



Ph.D. Dissertation Defense

Candidate: Yangyang Zhang
Degree: Doctor of Philosophy
School/Department.: School of Business / Business Administration
Date: Tuesday, April 25, 2023
Time: 1:00 pm – 2:30 pm
Location: Babbio 431
Title: Three essays on racial minorities in corporate leadership

Chairperson: Dr. Ann Murphy, Management, School of Business

Committee Members: Dr. Pranav Garg, Management, School of Business
Dr. Wei Zheng, Management, School of Business
Dr. Stefano Bonini, Finance, School of Business
Dr. Seung-Hwan Jeong, Management, University of Georgia

Abstract

The study of strategic leaders' attributes (e.g., demographic, experience) has remained a substantial area of research for decades. However, there has been a dearth of research on how race-ethnicity manifests in corporate leadership. It is critical to examine the relationship between race-ethnicity and corporate leadership, particularly as racial minorities have made headway yet are still underrepresented at the top levels of organizations. The three essays in this dissertation examine how racial minority status affects strategic leaders from different perspectives.

The first essay, *"The Emergence of Racial Minorities in Corporate Leadership: A Comprehensive Review"*, provides systematic and integrated reviews of the corporate leadership literature to understand the current progress in the study of racial minority top leaders. Analysis of 49 selected articles from leading journals suggests that research focused on the race-ethnicity status of strategic leaders (including CEOs, top management team members, and board members) is in an emergent stage with promising avenues for future research.

The second essay, *"Scapegoats Or Change Agents?: Examining the Promotion of Racial Minority CEOs to Firms in Crisis"*, examines the "glass cliff" effect for racial minority top leaders. The study is based on extensive data of 2,399 CEO appointments, of which 171 were racial minority CEOs. The findings provide evidence of the "glass cliff" phenomenon for racial minority leaders. Further, an event study reveals positive reactions to racial minority CEOs, particularly under conditions of poor performance. Moreover, the study finds that racial minority CEO appointments are associated with more strategic changes in the following year. These results indicate that the "glass cliff" phenomenon for racial minority leaders are driven by the perceptions of racial minority CEOs being potentially more capable of creating the change needed to turn firm performance around.

The third essay, *"Racial Minority CEOs and Likelihood of Dismissal"*, sheds light on the post-promotion evaluations of racial minority CEOs and investigates whether racial minority CEOs may face unfair obstacles during their tenures by examining the likelihood of dismissal of a racial minority CEO compared to a white CEO. Results based on the analysis of 1550 firms, including 135 racial minority-led firms, across a 20-year period show that racial minority CEOs are more likely than white CEOs to be dismissed, especially when firm performance is poor. These findings indicate that racial minority CEOs are held to higher standards and are more vulnerable to being removed from their positions.