

## Hiring Women Leaders

Effective Evaluation in the Recruitment and Selection Process

by

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## **Abstract**

The purpose of this paper is to explore how competency is evaluated in the process of recruiting and selecting corporate leaders and managers. Another perspective is to understand the role of diversity in the process and how it affects the outcomes of hiring decisions. Qualitative interviews were analyzed from a single case study of eight leaders from the manufacturing sector. Empirical data regarding the current approach of how competency is evaluated in the recruitment and selection process was later analyzed together with an extensive review of the literature. As a result, a theoretical model has been developed incorporated with the relevant findings on how to both recruit and select the most competent candidates, while increasing the chances of hiring more women leaders. The supportive findings related to having a standardized competency-based process, where objective measurements for evaluating competency aims to mitigate for decisions based on subjectivity and intuition. In addition, complementary support and recourses were found to mitigate the risks of making biased evaluations among decision-makers, such as having a gender balance among evaluators and relying on competency-based panel interviews rather than semistructured single interviews. The practical implications of these findings will help organizations review and optimize their current recruitment and selections processes to make it effective for hiring diverse talent.

Keywords: Recruitment and selection, competency, competence-based recruitment, diversity, gender diversity.

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## 1 Introduction

The following thesis is based on a qualitative case study on how competency is evaluated in the process of recruiting and selecting corporate leaders and managers in a large bus and coach company in Sweden. The topic is important due to the underrepresentation of female managers in the Swedish private sector and the low number of women in the manufacturing industry (Statistics Sweden, 2013). Local state legislations have put external pressure on organizations to create a balance between men and women at all organizational levels (Diskrimineringsombudsmannen, 2014), but many organizations and industries are still facing challenges to increase the number of female managers. Two research questions have been selected in order to understand what challenges or opportunities women face in the recruitment and selection process: 1) How is competency evaluated in the recruitment and selection process?

Before selecting my case study I tried to get an overview of the Swedish context when it comes to women in managerial positions and the current state in the manufacturing industry. Even if the employment rate in Sweden is almost equal between men and women (82% respective 78%), only 29% of women hold management positions in the private sector (Statistics Sweden, 2013). Still, women's position in the workplace has changed over the years with an overall increase of female representation of Swedish board members from 2% in 1993 to 22% in 2013. Similar direction indicates how the number of women top executives has risen from 6% to 27% over the same time period (SOU, 2014). For the manufacturing industry men dominate the number of employees with 76% (Statistics Sweden, 2013). Hypothetically, there could be some relationship between the underrepresentation of women employees and the industry environment. In 2007 around 20% of all engineers with a masters degree were women, this number was 10% in 1990 but is only expected to reach 25% in 2030. Also, 41% among those 20% women engineers studied chemical and biomedical related engineering in 2007, in contrast to 88% of men who studied electrical, mechanical, and computer related engineering (Statistics Sweden, 2010). Based on the current situation and future outlook, companies in the manufacturing industry will continue to have fierce competition of finding female talent, if only targeting talent in Sweden.

From a Swedish perspective there is an external 'push' for organizations to work towards equality in the workplace and in the hiring process. This push is related to the Discrimination Act (Diskrimineringsombudsmannen, 2014) where employers have a juridical responsibility to give equal opportunities to any candidate applying for a job, irrespective of gender, ethnicity, religion or other belief system. In addition the act implies that an employer should strive to reach an equal balance between men and women in the workplace, and to make sure the underrepresented gender increases over time. Moreover, organizations with more than 25 employees are obliged to develop a diversity plan every third year with objectives and activities for creating equal rights and opportunities between men and women, the area of recruitment being one aspect in the plan. Even if it is not enforced, employers can also choose

to include other categories of diversity into the plan, such as ethnicity, age, religion and sexual orientation (Diskrimineringsombudsmannen, 2014).

To summarize, the problem lies in an underrepresentation of women managers, not only within the company but also on an industry and national level. To add a few new perspectives, theories and studies indicate how male dominated organizations include underlying barriers for women to be selected or promoted, leading to (re)produced inequalities (see e.g. Acker, 1990; Britton & Logan, 2008, Acker, 2012). To reduce any biased decision-making in the recruitment and selection process, studies advocate for structure, standardization, and objectivity in the process (e.g. Bragger et al., 2002; Cascio & Aguinis, 2011). It is believed that using this approach to evaluating competency will lead to selecting the best candidates regardless of the gender, age, ethnicity etc. (Grobler & Warnich, 2010). These different perspectives will be used to critically analyze the case and reach the aim and objectives of this study.

### 1.1 Aim and Objectives

The overall aim is to create a theoretical model for how to evaluate competency in the recruitment and selection process, and if there are any challenges or opportunities in the current process that could be improved for increasing the number of female leaders/managers. In order to accomplish that, the following two sub-questions will be explored:

- How is competency evaluated in the recruitment and selection process?
- What role does diversity play in the recruitment and selection process?

To be able to achieve the aims, empirical data has been collected through eight qualitative interviews with leaders possessing adequate experience in a relevant recruitment and selection process within the past 12 months. In addition, the data has been analyzed together with a comprehensive review of theories and literature related to the aim of the research.

#### 1.2 Outline of the Thesis

The thesis is comprised of five chapters including this introductory chapter. Chapter 2 is a literature and theoretical review of related subjects to the research problem, following the first introductory chapter. Chapter 3 contains the methodical research approach to the study in order to understand how the empirical data was collected and how it was analyzed. Chapter 4 involves the result, analysis, and discussion of the data. Finally, Chapter 5 concludes the study by summarizing the findings and discussing eventual limitations and suggestions for further research.

### 2 Literature Review

To answer the research problem, studies and theories have been selected on the topics of 1) inequalities in the workplace, 2) diversity management 3) recruitment and selection, 4) biased hiring decisions, and 5) solutions to recruit and select a diverse workforce. The reviewed material has been chosen from related research on the topic with the aim to include different research perspectives. Limitations have been observed due to the proportionality of (North) American and European studies available. Additional effort has been taken to include Scandinavian studies on the related topics, in line with the scope of this study.

### 2.1 Organizational Inequalities and Managing Diversity

The first part of the literature/theoretical review will introduce approaches and viewpoints on how and why inequalities exist among organizations, what actions organizations take to reduce inequalities, and the rational decision behind having diversity in the workplace.

### 2.1.1 Gendered Organizations and Inequalities in the Workplace

Feminist management studies and gender scholars have drawn attention to gender inequalities in organizations as a problem. Their research has also provided insights into how these inequalities are produced and reproduced (e.g. Acker, 1990; Wahl, 1992; Wajcman, 1998; Sinclair, 1998; Höök, 2001, Britton & Logan, 2008). When the topic of this thesis relates to increasing the number of female managers in a male dominated company and industry, the literature is relevant to understand the perspectives of why challenges exists among women in organizations.

A review of the literature shows that one of the more influential scholars in this area is Joan Acker. She explains organizations as gendered arenas held up by structures, moving away the concept of gender from individuals to organizations and occupations (Britton & Logan, 2008). A more explicit definition of the term 'gendered organizations' describes how"... an organization, or any other analytic unit, is gendered means that advantage and disadvantage, exploitation and control, action and emotion, meaning and identity, are patterned through and in terms of distinction between male and female, masculine and feminine" (Acker, 1990, p. 146).

Reasons why some organizations today have inequalities in salaries and number of promotions between men and women is related to Acker's (1990) explanation of how gender is produced and reproduced through five processes (also called interrelated 'gendered

substructures', (Dye & Mills, 2012)): division of labor, cultural symbols, workplace interactions, individual identities, and organizational logic. Organizational logic is seen to be a central critique of the (re)production of gender inequalities within the workplace, as this process influences the other four (Dye & Mills, 2005; Kilanski, Muller & Williams, 2012).

The organizational logic includes commonly accepted assumptions of current policies, principles and practices. A gender unequal organization would constitute of a logic that is biased against women (Acker, 1990). One example could be the meaning of a 'job' itself, which appears to be abstract in theory without any gender. Acker's critique implies that in reality an abstract worker is a man – a person who can devote his life to work, hence excluding women carrying non-work obligations, such as child caring. In consequence, those fitting into the organizational logic also fit into the hierarchical system and the social structure of reaching higher positions (Acker, 1990). As per this thesis, it will be interesting to explore if the company is surrounded by an organizational logic unequal towards women.

Changing the logic itself is seen as a radical transformation because it would require a greater harmony between work and life outside work (Acker, 1990). As we are now in the 21<sup>st</sup> century the global workplace has changed. Contemporary jobs are characterized by teamwork, career maps, job insecurity and networking, instead of traditional long-term security, standardized career ladders and job descriptions, and management controlled evaluations (Kilanski, Muller & Williams, 2012). A stronger and more equal work-life balance is significant for today's Scandinavian countries, where policy interventions have made unpaid work more gender-neutral through e.g. paid parental leave and low cost child-care services (Acker, 2012). Even if gender inequalities in Scandinavia and Sweden are relatively low, companies still struggle to attract and select women, especially in the manufacturing industry (Statistics Sweden, 2010; 2013). The subsequent literature review will explore how organizations work towards promoting diversity and recruiting female managers.

#### 2.1.2 Diversity Management

Rooted in feminist theory and critical race studies 'diversity management' and 'managing diversity' was developed in the 1980's in the USA and later emerged into a management practice in the 1990's (Davies, Evans, and Lorber, 2006; Strachan, French and Burgess, 2010). To concept of diversity management relates to strategy and how a diverse workforce can contribute to the bottom line of an organization (Kandola & Fullerton, 2003; Metcalfe & Woodhams, 2008). Underlying forces to efficiently manage diversity are motivated by globalization, international and national anti-discrimination laws, demographic changes, and stakeholder concerns regarding quality of work and people's life (Nishii and Özbilgin, 2007.

Diversity is however a multifaceted concept which is said to include any visible or non-visible differences and similarities among individuals (Rice and White 2005; Carrell, Mann and Sigler, 2006). Some schools of thought argue that diversity is a social construction, similar to gender, formed by the context; hence no universal definition of the diverse term exists (Gatrel and Swan, 2008; Strachan et al., 2010). Given this, it is difficult for corporations desirous of implementing diversity to decide on a particular perspective, instead, the most common practice adopted by organizations is to follow the guidelines from state legislations and policies of how to define diversity (Morrison, Lumby, & Sood, 2006). In Sweden for instance,

the state has legislated on this issue and this legislation is the point of departure for private and public sector organizations policies on diversity. As discussed in the introduction chapter, the parts relevant to this study from the Discrimination Act in Sweden are related to employers' juridical responsibility to give equal opportunities to any candidate applying for a job, irrespectively of gender, ethnicity, religion or other belief system. In addition, the act implies that an employer should strive to reach an equal balance between men and women in the workplace, and to make sure the underrepresented gender increases over time.

Kelly and Dobbin (1998) describe diversity management as a paradigm shift from equal opportunities, with the distinction of how to include and take advantages a diverse workforce – for instance many 'new' diversity programs were supplants to the old equal opportunity programs, but had an agenda to add business value. The new view of perceiving differences as an asset instead of something problematic has led to the idea of diversity as a business case (Wilson and Iles, 1999). Various researchers have suggested that having a diverse workforce can enhance productivity, adaptability, innovation, engagement, customer satisfaction, and talent attraction by better understanding markets and costumers, solving complex problems, and improving decision-making (Kandola & Fullerton, 2003; Wrench, 2007, Armstrong et al., 2010).

