

## Beauty in the eye of the boardroom

By: Robin Amlot

A "corporate beauty contest" staged by Duke University researchers revealed strong ties between appearance and success in the business world. It seems ambition, leadership and ability are just not enough. Being good at your job may get you to the top but it won't bring rewards by itself.

Finance professors John Graham, Campbell Harvey and Manju Puri of Duke University's Fuqua School of Business, paired photos of CEOs of large and small companies with photos of non-executives with similar facial features, hairstyles and clothing. The researchers found that CEOs who 'appear' competent earn more money than less competent-looking CEOs.



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The eyes, it would seem, have it. And you thought beauty had nothing to do with the bottom line. As John Graham put it, "Other researchers have found links between attractiveness and workers' pay, and demonstrated that politicians benefit from good looks at election time... We wanted to see whether appearance also plays a role at the corporate executive level."

To test their hypothesis, the researchers staged a variety of online experiments – basically a corporate version of 'hot or not?' asking a couple of thousand people to assess photos of more than 100 CEOs and non-executives.

In one experiment participants were asked to rank the people in each pair of photos according to their attractiveness, competence, trustworthiness and likeability. The CEOs were rated as more competent-looking and more attractive than non-executives. However, CEOs were more frequently rated as less trustworthy and less likable than the non-CEOs with whom their photos were paired.

Similar results were found when participants were asked to rate CEOs of large firms against CEOs of small firms. Large-firm CEOs were rated as more competent 55 per cent of the time, while their small-firm counterparts were judged as looking more trustworthy, likeable and attractive.

For the purposes of the experiments, only photos of white male CEOs were used although this rather begs some very big questions. The issues of female and minority CEOs must wait for further enquiry.

So having discovered that we, collectively, appear to ascribe beauty as a determinant of competence – is there any impact on earnings? The answer is yes! The team found that CEOs rated competent just by their appearance tended to have higher income. CEOs who were rated four or above on a five-point scale for competence had an average total compensation 7.5 per cent higher than CEOs who scored three out of five on competence.

Food for thought and possibly for the pay review! Campbell Harvey's own conclusion on his analysis, "We are told that CEOs are very carefully vetted by boards of directors and professional consultants – as they should be for their multi-million dollar jobs. The fact that our research shows that appearance is unquestionably significant turns my stomach.

"Given there is no relation between appearance and company performance, I hope our research changes the way we select our corporate leaders: 'looks' should not be a factor!"

Quite right too but in the meantime that's me standing next to Angelina Jolie...

