

Preliminary Thesis Report  
at BI Norwegian Business School

**- Excluding Women as Candidates for Top  
Executive Positions –  
Is it Considered as a Rational Decision?**

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## **Summary**

Hiring top executives are shown to have profound influence on organizational effectiveness and thus becomes a largely important business decision. Hiring the ‘right’ leader is dependent on effective and fair recruitment and selection procedures that aims to select the ‘right’ and reject the ‘wrong’ candidate. Even though Norway is among one of the most gender equal countries in the world, research reveal that men are more likely than women to attain top executive positions. Moreover, findings show that employers tend to choose individuals they feel safe and remark with, which lowers women's opportunities. Thus, revealing the assumption of associating women with a risk factor in the selection of a top executive position. Firstly, the research question is introduced. Secondly, theory is divided into economic and non-economic theories to help explain important findings on vertical sex segregation. From economic point of view, theories reveal how the labor market have made women less attractive and why the decision of a man over a woman is considered as a rational decision to employers. Further, non-economic theory builds up on economic theory by explaining how employers act rational by discriminating certain groups that are considered as a risk (such as women) and can potentially harm the organization. Next, this paper describes the further process of an attempt to test the given hypotheses and answer the research question by the use of an experimental design. Lastly, a plan for future process is introduced.

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## **1. Introduction**

Hiring the ‘right’ top executive has become a largely important business decision (Mondy & Mondy, 2012), as employment of a ‘wrong’ candidate may harm the organization (Newell, 2005, p. 115). Despite the consequences of wrong hiring, companies continue to hire poor leaders that might be a potential risk to the organization. Therefore, effective recruitment and selection procedures becomes important in order to distinguish the ‘right’ from the ‘wrong’ candidate.

Despite female’s growing presence in the workforce, the Norwegian labor market is characterized with strong patterns of occupational sex segregation (Seierstad, 2011). In fact, trends in the Norwegian labor market reveal that top female executives represent a minority of the large corporations (Gulbrandsen et al., 2002, p. 48). Statistics reveals that 70 per cent of Norway’s top executives in 2015 were men (SSB, 2017). Further, since 2008, there has been 44 new recruitments of top executives in Norway, in which none of whom were female (Svanemyr, Lorch-Falch, & Gulseth, 2015). Hence, trends indicate Norway to be highly sex segregated (Ellingsæter & Solheim, 2002).

Biblarz, Bengtson and Bucur (1996) argued that occupational sex segregation is most likely caused by gender-based discrimination that often occurs in patterns, either across occupations (horizontally) or within the hierarchy of occupations (vertically). As this thesis aims to find out why women are often excluded in top executive positions in Norway, the paper will only discuss the hierarchy view of sex segregation - theories from a vertical sex segregation point of view. Vertical sex segregation and the lack of women in senior positions have been extensively studied and have become global phenomena (Healy, Ozbilgin., & Aliefendioglu, 2005; Dahlerup, 2006; Singh & Vinnicombe, 2003). Patterns of vertical sex segregation is one of the most important long-term aspects of labor throughout the world (Clark, York, & Anker, 2003, p. 24) and is found to be highly present in the Norwegian labor market (Seierstad, 2011, p. 273). While Svein Aaser (previous CEO Telenor) publicly claimed that women are less competent for top executive positions (Wig, 2015), Torbjørn Gjelstad (headhunter and chairman of Korn Ferry) argued that women are not less competent or qualified than men to be competing for top positions. However, he further claimed women to be associated with a risk as he said that:

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*When the choice of a CEO (Chief Executive Officer) stands between a qualified man or woman, it is rather the experience of risk given the choice to tilt in favor men. Recruiters often end up going for someone who resembles them, one who represents the least risk - the leaders they feel will do the best job and the type they have any experience with before, which in Norway tend to be more men than women (Myklemyr, 2015).*

Certain candidate characteristics and backgrounds such as lying on applications, criminal background, drug- or alcohol abuse patterns, sabotage, terrorism etc., are found to be damaging for top executive positions (Nixon & Kerr, 2011, p. 9), or in general candidates associated with high costs (Anker, 1997). Rejections of candidates with these risk factors is thus seen as a rational decision. However, Caspar (2007) claimed that gender has no impact on firm performance. Thus, asking the question of whether keeping women from top executive positions is a rational or irrational choice. Theories from economic and non-economic point of views reveal findings and clarify why there are so few women in top executive positions in Norway. These theories illustrate a form of rational action of not hiring women. Moreover, indicating a danger of hiring a woman; a risk factor that can potentially harm the organization.

