Persistent Homogeneity in Top Management
Organizational path dependence in leadership selection

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“Do not go where the path may lead; go instead where there is no path and leave a trail”

Ralph Waldo Emerson
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The time of my doctorate studies was truly enriching and exciting – a phase in life that I would not want to miss. For me it was a great privilege to have the opportunity to study a social phenomenon in depth, to allow ideas develop and to get exclusive insights into the world of top management in a globally renowned organization.

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(..) Pause of 2 seconds

(…) Pause of 3 seconds

[… ] Quote shortened

m men

w women
I. INTRODUCTION: THE EMPIRICAL PUZZLE

“Too male, too German, too bland” described Peter Löscher, CEO of the internationally operating company Siemens, when he spoke about his company’s top management in 2010.\(^1\) Two years earlier, in 2008, when Siemens hit the hardest crisis in the company's history, Löscher complained about the lack of diversity among Siemens’ executives. The group of executives, according to him, is too homogenous to represent its diverse clients. In addition, the company was facing an increasing “war for talents” to secure the best talent in the market. Löscher saw the competitiveness of his company at risk\(^2\), which led him to make Siemens’ lack of diversity a priority in his agenda. Consequently, Jill Lee was appointed Siemens’ chief diversity officer in 2009, with the mandate to “fill every position in the company with the most qualified employee – irrespective of factors like nationality, age, gender, background and religion”.\(^3\) The developments under her watch, however, took a surprising turn. Only one and a half years after her appointment, Lee threw in the towel. Despite Löscher's attempt to change and diversify the top management, he now had serious reason for concern: Lee’s resignation was the result of internal resistances to the diversity initiatives\(^4\) and Siemens was faced with an early failure in terms of its diversity management.

The Siemens case is not unique. Deutsche Bank, for example, started its first campaign “Women in leadership positions” as early as 1973.\(^5\) Yet, no woman is on their board today. The majority of DAX companies in Germany have change measures in place which aim to diversify their top management. However, most of these change attempts do not suggest any measurable impact till date (e.g. Kay 2007; Kleinert et al. 2007). A look at some statistics illustrates the point: In terms of gender, the proportion of men in Germany with positions carrying leadership responsibility is 70 percent (Holst et al. 2012). Interestingly,

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\(^1\) Süddeutsche Zeitung 11.02.2010
\(^2\) Financial Times Germany 24.06.2008; Stern 25.06.2008
\(^4\) Handelsblatt 10.02.2010
despite various change measures over the last years this distribution has almost persisted at this level since 2006. The same applies to top management positions where the level of homogeneity is even more pronounced: 96.4 percent of top management positions (executive boards) in Germany's top-200 companies are held by men. Among the top-100 companies the proportion is nearly 100 percent with minor changes over the last years (ibid.). A look at these numbers indicates that change processes are lagging and slow, and increasingly fail to adapt to social, demographic and economic changes in the surrounding environment. The persistence of homogeneity in top management despite top down change initiatives indicates a puzzling rigidity as change interventions appear unable to establish a foothold long enough to take any effect. Instead, they seem to bounce off. Although companies are increasingly taking action for change, their efforts do not amount to significant change. As a consequence, the reproduction of homogenous top management continues.

Which notions of change are these interventions based on? Is the understanding of such a profound change process too simplified by designing it in a manner of linear planning? Are hidden and unpredictable change barriers adequately considered? The complexity of leadership dynamics and structures seem to be underestimated to sufficiently understand the persistence of homogeneity in top management. What the aforementioned approaches fail to consider are the more elusive processes and more unconscious dynamics which significantly impact organizational life. The top management 'insider' Thomas Sattelberger, a former member of the management board of Deutsche Telekom, spoke critically of a “systemic refusal” 6. To him, top management is “a closed system of established, habitual patterns of behavior and social mechanisms” 7 which repels any deviant influences (2011: 430). The question, thus, is which patterns and organizational forces stabilize and maintain homogenous top management? Which (unintentional) dynamics and underlying mechanisms lead to such persistence and create barriers for change? What constitutes and reproduces the glass ceilings, i.e. the invisible barriers which prevent women (and other minorities) in the organization from advancing into senior and executive positions? This rigidity is a remarkable empirical puzzle and concern

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7 Original in German, translated by P.E.S.
Hardly any other social sphere, other than top management, have remained so stable over time despite a growing norm for equality in society, a wide range of laws and agreements in Germany to diversify organizational top ranks, an internationalization in the business world, a ‘pipeline’ of equally educated and trained men and women as well as many other societal spheres in which social equality improved over the last decades.

The general research questions for this study are the following:

- Why is homogeneity so persistent in top management?
- How do organizational processes and mechanisms create this stability?

Expanding further, the question is how is it possible that top managers are (almost) entirely male despite an equal distribution of men and women at the entry level of most organizations? What happens in this so-called “demographic metabolism” (Boone et al. 2004), i.e. the human resource flow from the bottom to the top of the organization? How is this homogeneous composition reproduced time and time again?

Of further interest is:

- What organizational forces are at play which maintain the top management as it is?

This study puts forward the argument that the organization, and particularly its top management, is path dependent. Given the top management's persistent composition, it is argued that the homogeneity of the top management composition is reproduced by a selection path. This selection path generates a stable selection pattern which selects

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8 Research concerning issues of diversity, and especially gender relations, tends to be classified to a standpoint epistemology with political intentions (Adler et al. 2007). This research, however, first and foremost pursues an academic concern.


10 Holst and Busch (2010) demonstrate that the education and qualification of female and male leaders has reached the same level. This equal human capital of men and women opposes neoclassical explanations, such as human capital theory, which explain the segregation of men and women as a ‘natural’ product of different qualification levels (e.g. Becker 1964). In 2010, however, the proportion of female graduates who studied business, management, economics or law in Germany was 49.6 percent (Federal Statistical Office 2011: https://www.destatis.de/DE/Publikationen/Thematisch/BildungForschungKultur/Hochschulen/PruefungenHochschulen21104201070004.pdf?__blob=publicationFile; accessed 19.07.2012). In earlier years, the proportion of female graduates in these disciplines was slightly less (e.g. 2003: 45.2 percent) but these differences cannot explain why almost 0 percent women arrive in top management positions.
candidates accordingly and makes it immensely difficult to include more diverse candidates into the top management. The study further develops the argument that homogenous top management as well as the way top managers are embedded in their top management functions (‘hyper-inclusion’) reduces coordination costs to a minimum. Coordination effects – the organizational forces of the path – have developed such a pull that the organization becomes unable to adapt to social and demographic changes in its environment.

To study the persistence of homogeneity in top management from a path dependent perspective requires, as a first step, to specify the path assumption. What indicators can be found to suppose a path? Which organizational developments anchor the assumption that an organization is path dependent in its top management selection? As a second step, the organizational processes which select candidates into leadership functions need to be closely analyzed. How does a selection pattern evolve? Why is this pattern so stable? In what way is it conducive to male candidates? As a third step, a path dependent perspective needs to address the underlying mechanism which drives this reproduction process. The exploration of the mechanism promises to explain the organizational force which pulls towards stability and a preservation of the top management system. Overall, what the path dependence perspective promises is an understanding of the process leading to a puzzling rigidity.

Overall, the present research focuses on the endogenous processes of the organization. A considerable part of the research on demography and organizations, especially gender relations, appeal to processes exogenous to the organization (Ely/Padavic 2007). For instance, gender inequalities in organizations were explained with institutional regulations and structures in the organizational environment, e.g. childcare facilities, the German taxation system (“Ehegattensplitting”), gender-specific divisions of labor, etc. Unlike work, which looks at the aspects that influence the organization from the outside, this study is concerned with the dynamics and processes from within.

