, in turn, the extent to which such failures damage trust and willingness to engage with the organization in the future. Our findings support this story. Across all of our studies, when relational norms are less salient (e.g., male leaders, agentically described leaders), there is little difference in how audiences judge organizations for ethical versus competence failures. Yet, when relational norms have greater salience (e.g., female leaders, communally described leaders), these reactions diverge such that organizations are punished more for ethical failures than for competence failures. Our moderating effects support the proposed roles that communal leader perceptions and expectations of organizational competence play in producing such outcomes.

While our findings are consistent with past work showing that relational norms both heighten expectations of ethicality and depress expectations of competence (Kanouse & Hanson, 1972; Wojciszke et al., 1993), we also extend this research by highlighting the distinctiveness of these two effects. In Study 3, we show that gender congruence attenuates the difference in audience reactions to ethical versus competence failures at female-led firms. However, it does so *only* by altering expectations of organizational competence; relational norms remain salient and continue to elevate expectations of organizational ethicality. Finally, results show that organizational trust mediates the interactive effect of failure type and CEO gender on purchase intent, providing further insight into the mechanisms through which leader gender and failure type impact consumers' behavioral intentions.

Contributions and Future Research

Our research contributes to the literatures on female leaders, organizational failures, and the influence of norms on evaluator judgments. Past work on female leaders has focused on understanding how gender-based differences affect women's career outcomes (Johnson et al., 2008; Rosette & Tost, 2010; Schaumberg & Flynn, 2017). However, investigating the influence of leader gender on *organizational* outcomes is also important to advancing the broader dialogue about women's leadership. Most prior studies have approached this topic by analyzing the relationship between CEO gender and stock market returns (e.g., Gaughan & Smith, 2016; Jeong & Harrison, 2017; Kang, Ding, & Charoenwong, 2010; Lee & James, 2007; Brinkhuis & Scholtens, 2018). This work, to date, has found only weak relationships (see meta-analysis by Jeong & Harrison, 2017 for a summary). However, a particularly promising path forward for research on leader gender and organizational outcomes may lie instead in focusing on settings in which external audience judgments trigger resource commitment decisions or other behaviors that are especially consequential for future performance (e.g., Bigelow et al., 2014; Kanze, Huang, Conley, & Higgins, 2018). Such criteria apply well to failure contexts. We find evidence that leader characteristics, like gender, influence audiences' reactions and willingness to support the organization (Gaines-Ross, 2015; Weber Shandwick, 2013). As a result, in this setting we would expect leader gender to indeed have implications for organizations' recovery and future performance outcomes. Future research may be able to investigate such outcomes more directly by leveraging archival data.

While the current work is primarily interested in organizational outcomes, it seems reasonable to expect that our findings also have implications for leaders' career outcomes. Organizational performance affects how leaders are evaluated, how they are compensated and, ultimately, whether they retain their positions. For example, after ethical failures, our evidence suggests that evaluations of female leaders could suffer more, perhaps leading to a higher risk of termination when compared with male peers. Study 2 offers some support for this idea, finding gender differences in how failures impact perceptions of leader effectiveness. Nevertheless, more focused study would be required to fully understand such differences. These future efforts have merit and may provide evidence that the greater sanctions women incur for failures add to the barriers they face in succeeding in senior leadership positions (Chira, 2017).

Future research may also wish to consider how individual audience member's characteristics affect the relationships that we document. We acknowledge that each of our studies utilized a sample of U.S.-based participants from MTurk. All individuals were invited to participate, regardless of their personal characteristics, which likely resulted in some variation in the samples across studies. While we find consistent results, suggesting that our results are generalizable, it is possible that individual differences (e.g., gender identification, gender schema) may moderate our effects. For instance, we did observe differences in how male and female participants reacted to the organizational failures in our supplemental analyses of Study 3. Future research could tease out such consumer differences more directly.

The present work also builds on crisis management research by expanding the factors that organizations may need to consider when designing their response to a failure. Prior research shows that, to develop an appropriate response, organizations must first understand stakeholders' preexisting perceptions of events. This work has largely focused on how situational factors such as crisis severity and origin (inside or outside of the organization) affect these perceptions (Bundy et al., 2017; Coombs, 2007). The results from our studies show that individuals' perceptions of a failure, and how it affects their trust in an organization, are also a function of leader gender. This opens up new possibilities for research on how leader characteristics may more broadly influence what kinds of statements are needed to repair an organization's reputation with external audiences in the wake of failures.