Some studies have shown that gender diversity in particular has a positive impact on a company's performance (McKinsey & Co, 2013; Ren and Wang, 2011; Kotiranta, Kovalainen & Rouvinen, 2007; Nguyen & Faff, 2006). Ren and Wang (2011) have shown that have a higher proportion of female managers in China was linked to better firm performance, Kotiranta, Kovalainen & Rouvien (2007) found that large firms in Finland with female CEO's were more profitable than companies with male CEO's, and Nguyen and Faff (2006) revealed that an increase in firm's value was associated with the presence of female directors in Australian publicly listed companies. Furthermore, the number of female representation in groups affected overall problem-solving and increased creativity (Woolley et al., 2010) and evenly gender mixed teams demonstrated higher performance rating compared to maledominated teams (Hoogendoorn, Oosterbeek & van Praag, 2011). Moreover, the result from a 360-evaluation survey of 7,000 leaders (appendix 1) showed that women outperformed men in 12 out of 16 leadership competencies, such as long thought "male strengths" of taking initiative and drive for results (Zenger & Folkman, 2012). In addition, a study by McKinsey & Co. (2008) classified nine leadership behaviors that increase organizational performance and found women to use five of these more often than men (appendix 1).

In contrast to the above mentioned positive aspects of gender diversity, Adams and Ferreira (2009) studied close to 2,000 firms in the USA to conclude that top-management gender diversity on average had negative effects for well-governed firms. Bøhren and Strøm (2007) support this argument from similar findings in Norwegian firms. Another study found that gender diversity in corporate boards in Denmark, Norway and Sweden had no effect on performance (Randøy, Thomsen & Oxelheim 2006). Regarding leadership competence one recent study identified men and women to have same perceptions of leadership effectiveness, with the exception that women underrated their own effectiveness towards men, while still being perceived as more effective by other ratings (Paustian-Underdahl, Walker & Woehr, 2014).

Based on previous mentioned studies the business case for diversity, and gender diversity in particular, does not have a clear consensus among scholars. McMahon (2010) analyzed nine journals from 2000 to 2009 on workplace diversity and firm performance to conclude that the results vary depending on contextual factors (environmental stability and type of industry) and moderating factors (organizational culture and business strategies). For example, the effect of diversity was more noticeable in service industries than manufacturing industries, which can be related to the situation for the case study in this paper. One explanation from Bagilhole (1997) reasons how historical groups, who have benefited inequality (e.g. white men), might become resistant to equal opportunity polices and diversity programs if these initiatives limit their own chances for career progression. Last, Daunfeldt and Rudholm (2012) findings do not support legal obligations to increase board gender diversity, as performance declines from enforced implementations.

Diversity management might be a double edged sword, but a commonly agreed view of how to effectively manage diversity advocates for an inclusive organizational commitment towards the business rationale of why diversity matters (Wilson & Iles, 1999, Soldan, 2009; Sezerel & Tonus, 2014). Firms aiming for higher proportion of women at all organizational levels would benefit from looking beyond equal opportunities to see the long-term positive effects of diversity.

# 2.2 Recruiting and Selecting Competent and Diverse Talent

To build a diverse workforce recruitment and selection is seen as a key Human Resource Management (HRM) lever, which can be found in organizational initiatives to change or adapt aspects of the recruitment and selection process to make it more gender-neutral (Evans, 2012). From the discussions in the previous chapter the contextual aspect influences the degree of external (equal opportunities) and internal (business case) forces for how organizations manage diversity (Morrison, Lumby, & Sood, 2006). The following subchapters will explore how organizations can recruit and select gender diversity more effectively. A special focus will be aimed at how to evaluate competencies and the role of gender bias perspectives in the hiring process.

#### 2.2.1 The Recruitment and Selection Process

'Recruitment' and 'selection' are considered to be two separate HRM activities, though they are many times seen as the same. Recruitment is the process of finding and engaging the right people to an organization. Selection is part of the recruitment process that decides and evaluates who is the most suitable candidate to be selected for the job (Taylor, 2005; Armstrong, 2009).

Ingram et al. (2015) illustrate three different steps in the process: planning activities, recruitment, and selection. The first step involves identification of job analysis, job

qualifications and competencies, job description, and recruitment and selection objectives and strategies. The second step includes attracting prospective candidates through internal or external sources. The final step relates to the selection process, which comprises evaluation and hiring. Common activities involved in the last step are screening of resumes and applications, interviewing, testing, assessment centers, background investigations, and the final decision of whom to hire. Various scholars have illustrated the above overall approach to recruitment and selection as a general process, with exceptions from the specific naming of the steps or activities (Roberts, 1997; Taylor, 2005; Lindelöw, 2008; Armstrong, 2009). Next, a discussion around the difference between traditional and competency-based recruitment and selection will follow, but first an understanding of competency/competencies will be debated.

#### 2.2.2 Competency and Competencies

A conceptual understanding of competency/competencies will be discussed before going into details about the competency-based approach. There is no single standard of a precise definition of the concept, but an overall understanding is that competency is about effective or superior performance and underlying personal characteristics that lead to performance (Armstrong, 2009). A more detailed definition by Parry (1996, p. 50) describes competency as "...a cluster or related knowledge, skills, and attitudes that reflects a major portion of one's job (a role or responsibility), that correlates with performance on the job, that can be measured with well-accepted standards..."In addition, Hoffman (1999) identified three common observed definitions of competency among researchers: "(i) the observable performance (the output); (ii) the standard of the outcome, or result, of a person's performance; and (iii) the underlying attributes of a person, such as his/her knowledge, skills, and abilities" (Velde, 2009, p. 140).

Based on the different perspectives of competency, the conclusion would be to understand the concept as: observable and measurable underlying personal characteristics, knowledge, skills, attitudes, and abilities, which are distinguishable between superior and less superior performers. Depending on the context, the organization and its members should also understand and agree upon a common definition of the meaning of competencies (Lindelöw, 2008). Additionally, it is important to recognize competencies as more related to personal qualities than assigned work activities (Dubois & Rothwell, 2010).

#### 2.2.3 Competency-based Recruitment and Selection

Grobler and Warnich (2010) distinguish between a competency-based approach to recruitment and selection and a traditional work-based approach. The former tries to identify those competencies needed for workers to become successful and perform well in the organization. These competencies are later acting as a key criterion for hiring new employees, based on a demonstrated ability of being competent. As a result, discrimination can be mitigated due to a focus on performance and results irrespective of gender, race, age, sexual orientation, ethnicity etc. Another advantage is to structure interviews, testing, and assessment centers based around competencies (Armstrong, 2009). The latter work-based approach,

including a traditional job analysis, does not measure or observe how education, experience, and other qualifications lead to future performance (Grobler & Warnich, 2010). Taylor (2005) criticizes the traditional approach as job descriptions easily becomes outdated; hence lack the flexibility for organizations to link these descriptions with other HR activities, such as training and performance management (Dubois & Rothwell, 2010). Another drawback could lead to employees refusing to work on different tasks not related to their job description (Taylor, 2005).

One way for organizations to work systematically with competencies is to implement a competency model (or framework). The model contains written descriptions of competencies describing what behaviors are required from their current and future workers to be successful performers. These competencies are mostly linked with strategic goals and other HR processes, such as Learning & Development and Performance Management (Shoonover et al., 2000; Dubous & Rothwell, 2010). Four studies between 1998 and 2001 identified related issues with a competency-based approach to HRM: valid evaluations and measurements, limited support and resources, and lack of expertise (Cook & Bernthal, 1998; Green, 1999; Schoonover et al., 2000; Rahbar-Daniels, Erikson, & Dalik, 2001). One suggestion to overcome challenges related to validation and definition of competencies, is to use the following questions suggested by Mirabile (1998): 1) Can the competency be described and understood by others? 2) Can it be observed as being successfully demonstrated or not? 3) Is it measurable? 4) Can it be influenced by e.g. training, coaching, or development? SHRM's (2012) competency model (appendix 2) can also be used for creating transparency around how to use competencies within organizations. The model incorporates five elements for identification of each competency: title, definition, sub-competencies, behaviors, and proficiency standards (subjective to career stages related to specific behavioral standards for each proficiency). The model was developed through review of relevant literature, inputs from over 1,200 HR professionals globally, and validated via a survey of 32,000 respondents. Finally, to increase individual's expertise in evaluating competency it is suggested to train involved persons in proper recruitment and selection skills (Dubois & Rothwell, 2010).

Once competencies are identified as those critical to organizational success and the success towards particular job roles, another important step is to select the right candidates. Dubois and Rothwell (2010) stress how the criteria for selection have to be objectively stated in the competency-based approach, and that the process should be systematic and disciplined. In contrast, a traditional approach is characterized by assumptions and superficial evidence of candidate's qualifications and abilities. An example of a traditional job description would typically include responsibilities and formal qualifications, while a competency-based job description would include specific competencies for being successful in the role, such as customer focus or leadership abilities. A systematic process is said to be fair and effective as hiring managers can measure candidates against set criteria's, such as how well they are rated on a question related to e.g. customer service (Grobler & Warnich, 2010). Roberts (1997) highlights how to increase quality and consistency in the selection process by making sure selectors have a clear idea of what competencies to look for, together with good or poor evidence, during the screening phase of CV's and/or application forms. Another suggestion is to use a two-level screening process to make sure there is no uncertainty of the candidate's qualifications. Last, it is recommended that the functional manager and the HR representative review the list of the strongest candidates before they are shortlisted for interviews (Dubois & Rothwell, 2010)

After candidates have been screened and shortlisted based on competency-based selection criteria, the next step is normally followed by formal interview(s) and testing (Dubois & Rothwell, 2010). In contrast to a traditional non-systematic interview including questions with weak ties to qualification, a competency-based interview (behavioral event interview) is advocated. The latter ideally consists of a panel of two ore more members asking questions that '...focuses only on the work to be performed by the successful applicant, the relationship of his or her experience to that work, and the competencies presented by the candidate to be used in producing the expected outputs or result' (Dubois & Rothwell, 2010). The author's further suggest the panel to consolidate an objective and biased free report, and send it to the decision maker who might want to interview the most suitable candidate(s). The final step would be to verify any data, such as certifications and reference checks, before an offer can be made (Dubois & Rothwell, 2010).

