

Inclusion of Women in Executive Teams

Business Research Methodology

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1. INTRODUCTION

The need for inclusion has emerged from organizations becoming increasingly diverse, and it has become a highly topical matter for international businesses. Companies have progressed in diversifying their workforces. However, this is just the first step. If the companies cannot create a culture that includes all perspectives, then they will not be able to fully leverage diversity (Krentz, Dean, & Novacek, 2019). This study will investigate inclusion of women in executive teams. Executive teams are at the core of every company, and it is crucial that they efficiently manage the operations of their companies. Inclusion should help facilitate this. Meaning that all ideas and perspectives in the team are respected equally. In this way, the teams will be able to develop better ways of managing their operations and make the best decisions.

Hunt, Dolan, Prince, & Dixon Fyle (2020) state that the case for inclusion and diversity has never been stronger. Therefore, due to the significance of the topic, I am expecting to observe several measures aiming to ensure inclusion. Thus, results found in this study should be interesting to managements and human resource (HR) practitioners of diverse multinational enterprises (MNEs). It will give a better understanding of the women in their executive teams, and it will provide guidance on how to better ensure the inclusion of women in these teams.

2. RESEARCH QUESTION

The proposed research aims to further investigate inclusive practices among MNEs. Diversity is far more researched than inclusion, despite, arguably, being equally important. Especially research specifically on inclusion of women in executive teams has not been subject to extensive research, compared to other areas of research on inclusion. Therefore, the proposed research will add to the existing literature by exploring an area of research on diversity and inclusion that is yet to be fully discovered. In order to do so, the following research question has been chosen:

“What makes women feel included in executive teams?”

Thus, the objective of the proposed research is to explore inclusive practices in executive teams. At the same time, because of the research method, it will to some degree highlight the level of inclusion among the studied subjects as well.

3. EMPIRICAL BACKGROUND

Inclusion is a multifaceted term, and it can be described in several ways. Molelf, O'Mara, and Richter (2017) describe it as a way of operating in which diversity is leveraged to create a high-performing organization. By diversity, they mean the demographic and social differences among people such as gender, age, and religion (Molelf, et al., 2017). Thus, leveraging diversity by respecting the differences in all peers of an organization through inclusion can lead to a higher performing organization. The positive effects of diversity are also supported in the below figure:

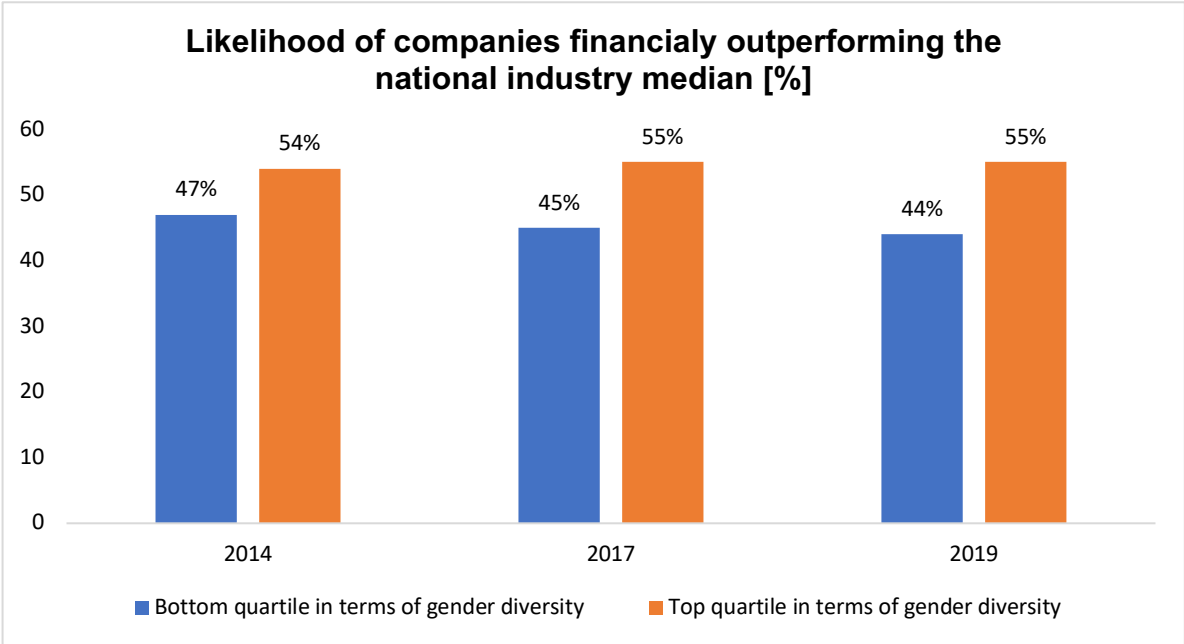


Figure 1. Source: McKinsey & Company (2020)

In all three years, the companies belonging to the top quartile for gender diversity on executive teams have a higher chance of outperforming the companies in the bottom quartile. The companies belonging to the bottom quartile experience a significant decrease in the likelihood of financial outperformance for all three periods. Furthermore, when investing the data further it becomes clear that the likelihood of outperformance increases as diversity increases. It also becomes evident how it is common for the outperforming companies to strengthen inclusion through bold steps and a systematic approach (Hunt et al., 2020). These steps will be explored further in the proposed research.

Increased women executives also seem to include changes in how firms approach innovation. Post, Lokshin, and Boone (2021) found that firms become more open to change and avoid risks to a higher degree when the representation of female executives raises. This was exhibited by

how the studied firms changed focus from mergers and acquisitions to research and development (R&D). Investments in R&D increased by 1.1%. This is quite a substantial increase considering that the average R&D investments for the firms in the sample were \$6,538 million. Here as well, the case for inclusion was strengthened. The level of impact of the female executives was found to be greater if they were efficiently integrated into their teams.

A survey conducted by Boston Consulting Group (2018) gives an idea of the prevalence of the topic. 75% of the 1700 responding firms from different parts of the world and industries reported that diversity is gaining momentum in their organization (Lorenzo, Voigt, Tsusaka, Krentz, & Abouzahr, 2018). Correspondingly, inclusion should also be gaining momentum in these organizations as it seems to be an important aspect of leveraging diversity. The synergies caused by the combination of inclusion and diversity, and how it is advantageous to a lot of firms underlines why further research should be conducted on the topic.

4. THEORETICAL BACKGROUND

By reviewing existing literature and research on inclusion I aim to gain knowledge on an appropriate method for my research. Examining existing research will hopefully give me insight into possible pitfalls when researching the topic. It is also important to get a thorough understanding of the theories and fundamentals that the critical cases are based on. The proposed research design will be constructed as a product of this.

Organizational support theory (OST) and perceived organizational support (POS) can be used to explain inclusion. OST proposes that employees form a perception of how the organization value the contributions and the welfare of their employees. This general perception is the perceived organizational support (Kurtessis, Eisenberger, Ford, Buffardi, Stewart, & Adis, 2015). Social exchange theory contributes to explaining OST. Social exchange theory considers employment as a trade between the employee and the organization. Effort and loyalty from the employee are traded in exchange for tangible and social resources from the organization (Cropanzano & Mitchell, 2005). OST also emphasizes self-enhancement processes, where POS should fulfill socioemotional needs such as approval and self-esteem which will lead to identification with the organization. (Kurtessis et al., 2015). Kurtessis and colleagues (2015) conducted a meta-analysis of organizational support theory by assessing results from 558 studies. They found that there are several ways for organizations to show that they care about the well-being and contributions of their employees. Supportive leadership, fairness, HR

practices, and working conditions were all related to perceived organizational support (Kurtosis et al., 2015). Another meta-analysis of 70 studies by Rhoades and Eisenberger (2002) found that fairness, supervisor support, organizational rewards, and favorable job conditions were also associated with POS. They also found that POS could have a positive impact on the employees like improved job satisfaction.