Furthermore, the research concentrates on gender as a variable for homogeneity. A number of variables would be possible to study homogeneity. Common variables are ethnicity, age, sexual orientation or class, but also functional variables such as tenure, disciplinary background or experience (Williams/O'Reilly 1998). Nonetheless, there are several reasons to take gender as the main proxy for analysis. Compared to most other variables, gender is the most unambiguous characteristic to observe in empirical research,
both in qualitative and quantitative research. What is more, the shift in gender relations from the bottom to the top of organizations is distinct unlike any other demographic variable.

The dissertation is structured as follows: The theoretical preliminaries in chapter II provide an overview of the existing research in the field of gender, diversity, organizational demography and career studies in order to develop the theoretical framework for this study. It will be demonstrated that the theory of organizational path dependence is a promising analytical framework to elaborate on the organizational processes which reproduce the homogeneity in the top management. Chapter III gives a detailed insight into the research design, case study, research methods as well as the steps taken for data analysis. Chapters IV and V present and analyze the empirical material. While chapter IV focuses on the identification of the path, chapter V presents several findings to explore the path. The formal as well as the informal selection processes will be analyzed. A closer look is taken at the special mode of inclusion as a precondition for the access to top management positions (hyper-inclusion), the dynamics at the 'backstage' of the organization as well as the organizational forces which contribute to the reproduction of homogeneity. Chapter VI brings the findings together and discusses them in relation to path dependence theory. Chapter VII concludes by summarizing the findings and putting forward the theoretical implications of this study for gender research in organizations as well as organizational path dependence theory.
II. THEORETICAL PRELIMINARIES

This chapter develops the theoretical focus for the study. By reviewing the existing literature, it will be argued that a special approach is needed for the empirical puzzle outlined in the introduction. The research approach needs to grasp the organizational processes and mechanisms which overwhelmingly select men for top management positions and which produce a 'systemic refusal' to diversify these ranks. To begin with, findings in the field of gender and diversity research, organizational demography and leadership will be presented to provide first insights to decipher the persistence of homogeneity in the upper echelons. Special attention is paid to the genderedness of the dynamics that make it more conducive for men to reach and remain in top management positions.

The debate on 'gendered organizations' will be outlined briefly to contextualize the research topic in the theoretical developments. This overview further demonstrates the necessity to turn the focus to organizational processes and dynamics for a better understanding of the status quo. The second part of the chapter presents the theory of organizational path dependence. Special attention is given to clarify what an organizational mechanism is. The third section argues why the theory of organizational path dependence is a promising and innovative analytical framework to understand the persistence of homogeneity in top management.

As a starting point, two studies are presented to accentuate the research focus and to clarify where the present study takes off. The first study by Mayrhofer, Meyer and Steyerer (2005) presents the findings of the “Vienna Career Panel Project”. It comprises three cohorts (1970s, 1990s and 2000 graduates) from 1,000 graduates of the Vienna University of Business and Economics. With this data, the authors tested significant factors for career success and diagnosed career patterns over the course of time. Regarding gender, their data served to create pairs of identical “twins” who had the same starting conditions for their career regarding their university degree, personality structure\(^\text{11}\) and career tactics. The only difference between the twins was their sex. Overall, the data demonstrates that differences in career success between men and women increase the longer the career

\[^{11}\text{Based on the 'Big Five Personality Traits' (Five Factor Model from Costa & McCrae 1992): Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism.}\]
develops.\textsuperscript{12} What is important is that women's stagnation on the career track does not depend on their family status, working hours, etc. but from their biological sex (p. 237f.). Even a comparison of childless men and childless women showed significant differences in career success between men and women (see also Kleinert et al. 2007: 105).

The second study by Domsch (2005) provides similar findings concerning the importance of gender for reaching leadership positions. The author analyzed the human resource flow regarding promotion by comparing a female and a male cohort over the course of 12 years. The comparison of the cohorts allowed the study to trace the differences in career outcomes between men and women. At the time of recruitment, all members irrespective of the cohort were seen as having the same potential for development. However, after 12 years, 44 percent of the men and only 12 percent of the women landed in leadership positions. Domsch shows that the reason for this imbalance is not a higher fluctuation of women who had left the company (e.g. due to family planning). In fact, more men had dropped out. His findings suggest that men had more success because they were appointed to positions which qualified them as leaders (e.g. overseas appointments). Women, on the contrary, had longer retention times, stagnated and were sent abroad significantly less compared to their male counterparts to prepare them for leadership positions.

Both studies provide a valuable starting point and first insights on career patterns. They give evidence for the significant role of gender for career progression to leadership levels. Beyond these statistical correlations, however, explanations regarding the reasons of these correlations are needed. The studies illustrate that differences exist but they fall short of explaining why these outcomes occur. What is needed is an analysis of the organizational processes which produce these career patterns and reproduce homogeneity in top management positions. What happens in the black box between entering the professional life on the one hand, and the arrival at top management positions on the other hand? What are the processes in this demographic metabolism? And what are the forces within this black box which stabilize these career patterns?

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\textsuperscript{12} The authors find differences between men and women in promotion or salary from the fourth year of career onwards (p. 231).
1. Homogeneity in organizations and in leadership positions: Insights from a variety of fields

1.1. Theoretical developments of the 'Gendered Organization'

Since the 1970s, gender and diversity researchers have critically questioned the apparent gender-neutrality of organizations. Over the course of the years, scholars have identified organizational structures and processes which produce and reproduce social inequalities along the lines of gender and its intersections with race/ethnicity, age, sexuality, class and disability. Apart from a few pioneers in the 1970s and 1980s, it took most organizational scholars a few more years before they began paying attention to the gender aspects, particularly in organizations. According to Gherardi, “[o]rganizational theory […] has adopted the gender perspective somewhat belatedly compared to other academic disciplines like history or literature. OT [organizational theory] has been more tenacious than other disciplines in defending a 'gender-neutral' position which minimizes gender differences” (2002, cited in Martin/Collinson 2002: 245). Nonetheless, despite the short history of research on gender in organizations it has been a “bountiful history” (Acker 1998), which produced a broad knowledge relating to the gender aspects of organizational structures, practices, ideologies, patterns and interpersonal interactions.

One of the pioneers in the field of gender and organization, Rosabeth Moss Kanter, published her book in 1977, titled “Men and Women of the Corporation”. In her book she describes how organizations contribute to the placement of women in dead-end jobs at the bottom of the pyramid and as tokens at the top (for more on tokenism, see below). With these types of positions women have less power, influence and control in organizations. Kanter argues that women would gain equally powerful positions if they achieved a “critical mass” and if the relations between minorities and majorities would balance out. Despite her influential contributions, Kanter was later criticized for her conceptualization of organizational structures as formal, impersonal and therefore gender-neutral. Instead of revealing the genderedness of structures, she implicitly perceived gender as standing outside of the structure, or – to put it differently – as a question of gender or structure (Acker 1991).