Even if a competency-based recruitment and selection model is said to be objective, result oriented, non-discriminating, and can be used as an interrelated competency framework between firm strategy and HR processes (Duboius & Rothwell, 2010), there are a few disadvantages. There is a risk of hiring 'clones' with similar competencies, which could harm diversity among management teams (Kondola et al, 2000). Dick and Nadin (2006) concur by illustrating how competencies are not always gender-neutral showing how 'commitment' can be a competency shaped by a male dominated culture, where work is prioritized over home. Another study by Kirton and Healy (2009) describe how the usage of competencies in the selection process can help increase diversity among homogenous groups, but warn that competencies are socially constructed and that there is a risk of subjectivity in the objective measurements. Also, similar competencies could be expressed differently depending on the context (Lindelow, 2008) to hypothetically cause cultural misunderstandings. Sutton and Watson (2013) found that selection interview ratings were higher than appraisal ratings; one explanation to the mismatch could be the candidate's awareness of the process and knowledge of how to sell themselves in an interview. Still, the same study showed how high selection interview ratings relate to positive outcomes, especially 'Understanding the Business'. Last, the process is time-consuming and includes coordination challenges, i.e. finding available panel members. This challenge is said to be worth the time if the organization is able to find the right candidates, which in turn helps reduce turnovers and increase the number of top performers (Grobler & Warnich, 2010).

#### 2.2.4 Sources of Bias in Hiring Decisions

The following sub-chapter will explore studies based on biased decisions when recruiting and selecting candidates. Pro organizational policies and discrimination acts for increased equality, diversity, and inclusion might not change employee behaviors, if the unconscious biases that drive the behavior have not been addressed (Bendick & Nunes, 2012). How these implicit biases influence the decision making process will be discussed below. Even if the thesis primary focus is on gender diversity one study in this section is related to ethnicity. The choice of including these studies was to describe the ways in which minorities are treated

unequally in contrast to majorities. The studies have been selected to be relevant as this thesis is studying a company where women are the minority gender.

Research has found how personal and gender specific information influence the outcome in recruitment and selection process. Golding & Rose (2000) illustrate how the probability for women applicants to be shortlisted and hired increased significantly when applying a genderblind audition for recruiting musicians. In another study (Åslund & Nordström Skans, 2007), results showed a positive impact of anonymous job applications in the recruitment process, which mitigated the risk of discrimination for minority groups. It has also been found how male applicants have been unconsciously favored over female applicants. These findings relate to how identical applications with female and male names were rated differently among science faculties, where male applicants were rated more competent and were given a higher starting salary (Moss-Racusin et al., 2012). Additional support related to a study explaining how managers preferred to recruit male candidates for mathematical tasks over female candidates, even if all candidates had identical skills and also after the managers had proof that female candidates could perform the task equally well to male candidates. Moreover, women downplayed their abilities, in contrast to over-selling by men (Reuben, Sapienza, & Zingales, 2014)

Bendick and Nunes (2012) explain that although hiring decision-makers perceive themselves as making unbiased and objective decisions, stereotypes unconsciously affect perceptions and evaluations. They also show that people's tendency to seek information to confirm stereotypes is not affected by information that contradicts a specific stereotype, and that there is a tendency to make stereotypical memory errors. Additionally these stereotypes can affect job candidate's performance in an interview if candidates feel they might confirm a negative stereotype. One study demonstrated a situation where white interviewers treated white applicants more favorably, leading black applicants to perform less well (Word, Zamma, & Cooper, 1974). Another related study found hiring decision makers to rate majority ethnic candidates more positively, in contrast to candidates from an ethnic minority. The ratings were related to recorded interviews, all identical in content but including differences in accent and names (Segrest Purkiss et al, 2006).

Another aspect of biased decision involves intuition (or 'gut feeling'). According to Miles and Sadler-Smith (2014, p. 621), intuition "... was less useful or effective when quantification or competence-based assessment was required, when used in a wholly unstructured way, and when it reinforced stereotyping of candidates". Furthermore, the authors explain intuition to be useful when there is an absence of hard data, but also how intuition is used by professionals due to personal preferences, limited resources, and perceptions that structured approaches itself are limited. In addition, Lodato, Brooks, and Highhouse (2011) found inexperienced, non-certified, and experiential thinkers to prefer intuitional-based hiring. Miles and Sadler-Smith (2014) argue if intuition is effective or not as a decision tool, to conclude it is contextually associated. If individual experience and organizational resources are lacking, implicit biased thinking might decrease effectiveness. A preferred strategy is to complement subjectivity with objective measurements, such as ability tests (Miles & Sadler-Smith, 2014).

#### 2.2.5 Solutions to Recruit and Select Diversity

In relation to the previous sections the final section will introduce solutions to recruit and select a diverse workforce. Consistent arguments by many researchers in this field emphasize on structure, standardization, and objectivity in the process (e.g. Schmidt & Hunter, 1998; Bragger et al., 2002; Cascio & Aguinis, 2011). Numerous studies have been selected with the criteria of being related to the previous sub-chapters on gender diversity, competency-based recruitment and selection, and the sources of bias in the hiring process.

After a review of the literature on 'best practices' for effective diversity recruitment and selection the main recommendation is to apply a structured and standardized approach (e.g. Schimdt & Hunter, 1998; Hubbard, 2003; Rivera, 2013). Not only is a standardized process effective but it is also said to outperform less standardized ones (Schimdt & Hunter, 1998). Starting with the job analysis it has been suggested clear, observable, and measurable competencies to be included throughout the whole process from screening, shortlisting, testing, to interviewing and selection (Jones, Steffy, & Bray, 1991; Hubbard, 2003). Having structured, rather than unstructured and semi-structured interviews, are suggested to help reduce stereotype-based biases and avoid decisions based on intuition (Cascia & Aguinis, 2011; Rivera, 2013). Kutcher and Ragger (2004) propose using a consistent scoring system to objectively evaluate candidates by concentrating on relevant job and competency specific information, rather than other irrelevant queues that can lead to biased thinking. By asking situational or behavioral questions the decision maker can focus easier on relevant competencies for predicting future performance (Rivera, 2013), rather than questions related to how well a candidate "fits" with the job or organization which has been proved inefficient for predicating future job performance (Arthur et al., 2006).

Complementary support and resources will also mitigate the risks for biased hiring decisions and poor evaluations (e.g. Hubbard, 2003; Lodato, Highhouse, & Brook, 2011). Lodato, Highhouse and Brook (2011) found that utilizing objective decision aids, such as psychometric tests, to be efficient tools for avoiding biased evaluations of personality, ability, and competency (Lodato, Highhouse, & Brook, 2011). Furthermore, Kusterer, Lindholm and Montgomery (2013) argue for inclusion of diverse stakeholders in the process. Their point is that involvement of both men and women can benefit higher quality decisions. One reason is the risk of men not being able to see difficulties female managers encounter in the working life. Further research suggests group evaluations to mitigate risks of gender stereotyping, and the importance of diversity among the evaluators (Hubbard, 2003; Bohnet, van Geen, & Bazeman (2012). The presence of women in the process as a whole is also linked to increased female hiring (Gorman, 2005). Finally, the more experienced people in the process the less biased hiring decisions are made (Marlowe et al., 1996).

Furthermore, different literature shows a few other tactics organizations can apply for increasing the pool of female applicants. Setting targets, i.e. goals, for recruiting diversity has been found effective for hiring more women, as hiring managers put in extra effort for identifying a diverse mix of equally qualified candidates (Heilman, 1980). In addition, applying an inclusive strategy to pick candidates has shown to be more efficient than an exclusive strategy (i.e. excluding the worst rather than including the best) (Hugenberg, Bodenhausen, & McLain, 2006). To find a diverse pool of candidates it is encouraged to

avoid networks and referrals as people have a tendency to unconsciously hire people similar to themselves, leading to reinforced homogeneity (Fernandez and Fernandez-Mateo, 2006). Another issue relates to how women in general have less access to networks, in contrast to men (McDonald, 2011). Moreover, it would be recommended to avoid job titles related to masculinity (e.g. chairman) to not exclude women from identifying themselves to the job and position (McConnell & Fazio, 1996).

I want to end this sub-chapter to describe that there is no "one size fits all" approach around creating best practices for effective recruitment and selection of women (Miles and Sadler-Smith, 2014). The context of the organization and hiring situation matters, but is has also been recommended that hiring managers should seek complementary support, training, and feedback to avoid biased decisions. Some organizations might also face challenges to find time and resources but should not compensate those with poor structure or quality, which would harm the outcome of the process (Sczesny and Kühnen, 2004). Last, Rivera's study (2013) concludes that many times diversity recruitment programs fail since those in charge of the diversity programs are either not involved, nor have sufficient power or status to influence the decision-making process.

### 2.3 Chapter Summary

The chapter has discussed related literature and theories related to the research problem. Findings show how an 'organizational logic' shapes gendered processes and structures to (re)produce inequalities in organizations (e.g. Acker, 1990; Britton & Logan, 2008). Common among (mostly western) organizations is to use diversity management as an approach for not only reducing inequalities, but to see diversity as a business case for bottom-line contribution (e.g. Kandola & Fullerton, 2003; Metcalfe & Woodhams, 2008). In line with the scope of the research, recruitment and selection is one aspect of diversity management organizations focus on to increase women employees at management and non-management positions (Evans, 2012).

To reduce biased decision-makings in the recruitment and selection process, studies advocate for structure, standardization, and objectivity in the process (e.g. Bragger et al., 2002; Cascio & Aguinis, 2011). To meet these standards, a competency-based recruitment and selection model is preferred over a traditional work-based model. The former tries to identify those competencies needed for workers to become successful and perform well in the organization. These competencies are later acting as a key criterion for hiring new employees, based on demonstrated ability of being competent. In contrast, the work-based approach does not measure or observe how education, experience, and other qualifications lead to future performance (Grobler & Warnich, 2010).

It is worth to mention that a critical view has been applied for reviewing the content of the literature and theories in this chapter. Each of the chapters and sub-chapters could have been reviewed as a standalone study. Due to limitations an overview of each topic has been described, which may imply the absence of additional important perspectives.

## 3 Methodology

This chapter will explain the nature of the research problem, the perception of the research and how the gathered material is understood. The following sections describe the data collection method and how the data has been analyzed, followed by a discussion about the validity and reliability of the research.

## 3.1 Research Approach

The purpose of the study is to understand the role of gender diversity in how corporate leaders evaluate competency in the process of leadership recruitment and selection. A qualitative research approach was selected for collecting the data. Interviews were used as a method for data collection when the focus was to understand the respondents' reasonings, actions, and experiences (Trost, 2010). Rather than focusing weather there is statistical significance between how competency is evaluated, the study wants to explore the question from the subjective views of participants. A limitation could be the subjective interpretations of the data analysis from using a qualitative approach, but the advantage weighs up in the richness of information available (Hayes, 2000).

Furthermore, hermeneutics is used as a scientific perspective, which advocate for subjectivism rather the objectivism (Patel & Davidson, 2011). Based on the nature of the study it is necessary to understand how competency is evaluated differently among individuals. Hence it is important for me as a researcher to absorb and interpret the different views and not only understand what is said, but also the meaning behind it. The study has also the characteristic of an inductive approach as the study is focused on a research question rather than a hypothesis (Langemar, 2008). Still, the data analysis will use both indicative and deductive approaches, which will be explained further.

### 3.2 Research Design and Data Sources

The research is designed around a single case study of a company, which will be called Company A throughout this thesis. The choice of selecting Company A for this research was based on a non-probability sampling and accessibility. A case study was chosen because my aim is to understand how competency is evaluated in the recruitment and selection process of a specific organization (Hayes & Lemon, 1990). In order to do this, I needed to acquire detailed knowledge about social relations and processes (Jacobsen, 2002), and for understanding questions related to *how* and *why* competency is evaluated (Yin, 2007).