Previous literature has yet to arrive at a consensus on how to measure inclusion. Shore, Randel, Chung, Dean, Ehrhart, and Singh (2011) developed an inclusion framework where inclusion is considered a construct of uniqueness and belongingness. Especially uniqueness is highlighted as an important attribute. It may lead to improved performance of a group if a unique individual is accepted into the group, and the group values the unique characteristics of the individual (Shore et al., 2011). The framework is built upon optimal distinctiveness theory, which proposes that humans both need a feeling of inclusion and differentiation. (Leonardelli, Pickett, & Brewer, 2010). Several subsequent studies tested some aspects of the framework and concluded that uniqueness and belongingness are distinct elements of workgroup inclusion (Shore, Cleveland, & Sanchez, 2018). Turnover and willingness to stay at the organization are measurements that are often regarded as important from a corporate perspective (Roberson, Ragins, & Ryan, 2017). However, this way of measuring inclusion has the major limitation of being affected by external factors such as the state of the labor market (April & Blass, 2010). April and Blass rather developed the “*InclusionIndex™*” which provides indications on what areas an organization is failing in terms of inclusion. The index is a framework that consider inclusion to be a composite measurement consisting of 10 factors: senior managers, immediate manager, values, recruitment, promotion, fitting in, bullying, dialogue, organizational belonging, and emotional well-being. (April & Blass, 2010).

Francis and Michielsens (2021) studied inclusion in the Australian AEC industry among firms of different sizes. Inclusion was mainly based on two descriptions by previous researchers regarding insider status and acceptance, and it consisted of four variables: person-organization fit, gender equity, peer support, and supervisor support (Francis & Michielsens, 2021). Diversity management practices were also measured by three variables: nondiscriminatory practices, resource practices, and accountability practices. They found that inclusion is a product of diversity management effectiveness and organizational support. Moreover, the study found that micro-sized companies had the highest degree of inclusion despite larger companies usually having more formal diversity and inclusion practices. This might indicate that informal

practices may be more significant than formal practices of inclusion. However, the study holds some limitations. The study was conducted on women exclusively in the AEC industry in Australia. Firms in the AEC industry may not be the ideal examples in practicing inclusion due to the low representation of women in the industry. That is, firms are not experienced in managing a diverse workforce.

Cassell, Watson, Ford, and Kele (2021) used a different approach when studying inclusion in the retail industry in the United Kingdom. They interviewed both senior leaders and employees, as well as they conducted a shadow study of three senior members of the studied company. Five drivers of inclusion were found: leaders showing commitment to creating an inclusive culture, responsiveness to the concerns of individuals, focus on groups who are traditionally not excluded, measures aiming to include those who are usually excluded, and support of diverse networks. In general, their main finding was that organizations should aim to include both the majority and minority of their workforce. Their methodology of both interviews and shadow studies gives comprehensive insight into inclusion, but their sampling method holds some limitations. All their interview subjects were chosen in collaboration with the HR department and the inclusion team. The HR department or inclusion team could have an agenda in suggesting subjects that are likely to respond in a certain manner wanted by the HR department. This could lead to misleading results. Additionally, the results in the study may have been affected by the high workload of the retail industry, which was found in the shadow study. Time and effort might not be invested in ensuring the inclusion of others, which means that inclusive practices may not be as evident in this industry. Moreover, the high level of pressure and competition in the retail industry results in a top priority in economic success, rather than diversity and inclusion (Cassell et al., 2021).

Hunt and colleagues (2020) found three approaches to strengthen inclusion in their study: facilitate equality through fairness of opportunity, transparency, zero tolerance for discrimination, promoting openness, and create a culture of belongingness. Results were found by using publicly available information on 18 companies in their data set, as well as interviews. They defined executive teams as to how the studied companies defined their executive teams for all their research. However, these interviews hold some limitations. Their answers could be biased to portray their companies in a positive way knowing that they are part of a report that will be publicly published. Moreover, some of the interviewees were related the human resource or diversity management in their companies. Their responses could therefore be heavily biased

to create a positive impression of their actions to strengthen inclusion. A sentiment analysis based upon comments from Glassdoor and Indeed was also conducted in the same report. Sentiments on equality, openness, and belongingness were studied in three different industries. While this is a method of obtaining an overall impression of inclusion in different industries, it does not give sufficient insight on how companies can better these sentiments.