A first well-grounded approach to demythologize the gender-neutrality of organizations was Acker's (1991) theoretical concept of the 'gendered organization'. Her work is widely recognized as marking the birth of integrating gender and organization studies.
In contrast to Kanter, Acker argues that “[g]ender is not an addition to ongoing processes, conceived as gender-neutral. Rather, it is an integral part of those processes, which cannot be properly understood without an analysis of gender” (167). She argues further, that the binary division of gender (male vs. female) is a constitutive element of every organization. Thus, it is necessary to deconstruct seemingly gender-less patterns and incidences and to reveal the gendered processes in the substructure of organizations. Acker states several interacting processes which produce, reproduce and legitimize a hierarchical gender division and which point out that differences in income, positions or power between men and women are systematic and not coincidental. The first process is the construction of divisions along the line of gender, including divisions of labor, of behavioral expectation, of power, and even physical space. Questions of interest include: How are these divisions reproduced in every day decisions? How does the top management maintain these divisions? Secondly, these divisions are represented in the production of symbols and images. Images are produced in and by organizations which gives companies or other institutions a decisive role for the construction of gender roles. Verbal and non-verbal expressions (language, body language), dress codes, ideologies or the media transport these symbols and images and reproduce the gender division. For example, the image of a top manager is equated with successful, assertive and proactive masculinity. As a third process, Acker suggests that interactions between women and men, men and men, and women and women produce gendered social structures. As an example, she states conversation analysis which shows “how gender differences in interruptions, turn taking, and setting the topic of discussion recreate gender inequality in the flow of ordinary talk” (166). Fourthly, expectations regarding the appropriate behavior for men or women are internalized in the identity. Individuals have to dress, behave and communicate adequately if they do not want to be stigmatized and excluded. All these processes show that the image of a disembodied worker – as it is commonly perceived – and the perception of gender-neutral structures are to be reconsidered to include a gender perspective.

While for Acker and other scholars (including Ferguson 1984, Savage/Witz 1992) gender is omnipresent and organizations are inherently gendered, scholars in later years questioned whether gender is a constitutive element of organizations. Britton critically points out that if organizations are seen as inherently gendered it becomes impossible to see that there are contexts which are less gendered than others. This carries the risk of not
“seeing settings in which gender is less salient and can thus obscure those points of leverage that might be used to produce change” (2000: 423). Hence, Britton embraces an a priori assumption that an organization's genderedness limits its potential for seeing the different shades and for identifying opportunities for social change. By reviewing a number of empirical studies, she points out that the gendering process is clearly affected by the context of the organization itself. For example, the sex composition on certain organizational levels affects the intensity and prevalence of gendered expectations for behavior. Britton concludes that without paying attention to the contexts in which gendering occurs to a certain extent, “we run the risk of reifying gender in an organizational and occupational context” (428). In addition it can be added that by saying that something is 'gendered' it does not say anything about the dynamics and processes which produce the gendering.

The German discussion shows similar theoretical developments in which, too, the significance of gender is discussed, i.e. whether gender is omni-relevant. While Heintz et al. (1997) observe that structural and symbolical inequalities persist, they also point out developments and contexts in which gender becomes increasingly irrelevant. Like Britton, they conclude that gender divisions are context-dependent. Wilz (2004, 2002) introduces the term ‘contingency’ into the debate on gender and organization. Gender is relevant in organizations but not everywhere and anytime. There are situations where gender can be used contingently, e.g. for the reduction of complexities in recruiting and performance appraisals (see also Müller 1999).

To conclude, the discussion continues whether how and why “organizations matter” in the production of inequalities. In what way do organizational structures and processes produce, reproduce or shift gender relations? And in what way can the 'gendered organization's' perspective be further enriched with insights on organizational dynamics and processes?
1.2. Explanations for homogeneity in top management

Explanations for the persistence of homogeneity in top management can be found in gender and diversity research, career and leadership studies as well as research in the field of organizational demography. To showcase the relevant research the findings will be classified in four groups: Explanations for homogeneity in top management on the individual; the group; the network; and the organization level. All four groups provide insights to what is happening in the black box of homogeneity reproduction, and where shortcomings in explanations exist. It should be noted that sorting and categorizing the different strands of research are challenging tasks. Both, gender studies and organization studies, are multidisciplinary and draw on a comprehensive set of disciplinary perspectives, theoretical approaches and methodologies. Topics in these fields can be addressed from a number of theories as well as disciplines. These multidisciplinary approaches overlap, intersect, and inform each other and cannot be presented as discrete and independent from one another. However, a central part of any dissertation is to review the existing research concerning the topic being studied. This requires organizing, classifying and presenting previous works to provide an overview in order to identify and define the existing research gap. Given the multidisciplinarity and overlaps in both fields, any categorization will not be fully satisfactory because many strands or studies cannot be clearly assigned to just one or the other category.

Individual level

Research on the individual level provides explanations for homogeneity reproduction on the basis of (gendered) interactions, individual behavior, expectations or cognitive models. Studies in social psychology, for instance, have put forward the argument that people are inclined to interact with persons who are similar to themselves. Byrne (1971) calls this the similarity-attraction principle which suggests that people are attracted to and prefer to spend time with others who exhibit demographic commonalities (e.g. social background,

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13 For example, take the gender wage gap, i.e. the fact that men still earn significantly more than women. The issue could be studied from an economic point of view studying labor markets, but also from an organizational point of view to address the processes which produce horizontal segregation. Looking at the issues from only one disciplinary point of view or addressing only one level (the market or the organization level) would be insufficient to understand the circumstances.

14 Other categorizations are possible, to name a few: Martin (2011) organizes research concerning gender inequalities in organizations along different organizational forms (male dominated, female dominated, gender mixed organizations). Other frequently used categorizations are structural explanations vs. cultural/behavioral organizations (e.g. Kumra/Vinnicombe 2008; Oakley 2000).
gender or ethnicity) or similar attitudes. Consequently, this produces a bias in evaluation decisions, e.g. the similar-to-me effect. For gender, this is tied to a concept known as homosociality which means the “seeking, enjoyment, and/or preference for the company of the same sex” (Lipman-Blumen 1976: 16). In the handbook of social psychology, Gruenfeld and Tiedens consider the reason for homogeneity as a matter of choice based on the preferences for being with similar others. In their words, “homogenous firms, jobs or networks are the product of choice on the part of organization membership” (2010: 1257, emphasis by P.E.). This principle alone, however, may be too simplistic to capture the persistence of homogeneity in organizations (see Chatman/O'Reilly 2004). Recalling Zanoni et al. (2010), this perspective falls short in considering structural aspects, i.e. homogeneity is not just a product of choice but also a result of organizational forces and hidden dynamics (see below).

Another research strand on the individual level relates to cognitive processes, including stereotyping and expectations regarding appropriate leadership behavior. These findings are relevant to understand that leadership positions are frequently associated with male attributes which consequently favor men for these functions. One topic in these discussions are successful leadership styles and whether women lead differently than men (see Krell 2010: 454). How does a person have to behave in order to be perceived as the 'right' or successful leader? Several studies show that the prototypical and 'right' leader is a man or a person with what is perceived as masculine characteristics. Rastetter calls this the “prototype bias” (1996: 289). This association is expressed succinctly in Schein and Davidson's article entitled “Think manager, think male” (1993), which focuses on gender stereotypes in management. In 2007, Schein reexamined the original findings to reveal a persistence of this attitude. “Over the course of almost three decades males continue to perceive men as more likely than women to possess characteristics necessary for managerial success” (10; see also Elsesser/Lever 2011). Gmür asserts that the male connoted image of a charismatic and dominant leader has become ever more prevalent in recent years (2004: 414). His findings suggest that female leaders are expected to demonstrate more stereotypical male attributes than their male counterparts. He goes on to conclude that women face a double disadvantage: Female leaders are not only confronted with behavioral expectations in management that conflict with the general stereotypes of their sex, but the expectations to behave according to male attributes are even stronger for female managers compared to their male colleagues (414). Krell adds that there is actually
a triple disadvantage (2011a: 408): If women decide to take up and fulfill the behavioral requirements outlined by Gmü"ur, then women are portrayed as 'unauthentic', 'unfeminine' or as 'men's copy' (see also Sinus Sociovision 2010: 54, 56, 68f). For Jamieson (1995), this paradoxical situation is what she refers to as the double-bind-dilemma. No matter how a woman behaves in management, her behavior will always be seen as inappropriate or pretended. Research on gender stereotyping in the work sphere illustrates that behavioral patterns which are in fact similar between men and women are interpreted differently; and that despite producing identical work, a woman's output is often regarded as inferior (Heilman 2001, Eagly et al. 1992). Recent discussions have raised the question whether there are changing requirements in the business world which look for competences that are generally associated with women, e.g. open communication, holistic thinking or social skills. Here, Krell (2008) argues that this newly required leadership style is more a myth than reality. Several studies which she analyses conclude that at best, these skills are required up to middle management level. A study by the German Consulting Group (2005) shows that characteristics for top management positions remain to be decisiveness, decision making skills and the willingness to take risks along with other characteristics associated as “typical male”.15