Several justifications for the focus on this thesis, both empirically and methodologically, will be highlighted by exploring gaps and shortcomings in the existing literature. Although a great deal of research has been written on many aspects of female leaders in top executive positions, this thesis will contribute to important research in leadership by combining both fields of research of economic and non-economic theory in the use to analyze the risks of hiring a female leader; making it a rational decision to keep women outside top management. Hence, the research question of this thesis is:

*"Are women considered as a risk factor when appointing candidates for top management positions?"*

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## **2. Theoretical Perspective**

Before discussing specific research regarding lack of women in top executive positions, the paper needs to state the definition of vertical sex segregation. The thesis follows the lead of other research in the area and refers to vertical sex segregation as “hierarchical inequality, specifically men’s domination of the highest status occupations within the manual and non-manual sectors of the economy” (Charles, 2003, p. 269). To answer the research question, it is first needed to explore the theoretical understanding of vertical sex segregation using a variety of economic and non-economic theories. Moreover, explain how the Norwegian labor market is discriminating certain groups (such as women) using neo-classical- and labor market segmentation theories, as well as non-economic theories by considering gender-based discrimination in the recruitment and selection process of appointing top executives. Even though the thesis distinguishes between economic and non-economic theories, research on vertical sex segregation argue that some of the theories overlap (Seierstad, 2011, p. 59).

### ***2.1 Economic Theory: Rational and Efficient Functioning***

From economic point of view, the neo-classical and labor market segmentation theories are argued to contribute to explain how patterns of occupational sex segregation exist (Anker, 1997). The economically active population in Norway today is, according to Gangås (2008), gender balanced. Likewise, international rankings of gender equality reveal that Norway is one of the most equal countries in the world (UNDP, 2015; WEF, 2016). However, Seierstad (2011, p. 3) found that Norwegian organizations provide a set of institutional conditions that encourage forms of strong patterns of vertical segregation. In addition, Gangås (2008) claimed that there still exists typical ‘male’ or ‘female’ jobs in the Norwegian labor market. The opposing findings of high rankings on both equality and segregation have been extensively studied and is referred to as the Norwegian paradox (Højgaard, 2002; Kvande, 1999). Blackburn, Browne, Brooks and Jarman (2002) argued that the paradox of high rankings on both equality and segregation might be due to the fact that studies combines both horizontal and vertical segregation, rather than looking at them separately.

Anker (1997) claimed that labor market segmentation theory is better at explaining vertical occupational sex segregation, which is of interest for this

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thesis. Researchers argue that occupational sex segregation patterns of employment can be explained by individual merit, skills, qualifications, preferences and choices, as well as institutional factors, preferences and expectations (Acker, 1990; Hakim, 2000). Moreover, from an economic point of view, explained by a combination of the labor supply and demand conditions (Anker, 1997; Rubery, Smith, & Fagan, 1999). According to neo-classical economics and labor market segmentation theories, workers seek the best paying jobs with regards to their own personal endowments and preferences (labor supply side), while employers try to maximize productivity and minimize costs in order to maximize profits (labor demand side). However, due to competition and efficient labor markets, employers pay workers their marginal product (Anker, 1997). In addition, research has found that Norwegian labor laws and regulations encourage forms of vertical segregation, and thus directly affect the demand for women workers (Anker, 1997; Seierstad, 2011, p. 44).

### *2.1.1 Labor Supply Side*

Labor supply side theories focus on why women ‘prefer’ certain types of occupations and are built on gender differences with interest in, preparation for, as well as willingness to participate in, various jobs (Ridgeway & England, 2007). Moreover, focus on the rational choice of individuals’ preferences and choices of certain types of occupations with regards to their experience, education and constraints. According to Frank and Bernanke (2004, p. 329), the labor supply of labor for most individual occupations have a positive slope since wage differences among occupations influence occupational choice (see Appendix 1). Moreover, an increase in the demand side of e.g. top executives would require candidates to acquire the right skills, level of education and training for the specific profession (Frank & Bernanke, 2004, p. 330). Human capital and preference theory are further used to explain the supply side of occupational sex segregation from an economic point of view.