The interviews were performed according to an interview guide. The guide was developed on the basis of the research question and prior research on diversity in recruitment, as well as information of the company to be studied. The documents elicited from the company included recruitment and diversity policies, the 2014-2016 Swedish diversity plan, and information around the company's leadership competencies used for the company's talent/performance review process.

With support from a representative supervisor at the company, a non-probabilistic sample strategy was used to identify eight interview participants. The criteria for being selected was: a) to have leadership position, b) have led a leadership recruitment and selection process within the past 12 months, and c) be based in Gothenburg (the Swedish main site and HQ) for interview. As a result, three sample techniques were used a) convenience sample - based on availability for interview, b) purposive sampling - to select those people who would be best suitable to answer the questions related to the research, i.e. be a leader and have done recruitment and selection in the past 12 months, and c) heterogeneous sampling - to try to have a diverse mix of participants based on gender, cultural background, and business unit (Singh, 2007). The final sample constituted of seven men and one woman, six Swedish leaders and two foreign expatriate leaders, ages ranging between 35-50, and the representation of three different business groups. Note that the participants were not HR professionals but second level leaders, which typically have first line managers as direct reports. These leaders are responsible over the process from identifying the hiring need until selecting the final candidate. The participants also had different recruitment experience as some had completed several recruitment and selection processes, while other only had completed two or fewer. Furthermore, the company has also identified specific leadership competencies used in the recruitment and selection process and talent/performance review process. These competencies indicate what it is that employees need in order to become successful leaders within the company.

Additional relevant background information to the case study relates to Company A's aim to have a non-discriminating and equal recruitment and selection process, including the ambition to reach a wider diversity in the workforce. In the company's diversity plan for 2014-2016 one goal is to increase the number of women employees from 24% to 26% and the number of women managers from 18% to 21%. These numbers have been close to stagnant between 2011-2013. Based on the industry environment the ambitious goal is to have an above average number of women employees. Still, the challenge is to reach an equal representation between women employees and women managers. Moreover, on a company group level, policies for both recruitment and how to work with diversity and inclusion have been communicated within the company. Even if gender is one specific category that the company is obligated to work on (in relation to the Swedish Discrimination Act), the company sees that all employees are of equal worth and have equal opportunities, regardless of gender, age, ethnic and cultural background, religion, disability, sexual orientation or other physical or social factors. In the case of women, their recruitment policy states how all efforts should be made to have a diverse mix of shortlisted candidates. Also, at least one man and one woman should be included in an interview panel during management recruitment, and both should take part in the final decision. Additionally, the company believes diversity and inclusiveness will provide the company with high employee engagement and enhanced innovation and creativity - key elements for high-sustained business performance. It will also enhance the employer image, allowing them to attract and retain the most competent people from the largest possible pool

of talent.

#### 3.3 Data Collection Method

The next step in the process was followed by eight semi-structured interviews. The choice of a semi-structured interview guide related to the preference of having open-ended questions to create a rich dialogue with a qualitative characteristic, rather then *yes* and *no* answers (Fellinger, 2002). Each interview was recorded to mitigate errors in the data analysis by having all information stored for review (Kvale & Brinkman 2009). Ethical considerations regarding the anonymity and confidentiality of interview material were dealt with a signed agreement of informed consent between the company representative and the interviewer. All of the 60-minute long interviews were held face-to-face at the interviewee's workplace, with the deviation of one interview that was held over phone due to availability.

Furthermore, the interview guide was structured around different themes. In line with Trost's (2010) recommendations, the interview guide was relatively short and covered a few main topics. The guide was not strictly followed, but was used as a reference point to be able to extract the intended information. None of the interviews were structured exactly the same depending on the answers, but also on the context of the interviewee's background and experience within the organization. Still, each theme was targeted as a base for future data analysis.

### 3.4 Data Analysis

A thematic analysis has been applied to analyze the data. The analysis has been done through identifying common meanings and answers, and then these meanings have been categorized and combined into four overall themes (Willig, 2013)

For the thematic analysis, a combination of inductive and deductive analysis has been applied for this study. Inductive analysis implicates how themes have been framed through collected data, whereas deductive analysis has decided the themes before the analysis of data (Langemar, 2008). A combination of the two approaches means structured themes have been used to collect data, but that the themes later changed after the data was processed (Willig, 2013).

Last, by transcribing each interview a more accurate data collection could be structured, compared to listening to the recording multiple times (Kvale & Brinkman, 2009). Relevant information could be easily extracted from the transcribed interviews for the thematic data analysis.

### 3.5 Validity and Reliability

The interview guide and the following questions have been constructed in relation to the research problem and related literature review to ensure the measurements and conclusions have strong validity (Kvale & Brinkman, 2009). Leading questions were avoided during the interviews to prevent any systematic errors (Denscombe, 2009). For example, a question was initially asked regarding perceptions of a process or situation. If the interviewee struggled to deliver a deep answer then follow-up questions would be given such as: 'Do you perceive it as good, bad or neutral?'.

To ensure high reliability, consequent and relevant questions were emphasized for all eight interviews (Denscombe, 2009). In addition, each interview was recorded and transcribed to avoid misunderstandings. Still, there is a risk of misperceptions in the meanings expressed by the interviewees. Another consideration concerns weather the interviewees could have adapted their answers to sound more politically correct. A last concern relates to weather a semi-structured and thematic interview guide provides a standardized approach to replicate a similar study, hence the importance of asking follow-up questions to extract relevant data.

## 3.6 Chapter Summary

The chapter has discussed the reasons behind the choice of research method, its design, data collection, method of analysis, and the validity and reliability of the study. Eight semi-structured and qualitative interviews were carried out to find information related to how competency is evaluated in leadership recruitment and selection, from a perspective of gender diversity. A standardized interviewing approach was applied to ensure high validity and reliability of the study. The following data analysis consisted of thematic analysis, combined of both an inductive and deductive approach. Last, the methodology might have some limitations in the sense of its heuristics scientific perspective, which is opening up for subjective reasoning and analysis.

## 4 Analysis and Discussion

This chapter will first start with an analysis of the empirical data collected through qualitative interviews with eight respondents. All of the respondents have been kept anonymous and been referred to as R1 to R8 when quoted. The second part of the chapter is a discussion of the data in relevance to the theory/literature review and the research problem. Finally, a theoretical model has been developed together with the key findings from this chapter.

### 4.1 Data analysis

As discussed, a thematic analysis has been applied to analyze the empirical data. The structure is comprised of four themes 1) How the recruitment and selection process works, 2) How competency is evaluated, 3) The role of diversity and gender diversity in the process, 4) Challenges or opportunities in how the process can be improved. Note that there are some limitations in the accuracy of the quotations as six out of eight interviews have been transcribed from Swedish to English.

#### 4.1.1 Theme 1: The Recruitment and Selection Process

The overall finding is that the respondents have a large degree of freedom and flexibility in how they prefer to structure the process. Factors that influence this approach are the context of the hiring situation, time, and resources. As a result, none of the respondents used the same approach to the process including which steps and stakeholders to involve.

"... there are no guidelines of how to do it... there is a lot of freedom I would say." (R2)

"... you always want to customize your recruitment process depending on your own needs... and what the (your) management group need." (R6)

"Based on the group you have in your hand, the service, the maturity, based on that you define the stakeholders." (R8)

The general process includes around eight to nine steps 1) creating a job analysis, 2) advertisement, 3) pre-screening of applicants, 4) interview (normally with the respondent only), 5) testing + HR feedback interview, 6) first feedback with stakeholders, 7) reference check, 8) interviews (normally with Human Resource Business Partner (HRBP), direct report, and the union), and 9), second feedback with stakeholders and final selection.

No respondent used these steps exactly the same, or in the same chronological order, excluding the initial three steps of 1) creating a job analysis (often together with an HRBP. the respondents direct report, and a recruitment professional, 2) advertisement (internal or external), and 3) pre-screening of applicants (in many cases the respondents seek extra support). Step four was followed by an interview for seven out of eight respondents. The respondents normally carried out this interview alone. In three cases the respondents tried to include an extra person during the interview to create a panel interview, but it depended on the availability of resources. The fifth step for 50% of the respondents involved psychometric testing. The tests were incorporated with a following feedback interview between an HR professional who coordinated the test, and the candidate. This feedback interview was used by all but one respondent. All respondents used testing at some phase in the process but the number of tests differed, which will be discussed later. Step six was normally a feedback session between different stakeholders, which generally included the respondent and the testing HR professional, but sometimes also an HRBP or HR Manager. All respondents used reference checks somewhere in the end of the process, excluding one respondent who never/rarely used reference checks. A second last step normally involved additional interviews with an HRBP, the candidate's future direct report (so called 'grandpa interview'), and sometimes the union. Many times only one shortlisted candidate reached this step. Depending on the number of remaining candidates the final stakeholders (excluding the union) normally have a feedback session before the respondent makes the decision of whom to hire.

#### 4.1.2 Theme 2: Evaluating Competency

Competency is generally used as a broad term to include technical and behavioral skills, knowledge, and abilities – i.e. what is needed to perform on the job. When the case involves recruiting leadership roles, the majority of respondents discuss the pre-defined company specific leadership competencies to be relevant for the process. As mentioned earlier, each recruitment process is contextual and focused on complementarity and needs for each management group. This means that when creating a job analysis, the competencies identified and selected are those that best fit with the job and the management group.

"When you recruit to a management group you have to identify what competencies are lacking in the group... you recruit to a particular position but also to a particular group." (R1)

The understanding is that the pre-defined leadership competencies are used more as a supporting tool to define the job requirements than a specific strategic tool for future performance. This reflection is based on no direct discussion from the respondents around the link between these competencies and the talent/performance review process. Still, a few respondents discuss the importance of having a good customer focus and the ability to lead and inspire groups of people, which are seen as key abilities for future success. It is also unclear how some of the respondents interpret the meaning of the pre-defined leadership competencies, such as what behavior that reflects these types of competencies, and how to measure or observe them.

"There are descriptions behind the leadership competencies, but no questions around them that you can follow" (R5)

"We don't have it (definition or questions), it is more of an interpretation, there is maybe a definition behind it somewhere..." (R7)

Each of the respondents highlights the advantage of having additional support and resources in the process, and how they can chose to involve various stakeholders throughout the majority of the steps in the process. Including more people helps to make the process richer and to get a balanced view. It differs how the respondents normally structure their process and who to involve, which is based on preference, resources, and time. Everyone include stakeholders to either review or structure the job analysis, some structure it by themselves to later have it approved (reviewed) by their manager and HRBP or HR Manager.

A practice used by five respondents is to use the help of an HR professional from the company's HR Support Center (HRSC) for screening of applicants. The services from HRSC are budgeted, including psychometric testing (the more tests the higher the cost). Those who utilize HRSC for screening do so either because of high numbers of applicants, and/or to get an additional perspective of whom to shortlist. Two respondents agree on a similar successful method of reviewing all applicants and select the top ones, and later compare it with the results from HRSC. In addition, the respondents discuss the requirements with HRSC to align them with what competencies to look for.