The assessment of the previous research results in some final remarks for this study. Firstly, both formal and informal practices will be explored due to the interesting result in the study of Francis and Michielsens (2021) on micro-sized companies. Furthermore, the studied subjects should be in teams with a high representation of women as these teams should be familiar with practicing inclusion. In the light of the last two studies (Hunt et al., 2020) and (Cassell et al., 2021), interviews seem to be a method that will provide deep insight into inclusive practices. How Hunt and colleagues (2020) defined executive teams is also directly transferable to this study. Another key takeaway from the study of Cassel and colleagues (2021) is to interview several subjects. It makes for an interesting comparison, rather than one-sided responses from a single subject which was the case in the study of Hunt and colleagues. Additionally, a countermeasure against the issues of biases that can occur in portraying the organizations of the interviewees in a certain way is to keep the chosen organization anonymous. The factors that were found to be associated with POS, the *"InclusionIndex™"* and the questions used in the survey by Francis and Michielsens (2021) can be used as inspiration for the questions in the interviews. Lastly, measuring inclusion can be based upon the framework by Shore and colleagues (2011) as it includes both uniqueness and belongingness which seems to be the most important aspects of inclusion, and it is grounded in optimal distinctiveness theory.

5. PROPOSED RESEARCH DESIGN

The proposed research aims to apply for MNEs with women in their executive teams and it will employ a qualitative methodology in the means of two individual interviews. With an exploratory approach, it specifically aims to investigate practices that contributes to the inclusion of female executives. The purpose of the study is not to make inferences about a specific population. Thus, choosing a specific population is difficult because results in the study could be dependent on other factors such as the size or location of the studied firm. The proposed research aims to be as informative and generalizable as possible. However, the results of the study will not apply to all firms because of the limitations of the study.

Theoretical sampling will be used to select the interview subjects to obtain a sample with certain traits. Therefore, interviews will be conducted on female executives of A.P. Moller-Maersk. A.P. Moller-Maersk has been chosen for this study because of several reasons. Firstly, A.P. Moller-Maersk is a huge MNE with international operations in 130 countries. Secondly, one of their core values is to create an inclusive and diverse environment. Furthermore, their executive team consists of three women out of eight members, that is, 37,5% of the team. The chief people officer will however not be interviewed as she is related to the human resource management of the organization and her answers could be heavily biased. In the light of the constraints of a bachelor project, some convenient choices need to be taken in order to finish the project in due time and access the wanted information. This makes A.P. Moller-Maersk even more suitable. The executive vice president of A.P. Moller-Maersk is alumni of Copenhagen Business School (CBS), and A.P. Moller-Maersk is in a career partnership with CBS. This will hopefully increase the chances of acquiring subjects for the interviews as the proposed research is to be conducted by a CBS student. By following this plan, contact with the other female executive will hopefully be established through the executive vice president. Lastly, the main office of A.P. Moller-Maersk is located in Copenhagen, increasing the chances of a face-to-face interview.

How the executive vice president is approached is crucial for the success of the study. She will be contacted by email. The email must be constructed in a professional manner and CBS will be used as common ground and a way to establish a personal relationship with her. Furthermore, the email must portray why she and the female executives of A.P. Moller-Maersk were chosen. This is done by constructing a personal email where research on, and interest in, A.P. Moller-Maersk is proven. Their core value of creating an inclusive organization can be utilized as an argument here. The importance of the study should also be emphasized, especially how the study may be of great help to other female executives in ensuring their inclusion. Lastly, she will also be offered full anonymity. If the approach of the initial email is executed correctly, she will hopefully propose for her executive colleague to part-take in the study, and contact is established with her as well. The scheduling of the interview will of course happen at the premises of the executives which also should be mentioned in the email.