Human capital is an individual's cumulative stock of education, training, skills, experience, intelligence, energy, work habits, trustworthiness, and initiative that affect the value of a worker’s marginal product (Frank & Bernanke, 2004, p. 331; Terjesen, Sealy, & Singh, 2009). Human capital theory is according to Frank and Bernanke (2004, p. 331) referred to as “a theory of pay determination that says a

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worker's wage will be proportional to his or her stock of human capital". A key argument for the patterns of occupational sex segregation is that, according to this theory, some occupations pay better than others because they require larger stocks of human capital (Frank & Bernanke, 2004, p. 331). In example, most top executive positions require a higher level of education, e.g. master's degree. Heilman (1997) claimed that women's absence from top level executive positions is a consequence of lack of women's human capital in women's career trajectories. Further, Burke and Mattis (2000, referred in Seierstad, 2011, p. 61) argued that women do not hold the 'right' human capital. Moreover, do not hold the right level of education needed for a top executive position. Ellingsæter (2013) agreed to their argument by claiming that gender gaps in top executive positions are due to differences in women's and men's education. Yet, WEF (2016, p. 52) reveals that a higher score of women in Norway are enrolled in higher education. Moreover, 42.3 per cent women, in contrast to 27.9 per cent men, were taking a higher education in 2015 (SSB, 2016). Hence, as argued by Heilman himself, Heilman's (1997) theory is found to lack empirical support and the further researchers' arguments can be questioned (Seierstad, 2011, p. 61).

Hakim's (1991; 2000) arguments builds on the ideas of human capital theory and the importance of 'choice'. Hakim (2004, p. 4) argued that women's choices and preferences affect their situation, rather than social structural, institutional factors and external forces (e.g. demography, policies). She argued that changes or conditions (i.e. the contraceptive revolution, the equal opportunity revolution, the expansion of white collar occupations, the creation of jobs for secondary earners, and the increasing importance of attitudes, values, and personal preferences in the lifestyle choices of prosperous, liberal modern societies) in the society and the labor market are producing options and opportunities for women which gives women a choice in relation to work and private life (Hakim 1991; 2000). Moreover, the gender roles are also an expression of chosen gendered identities (Hakim, 2000, p. 273). Hakim's preference theory has been criticized as researchers claim that her argument of women's free choice between the roles of home and work is not the case, as women's decisions are rather made in a constrained context (Healy, 1999). Rather, Crompton and Harris (1998, p. 131) argued that preferences may shape choices instead of determine them. Despite heavily contested, Hakim's preference theory is highly respected and has been a

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great contribution in occupational sex segregation analysis and literature (Glover & Kirton, 2006, p. 16).

### *2.1.2 Labor Demand Side*

In contrast, the labor demand side for economic theories focus on why employers prefer to hire certain genders for certain occupations, and men and women's career opportunities and promotion differences within firms. The demand is, according to Anker, (1997, p. 2) "built on the idea that employer will try to maximize profits and minimize costs, which can potentially lead to discrimination against certain groups". Accordingly, the demand curve for labor in any occupation has a negative slope (see Appendix 1), illustrating the fact that shifts in the equilibrium of workers in a given profession often adjust much slower. In example, an increase in the demand for top executives may lead to higher costs depending on how long it takes to prepare an individual to enter the profession (Frank and Bernanke, 2004, pp. 328-330).

Further, women are viewed to be high-cost workers due to certain high indirect labor costs associated with female workers (Anker, 1997). The indirect labor costs of women are found to be related with the fact that women are found to be more likely to be late to work (Anker, 1997), have higher labor turnover rates (Barth & Dale-Olsen, 2009; Sicherman, 1996), are more averse to competition and perform poorer in competitive situations (Hopland & Nyhus, 2016), require special facilities (i.e. separate toilet facilities and crèches for their children)(Papola, 1986), and are less flexible, e.g. in regards being able to stay late (Slaughter, 2012). These factors are found to be associated as cost of employing women. Therefore, according to the labor demand side of occupational sex segregation, it is argued that employers act rationally when they employ fewer people from high cost groups (Anker, 1997).