In general, a formal interview is followed after the candidates have been shortlisted. The majority of the respondents normally interview the candidate alone. Three respondents stress that they strive to include one additional person during the interview, but that it is not always possible due to time and resource limitations. It is seen as an advantage to have an extra person in the interview that can complement the other person's limitations and give a more balanced view. One respondent points out that an additional person is always involved, but no one was available in the last process due to the newly formed team. Furthermore, no one is aware of any requirements or guidelines regarding having an interview panel, or if a panel should be gender diverse or not.

The interview itself is structured differently among all respondents. Overall they use a semistructured approach to create a dialogue during the interview. Most apply a mix of standard questions, such as "why are you interested in this job", together with more behavioral and situational based questions. In addition, one respondent has written cases for the candidates to solve.

"Much of the competency comes out of the interviews, you ask questions around how they behave" (R1)

"Depending on the role I use to write a few cases where they will read a short description about a situation, and then I want to hear how they reason around it... around anything from technical cases to leadership cases" (R2)

"I have some questions that I try to follow, always same question to each candidate. I work with open questions" (R5)

"I work with a competency/ability matrix, where I have a few competencies/abilities and try to make some kind of evaluation based on my interview guide". (R6)

"... a little unstructured... have a few questions I have written down, but the dialogue is open, still I try to have the questions remembered." (R7)

There is no common approach for evaluating any observed behaviors or outcomes from the questions asked in the interviews. Most respondents say they use notes to relate to in further steps in the process. There is an indication that some of the respondents feel confident in their own judgments and approach based on the more experience they have. One respondent says they used to have a more structured approach with excel tables etc., but now they only use small notes to remember. No respondent uses any type of standardized or objective rating system to evaluate candidates during the interviews. Additional answers indicate that it is not a common practice for the other stakeholders involved in the process to ask comparable and/or measurable questions. Still, two respondents mention that if they had difficulties to evaluate a candidate they will ask HRSC to especially dig deeper into questions that could provide a clearer picture. In all cases an HRBP or HR Manager interview is performed in the last steps of the process, excluding two cases where these persons are included in an eventual panel interview together with the respondent. Again the respondents see the additional interview with the HRBP as giving a more holistic view. One candidate also points out how the HRBP can help complement with expertise related to compensation and benefits. Another respondent explains how the HRBP interview is adapted based on previous feedback from the earlier steps in the process, but this respondent, including a few others, does not seem to know exactly the structure of those interviews. A lasting note relates to one respondent who always has an additional interview with each candidate. The first interview more focused on getting to know the person, while the next interview focused on understanding how the candidate behaves in certain situations. Depending on the outcome of the first interview only successful candidates are selected for the second interview.

A majority preferred using psychometric testing after the first interview, but a couple used it directly after the shortlisting phase. Everyone applied a personality test, and most included a numerical and verbal test. There is no common agreement between the respondents if testing is mandatory or not as shown below:

"There is a minimum requirements of what tests to use for leadership recruitment... There are numerous amounts of tests, it depends on how unsure I feel (to evaluate candidates) and how much money I am willing to spend" (R3)

"... and then we have the situation when you already know who you want to have, and you normally don't do this, mostly (referring to not use testing for known internal candidates). So you have to request yourself, if you don't, they will not do it." (R4)

In all cases, except one, the tests are followed by an interview with an HR professional from HRSC. A couple of respondents said that they discuss with HRSC about what leadership competencies they want the HR professional to focus on in their tests and in the following feedback interview with the candidate. The only person who applied the test before their interview explained how the feedback from HRSC helped to structure the following interview

based on the candidate's strengths and weaknesses. An interesting aspect was that only one respondent used an English proficiency test for all candidates. The decision related to unsuccessful hiring situations in the past where candidates stated in their CV and during the (Swedish held) interview that they were proficient in English, but later failed to communicate when already onboard. Another respondent explained that numerical and verbal tests are only applied if the candidate does not hold a university degree. A common view was that the tests are both reliable and mostly validated the picture the respondents already had of the candidate.

Moreover, the respondents use reference checks as a method to further evaluate the candidate's competencies. In general this step occurs somewhere near the end, either before the final decision or before any second round interviews. No standard questionnaire or process is followed and the choice is free regarding how to structure the reference check. Note, one respondent only uses a reference checks if a person is known from before in the organization. Similar to the other steps, many respondents see the advantage of using reference checks to get a more holistic view of the candidate's previous performance, by contacting a former manager or team member. Another respondent discusses the risk of using the references the candidate has provided, as people tend not to pre-select references that have something negative to say. This respondent describes how they try to call a person in their personal network that knows the candidate but has not been pre-selected as a reference. It is also worth to mention that many of the respondents are relating to an internally held recruitment and selection process.

From a diversity perspective a couple of respondents explain how male candidates in general have a higher tendency to overestimate their skills and competencies from their CV's, in contrast to an underestimation from female candidates. A strategy used to find any gaps between candidates' competencies stated on the CV is to use a few extra 'control' questions. In general the respondents do not feel there are any difficulties when evaluating a diverse pool of candidates. The understanding is that many respondents perceive their evaluating skills to be strong, and that it is easy to ignore any personal specific characteristics and only focus competencies.

"As a manager, I do not make any difference between men and women, between nationalities and so on, I look at the CV and I look into the leadership competencies, if a see a certain drive in this person, and if I see any soft skills and not only hard KPI management..." (R4)

"I perceive myself to be a good judge of character, I benefit from my gut feeling, it has rarely been wrong... I have always had successful recruitments in this company." (R6)

"The first gut feeling you have after first meeting a person is mostly consistent with the supporting facts and feedback you get from the tests and additional interviews." (R7)

Contradictory, as previously mentioned most respondents are aware of their own limitations, hence include other stakeholders to get a balanced view. Yet, in general most respondents explain that their own initial interpretation has been in line with the view of other stakeholders towards the end of the process. Many relate to making decisions based on intuition or gut feeling and see this as an advantage. Some explain that it helps to get the right impression of the person and perceive what signals the person sends out, such as regarding

passion for the job and the interest in the company. Still, one candidate explains an unsuccessful selection based on gut feeling. The mistake occurred due to not including any additional stakeholders whom could properly evaluate the candidate's technical skills.

## 4.1.3 Theme 3: The Role of Diversity in the Recruitment and Selection Process

A common view holds that diversity is not only about gender but all kinds of differences, categorized or not. The respondents see diversity to produce new perspectives and generate more dynamic discussions followed by creative ideas and decisions, but diversity can also help the company to attract diverse talent. Based on this common view, the respondents strive to have a heterogeneous management group and recruit people who can complement the group as a whole. Another view considers how people should be able to identify themselves with the leadership of the company; hence it would be important to try having a management group that represents the overall diverse talent in the company. Only one respondent relates the advantages of diversity with findings from research and studies, but the majority describes situations where they have perceived heterogeneous groups to be more effective than homogenous groups. Answers indicate that diverse groups are harder to manage but that it pays off after the group has become more mature. One respondent stresses the importance of effective group facilitation to make everyone's opinion heard. Still, a couple of other respondents explain how there can be challenges for women adapting to the dynamics of a male dominated group, and how some of these groups tend to have a masculine jargon. Last, one respondent says that efforts to create a diverse leadership group has led to high ratings on a specific diversity index from the company's attitude survey.

No respondents perceive that there are any specific diversity goals or targets within the company, for instance regarding recruiting women. The overall understanding shows that it is up to the decision maker in the recruitment and selection process to promote diversity or not. One respondent relates to the Diversity Plan to say there might be some goals or activities on how to increase diversity, but that there have been no signs of any actions associated on how it can be accomplished.

"... there are no clear goals on how to achieve it (recruit a more diverse talent)... nothing that pushes me to make an effort. Now I do it because I think it is important, if one doesn't think it is important then one is free not to do it." (R3)

An interesting aspect was the mixed understanding of how well the company is working with diversity and equal opportunities. Some specify that it has changed over time to now include many more female employees and managers in the company. One respondent specifies that before the diversity perspective was more about gender, but that it now includes a much broader perspective. A few feel satisfied with the diversity in their management group, even if women in general are heavily underrepresented and even absent in one case. One respondent explains that they are doing well from the company's perspective because of the limited availability of diverse internal and external talent, but not from a Swedish government perspective of having more female leaders, as the company's focus on diversity is broader

than just gender. Still, another respondent argues that the company is not doing enough when it comes to promoting diversity.

An observation indicates that the majority of the respondents does not see or feel that there are any internal barriers or challenges for women to reach management positions. Having a 'male perspective/view' could be one reason, one respondent says. Another thought was the importance to encourage more women (internally) to apply, as the respondent felt that in general women are more conservative/cautions than men when it comes to applying. In similar, a couple of respondents felt female applicants had a tendency to underestimate their skills and competencies compared to men. One view explains that the company is working with some of the above 'issues' with internal networks for women, which helps with mentoring and coaching for women employees. Furthermore, no one indicated that there would be any differences between male and female leaders and their respective competencies. There is also another view saying there could be a problem to hire female managers if there is too much of a focus on internal talent, as the same pool of talent and perspectives are moving around the organization. Furthermore, a couple of respondents speculated how some people (men) in the organization might have difficulties to hire diverse talent, and especially women, because some people might not take women serious. Still, no one is implying the recruitment and selection, or other processes, to be discriminating in any way.

"For me it is common sense... I have never reflected around it, for me it feels natural to threat all candidates equal, it shows respect to the candidate..." (R7)

Last, all respondents agree that diversity the recruitment and selection process is something they advocate for in. Many refer to including a written message in the job ad to encourage diverse applicants to apply. Contradictory, one respondent is completely against explicitly encouraging female applicants, as it should be obvious that anyone is welcome to apply. Results show that there have been a few situations where women candidates have been shortlisted or hired even when they did not meet the competency requirements (normally lack of leadership experience). These respondents reasoned how they strived to include female candidates for creating a more diverse management group. One example also shows how a female candidate was hired over a male candidate because the perception of the latter to be slightly overqualified. The result of these decisions explains how there have been both unsuccessful and successful outcomes from hiring 'under-qualified' candidates. Overall it has led to successful outcomes, which sometimes just required extra support on coaching. In the unsuccessful hiring example the respondent coped with the situation by never compromising competency for gender anymore.

## 4.1.4 Theme 4: Advantages, Disadvantages, and Improvements of the Process

This last theme will intertwine with some of the earlier themes' results including a few new perspectives of how the respondents feel about the efficiency of the recruitment and selection process. Overall they are satisfied with the process as a whole. It is flexible and there are many resources available to help support the respondents. Still, the quality of the support available can make a difference. One respondent explains how they had a very successful

outcome from a recent hiring process, where the objective of hiring a diverse pool of talent was reached. The key to the good results involved a highly competent HR professional from HRSC who was present from the start until the end of the process. Another respondent believes that having a professional recruiter included in the whole process would be an advantage for making higher quality hiring decisions. In addition, some respondents raise the concern of the lack of time available to get support by an HRBP or HR Manager in the process. Not having this additional support makes the evaluation process more difficult and the respondents feel they are too much on their own.