That women are less ambitious and less motivated to reach top positions is used as an additional reasoning for the small proportion of women in top positions. Krell (2012) analyzes this argument critically from a discourse-analytical perspective and suggests that most studies individualize personal career ambitions and neglect the structural aspects of the issue.16

15 There are also numerous studies which examine whether women and men have different leadership characteristics and whether women lead differently than men. McKinsey (2010) states, for example, that male leaders have their strength in controlling and decision making whereas women are better in people development, defining expectations, or providing inspiration. Appelbaum et al. (2003) review numerous studies on leadership characteristics and present that men's attributes are described as “autocratic” or “instruction giving” while women are seen as “participative” and “socio-expressive” (among other). For Krell, the differences and contradictions among these findings on “female leadership styles” and “male leadership styles” are hardly surprising (2011a: 408). From her point of view, there cannot be consistent findings because female leaders act differently to men given their minority status. And due to this status they are also perceived and judged differently than male leaders. To her, contradictions in findings are therefore a consequence of attribution processes which are influenced by stereotypes, prejudices and interests.

16 For example, a common conclusion to statements such as “Women are more afraid than men of not living up to expectations in leadership positions and making mistakes” is that women – in opposition to men – have less confidence. Krell (2012) suggests different interpretations, e.g. men do not express their fear because it would not be consistent with prevalent images of masculinity or that women - given their minority status - anticipate higher requirements or higher penalties in case of mistakes.
A further explanation for the persistence of homogeneity can be seen in preconscious mentality patterns. The study by Sinus Sociovision (2010) puts forward three different mentality patterns found among those who are in top management positions – primarily male managers. First, the author identifies conservative men who are against women in top management because women are seen to disrupt the stable and well functioning inner circles which they are trying to enter. As such, this group justifies the exclusion of women on the grounds of system functionality. The second group is open-minded towards women in leadership positions but they explain the lack of female top managers with women's unsuitability to the necessary toughness required in top management. The third group claims that gender is irrelevant in leadership positions but there are not enough women who are authentic and flexible enough to take up a top management position. All together, these three mentality patterns interact as “multidimensional, interlocking barriers against women” (19) which act to guard and maintain the glass ceiling and, hence, perpetuate the male dominance.

Despite all these valuable explanations, an article by Due Billing (2011) highlights the risk of using the male as the norm in management as an indicator for explaining the challenges women face at the managerial level. According to Due Billing, “[t]o say that the male is the norm in management is too general a statement” (311), because it may assume that women and men are essentially different. She points out that this perspective reproduces the dominance of men instead of questioning it or acknowledging variations and fluidities. Due Billing's observation concerning the risk of essentializing gender roles is important. However, I argue that the interlocking of male attributions with top management functions in particular shows less fluidity than she claims. It is this interlocking which suggests an important explanation for the persistence of homogeneity.

**Group level**

The group and network level addresses those group dynamics and the working of networks which serve as explanations for the persistence of homogeneity.

Similar to homosociality, another concept which is used to describe group and network dynamics is the concept of homophily. Homophily explains the composition of groups in terms of similarity of their members’ characteristics (ascribed characteristics such as gender, race, or age or internal states concerning values, beliefs or norms) (e.g. Mc
An empirical example by Westphal and Zajac (1995; see also Zajac/Westphal 1996) found that powerful boards are likely to appoint CEOs that are similar to their own demographic profile. In a longitudinal statistical analysis they considered demographic attributes (functional background, degree type and age) for CEO succession. Their findings show that both, CEOs as well as the board, favor similar CEO successors. Also Hambrick et al. (1993) have observed the tendency for leaders to try to “clone” themselves in those aspiring to join top management positions. These quantitative studies in social psychology and organizational behavior provide important evidence for a selection bias based on demographic similarities. However, the selection process itself remains a black box due to the static method of analysis.

Krell (2010) gives an overview of group dynamics between minorities and majorities based on foundational sociological and psychological works. For example, laboratory experiments with randomly composed groups show that the very distinction between an in-group (‘we’) and an out-group (‘the others’) has the effect that members of one's in-group are generally favored (Krell 2010: 454, citing Aronson et al. 2004). This dynamic becomes especially relevant for leadership positions when men are the majority. The in-groups’ favoritism for men has exclusionary effects for women. Kanter (1977) calls this preference for men by male dominated management groups “homosocial reproduction”. Krell goes further by outlining concepts which explain the perpetuation of majority-minority-relations, for instance by using Weber's social closure (1922), Bourdieu's distinction (1984), Goffman's stigmatization (1990) or Elias and Scotson's established and outsiders (1994).

Regarding the minority group, Kanter (1977) uses the concept of tokenism – as long as women have minority status they are more visible, more closely observed and more likely to be penalized in cases of failure. Furthermore, a woman who is part of the minority group is not perceived as an individual but as a typical representative for the group of women. In this case, tokens function to distinguish the group of women (minority) from the group of men (majority) in order to diminish the differences among men in the majority group.

In a study on Dutch newspaper executives by Boone et al. (2004), the authors find evidence that homosocial reproduction continues even in situations where there is a need for heterogeneity, e.g. dramatic changes in environmental conditions. Newly hired executives continue to be demographically similar to those already in place. Their
longitudinal model traces the persistence at the top of the organization, and defines influential factors and conditions for this reproduction process (e.g. environmental complexity or increase of pressure). For example, “top management teams tend to close ranks when environmental complexity and pressure increase” (653). Nevertheless, their data approach falls short of identifying the stabilizing processes and dynamics relevant in the hiring process. What is mentioned are “forces pulling towards homogeneity” but a specification of these forces is still to be made.

Another explanation for the persistence of homogenous top management groups is the so-called old boys’ club (e.g. Sinus Sociovision 2010; Doppler, 2005; Rastetter 2005; Singh/Vinnicombe 2003; Oakley 2000; Höyng/Puchert 1998). The old boys’ club is an informal association of men which serves the function of preserving the privileges of their selected members and to create a feeling of community and safety. Preserving privileges and exclusiveness implies the careful selection of members and the exclusion of unsuitable or non-conformists, in this case women. Doppler (2005) puts forward a comprehensive theoretical analysis of the characteristics and functions of old boys' clubs (German: Männerbünde), for example its demarcation to others, the securing of power or its stabilizing effect in situations of uncertainty. These functional aspects deliver valuable insights into why old boys' clubs reproduce, i.e. why top managers take advantage from these inner circles. Regarding women (and other minorities), the concept explains their difficulties to enter the top management, but also the “internal exclusion” of female managers, i.e. their formal inclusion into the top management but their exclusion from the top management's informal networks. Furthermore, the internal rules and rites of initiation are largely set up in such a way that they are hardly accomplishable for women. For example, compared to their male colleagues women's absolute loyalty and constant availability to the top management group is often questioned. Overall, what the concept lacks is how these old boys' clubs are reproduced today? Studies in this field carry a static undertone which suggests that old boys' clubs are (historically) given.