The interviews will be in the semi-structured format and conducted in English. This format includes the possibility to take sudden turns in the interviews and explore parts of the topic that are relevant to the specific subjects. It also makes it easier to compare the results in the

interviews by following a certain structure. In the consent of the subjects, the interviews will be audio recorded to ensure that all details are being included and registered. This will also make it easier for the interviewer to relax and focus on the interview itself instead of taking extensive notes. The interviews need to follow a somewhat structured plan to achieve the objective of the study and ensure flexibility. An outline of the interviews will ensure this, and it will serve as support to an inexperienced interviewer. The interviews will consist of two main parts after an introduction where a broad explanation of inclusion is given. Firstly, the degree of inclusion of the subject will briefly be discussed. The second part will be exploring what makes the subject feel included. Here, both informal and formal practices will be touched upon. The outline of the interviews should be included in the email as it will strengthen the impression of the project and should look something like this.

1. Inclusion:

- How does your values match with the values of the executive team of A.P. Moller-Maersk?
- How does your unique attributes and perspectives contribute to the performance of the team?
- If you propose new innovative ideas for the team, do they consider your ideas respectfully and in equal manner as for the other members of the team?

2. Inclusive practices:

- What is important for you to feel included?
- What can others do to make you feel included?
- What do you consider to be important characteristics of an inclusive team?
- How does your leader contribute to making you feel included?
- How does A.P. Moller-Maersk actively ensure your feeling of inclusion?

All the responses from the interviews should be interpreted and compared to create an informative summarizing synthesis of the results.

5.1 LIMITATIONS

The proposed research holds some limitations. Obviously, the study might be affected by a response bias. This could severely affect the results since subjects who participate in interviews might have certain characteristics which are not common with people who do not. Further, it will be difficult to make strong general conclusions about inclusive practices due to the small number of subjects that are studied. This limitation could be mitigated by increasing the sample size, however, this would not be feasible in the context of a bachelor project. In addition, A.P. Moller-Maersk is not a representative organization for smaller organizations and organizations in other industries. It is chosen as a convenient organization to study. However, convenience does not imply guaranteed access to the wanted subjects. This can to some degree be accommodated for. In the event that the executive vice president does not answer within 10 working days, a follow-up email should be sent. In addition, emails could be sent to women of

executive teams in other organizations with the same characteristics as A.P. Moller-Maersk at the beginning of the project. This could be useful if the initial plan fails. On the other hand, this also means additional work and time, which can lead to the emails not meeting the certain standards that they should due to the timeframe of the project. Furthermore, the interviewer will be quite inexperienced with conducting interviews, which could lead to wrong questions being asked and affect the results of the study. Several measures are taken to accommodate this problem such as the structured plan of the interviews and the audio recording. However, since the executive vice president is CBS alumni, she will hopefully be more patient with the interviewer. She makes for a perfect first interview as it will make the interviewer more relaxed and experienced when conducting the next interview. The answers of the subjects may be affected by biases as the subjects may feel pressure from their leaders as to how they should answer. In addition, they may have an agenda of portraying A.P. Moller-Maersk as an inclusive organization to for example attract talents or satisfy their leaders and stakeholders. Therefore, if possible, A.P. Moller-Maersk as an organization should be anonymous in the final thesis. In other words, their answers may not be completely true and should be treated with causation. Lastly, it may be difficult to ensure that the perception of inclusion of the interviewee is consistent with the descriptions of the interviewer. The introduction of the interview is a measure aiming to accommodate this problem.

5.2 TIME SCHEDULE

The time schedule will be highly dependent on the availability of the interview subjects. It is also dynamic and has room for change if needed:

Month 1:	Further research on inclusion and construction of the interview outline Send invitational email for the interviews
Month 2:	Finalize interview questions Practice for the interviews
Month 3:	Conduct interviews
Month 4:	Interpretation and comparison of the results
Month 5:	Write the thesis
Month 6:	Proofreading and extensive reviews Some time off the project should be taken before the finalizing reviews Hand-in

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