In addition, statistical discrimination theory is used to explain the demand side of vertical occupational sex segregation from an economic point of view. The theory is built on the assumptions that there exist differences (e.g. productivity, skills, experience, etc.) in distinct groups of workers, as well as high information costs associated with recruitment and promotion decisions in organizations (Anker, 1997). These differences encourage discriminatory behavior in employers.

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According to the theory, Tomaskovic-Devey and Skaggs (1999) claimed that there are certain underlying differences of productivity between the genders. As clarified in the above section, it becomes rational for employers to discriminate against certain distinct groups (e.g. women) when the group of workers are associated with higher cost than the other groups (e.g men) (Anker, 1997). However, Tomaskovic-Devey and Skaggs (1999) also found that differences of productivity is inconsistent, thus criticizing the statistical discrimination theory by claiming that one cannot state that productivity of women or minorities is lower than that of men. According to Anker (1997, pp. 9-10), statistical discrimination theory thus provides an explanation to how some occupations are almost entirely male even though many individual women have greater ability, more education, etc. than many individual men. The theory is further criticized as researchers claim the theory is less relevant in explaining discrimination in promotion (Anker, 1997).

### *2.1.3 Norwegian Labor Market Policies, Laws and Regulations*

In Norway, a variety of initiatives have been introduced to challenge and eliminate discrimination in order to achieve the political goal of gender equality (Teigen, 2003, referred in Seierstad, p. 44). Despite the Norwegian government's role of promoting gender policies, laws and regulations to minimize sex segregation, Anker (1997) found that Norwegian labor laws and regulations encourage forms of vertical sex segregation, which thus directly affect the demand for women workers. In agreement with Anker, Seierstad (2011, p. 42) argued in her study that promotions of Norwegian policies for women's integration in all occupations have rather negatively influenced women's economic status.

Women are associated with taking long parental leave, which has made the option of taking long parental leave unfavorable as it might affect women's employment to positions of authority and power (Mandel & Semyonov, 2005). While women face the challenge of public services and care roles, men are rather seen as more attractive for high authority and power positions, such as top executive positions (Mandel & Semyonov, 2006). Paid parental leave arrangements are thus seen as a political issue of discrimination as it might affect women's opportunities in the labor market, especially women's ability to successfully compete with men for the most senior positions (Ellingsæter & Leira, 2006, p. 123; Mandel & Semyonov,

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2006). However, UNDP of 2015 reveal that the extension to 10 weeks' father leave in 2009 increased men's shares of parental leave to 41 per cent. Indicating that men also take the care role, but does not face any challenges with it.

Even though gender-based policies have helped mitigate work-family trade-offs (UNDP, 2015), Chang (2000) argued that the Norwegian government rather increase segregation through introducing gender policies instead of minimize sex segregation. This is, according to Chang, due to the consequences of creation of 'male' or 'female' jobs in the Norwegian labor market. Even though gender quotas have played an important role in Norwegian equality politics (Skjeie and Teigen, 2005), researchers claim that gender policies have improved horizontal occupational sex segregation, but does not seem to have any effect of vertical occupational sex segregation (Gornick & Jacobs, 1998; Hansen, 1995).

As a result of this discussion and the present research findings, one can assume that female candidates in Norway are less attractive for top executive positions, and thus the first hypothesis is:

**Hypothesis 1:** *Female candidates will be ranked lower than male candidates for top executive positions.*

## **2.2 Non-Economic Theory: Bias in the Recruitment and Selection Process**

One of the main criticisms of economic theories is that they lack consideration on non-economic and non-labor market variables (Anker, 1997). Therefore, this section will reveal empirical findings on non-economic theories related to gender bias in the recruitment and selection process as it is crucial for understanding patterns of vertical occupational sex segregation.