**Network level**

Studies have demonstrated the important role of networks for career development and success as well as for in- and exclusionary dynamics. In this section, the findings on networks are presented separately from those of the group level because networks focus
more on the relations between actors beyond defined group boundaries. In particular, informal networks allow us to better understand relations beyond formal group settings. In addition, a network level perspective pays attention to the emergent characteristics of the whole network which may differ from the sum of characteristics of individual actors. Studies on (informal) networks for career advancement have illustrated their considerable influence for promotion and selection processes. Networks regulate access to resources and positions, provide support, increase reputation and influence the likelihood and speed of one’s promotion (e.g. Podolny and Baron 1997; Burt 1992; Granovetter 1973). An actor's centrality in networks, the intensity of network ties or the network’s overall density plays an important role in career advancement. Several network studies have shown that minorities in management positions (women or non-whites) show different network positions compared to their white, male colleagues. For instance, Brass’ study (1985) on interaction patterns of women and men illustrates that women tend to be less well-integrated into the men’s “dominant coalition” and consequently have difficulties in achieving influence and promotions. Burt (1992) found that women on all hierarchical levels and young male managers especially need stronger, hierarchical network ties for advancement, protection and personal legitimation compared to male managers further up the ladder. Women lack 'systemic legitimacy' and therefore need local sponsorship and strong ties to superiors to become a known quantity. McPherson et al. (2001) studied social network patterns in relation to homophily. They demonstrated that men tend to have more sex homophilous networks ('same-sex-ties') than women, especially in contexts where men are a strong majority (see also Rothstein et al. 2001, Ibarra 1992, Brass 1985). According to Ibarra (1992), men use their network contacts to other men for instrumental relations (advice, information flow, material resources) as well as for expressive relations (friendship). This overlapping of different types of network ties is known as multiplexity. In contrast, women’s networks show less multiplexity in that they obtain social support and friendship from other women and instrumental access through network ties to men. Consequently, the management of two different social circles entails hidden costs for women as they have to invest in two different networks (same applies to ethnic minorities; Ibarra 1992, 1995). Furthermore, men find all types of network contacts among their male colleagues, so there is much less of a need to develop contacts to women. Hence, women's attempts to create strong ties to men are less likely to pay off given men's little need or willingness to integrate women into their interactions.
Organizational level

Research on the organizational level offers findings on organizational structures, programs or policies. Employment procedures, such as recruitment, selection, evaluation, training or promotion can have – directly or indirectly – different effects for men and women. A consequence may be a stabilization of male dominance in management positions. Pfeffer argues that “one cannot possibly read the literature on wages, job ladders, mobility, and recruitment without being confronted with the importance of gender” (1989: 392). He stresses the importance to analyze “the profound effects of gender on structuring opportunity” (ibid.).

Many organizations have, for example, career development programs which entail transparent, structured and objective steps and procedures to reach higher positions. In her study on business consultancies, Rudolph (2007) points out the risks of these strict temporal requirements for career progression and goes on to criticize principles such as 'up or out' or 'grow or go'. For her, these career programs assume a continuous career progression without interruptions, and therefore risk the exclusion of women due to pregnancy or phases for childcare.

Regarding the selection of management and top management candidates, studies have revealed biased selection criteria due to the lack of formal selection procedures (van den Brink et al. 2010; Kay 2007; Funder et al. 2005; Anderson-Gough et al. 2005; Rudolph/Okech 2004). The latter studies illustrate that the higher the informal scope in selection processes, the higher the likelihood of a biased selection, impression management as well as closed and informal hiring practices. For instance, Morner’s (2012) work on appointment practices for supervisory board members illustrates the closed search for hiring new members because potential candidates are searched, by and large, within personal networks of existing board members. Only one third of all boards exercise the use of external support for finding suitable candidates. Van den Brink et al. (2010) explain how formal requirements, such as transparency and accountability, can be bent and how gaps make room for informal approaches such as micropolitics and tacit criteria. Rudolph (2007) describes how business consultancies claim a thorough selection of ‘the best’, but they leave room for additional informal criteria. Others have pointed out the necessity for top management candidates to fit the mould of prevalent success models (Kumra-Vinnicombe 2008; Anderson-Gough et al. 2005; Rudolph 2004, Hördt 2002).
Formal requirements in the daily work are also known to have different effects for different organizational groups. Rudolph (2007) notes how the ideology of unlimited availability or constant traveling in business consultancies functions to construct the image of a professional elite, even though constant availability is not always required for the job. This requirement favors those who can dedicate themselves entirely to the job and disadvantages those who have care responsibilities. Similarly, Hofbauer (2004) has revealed how constant availability is being used as an element for social distinction.

A related explanation for the dominance of men in top management positions is the absence of structural facilities for women to combine their career with care responsibilities. Whereas this argument holds true for women up to the middle management positions, it does not explain the lack of women in top management positions. At this level women are either childless or the likelihood for them to have children is very low once they have reached a top management position (Quack 1997). Research on fluctuation has further illustrated that family is not a primary reason for women to drop out, but in fact they claim the lack of acknowledgment for their work as well as their dissatisfaction with the working atmosphere (Dunn-Jennsen/Stroh 2007; Osterloh/Littman-Wernli 2002).¹⁷

A result of these organizational structures and policies is that women and men are positioned differently along hierarchical levels (vertical segregation) and along different management functions (horizontal segregation). For example, there is a disproportionally high number of women assigned to positions in human resources, administration or public relations (referred to as 'mummy tracks' (Rudolph 2007: 111)), which limit their potential for advancement to top management positions. Men, on the contrary, more often carry positions in operations or manufacturing which makes it more likely for them to rise to top positions (Oakley 2000; Autenrieth et al. 1993).¹⁸ Overall, however, it remains unclear how these (gendered) organizational structures and procedures interact, and how they influence the human resource flow to and within the top management. The processes and dynamics of stabilization therefore require more elaboration.

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¹⁷ Dunn-Jennsen and Stroh also find evidence that against the assumption that women's fluctuation is higher, the fluctuation rate of men was in fact higher due to career changes (see also Domsch 2005).

¹⁸ In terms of training, Osterloh and Littman-Wernli (2002) point out women receive less training based on the assumption that investing in their human capital is not worthwhile because of their perceived higher fluctuation due to family planning. As a consequence, women lack qualifications for promotion.
Finally, a study by Kornberger, Charter and Ross-Smith (2010) is presented which raises the question why initiatives which aim at increasing the women's proportion in top management positions have failed. Similar to the present study, the authors question why there is a lack of women in senior levels despite public commitments to promote gender equality. In their case study, the authors analyze the introduction of a top-down flexible working program in a Big Four accounting firm (“Sky”) and reveal how the initiative – contrary to its aim – actually reinforced gender barriers. With a focus on practices, the analysis shows that the CEO's flexible working program was redefined by the managers according to their dominant notion of performance, i.e. performing means to be visible and to commit one hundred percent to the company. Instead of enabling the advancement of women into senior positions, the program “became an axis that gendered the organization and divided the 'committed' Sky accountants from the 'not so committed'” (788). Furthermore, the authors show how the image of the client – constructed as somebody who expects 24/7 service – perpetuates the status quo by not allowing for flexible and reduced working hours. While this study gives valuable insights as to how micro-practices and discourses fail to make the initiative for a more balanced gender proportion in top management, it lacks an explanation of the organizational processes and structures which are inherently gendered. Kornberger et al. state how 'neutral' organizational policies become gendered through practices on the micro level by gendered organizational actors. What is missing is a reflection that organizational processes and structures are gendered in themselves before they are even interpreted, redefined or adopted by organizational actors.

1.3. Research focus
The research focus of this study, firstly, takes up a process perspective to further enrich the understanding how organizational processes stabilize homogeneity in top management. Particularly the analysis of organizational selection processes offers insights into the black box of the demographic metabolism, i.e. how a heterogeneous composition on an organization's entry level turns into homogeneity on top management level. Secondly, the role of the organization regarding the persistence of homogeneity needs to be sharpened. What are the organizational processes and dynamics which create strong demographic imbalances at the top of the organization? And how are these processes inherently gendered? If the gender dimension of these processes is analyzed, it can be
shown how the organization is structured by gender from within instead of gendered actors who interpret and engage with 'neutral' structures.