Finally, an important contribution of our work lies in elucidating the effects of relational norm salience. Prior research has examined how the nature of social ties or a brand's positioning can affect relational norms (Aggarwal, 2004; Clark & Mills, 1993; Mills & Clark, 1982; Wan, Hui, & Wyer, 2011). We show that relational

norms are also more salient when audiences evaluate organizations led by women (vs. men), and, in doing so, offer a new, and consequential, antecedent to relational norm salience. The moderating role of leader description illustrates one way that the resulting differences can be attenuated, but future studies may identify other factors—perhaps a leader's tenure, training, or performance history—that can also serve to reduce discrepancies in relational norm salience across female- and male-led organizations. Likewise, there would appear to be other aspects of failure situations, besides leader gender, that have potential to prime relational norm salience. For example, characteristics of the organization's mission (i.e., commercial vs. social) or the harmed party (e.g., investors vs. community members) may also shape the relative salience of relational versus exchange norms (Aggarwal & Larrick, 2012). These, too, have potential to yield valuable insight into how audiences judge and respond to ethical and competence violations.

Our research also extends past work by carefully unpacking the causal chain that connects norms to evaluator judgments. Previous studies have shown that relational norms result in more negative evaluator reactions to ethical versus competence failures (Aggarwal, 2004; Aggarwal & Law, 2005). This has been attributed to the way in which relational norms change evaluators' expectations of organizations. In this study, we use moderation to more directly investigate this theorized link. Specifically, we change expectations of organizational competence by manipulating gender congruence. Using several pretests we confirm that the manipulation does not affect other aspects of the causal chain; therefore, we add to prior research in this domain by isolating the effect of competence expectations on audience reactions. We find that gender congruence indeed attenuates the effect that relational norm salience has on evaluators' reactions to competence failures. In doing so, we are also able to demonstrate a condition under which relational norm salience is elevated, and yet there is little divergence in audience reactions to ethical versus competence failures. This result underscores that the relationship between relational norms and competence expectations is distinct from the relationship between these norms and ethical expectations. Overall, our research offers new insight into the process by which relational norm salience affects evaluator judgments. It also sets up avenues for future research as scholars seeks to uncover new conditions that may influence audience reactions and their consequences for organizations.

Conclusion

Although women continue to be underrepresented in the upper echelons of organizations, there are certainly some who now occupy highly visible leadership positions. This has raised new questions about how gender may continue to shape the perceptions of these leaders in ways that have consequences not just for their careers, but also for the organizations that they lead. Our research makes important strides in examining this issue by focusing on a strategically important context and stakeholder group. Our findings have theoretical and practical implications, but importantly, they also raise promising new questions for future research on leader gender, audience evaluations, and crisis communication.

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Appendix A

Study 1. Automotive Industry Stimuli

Control/No Failure

News in Brief: XYX Motorcars Update

Washington—In response to slowing sales growth in the automotive industry, XYZ Motorcars has aggressively sought to reduce its manufacturing costs and to ensure that its automobiles remain affordable. Earlier this year CEO Abigail (Adam) Clayton stated, "We continue to strive to be the best automotive value in the market while providing products that exceed our customers' expectations."

Failure

News in Brief: Fuel Efficiency Claims Challenged

Washington—In response to slowing sales growth in the automotive industry, XYZ Motorcars has aggressively sought to reduce its manufacturing costs and to ensure that its automobiles remain affordable. Earlier this year CEO Abigail (Adam) Clayton stated, "We continue to strive to be the best automotive value in the market while providing products that exceed our customers' expectations."

However, today a leading consumer advocacy group released a report containing the results of their independent laboratory tests of XYZ cars. The report raises concerns about the accuracy of fuel efficiency claims made by XYZ. Lab results show that the gas mileage of several car models was disappointing and failed to meet the mileage standards that XYZ had advertised to consumers. Further investigation into these results revealed that the poor gas mileage was because of a manufacturing defect in a fuel system sensor.

[**Competence failure**] Several XYZ employees, speaking on condition of anonymity, revealed that the auto manufacturer had previously been unaware of this problem. CEO Abigail (Adam) Clayton has not yet commented on the report's findings. The price of XYZ Motorcars' stock declined 5% following the report's release.

[**Ethical failure**] Several XYZ employees, speaking on condition of anonymity, revealed that the auto manufacturer had been aware of the problem for nearly 6 months, but failed to take action because of the high cost of replacing the defective component. CEO Abigail (Adam) Clayton has not yet commented on the report's findings. The price of XYZ Motorcars' stock declined 5% following the report's release.

(*Appendices continue*)

Appendix B

Study 2. CEO Description Stimuli

News in Brief: Fuel Efficiency Claims Challenged

[**Communal**] In response to slowing automobile sales in recent years, XYZ Motorcars hired a new CEO, Deborah (David) Clayton. During her (his) 20 years of experience in the automotive industry, Clayton proved herself (himself) to be helpful, sensitive to the needs of employees and customers, and able to listen carefully to customers' concerns, qualities that the XYZ board of directors indicated it was looking for in its search for the new CEO.