### **2.2.1 Recruiting Top Managers**

Research have found that human resource (HR) professionals predict greater difficulty filling leadership positions in the future. Moreover, the higher the management level is, the more difficult it becomes to filling leadership positions (Conger & Riggio, 2007). Accordingly, Eriksen (1996, p. 110) argued that hiring a CEO is difficult because they are more likely than other employees to affect life and work for all who depend on or relate to the firm.

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Hiring the ‘right’ leader is of paramount importance and this is dependent on effective recruitment and selection procedures, which aims to select the ‘right’ candidate and reject the ‘wrong’ ones. According to Conger and Riggio (2007, p. 14), the selection process of a leader follows two criteria; produce high-quality candidates who are well suited to their positions, and conduct a fair selection process. However, research show that women are exposed to unfair selection, promotion and unequal opportunities (Aycan, 2004, referred in Öztürk, 2007), and risk denied appointments to top executive positions in the labor market (Riach & Rich, 2002). These are women found to have equal abilities, skills and credentials as their male peers (Bosak & Sczesny, 2011; Keloharju, Knüpfer & Tåg, 2016).

A male dominated occupation of top executives in Norway can be due to the tendency of using gender based criteria, rather than qualifications like work experience or education in the selection process (Powell, 1999). Today, leadership continues to be viewed as culturally masculine (Koenig, Mitchell, Eagly, & Ristikari, 2011), and thus the idea of a male candidate is more acceptable and preferred over female candidates for masculine gender-typed jobs, such as leader roles (Heilman, 1997). It is often viewed as inappropriate or presumptuous when women adapt to these masculine behaviors (Koenig et al., 2011).

A study by Bosak and Sczesny (2011) revealed that respondents would select candidates with leader roles over non-leader roles. However, female candidates portrayed as leaders were rather short-listed, while male peers with the same credentials were hired. Further, Keloharju et al. (2016)’s study of top Swedish executives found that gender gap in CEO appointments can be attributed to gender differences in the executives’ characteristics. Moreover, differences in education, labor market experience, career orientation and networks. However, their study reveals evidence that male and female executives with equal attributes have unequal opportunities to be appointed as CEO. Further, a study of management in Norway found that the manager ideals had both feminine and masculine components and that those in management positions selected candidates with the same competence as them (Ellinsæter, 2013). In example, the case of Svein Brekke’s appointment as CEO of Telenor in 2015 drew tremendous attention as the selection was claimed to be gender-based. Media have revealed that no female

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candidates were considered for the top executive position (Moseveen, Skarvøy, & Haugan, 2015). In addition, it was later reported that he lied about his education when applying for the position (Barstad, 2015; Nettavisen, 2016), indicating a risk for the organization.

Some evidence suggests that unequivocally information demonstrating women's leadership success can eliminate stereotypical judgements (Heilman, Wallen, Fuchs., & Tamkins, 2004). Studies have shown that female leaders are associated with greater performance, profitability and stronger records of social responsibility (Dezsö & Ross, 2012; Glass, Cook & Iggersoll, 2015), and thus tend to be better suited than men to serve as a CEO in the ways required in today's global economy (Powell, 2011). Recent evidence however, by Paustian-Underdahl, Walker and Woehr (2014), reveal that there are no gender differences in perceived leadership effectiveness when all leadership contexts are considered.

Overall, these findings suggest that the recruitment and selection of top executives is gender-based and relies on stereotypes which shows the preference of hiring men over women. Reasons for relying on stereotypes are argued to be explained by the ideal picture of a man as the typical leader, and thus choose men as it feels like a safer choice (Thoms, 2005, p. 7). Hence, if this was to be a rational decision, female candidates would be viewed as a risk factor and thus I expect that:

**Hypothesis 2:** *Female candidates will be ranked lower than their male candidates with equal credentials, when selected for a top executive position.*

### *2.2.2 Risk Factors*

Employer selection of candidates for a position is limited by rules prohibiting discrimination of certain groups of society (Homble, Olsby, & Venger, 2012, pp. 39-40). Norwegian law prohibits discrimination based on gender, ethnicity, religion or belief, disability and sexual orientation, gender identity and gender expression. Other than revealing the applicant's gender, a resume gives an overview of the applicant's characteristics. According to Riach & Rich (2002), 90 per cent of the discrimination happens in the first selection of candidates based on their CV. Nevertheless, even though research has shown that the applicant's and employer's gender is seen to be a bias in the screening and hiring stage (Bosak &

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Sczesny, 2011; Cole, Field, & Giles, 2004) and laws prohibited characteristics, there are certain factors which are considered as exceptional, and thus rational, to exclude candidates who are not suitable for employment.