Thirdly, the existing literature (and especially the public discussion) focuses largely on women for an explanation of the imbalance in top management. Research in organization, leadership and gender has primarily revealed mechanisms of exclusion and their effect on those being excluded (e.g. women and ethnic minorities). As such, many studies research whether women's leadership and communications styles are appropriate, if their networking skills are elaborate enough, if they are willing and motivated, if they are sufficiently qualified and so on. However, such a perspective cannot fully explain the dynamics and reproduction logic among the included group. It looks at those being excluded and not enough at the ones who are included and actively structure and shape leadership systems and their conditions for inclusion. Research is called for which sharpens the spotlight on the included groups (by and large men) as well as the stabilizing dynamics already in place. As it stands, research with this focus is scarce. Since Collinson’s and Hearn’s “Men as Managers – Managers as Men” (1996) little has been published with this focus. But putting those who are inside the leadership system at the center of attention pushes the boundaries further in order to explain the stabilization and reproduction of homogeneity.

Fourthly, apart from the static understanding, the literature on old boys' clubs carries an undertone that these clubs are maintained due to men's active and intentional defense of power and privileges. Research suggests that men are the “guardians of the glass ceiling” (Sinus Sociovision 2010: 17) and more or less intentionally defend their closed circles. Doppler (2005), however, points out that male top managers are only partly aware of these dynamics. To her, old boys' clubs “are not a conspiracy mapped out on the drawing board. It results from constraints, influences and needs which refer to a patriarchal (organizational) culture” (217). As such, there seem to be unknown organizational forces which reproduce demographic imbalances. These dynamics are not necessarily intentional because they may produce unintended consequences. Thus, to gain a better understanding for the reasons of homogeneity in top management the inert reproduction logic needs further elaboration.

Fifthly, the functional aspects of old boys' clubs which Doppler has pointed out theoretically call for an empirical investigation. In what way do top managers and organizations benefit from the status quo? Why is this exclusive male domain kept alive? What effects does it entail? Given the failure of many change interventions, the question
concerning the functionality of homogenous top management needs to be deepened to provide new explanations. This perspective is informed by modern systems theory, albeit not in its orthodox reading. Addressing the functionality of the top management system allows us to study observable organizational effects (Martens/Ortmann 2006) as well as unintended consequences which organizational actors are potentially unaware of.

To undertake this research approach a theoretical framework is needed which is able to include all five aspects outlined above. The theory of organizational path dependence, presented in the following section, offers such a framework.
2. Theory of Organizational Path Dependence

The theory of organizational path dependence is used as an analytical framework to study the selection processes for leadership positions as well as the organizational mechanisms which stabilize the top management’s homogenous composition. Chapter 2.1. presents the core ideas of the theory. As organizational mechanisms are the heart of path dependence theory, chapter 2.2. discusses in more detail what organizational mechanisms are.

2.1. Theoretical essentials

The precursor of path dependence theory can be seen in the debate on organizational change and stability. Due to phenomena such as structural inertia or cognitive blind spots, an organization’s ability to adapt, transform or restructure has long been a debate in organization and strategic management studies. There is an ongoing discussion regarding the questions of change, flexibility and organizational fluidity in order to adapt adequately to pressing changes in the organizational environment. Due to the growing global competition and associated challenges, the growth of new and complex technologies, increasing social interrelations and demographic changes, organizations are required to continuously change and adapt in order to keep up with a rapidly changing world.¹⁹

Scholars have stressed the role of inertia, stability and historical imprints which can hamper these change processes (Hannan/Freeman 1984; Stinchcomb 1965). At the same time, they have also argued that stability and inertia are necessary characteristics for organizational functioning (Sydow/Schreyögg 2010),¹⁰ meaning organizations are only

¹⁹ Before the 1970s, organizational change was hardly an explicit concern in organization studies. The organizational context was seen as relatively stable with little necessity to change. Since the mid 1980s, organizational change became a debated issue with an increasing awareness of the challenges it implies (Greenwood/Hinings 2006).

²⁰ The concept of organizational core competences within the strategic management literature is related to this discussion. Among practitioners and scholars, core competences and capabilities appear to be an attractive concept for gaining an understanding on how firms obtain and retain a competitive advantage. This debate is of relevance for the concept of path dependence given its focus on organizational (success) patterns. Leonhard-Barton (1992) was the first who addressed the downsides of core competences and capabilities. She put forward that competences can become constraining when the environment is changing and the competences do not keep up with the changing reality. Core competences then become core rigidities – at which point the organization’s different sets of knowledge and practices render themselves inappropriate. Teece, Pisano and Shuen’s (1997) reaction to Leonhard-Barton’s argument was to put forward the concept of “dynamic capabilities”. By adding “dynamic” to the term, the authors emphasize the organizational capacity to renew competences when a change in the environment requires it. According to the authors, this provides the necessary flexibility for maintaining competitive advantages. However, the theoretical and practical implications of such a concept are controversial and Schreyögg and Kliesch-Eberl
viable if they operate on established patterns for selection and complexity-reduction. “By their very logic, organizations cannot act without guidance from a frame of reference informed by past learning and experience” (ibid.:1254). However, patterning always implies a risk to become path dependent.

A further underlying topic of this debate is the question, to what extent an organization can be managed, controlled and directed or whether there are unknown forces or imprints from the past which create constraints for individual action and organizational management. In the course of these discussions, Sydow, Schreyögg and Koch developed and solidified the theory of organizational path dependence (Schreyögg/Sydow 2011, 2010; Sydow et al. 2009). A specification of the concept for organizations was necessary due to a largely metaphorical use. With the concept gaining increasing prominence in various fields, it needed more precision beyond the fact that “history matters”. To better understand how organizations become inert, persistent and develop change barriers, a more rigorous theoretical framework needed to be put forward. “Path dependence […] is supposed to mean more than the mere existence of timeworn routines, cognitive rigidities, or structural inertia. It is, first of all, a process. Its distinguishing features need elaboration” (Sydow et al. 2009: 690).

The concept of organizational path dependence, in particular, draws on conceptions of path dependence in the fields of technology and economics. Paul David's study (1986; 1985) on the QWERTY keyboard can be seen as the conceptual springboard for path dependence. By demonstrating that the QWERTY layout remains the standard typing tool despite more efficient alternatives, David questioned the economic theory of the invisible hand which always leads to the most efficient solution. Instead, he pointed out the role of history for economic development and how small events can have long-term impacts. Although in social science the fact that 'history matters' is a trivial insight, this notion was highly provocative in economics.21 Another classic which introduced the concept of path dependence is the work by Brian Arthur (2004; 1989). Arthur's articles are influential for conceptualizing the driver of path dependent processes. Using a mathematical model, he formalized positive feedback and showed that – given a chance event – increasing returns

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21 For example Liebowitz/Margolis 1990, 1995.
can make the outcome of a process non-predictable. Organizational path dependence also
draws on discussions on the macro level. For instance, in the field of institutional
economics, North (1990) broadens the concept of path dependence to elaborate on
institutional change and stability. In addition, the concept was applied to political science
(Pierson 2000; Thelen 1999). Sydow et al. translate and integrate these strands of research
to the organizational level and present a detailed framework for identifying and analyzing
organizational rigidities. In the following section I elaborate on the main characteristics of
the organizational path dependence model put forward by Sydow et al. (2009).

