

CEO Gender and the Effectiveness of Organizational Apologies

Appropriate communication of product failures is key to protecting the reputation of an organization. Oftentimes, this information is communicated by the CEO. Forthcoming research in the *Journal of Applied Psychology* argues that the type of communication of product failure (i.e. type of apology), as well as the gender of the CEO, combine to affect consumer perceptions of the company.

Key Takeaways:

- CEO gender and type of apology communicated about product failures can impact consumer perceptions.
- When female CEOs communicate full responsibility for a product failure, consumers have the highest future purchase intentions.
- Female CEOs who are perceived as more competent and independent had stakeholder responses less tied to the type of apology.

To test this research question, the authors conducted three studies using data from 897 respondents from an online survey panel. They created a fictitious scenario regarding defective blood glucose test strips provided by a health company. The CEO's gender was manipulated by a name change (e.g. "David" vs. "Deborah") and the apology was expressed in one of three ways: sympathy for those affected, partial responsibility by blaming the supplier, or full responsibility for the product failure.

The authors found that consumers had the highest purchase intentions when a female CEO delivered an apologetic statement that accepted full responsibility as opposed to a sympathetic statement or one that addressed partial responsibility; on the other hand, consumer perceptions did not differ by type of apology when delivered by a male CEO. These gender differences were attributed to differences in the presence of communal norms or emphasis of concern for others. When communal norms were present, or a female CEO delivered the statement, consumers needed an apology that accepted full responsibility to mitigate negative reactions. These findings indicate that women face higher expectations due to the stereotype of their communal nature. The authors verified this theory in their final study when they described the females with more agentic traits. When women were perceived as more competent, skilled, and independent, the type of apology had a smaller impact on consumers' purchase intentions.

Taken together, these findings indicate that women may face higher risks when addressing the concerns of stakeholders; while female CEOs may have more positive consumer reactions when accepting full responsibility, this could also lead to an increase in legal liability or potential reputational damage.

Cowen, A. P., & Montgomery, N. V. (2020). To be or not to be sorry? How CEO gender impacts the effectiveness of organizational apologies. *Journal of Applied Psychology*, 105(2), 196.