According to Newell (2012, p. 116), the key is to find selection methods which are able to predict ‘good’ candidates from ‘bad’ ones. Thus, one need to clarify who not to hire. Researchers claim that there are certain types the HR professionals avoids as these types of people are related to factors that might put the organization in risky positions (Nixon & Kerr, 2011, p. 2). Nixon and Kerr (2011, p. 1) define risk as “somebody or something likely to cause injury, damage or loss”. Researchers have identified several risk factors that firms are challenged by in the hiring process; criminal record (Young & Powell, 2015), fraud, theft, drug- or alcohol abuse patterns (Brody, 2010), lying on resumes or applications (Babcock, 2003; Prater & Kiser, 2002), workplace violence, terrorism, sex offences, unstable turnaround times, unstable credit history, accident leaks and sabotage, identity theft (Nikon & Kerr, 2011, p. 2), as well as others. These are factors that are found to harm the organization and thus candidates’ recruiters do not want to hire.

According to Prater and Kiser (2002), several firms do a poor job checking candidates. In a study of 310 small businesses and the Fortune 100 they found that individuals applying for a job fake their resumes and lie about their skills sets, previous job titles, dates of employment and employers. Moreover, the study revealed that 76 per cent of their respondents have either caught applicants or employees to lie. Previous studies reveal that a high number of employers have obtained a position in a firm where they lied on their resumes (Dunn, 1995), and that one-third of all executives lie about past degrees, jobs, and responsibilities (Koehn, 1999). All in “just to” appeal better, more favorably and qualified than they actually are. Moreover, the higher the management level is, the more benefit to lying as the level of competitiveness increases at the top executive level (Prater & Kiser, 2002). Lying on resume is seen as a serious problem as it can cause financial and legal burdens for organizations (i.e. recruitment and hiring replacements, potentially lost customers, higher costs, etc.) (Babcock, 2003).

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Zeidner (2014) studied the linkage between applicants with criminal records and hiring decisions. They found that employers believe ex-offenders increase workplace crime and thus ban the hiring of ex-offenders. Further, candidates with drug or alcohol abuse pattern are a risk to the organization as it may reveal consequences of intoxicated or reckless driving (Brody, 2010). Moreover, employers should avoid anyone who might spell trouble in the future. Resume fraud may at a minimum lead to an unfair recruitment where the firm recruits dishonest and less qualified and productive candidates. At the worst, it can lead to theft, violation, costs and loss of profit, etc. (Prater & Kiser, 2002).

As a result of this discussion and the present research findings linked to risk factors in the recruitment and selection of top executives, one can assume that candidates with a risk factor are less attractive for top executive positions, and therefore I assume that:

**Hypothesis 3:** *Female candidates will be ranked lower than their male candidates with higher risk factor, when selected for a top executive position.*

Due to these concerns, managing risk (thus screening out the ‘bad’ ones) is seen to be first managed in the recruitment process. Many HR professionals have seen the need for a background screening of candidates before an interview as it helps to manage potential risk for the organization. In example, a reference check can catch a candidate in a lie about personal references, job titles, and employment dates (Prater & Kiser, 2002). By the use of background checks, applicant’s lies about significant areas of the applicant's background are more likely to be detected (Wood, Schmidtke, & Decker, 2007), and thus prevent future risks.