[**Agentic**] In response to slowing automobile sales in recent years, XYZ Motorcars hired a new CEO, Deborah (David) Clayton. During her (his) 20 years of experience in the automotive industry, Clayton proved herself (himself) to be skilled, ambitious, strongly independent, and able to work well under pressure, qualities that the XYZ board of directors indicated it was looking for in its search for the new CEO.

Since beginning (her) his role as CEO, Clayton has aggressively sought to reduce manufacturing costs and ensure that XYZ's automobiles remain affordable. Earlier this year CEO Deborah (David) Clayton stated, "We continue to strive to be the best value in the market while providing products that exceed our customers' expectations."

Today a leading consumer advocacy group released a report containing the results of their independent laboratory tests of several models from XYZ's line of hybrid automobiles. Many consumers buy hybrid cars because of concerns about environmental pollution. Unlike traditional cars, hybrid cars are more fuel efficient because they are powered by both electricity and gasoline. However, today's report raises concerns regarding the accuracy of claims made by XYZ about the cars' fuel efficiency. Lab results show that the gas mileage of several car models was disappointing and failed to meet the mileage standards that XYZ had advertised to consumers. Further investigation into these results revealed that the poor gas mileage was because of a manufacturing problem that caused a defect in a fuel system sensor.

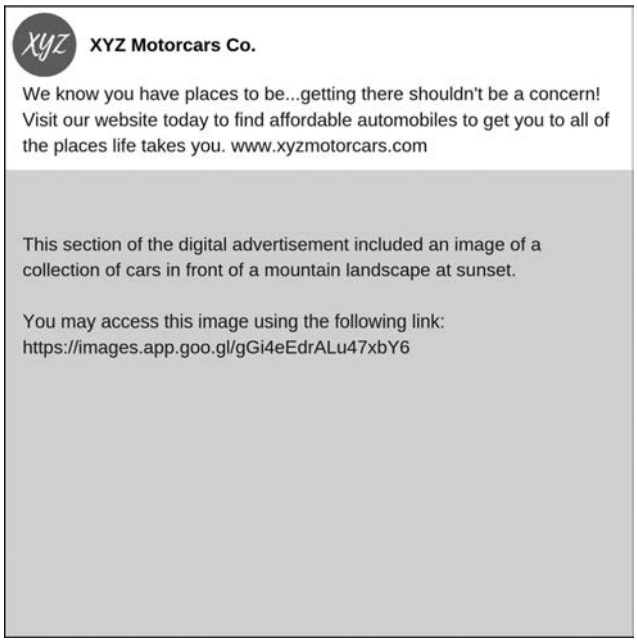
[**Competence failure**] Several XYZ employees, speaking on condition of anonymity, revealed that the auto manufacturer had previously been unaware of this problem. CEO Deborah (David) Clayton has not yet commented on the report's findings. The price of XYZ Motorcars' stock declined 5% following the report's release.

[**Ethical failure**] Several XYZ employees, speaking on condition of anonymity, revealed that the auto manufacturer had been aware of the problem for nearly 6 months, but failed to take action because of the high cost of replacing the defective component. CEO Deborah (David) Clayton has not yet commented on the report's findings. The price of XYZ Motorcars' stock declined 5% following the report's release.

(*Appendices continue*)

Appendix C

Study 2. Digital Response Measure Advertisement



Appendix D

Study 3. Child Products Industry Stimuli

News in Brief:
Organic Claims Challenged

Washington—In response to slowing sales growth in the children's products industry, XYZ Child Co. has aggressively sought to reduce its manufacturing costs and to ensure that its children's products remain affordable. Earlier this year CEO Abigail (Adam) Clayton stated, "We continue to strive to be the best value in the market while providing products that exceed our customers' expectations."

Today a leading consumer advocacy group released a report containing the results of their independent laboratory tests of children's mattresses from XYZ's line of organic bedding. Many consumers buy organic bedding because of concerns about child allergies or skin sensitivities. Unlike genetically modified fibers, organic fibers are not exposed to pesticides or other chemical treatments. However, today's report raises concerns regarding the accuracy of claims made by XYZ about the cotton used to produce these mattresses. Lab results show that several mattresses contained genetically modified cotton fiber and failed to meet the organically produced standard that XYZ had advertised to consumers. Further investigation into these results revealed that the contaminated cotton was because of a manufacturing problem that caused batches of organic and genetically modified cotton fibers to be mixed together.

[**Competence failure**] Several XYZ employees, speaking on condition of anonymity, revealed that the company had previously been unaware of this problem. CEO Abigail (Adam) Clayton has not yet commented on the report's findings. The price of XYZ Child Co.'s stock declined 5% following the report's release.

[**Ethical failure**] Several XYZ employees, speaking on condition of anonymity, revealed that the company had been aware of the problem for nearly 6 months, but failed to take action because of the high cost of replacing the contaminated cotton fiber. CEO Abigail (Adam) Clayton has not yet commented on the report's findings. The price of XYZ Child Co.'s stock declined 5% following the report's release.

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