"... to involve a professional recruiter as mandatory in the process... someone who supports (works side by side with the respondent) when analyzing the job requirements and during the interviews... some people in the organization would need more support than what they currently get". (R2)

A further concern relates to the time the whole process can take, which is associated with difficulties to coordinate the different steps in the process in a time efficient manner. There have also been situations where candidates voluntarily dropped out from a time consuming process.

"I think the process takes too long time because those of us who recruit managers cannot find time to pause and focus on a good recruitment, we are overbooked and you try recruit while keeping many balls in the air at the same time." (R5).

No one has the perception that the process or their personal approach to evaluate candidates is discriminating in any way. Each of the respondents think their own process is equal, but also point out that it is subjective and up to the person in charge. The reasons for not being able to find qualified female candidates seems to rely on the small pool of talent available internally and in the industry. Those who express they are good at recruiting and selecting female candidates say it is so because they have set it as a second highest priority behind competency.

"I believe the talent (women) is out there, we have to encourage everyone to apply... I think the mindset of the managers has to be stubborn towards the goal of having diversity, even if competency has to be priority number one, and diversity is priority number two." (R7)

A couple of reflections relate to personal biases and that it would be interesting to see if anonymous applications would make any difference. There are also signs of the need to have better personal recruitment skills, as a couple of candidates imply they want to become more skilled at asking questions related to evaluating personality. Another suggestion was to have better structure around how to use proper questions to evaluate leadership competencies.

A few discussions developed regarding the non-standardized and flexible process. In general the feeling is that a standardized process would be beneficial, but more used as a guideline on how to perform an effective recruitment process and how to better recruit women. As explained earlier, one candidate expresses how no one has informed how the process really works, instead documents are available on the intranet but there is no time to go through them.

#### 4.2 Discussion

The following sub-chapters will discuss the results of the empirical data in relation to the findings from the literature review and the two research questions of a) How is competency evaluated in the recruitment and selection process?, and b) What role does diversity play in the process. Finally, a summary of the key findings will lead to a presentation of a theoretical model covering how to evaluate competency in the recruitment and selection process.

## 4.2.1 How to Evaluate Competency in the Recruitment and Selection Process?

The findings from the data analysis underscore the importance of a well-structured and comprehensive recruitment and selection process for successful evaluation of competencies. The process itself follows the general steps of *planning* (job analysis, process structure, objectives), *recruitment* (attracting talent), and *selection* (screening, testing, interviewing, background checks), which are in consistence with the major trends in the literature (Taylor, 2005; Armstrong, 2009; Ingram et al., 2005).

Even if the process follows a structured approach per se, there is no overall organization-wide standardization. Instead, the hiring context and personal preferences open up for flexibility regarding how to run the process. For example, one respondent is the only one who prefers to always apply a language proficiency test, while another respondent excludes the option of taking reference checks. It is no possibility to generalize weather either of the two examples are 'good' or 'bad', but they highlight how some personal preferences influence the structure regardless of the context. Then, there is the case of how similar steps are applied to the process unrelated to the context, but how the sub-structure of those steps differs between respondents (for instance the number of stakeholders during an interview). Last, some cases show how the context affects how the process is structured, e.g. if resources were available or not, or when the process was shortened because candidate(s) were well known by the decision-maker(s) from before.

The challenge with a non-standardized, individual, and flexible approach is that it is not fully optimized for a theoretical framework of competency-based recruitment and selection (Dubois & Rothwell, 2010; Grobler & Warnich, 2010). Starting with the pre-defined leadership competencies that the company uses both for recruiting future leaders and later in the internal talent/performance review process, these competencies do not seem to have a framework for how to be measured or observed. To backup the argument, the data showed ambiguity regarding how to measure those competencies objectively. Some discussions related to including more perspectives to manage or justify uncertainties, for instance the results from psychometric tests, HR associated interviews, reference checks, or feedback sessions with stakeholders. These supportive techniques of complementing subjectivity with e.g. psychometric tests are seen as a useful strategy to decrease intuition and biased thinking (Lodato, Highhouse, & Brook, 2011; Miles & Sadler-Smith, 2014). Still, the process would

benefit even further if effective techniques to observe and measure competencies were included throughout the whole process (Jones, Steffy, & Bray, 1991; Hubbard, 2003).

Continuing from the above discussion, increasing the transparency around the validation and definition of the pre-defined leadership competencies is one way to move forward. Hypothetically there could exist proper documentation of the definition of those competencies and how they should be measurable, but the analyzed data cannot support if it is true or not. Unrelated to the context or not, research suggests that organizations ought to have a clear and common understanding of the meaning of the competencies for a particular position, in order to be able to conduct an effective evaluation process (Lindelöw, 2008). In the context of Company A, one solution relates to Mirabile's (1998) research, which suggests the following four questions to be used when identifying a competency: 1) Can the competency be described and understood by others? 2) Can it be observed as being successfully demonstrated or not? 3) Is it measurable? 4) Can it be influenced by e.g. training, coaching, or development? Those questions can be answered to some extent by incorporating SHRM's (2012) competency identification model (see: appendix c) of: title, definition, subcompetencies, behaviors, and proficiency standards (subjective to career stages related to specific behavioral standards for each proficiency). The model itself is limited from not including how these behaviors can be observed or measurable in a recruitment and selection process, which needs further consideration.

Based on the data from Company A, each respondent does carefully consider and analyze which competencies are required for each position. In line with recommendations from the literature review, many respondents include a) extra support for the screening process of applications, by carefully considering and explaining what competencies to look for, and b) using a two-level screening process to compare the strongest candidates identified (Roberts, 1997; Dubois & Rothwell, 2010). A couple of respondents reflect about applying anonymous applications to remove any biases related to names and gender etc. This is an interesting idea as research has shown male candidates to be favored over female candidates, but also that the chances for minority groups of being shortlisted increases with an anonymous screening process (Golding & Rose, 2000; Åslund & Nordström Skans, 2007; Moss-Racusin et al., 2012). A drawback with this approach relates to a mutual understanding between a couple of respondents and the literature that women candidates have a tendency to downplay their abilities, in contrast to the over-selling exhibited by men (Reuben, Sapienza, & Zingales, 2014). Having this in mind, one solution could be to first have an anonymous screening process and later review it carefully with the objective of having a diverse shortlist of candidates. Another suggestion from the literature is to focus on including the best fitting candidates rather than excluding the worst in the screening process (Hugenberg, Bodenhausen, & McLain, 2006). It is unclear if this strategy is applied directly or indirectly in the process by any of the respondents, but it could be useful as it has been proven successful by scholars.

Moving from screening to interviewing, this step is considered of high importance and relevance to the research question of this sub-chapter, as it involves the only (except one case using two interviews) formal interaction between the respondent and candidate in the process where competency is evaluated. In contrast to some recommendations from the literature related to competency-based recruitment and selection Company A's approach is less

structured and standardized. From the data analysis it is understood that interviews are performed based on individual preferences and that it involves a more intuitive and semi-structured approach. Moreover, the interviews generally lack standardization of how to observe and measure competencies. A competency-based approach emphasizes on structured interviews with behavioral and situational related questions around specific competencies, normally including a panel of two or more people that will rate and observe how the candidate confronts the questions (Dubois & Rothwell, 2010). It should not be ignored that research has found limitations in asking these types of questions as candidates can prepare how to sell themselves (Watson, 2013). A personal recommendation is to include creative and less obvious questions to avoid disparity between the actual answer and future performance.

Dubois and Rothewell (2010) suggest the decision-maker (the respondents in this case study) will receive an objective and biased free report from the panel that they can use for selecting suitable candidate(s) for a personal interview. Instead of excluding the decision-maker from the panel interview, another option would be to include them int the panel. It would seem irrational, in the context of this case study, not to include the person as they identify the hiring need, create the job analysis, and make the final decision. It would also save time, which was a challenge expressed by several respondents. Furthermore, the respondent mostly has the technical expertise and deeper understanding of the leadership group, hence can be a subject-matter expert on more technical competencies and connected questions. As a consequence, standardized behavioral questions can be selected from the pre-defined competency model of leadership competencies, while more technical competency questions can be tailored based on the hiring context. Last, the reason why a standardized and structured approach would be more efficient than the opposite approach is because it is seen as superior to predict future performance and creates a more equal and bias-free process (Schimdt & Hunter, 1998; Grobler & Warnich, 2010, Rivera, 2013).

A final observation, when it comes to the psychometric testing some respondents indicated certain tests were mandatory when recruiting leaders and managers, while some other replies did not concur. When the majority praises the validity of the personality test, verbal test, and numerical test, these three tests seems to be excellent complementary evaluation tools, in consistence with research findings (Lodato, Highhouse, & Brook, 2011). A personal reflection concerns if these tests could be biased or discriminating towards individuals not fitting into the test profile, or if some questions could be culturally biased. Still, Company A's practice of including a feedback interview after the tests indicates that there are possibilities to discuss the results and ventilate any challenges. Finally, due to past unsuccessful hiring decisions, one respondent applied English proficiency tests. An alternative solution to save time and financial resources could be to use English (or other required languages) as mode of communication during the interviews, or at least for some selected questions.

## 4.2.2 What Role Does Diversity Play in the Recruitment and Selection Process?

The empirical data shows that Company A's process of recruiting and selecting new leaders and managers includes diversity as one consideration. Diversity is mostly mentioned in the

context of complementarity of people in the management groups. It is commonly agreed that heterogeneity is more favorable over homogeneity when recruiting future leaders, and that heterogeneous groups are perceived to be more productive and effective. The data is broadly consistent with the view of diversity management from the literature, which sees diversity as a business case rather than a case for equal opportunities (Kelly and Dobbin, 1998; Metcalfe & Woodhams, 2008). The data also shows that the respondents perceive diversity to create better group dynamic, effective problem solving, innovative ideas, and that diversity itself can help attract more diverse talent. Even if there are no hard data around the reflections (except for one respondent who expressed they achieved a high diversity rating on the company's attitude survey), these perceptions are in line with the findings from various studies around the business case for diversity (Kandola and Fullerton, 2003; Wrench, 2007, Armstrong et al., 2010).

The following discussion will reflect around why there are challenges to recruit and select female leaders/managers. Note that these reflections might be either directly or indirectly related to the question in this sub-chapter. No respondent agreed that there are any clear differences between female and male leaders. Instead the majority thinks it concerns individual differences rather than gender differences. It was also found that no obvious glass ceiling for women to reach leadership or management positions exists. Some thoughts related to why there are few female leaders in the company was associated with views of women being less confident applying for these positions, that women underestimate their own skills compared to men, and that some (male) leaders could have difficulties to take women seriously. Based on this data it would be interesting to relate to Zenger and Folkman (2012) who found women to outperform men in 12 out of 16 leadership related competencies, including stereotypical male categories such as Taking Initiative and Drive for Results (appendix b). In addition, men and women were rated equal on Technical or Professional Expertise. Furthermore, another study by McKinsey Co. (2008) classified nine leadership behaviors (appendix a) that increase organizational performance, and found women to use five of these more often than men.