### **2.3 Conclusion**

The Norwegian paradox is used as a metaphor for high rankings on both equality and segregation in the Norwegian labor market. Theory related to vertical occupational sex segregation reveals how labor supply and demand arguments from an economic point of view can help explain the underlying causes of why women are often excluded in top executive positions in Norway. Economic theory explains how decisions related to costs become a rational choice to steer away from. Moreover, indicating that, as women are associated with costs, the discrimination of women in a decision between a male and female candidate

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becomes a rational choice for employers. Nevertheless, the paper has viewed literature on how the Norwegian state encourage forms of vertical segregation by making women less attractive in the Norwegian labor market. Further, non-economic theory reveals findings that top executive candidates are gender-based selected, rather than selected based on their objective qualifications. This is due to the ideal view of a male leader as leadership is viewed as culturally masculine. In addition, there are certain factors that are considered as a risk that can potentially harm the organization. While employers have the right to hire the ‘right’ candidate, they also have a legal duty not to hire unfit candidates who pose a threat or harm to others or the organization.

As research have shown, when choosing the ‘right’ candidate, regardless of gender, employers tend to act ‘rational’ by choosing individuals they feel familiar and safe with - people they remark with. As statistics of leaders reveal the Norwegian labor market to be male dominated and theories argue that Norway has made the women unattractive as leaders, employers thus tend to choose male leaders when it comes down to a decision between a male or female candidate. Choosing the safe over something that is less safe, thus risky.

The theories illustrate that one can assume that hiring a female top executive is an irrational decision as findings indicate that women can be viewed as a group related to a risk factor, which it would be rational to steer away from. The above research is questioning the strong patterns of vertical sex segregation in Norway, which yield the need for further investigation.

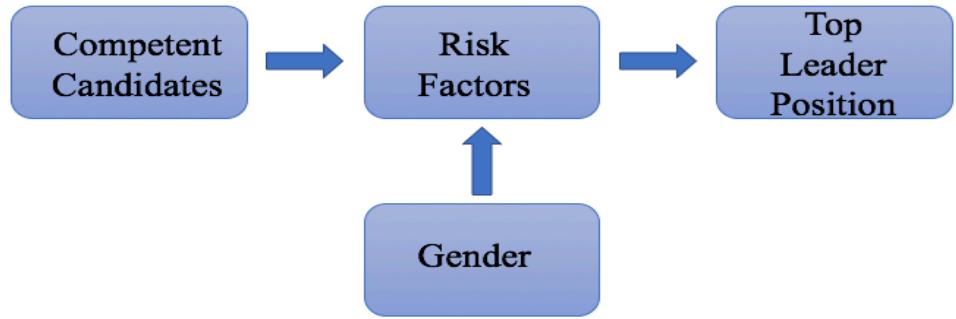
### **3. Methodology**

#### ***3.1 Research Question***

As mentioned in the first chapter, the overall research question is:

*"Are women considered as a risk factor when appointing candidates for top management positions?"*

Based on the research question and given hypotheses, I have established a conceptual model to illustrate the relationship I assume to exist between candidates and the top leader position:



Equally competent and qualified candidates are important in order to evaluate the candidate with a neutral ground for a top leader position. However, the model assumes that risk factors will be crucial for the final decision of a top leader. Most importantly, gender will be a moderated variable deciding to which degree men or women are more or less likely to attain a top executive position.

### ***3.2 Experimental Design***

This thesis will use a quantitative research strategy to test the given hypotheses and answer the research question. According to Creswell (2013, p. 4), quantitative research is defined as “an approach for testing objective theories by examining the relationship among variables”. Testing if a candidate’s risk factor in combination with qualifications and gender would influence how an individual is ranked in a selection process will be done by conducting an experiment. Participants in the experiment will be a combination of professional top leaders from medium-large Norwegian firms, HR recruiters, as well as non-professionals (friends, acquaintances and other randomly asked). The participants will first be asked to clarify some background information (e.g. gender, if they have any leadership experience, etc.) and rank different levels of different risk factors. Further, they will be asked to rank five candidates for a position as CEO and further the degree of expected risk and profit. Unknown to the participants, the candidates will be manipulated in terms of risk factors, gender and qualifications where all candidates will have equal qualifications. A statistical test will allow to tell which of the aspects are more or less decisive for preference, and if candidates’ gender and risk factor affect the results.