At the core of organizational path dependence is the idea that organizational processes are
driven by (hidden) self-reinforcing mechanisms which link initial contingencies with a
lock-in (state of hyper-stability). In this state of total inflexibility organizational actors are
trapped in the system’s logic, preventing them from taking up alternative choices,
strategies, etc. Adapting to the changing environment is then no longer possible. The
process leading to a lock-in is subdivided into three different stages (illustration in the
figure 1 below): I) pre-formation phase is characterized by a broad scope of action; II) a
path-formation phase in which the self-reinforcing mechanisms develop; and III) the lock-
in phase with its deterministic character. Similarly, Vergne and Durand (2011) label these
three phases as path origin, path development, and path outcome.22

![Figure 1: Model of organizational path dependence (Sydow et al. 2009)](image)

22 Vergne’s and Durand’s definition (2010) of path dependence (“a property of a stochastic process which
obtains under two conditions (contingency and self-reinforcement) and causes lock-in in the absence of
exogenous shock” (737)) basically entails similar theoretical building blocks as Sydow et al. 2009 with
more emphasis on contingency.
Phase I shows different initial options which can be taken up, i.e. there is a relatively unrestricted scope of action. The darker area in phase I symbolizes that decisions are never fully unconstrained due to historical traces which leave their imprints in organizations. Nevertheless, there is a general openness and unpredictability of future developments. Important for the process is that the initial choice among the options is random (“small events” (Arthur 1989)). However, these small events may cause unintended and far-reaching consequences which are not predictable at this stage. Put differently, path dependent processes are characterized by an initial contingency. How the process develops is not predictable but not accidental either. Based on Arthur (1989), Sydow et al. refer to this process as “non-ergodic” (2009: 691).

A critical juncture marks the transition from phase I to phase II. At this point, an action which is taken in phase I becomes the trigger for positive feedback reactions. Positive feedback means that the increase of a particular variable, e.g. male top managers, leads to a further increase of this variable. Empirically, what becomes observable is the building of a pattern which reproduces itself over time. This implies that the range of options narrows because alternatives get less attention and acceptance. The driver of this process, and the distinguishing feature of path dependence, is self-reinforcing mechanisms that make it increasingly attractive to stay on the path. Sydow et al. (2009) put forward four different self-reproducing mechanisms (further elaborated below) which can govern this phase: coordination effects, complementary effects, learning effects and adaptive expectation effects. One or more of these effects can drive the process of pattern evolvement in phase II. All four mechanisms can be triggered by rational, utility-driven behavior but also by cognitive biases, emotional reactions or political processes.

Coordination effects result from the benefits of rule guided behavior. When actors adapt to each other’s behavior recursively it may result in adaptation spirals: The more actors adopt and follow a specific organizational rule or logic, the more attractive the rule or logic becomes. Incentives to maintain that rule increase because by adapting to each other’s behavior organizational functioning and interactions become more efficient and behavior can be anticipated and uncertainties reduced. Coordination effects resemble network

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23 As it will be argued in 2.2., a positive feedback process contains at least two variables which reinforce each other.

24 Positive feedback is often accompanied by increasing returns. For a more detailed account see 2.2.
effects in economics. For example, the more people use a telephone, the more valuable or useful it becomes for each telephone user.

Complementary effects describe synergies from the interaction of two or more rules or resources. Complementarities become self-reinforcing when the attractiveness of a synergy accelerates, i.e. when a combination creates a surplus. A well known example in economics is economies of scope, i.e. when the cost of producing and selling two or more goods together is lower than the cost of producing and selling them separately.

Learning effects occur the more often an operation is performed. Repetition makes the operation more efficient and lowers the costs through improvements made and skills accumulated in the process. This makes it less attractive to switch to a new way of operating. For example, if an organization develops successful practices and puts all efforts into maintaining and refining them it brings about increasing simplicity. Introducing an alternative approach would require actors to start from scratch.

Adaptive expectation effects develop through an interactive building of preferences. The more actors are expected to favor a particular product or service, the more favorable it becomes because they want to end up on the winner’s side. Especially in situations of uncertainty it appears rewarding to prefer what others do.

The lock-in marks the transition to phase III. At this point, the organizational actor becomes fully trapped in the logic of positive feedbacks. The dominant pattern becomes quasi-deterministic and fixed with alternatives beyond reach. Hence, organizational actors are locked-in the pattern and its momentum, and locked-out of alternatives. The paradox is that the self-reinforcing process creates positive effects which make it attractive to stick to the pattern. Stability, thus, is maintained. However, in case of a change in the organizational environment the risky side becomes apparent. Then the pattern may become dysfunctional. The benefits of positive feedback flip over into rigidity and the process results in potential inefficiency. Important to note is that the driving forces in a lock in are so strong that even new entrants cannot refrain from adopting the pattern or logic. Phase III is a very critical state for the management of an organization. Without room to maneuver and without alternatives, the management’s very own legitimacy may be at stake. As such, being trapped in the logic of positive feedback becomes a risk for the success and survival of an organization.

The theory of organizational path dependence bears similarities to other concepts concerned with inertia or change barriers (for an overview on similar concepts see
Vergne/Durand 2010 and Sydow et al. 2009). An example for similar concepts would be the imprinting approach (Stinchcomb 1965). The difference here, however, is that the imprinting pattern is ready-made at the beginning of the process and perpetuates, whereas in organizational path dependence the quasi-deterministic pattern is a result of the processes. The consequences of early events are initially unknown. Similarity also exists with the concept of structural inertia (Hannan/Freeman 1984). Structural inertia describes the hyper-stability of organizations and its implicit risk of maladaptation to environmental changes. Further related concepts include escalating commitment (Staw 1976), herding behavior (Banerjee 1992), reactive sequences (Mahoney 2000) or institutionalizing (Powell/DiMaggio 1991). The difference between these concepts and path dependence is that the latter’s distinguishing feature is its process character with an escalating dynamic which increasingly gets out of actors’ control. In order to understand a path dependent logic the focus of analysis is on how persistence comes about – self-reinforcing mechanisms develop an unintentional pull which lead to a diminishing scope of action.

Organizational path dependence has been applied to a variety of fields. Koch (2011; 2008) revealed path dependence in a German newspaper known for high quality journalism. Due to self-reinforcing dynamics the newspaper company ended in a strategic lock-in and had difficulties to switch to online news. Schreyögg, Sydow and Holtmann (2011) explain the decline of a German media company using organizational path dependence. Their findings demonstrate the combination of two self-reinforcing mechanisms in place. Van Driel and Dolfsma (2009) also put forward a path dependence approach on Toyota’s meta-routines. Apart from the mechanisms leading to a lock-in, the authors pay close attention to the role of initial conditions for the path dependent process in the car manufacturer.

Two studies on path dependence in the organizational context and beyond were found which address topics concerning top management or diversity aspects. Beckman and Burton’s (2008) study on top management teams (TMT) raises the question whether the early decisions and structures put in place by a firm’s founders influence the types of executives who are attracted and retained in later years. Of interest is whether early choices in a firm’s history leave a lasting organizational imprint. Their findings provided evidence that the initial conditions put in place by the founders influence and also constrain subsequent outcomes. Based on their data the authors argue that path dependence occurs through homophily regarding functional experience: the founding team's functional experience will shape the breadth and depth of the subsequent TMT
functional experience. While their data demonstrates a statistical correlation, their quantitative methodology fails to trace the stabilizing, self-reinforcing processes leading to this path dependence. How this process occurs remains a black box. Their use of the concept, therefore, remains largely metaphorical since they do not address the becoming of the path.