Hypothetically, if these results were to be 100% globally generalized then there should exist more female competent leaders than male, but the reality looks different when only 29% women hold management positions in the Swedish private sector, or 18% in Company A. One explanation of the current situation in Company A could be connected to a) the organizational male dominance due to a heritage of the past, as described by one respondent, and b) the male dominance among engineering students in Sweden, which was only 10% in 1993 to reach 20% in 2007 (Statistics Sweden, 2010). Still, no matter the numbers, women candidates should have greater chances of being selected for a leadership position than men, as they not only have been proved to have the same technical and professional expertise, but also stronger leadership skills and abilities which enable them to apply effective leadership behaviors more frequently.

It now gets interesting to further understand the reasons behind this situation. We have a concurring view between the respondents and the literature that diversity is good for the business. We also have a non-concurrent observation between the representation of female leaders in Company A and the business case for female leadership from the literature. To exemplify, if the company consists of 24% female employees and 18% female managers, then

it seems to be a mismatch and underrepresentation of female leaders as the literature argue for female leaders to be more competent. Logically, the scenario would be to have a higher percentage of female leaders than the total percentage of female employees. Note, the purpose of the thesis is not to find out if female leaders are more competent than male leaders, but these reflections can help give a broader perspective to the analysis of the role diversity plays in the recruitment and selection process.

The reviewed literature explains a few different reasons why companies face challenges to recruit and select women. Some factors have already been discussed, such as a standardized and structured process, competency-based hiring, and complementary support and resources. As expressed during the interviews there are no concrete or formal goals for recruiting diversity, instead it is up to each individual person in Company A to promote diversity when recruiting new leaders. This approach is inconsistent with the literature that is pro diversity targets and goals in the process, which gives hiring managers a reason to put in extra effort for identifying a diverse mix of equally qualified candidates (Heilman, 1980). Further results from the data indicate that internal hiring is common in Company A, for various reasons. Even if it could be difficult to influence a change in this situation, some studies suggest women to be in a disadvantage as they have less access to networks in general when compared to men (McDonald, 2011). In additional, people have a tendency to unconsciously hire people similar to themselves, such as men find it 'easier' to hire other men (Fernandez & Fernandez-Mateo, 2006). If now the majority of the people who lead and are involved in the recruitment and selection process are men in Company A, and many times people are hired internally, then a conclusion based on the literature would find the situation not optimal for promoting female leaders. Still, it is difficult to give a holistic analysis based on the limited sample in the case study. Moreover, a couple of respondents are also explaining how there exist formal networks for women in the organization, as well as intentions from leaders to encourage women in career development. This could hypothetically be explained by how the situation has changed over the long time, which is also a general observation by some respondents.

Even if there are more female managers in Company A today ten years ago, it cannot be ignored that the number of female managers has been close to stagnant from 2011 to 2013. It also cannot be ignored that the respondents have managed to build up relatively diverse management groups, at least what they express. Many see themselves as competent recruiters who can trust their intuition and rely on complementary support and recourses. This confidence could be questioned as research has found people not to be aware that stereotypes unconsciously affect perceptions and evaluations (Bendick & Nunes, 2012). As discussed before, a good practice for effective evaluations and decreased biased decisions is to use a panel interview where people evaluate a candidate. Including women into the process is also found to increase the chances of hiring women even more, as it is said to create higher quality decisions due to men's difficulties to relate to challenges female managers encounter in the working life (Gorman, 2005; Bohnet, van Geen, & Bazeman, 2012; Kusterer, Lindholm and Montgomery, 2013). Note that the same argument can be applied to any hiring situation including an underrepresented candidate, foreigner or local, old or young, man or woman. Finally, one respondent also recommends that an experienced HR professional (recruiter) should be involved in the whole process, which is also suggested in the literature in order to reduce biased decisions (Marlowe et al., 1996).

Furthermore, the company's recruitment policy actually states how at least one man and one woman should be included in an interview panel during management recruitment, and that both should take part in the final decision. Why this policy has limited influence, if any at all, in the process is unknown, as no respondent seemed to be aware of its existence. The lack of concrete diversity goals or formal activities seems to also be related to this situation, when there exists a diversity plan including goals and activities to increase the number of women employees and managers. One potential explanation from the literature shows that many times diversity recruitment programs fail because those in charge of the diversity programs are either not involved, nor have sufficient power or status to influence the decision-making process (Rivera, 2013). This could indirectly be supported by the data showing how it is up to each individual if they want to promote diversity or not in Company A - it is a choice and not a strategic goal. Again, generalization the whole organization from this discussion has its limitation from the nature of the case study, but many scholars advocate for an inclusive organizational commitment towards the business rationale of why diversity matters (Wilson and Iles, 1999; Soldan, 2009; Sezerel and Tonus, 2014).

The overall discussion is not about trying to force women into leadership positions, but to understand potential challenges and underlying factors that could explain the current situation in the company. On the one hand we have a case where diversity is perceived not only to include women but all kinds of differences. The agenda is not solely about creating a diverse management group of men and women, but to include all kinds of complementary differences and perspectives. On the other hand we have an external push from local state legislations where there is a primary focus on equal representation of gender (Diskrimineringsombudsmannen, 2014). An assumption could be that the broad focus on diversity can make people 'get away' with promoting diversity while still failing to recruit female leaders. The conclusion by one respondent was that the company is doing great from an overall diversity perspective, but not from a Swedish government perspective of recruiting female leaders. This could also be true, but I want to speculate that gender as a diversity category is about A and B (as per Diskrimineringsombudsmannen, 2014), while age, ethnicity, or nationality could be anything between A and Z. For example, aiming to find a competent candidate from any country is more easy than aiming to find a candidate from a specific country, as there are more than 100 specific countries. Finding any gender specific candidate is also more easy that aiming to find a candidate of a specific gender, as there are not one but two to choose from. Based on this example it can be seen as a great success of having a diverse mix between people from different countries, but if only a small minority of those are women then it might be seen more as a failure.

Last, I want to cover some thoughts around the very first sub-chapter of the literature review based on inequalities in organizations and try to link it to the recruitment and selection process. The intention is not to make a comprehensive analysis, as that would require a separate study, but to summarize few of the previously discussed observations in this thesis. Research by Acker (1990) argues for how structures, processes and an organizational logic (re)produce inequalities for women in organizations. None of the respondents believe the process is unequal in any way, but points out that the responsibility lies in the hands of the individual. Emphasizing on internal hiring could indirectly lead to unequal opportunities for women due to their disadvantage in networking (McDonald, 2011). In addition, not including female stakeholders could hinder the chances for female candidates to be selected due to

unconscious biases among men (Kusterer, Lindholm and Montgomery, 2013). It was also found from the data analysis how some respondents referred to the word 'grandpa interview' when the candidate would meet the respondents direct report. Acker (1990) would relate this an organizational logic where men are seen as those in possession of senior leadership positions. It would be recommended to avoid any jargons related to masculinity to not exclude women from identifying themselves to a job or a position (McConnell & Fazio, 1996). Another consideration concerns the critique of a competency-based approach to recruitment and selection, as it could harm diversity if only people with similar competencies are hired (Kondola et al, 2000). There is also evidence that some competencies might not be gender-neutral implying organizations to carefully review them from a gender perspective, for instance 'commitment' could be a competency shaped by a male dominated culture, where work is prioritized over home (Dick and Nadin, 2006). To conclude, there are no clear findings indicating that the recruitment and selection process in Company A has any underlying barriers for women to be hired. Instead the notion is to identify potential risks with the current process that could affect the effectiveness of the process from an equality and diversity perspective.

#### 4.2.3 Summarizing the Key Findings

The following sub-chapter will summarize the most important and relevant key findings from the discussion. The majority of these main findings will be incorporated to create a theoretical model for how to evaluate competency in the recruitment and selection process.

Standardized process: Company A's current process is not standardized and could benefit from an optimization of incorporating some of the best practices applied within the company and best practices from the literature. A structured and standardized process, where objectivity rather than subjectivity is the main focus, has also been found to be more effective than a less standardized one when evaluating competency (Schimdt & Hunter, 1998; Hubbard, 2003; Rivera, 2013). Still, data from the case study showed that people preferred to have the flexibility to control their own process, but that incorporating guidelines of how to run the process effectively could be beneficial. It is also important to mention how there is a large degree of individual structure in the process but not any organizational-wise structure. The general steps that are applied into the process in Company A are also in line with the major trends in the literature (Taylor, 2005; Armstrong, 2009). The purpose is not to remove any aspects that are working well, but to include a mixture of those practices that can bring the most value to the process.

**Transparent leadership competencies**: The company's existing predefined leadership competencies do not seem to have a commonly understood definition, nor do they have any clear guidelines for how to be observed and measured in a recruitment process. If these guidelines exist, it would then be advised to create stronger awareness for those leading the recruitment and selection process. If the information is not available, then it would be recommended to improve the transparency and common understanding of the meaning of the competencies and how they can be observed and measured in the process. Further details around these recommendations can be found in the previous sub-chapter.

Competency-based interviews: Findings from the data analysis showed how semi-structured interviews were preferred in Company A, excluding standardized methods to observe or measure competency. The literature advocates for systematic and structured interviews based on behavioral and situational questions to be effective in predicting future success (Dubois & Rothwell, 2010; Grobler & Warnich, 2010). Applying this approach is also said to reduce intuitive thinking that can lead to unconscious biased decisions and unequal treatment of diverse candidates (Segrest Purkiss et al, 2006; Bendick & Nunes, 2012). Some research also suggests incorporating an interview panel to increase effectiveness in the evaluation process (Dubois & Rothwell, 2010; Bohnet, van Geen, & Bazeman, 2012). Similarly, a couple of respondents note the advantage of including an additional person during the interviews to get a more balanced view of the candidate.

Complementary support and resources: A common verdict by the respondents is that having complementary support and resources improves the chances of recruiting and selecting the most competent candidate(s). Moreover, other candidates express lack of support to be a problem and some feel they are many times left on their own. Based on the findings from the previous sub-chapter a recommendation is to not compromise quality with time and resources. Including additional support and resources, such as people and other resources, mitigates the risks for biased hiring decisions and poor evaluations (Hubbard, 2003; Lodato, Highhouse, & Brook, 2011). Also, the more experienced people in the process the less biased hiring decisions are made (Marlowe et al., 1996), which was also mentioned by one respondent.

Challenges to hire women: There are a few reasons why it could be a challenge to recruit and select female leaders: the overall underrepresentation of women in the company and in the industry, lack of formal diversity goals, limited power and influence by those responsible over diversity initiatives, a broad perspective on diversity that opens up for 'ignoring' gender while still being able to increase diversity, the disadvantage women have related to networking and internal hiring, absence of women stakeholders involved in the recruitment and selection process, and the fact that people make unconscious biased decisions based on stereotypes where male candidates have a tendency to be selected over female candidates. There has also been a discussion if the organization is gendered in some aspects, especially the finding of using the word 'grandpa interview' in relation to an interview with a senior leader. As some of the above challenges or more complex and ambiguous to fully assess or implement, a proposal would be to first concentrate on changes that are more easy to apply in relation to the context (such as having a gender diverse interview panel, which is already a policy recommendation).