An experimental design is defined as “a study in which an intervention is deliberately introduced to observe its effect” (Shadish, Cook, & Campbell., 2002, p. 12). In order to manipulate the independent variable, each candidate will have

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five different versions with each possible combination of two variables of him- and herself so that all versions of each candidate “compete” against each other one time. Resulting in 25 different profiles (see Figure 1). The profiles will consist of a realistic constructed CV (about half a page) along with background screening information of the candidate (i.e. risk factors such as criminal background, alcohol or drug patterns, or any information that can link the candidate to be a potential risk to the organization). In the variations, the individual background information (i.e. work experience and background screening information/risk factors) will be manipulated.

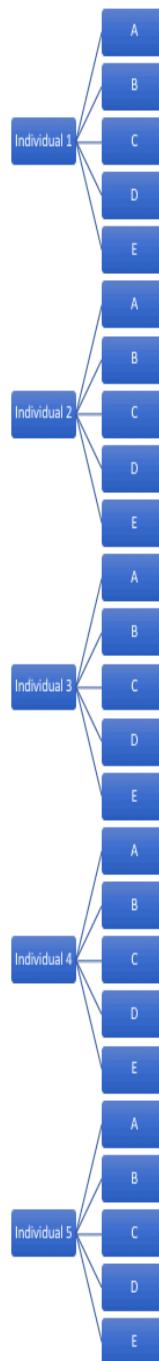


Figure 1: Candidate Profiles

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#### **4. Future Progress**

So far, I have investigated empirical findings on my thesis topic and evolved a research question and three hypotheses. I will continue to read relevant research on my topic after the hand-in of master preliminary in order to continuously improve the literature section and rework hypothesis and research question if needed.

With regards to future research, in collaboration with my supervisor, I plan to start designing the experiment after hand in of preliminary in order to be able to implement the experiment early March. The experiment will be customized to the research question and hypotheses, creating realistic and trustworthy profiles of the five candidates. Further, I will start contacting potential participants and introduce them to the experiment in order to convince them to participate in the experiment.

Further, the experiment will be implemented early March in order to devote April and May to analyze the findings. I plan to have a draft of the master thesis done by May/early June, so I will have the summer to review it and fix needed changes in order to meet the deadline of September 1st.

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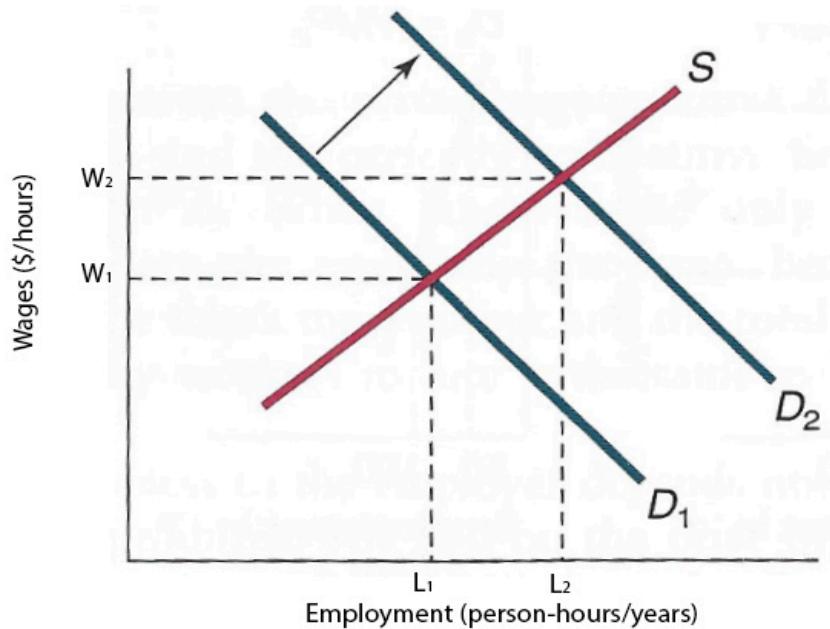
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## Appendices

### Appendix 1: The Effect of an Increase in the Demand



**Source:** Frank, R. H., & Bernanke B. S. (2004). *Labor Markets, Poverty, and Income Distribution*. In *Principles of Economics*, 2nd Ed. (pp. 325-349). New York, NY: The McGraw-Hill Companies, Inc.