## 4.2.4 Effective Evaluation in the Recruitment and Selection Process: A Theoretical Model for Hiring Women Leaders

The standardized model (appendix e) is demonstrated as a step-by-step process including activities and the sub-structures of these activities. The structure is based on findings from the empirical data of Company A and the literature review. Five out of nine steps are marked as *primary* and the remaining four as *secondary*. The primary steps are visualized to describe those having significant value to the research questions and/or include additional or

alternative recommendations to the current process. Still, the process would not be complete without the secondary steps, but these are either less comprehensive or have had a minor presence in this thesis.

**Step 1 - Job analysis (primary):** Besides a traditional job description of job responsibilities and qualifications, a job analysis will include those competencies needed for workers to become successful and perform well in the organization. It would be imperative to have a framework of organizational-specific leadership competencies including guidelines for how these competencies can be observed and measured in the process. Incorporating a diverse and experienced mix of stakeholders in this step is seen to benefit the end results. Another important factor is to establish and communicate clear targets and objectives around both diversity and what competencies to look for throughout each step of the process.

Step 2 – Attracting talent (secondary): If possible, it is recommended to look outside internal advertising due to the disadvantage women encounter in networking situations, especially if they are the underrepresented gender in the organization.

Step 3 – Screening (primary): Chances of making high quality decisions have been proved to be more effective if more than one person is involved in the screening process, including one experienced HR professional (recruiter). Biased decisions can be reduced not only by comparing the screening results between two or more persons, but also by having an anonymous screening process. One solution is to first have an anonymous screening process, and later review the shortlisted candidates in line with the targets and objectives related do competency and diversity. Another suggestion is to focus on including the best fitting candidates in the screening process, rather than excluding the worst.

Step 4 – Interview (primary): A competency-based panel interview is found to be superior when evaluating competency and recruiting women, in contrast to semi-structured or unstructured single interviews. The idea of using a panel including multiple evaluators is to save time from adding further interviews in the process, besides the more informal interviews concerning (mostly) the respondent's direct report and the union. It is recommended that the panel is diverse, especially gender diverse, to create a more balanced evaluation. An additional suggestion is to use a systematic approach towards asking behavioral and situational questions around those competencies relevant for the positions, technical as well as leadership related competencies. The key is to ask similar questions that are relevant for the role, and avoid questions and observations unrelated to competency. For example, asking a question regarding hobbies is mostly not connected with how well a candidate can perform the job, which can generate unconscious biases about a person. If similar questions are given to each candidate and observed and measured by the panel, then it will be easier to make an objective comparison between each individual evaluation, compared with two separate interviews with different interviewers and questions. A personal recommendation would be to include the hiring manager (i.e. respondent) and an HRBP or HR Manager in the panel, because these two have a major influence in the recruitment and selection process at Company A. In situations where the panel is not gender diverse nor has the necessary technical expertise, a third panel member would be required. Asking questions using the language(s) required for the role would also mitigate the risk of hiring a person with inadequate language skills. The interview panel can later share a small report with the HR

person (same person from the screening process) responsible for the psychometric tests who can use the results to tailor the feedback interview with the candidate after the tests.

Step 5 – Psychometric testing and feedback interview (primary): Utilizing psychometric tests have been shown as excellent complementary tools for evaluating personality traits and verbal and numerical reasoning skills. This aspect of the process is perceived to work well, with the only exception around the different number of tests applied between each respondent. Standardizing the types of tests depending on the type of position would seem rational, if the goal is to create an overall fair process for the organization. A feedback interview between the HR professional and responsible for the psychometric tests and the candidate is considered mandatory and part of this step.

**Step 6 – Reference check (secondary):** Depending on the number of strong candidates this step could come either before or after a final decision has been made. It is suggested from the empirical findings to include 2-3 references including direct reports, team members, or employees who have previously reported to the candidate.

**Step 7 – Feedback and final selection (primary):** For effective evolution it is suggested to include those people involved in evaluating the candidate(s) in the process, such as the hiring manager, HRBP or HR Manager, the HR professional (recruiter), and an eventual third panel member.

**Step 8 – Additional interviews (secondary):** The selected candidate meets the hiring managers direct report for an informal interview, an HRBP or HR manager for salary negotiations, and the union.

**Step 9 – Contract signing (secondary)**: If no further changes or opinions, the candidate signs the contract and the process is closed.

### 5 Conclusion

This thesis was set to explore how competency is evaluated in the process of recruiting and selecting corporate leaders and managers, with a particular focus on gender diversity. The overall aim of the thesis was to create a theoretical model for how to evaluate competency in the recruitment and selection process, and to understand if there were any challenges or opportunities in the current process that could be improved in favor of increasing the number of female leaders/managers. In order to accomplish this, the following two sub questions have been explored:

- 1) How is competency evaluated in the recruitment and selection process?
- 2) What role does diversity play in the recruitment and selection process?

To answer these two questions one case study of eight qualitative interviews has been analyzed and discussed in relation to a review of the literature on topics associated with the research questions.

The main empirical findings show how competency is evaluated throughout a comprehensive process involving numerous steps to reach the final decision. The process is not standardized and opens up for flexibility and individual preferences on how it should be structured. In addition, interviews are based on semi-structure and subjectivity, rather than structure and objectivity. Complementary support and resources help the decision-makers to overcome biases and to create a balanced view of the candidates. Still, there are indications that some leaders do not receive sufficient support and recourses. The role of diversity in the process was found to be linked with a belief that diversity brings new perspectives, generates more dynamic discussions followed by creative ideas and decisions, but can also help the company attract diverse talent. An absence of diversity regarding objectives or goals lead to a free choice of weather to promote diversity or not. In general, the view is that the reason for there being few female managers in the company is not the process itself, but the limited pool of applicants.

A theoretical model (appendix e) of how to evaluate competency has been developed by integrating the key findings from the discussion between the empirical results and the literature review. The model can be seen as a mixture of best practices used by the respondents and the recommendations from previous studies and research. The model follows a nine-step process from identifying a hiring need to selecting the right candidate. Five out of those nine steps are deemed to have critical value to the evaluating process. The remaining three steps are seen as secondary, meaning that while still being imperative to the process they do not involve any major changes from the current process. Furthermore, additional and indepth suggestions and recommendations related to the aims of the thesis can be found in the second part of Chapter 4.

#### 5.1 Practical Implications

This thesis reveals several practical implications not only for organizations that want to make effective hiring decisions, but also for those who aim to recruit and select more women employees and leaders/managers. The thesis has discussed various solutions to the problem of how organizations can implement a competency-based approach to recruit and select the most competent candidates – an approach that mitigates the risks of unconscious stereotypical biases by using objective measurements rather than subjective intuition. In that case, the results are based on a relatively small sample from a single company, a single industry, and a single location. Therefore, the practical implications are limited in the sense of the context of the case study. Specific information regarding stakeholder's involvement, technical resource, and different steps in the process is all based on situational factors associated with the case study. Instead, it is advised to see the recommendations and suggestions in this thesis as guidelines that can be adapted based on the state of the company, location, industry, current recruitment and selection process, and current diversity goals.

#### 5.2 Future Research

In relation to the narrow scope that constitutes including only one case study, it would be interesting to perform comparative case studies between organizations with small, equal, and large number of woman leaders, or in different industries, locations, or cultures. Another suggestion is to examine the outcomes of implementing some of the recommendations and suggestions into the current process of the company analyzed in this thesis, or in a different context. Finally, this research has focused on the evaluator's perspective. An alternative approach could set out how candidates perceive the process from an equal and competency-based perspective.

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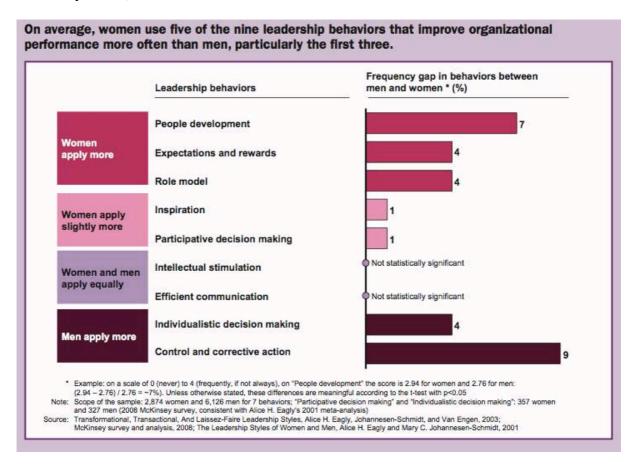
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### Appendix A

McKinsey & Co., 2008.



## Appendix B

Zenger and Folkman, 2012.

The Top 16 Competencies Top Leaders Exemplify Most

	Male Mean Percentile	Female Mean Percentile	T value
Takes Initiative	48	56	-11.58
Practices Self-Development	48	55	-9.45
Displays High Integrity and Honesty	48	55	-9.28
Drives for Results	48	54	-8.84
Develops Others	48	54	-7.94
Inspires and Motivates Others	49	54	-7.53
Builds Relationships	49	54	-7.15
Collaboration and Teamwork	49	53	-6.14
Establishes Stretch Goals	49	53	-5.41
Champions Change	49	53	-4.48
Solves Problems and Analyzes Issues	50	52	-2.53
Communicates Powerfully and Prolifically	50	52	-2.47
Connects the Group to the Outside World	50	51	-0.78
Innovates	50	51	-0.76
Technical or Professional Expertise	50	51	-0.11
Develops Strategic Perspective	51	49	2.79

# Appendix C

SHRM, 2012.

	KEY
TITLE	This is the title of the competency
DEFINITION	This is the overall definition of the competency
SUB- COMPETENCIES	These are competencies related to and/or subsumed by the relevant general competency
BEHAVIORS	These are behaviors demonstrated by individuals at the highest level of proficiency on the indicated competency
PROFICIENCY STANDARDS	These are standards for proficiency at the four career stages (early, mid, senior, and executive). Each proficiency standard represents a Behavioral standards in which an HR professional at the relevant level should engage to be successful.

### Appendix D

Interview guide.

- 1. Q: Can you explain a little about how your company recruit managers and what kind of leaders does the company need?
- 2. Q: How is competence evaluated during the recruitment process?
  - Q. Purpose: How is competency perceived, is there any competency-based interview process, what factors influence the evaluation of the candidates competencies, what does competence and leadership skills mean to you.
- 3. Q: In what way would increased gender diversity among leaders and managers be beneficial to the business?
  - Q. Purpose: How is diversity perceived/business case for diversity, diversity management, stereotypes, relation between law's and policies.
- 4. Q: What concrete actions are taken to make sure the process is equal to both genders?
  - Q. Purpose: As per the policy of recruiting managers, all efforts has to be made to secure gender diversity, the interview panel should consist of one man and one woman who will also take part in the final decision for selection.
- 5. Q: What are key steps/elements to make the process gender equal? How do you perceive this today?
  - Q. Purpose: Positive/negative aspects or advantages/obstacles in the process, such as the policies, the recruitment process itself, number female applicants, sourcing efficiency etc. How do they perceive the effectiveness of the process?
  - Q: Most common reason for women leaving or most common reason for you as manager to not choose the female candidate?
  - Q. Purpose: Could be the process itself, the C&B package, company culture and/or interaction with the hiring team.
  - Follow-up question: Is this perceived as good or bad? What were the competencies the candidate(s) did not have?

## Appendix E

Theoretical model