On an institutional level, Roithmayr (2004) addresses the persistence of residential segregation and racial disparities of US neighborhoods. Informed by Arthur (1994), she argues that contemporary racial inequality is a path dependent product of early history and some neighborhoods have become locked in their racial segregation permanently. During the days of slavery and Jim Crow laws\textsuperscript{25}, whites gained an “early mover” advantage which now has become self-reinforcing. “Because the (white) ‘rich get richer’ in neighborhoods with good schools and good job networks, non-whites are relatively less able to move into more expensive white neighborhoods” (1). While Roithmayr demonstrates a self-reinforcing effect which has gained momentum over the course of time, her understanding of path dependence differs to the concept by Sydow et al. (2009) or David (1985) regarding the characteristic of the lock-in. While Sydow et al. highlight a dysfunctional flip which creates a potential inefficiency, Roithmayr's understanding of a lock-in does not imply an inefficiency. In her case example Whites continue to maintain advantages from their living situation in comparison to Blacks. For Whites their situation, then and now, is advantageous. The persistence of their supremacy has not become problematic over time.

Both studies contain elements that relate to the present research topic. The former points out how a pattern for top management selection continues over time. The latter suggests contextual factors which fuel self-reinforcing dynamics. Nevertheless, both studies do not offer insights into the details of how the persistence comes about. Especially in Beckman and Burton's study the processes which create the lock-in remain very vague. In addition, both studies lack an identification of the underlying mechanism which drives the pattern reproduction. This calls for research which can open the black box and zoom into the organizational processes and functioning. To reveal the becoming of the persistence, the self-reinforcing mechanisms put forward in the theory of organizational path dependence are a central feature to gain further insights on the lasting homogeneity. Such an approach traces the dynamics which drive the organization's human resource flow and create and

\textsuperscript{25} The Jim Crow laws were laws in the US between 1876 and 1965, which mandated racial segregation in all public facilities. They led to a better treatment and accommodation for white Americans with a number of economic, educational and social advantages.
reproduce homogeneity in the organization's leadership functions. Special attention is needed to identify the organizational mechanism which over and over again (re)produces the same outcome.

Before suggesting in more detail why the theory of organizational path dependence should be connected to research on homogeneity in top management, the following section specifies the characteristics of an organizational mechanism.

2.2. Nailing the jelly to the wall: What is an organizational mechanism?

Various authors have called for a more precise understanding of social mechanisms. Especially for the present research the term organizational mechanism needs more elaboration for two reasons: First, organizational mechanisms are the heart of path dependence theory (Sydow et al. 2009: 698). If a central aim is to identify the mechanism which creates the persistence of homogeneity, a clear understanding of what is actually being researched is needed. Second, a basic understanding of an organizational mechanism remains open in the theory on path dependence which the authors put forward (ibid.).

The term “mechanism” has been applied to a plethora of social phenomena. Its use has even been compared to “semantic noise” (Mayntz 2004) and the term itself described as a “buzz-word” (Pajunen 2008). This is not surprising since the term’s meaning remained vague and inconsistent, and only in recent years more explicit considerations have developed (e.g. Hedström/Ylikoski 2010; Pajunen 2008; Florian 2006; Mayntz 2004; Bunge 2004; Hedström/Swedberg 1996). A further possible reason for the term’s vagueness is the challenge to research and identify mechanisms. For this reason, mechanisms are frequently described as a ‘black box’ in organizational functioning.

“[E]xplanatory mechanisms […] often are unobserved or only observable in their effects” (Hedström/Swedberg 1996: 290). Hedström and Ylikoski (2010) point out that much depends on how the idea of a mechanism is used given the risk that “we end up with mere mechanism-based storytelling that lacks both theoretical rigor and empirical relevance” (58).

26 In their article only a footnote refers to Pajunen (2009) without further explanation.
The idea about mechanisms which many authors share is that a mechanism means a recurrent process in which an effect or outcome is produced from an input. Put differently, it is the social cogs and wheels between two variables X and Y. “Mechanisms state how, by what intermediate step, a certain outcome follows from a set of initial conditions” (Mayntz 2004: 241). Hedström and Swedberg (1996) express it in the simple formula: “I → M → O” (i.e. an input generates an output through a mechanism, p. 288). The recurrent process points out that a mechanism entails a direct causality between X and Y. Mechanisms, though, describe more than the causality between two variables but explain the inner workings of that process to answer why X causes Y. For the present research this is crucial because much research exists about correlations between gender and leadership but insights are lacking to explain the inner workings and the becoming of a persistent homogeneity.

A further characteristic of mechanisms is their hierarchical structure encompassing multiple levels where lower level components together activate the mechanism at a higher level, or vice versa (Pajunen 2008; Florian 2006). Social mechanisms connect actors’ social practices and activities on the micro level with collective outcomes at a higher level (meso or macro). Based on Coleman’s (1986) so called bath tub model, Swedberg and Hedström (1996) developed a typology of mechanism to explain different kinds of phenomena on different levels. The first mechanism (1), the situational mechanism, explains how social structures constrain individuals’ actions and shape their opportunities and beliefs. The second mechanism (2), the individual action mechanism, links individuals’ beliefs, desires or opportunities to their actions. The third type of mechanism (3), the transformational mechanism, describes how individuals’ interaction transforms into intended and unintended social outcomes.

Despite its causality, Mayntz (2004) clearly distinguishes mechanisms from “laws”. As laws do not exist in the social world, mechanisms do entail regularities but of a less general scope. Hedström/Ylikoski’s (2010) use of causality is a bit more humble in terms of generalizations. They point out that a „mechanism perspective implies a commitment to the locality of causal processes: Whether a is a cause of b depends on facts about spatiotemporally restricted causal process, not on what would happen in other similar situations“ (53).

The arrow on the macro level is dotted because the authors argue – based on Coleman’ methodological individualism – that phenomena on the macro level have to be explained through their generating mechanism on the micro level. Relating macro phenomena to each other creates unsatisfying explanations.
Figure 2: Typology of mechanisms based on Swedberg/Hedström 1996

This model was developed in the tradition of methodological individualism with the understanding that actors intentionally shape outcomes on the macro-level. As such, individuals’ actions or beliefs on the micro level are seen as the bottom of every analysis – be it micro or macro phenomena. However, this notion falls short of capturing the existence of emergent or systemic properties of outcomes on a higher level because the occurrence of an outcome may happen without consciously contributing to it. The interconnectedness of individuals’ actions can lead to unintentional, irrational consequences or emergent effects. Hence, actors can unintentionally trigger and reactivate a recurrent process without actively manipulating the higher outcome (Florian 2006). Including unintentional consequences is crucial for the understanding of mechanisms in path dependence theory because unintentional forces are a primary characteristic of path dependent processes. This aspect is also relevant for the persistence of homogeneity because the research review above on homogeneity has pointed out that research is needed which grasps emergent as well as unintentional effects of the organizational functioning to explain demographic imbalances.

Mayntz (2004: 242) provides a further differentiation of different kinds of mechanisms. To her, mechanisms can be linear and non-linear, i.e. the latter causal chain can contain feedback loops. This is another relevant aspect concerning mechanisms in path dependent theory as these mechanisms are described as reflexive and self-reinforcing.
Reflexive means that the outcome of a process (Y) refers back to the input (X) creating a circular loop. Self-reinforcing means that the two variables X and Y are mutually reinforcing each other in a positive circle. Positive feedback keeps the process going and develops momentum. In path dependent processes this circular process leads to hyper-stability.

In path dependent research the terms positive feedback and increasing returns are sometimes used interchangeably when describing self-reinforcing mechanisms. However, given their importance in path dependent research, a differentiation between the two is necessary. Reading Dobusch and Kapeller (2011), increasing returns can be a characteristic of positive feedback. Positive feedback is therefore also possible with constant or diminishing returns (which is not to be confused with negative feedback).

Given the fact that mechanisms are not directly observable, the question remains how organizational mechanisms, and self-reinforcing mechanisms in particular, can be analyzed in empirical research. According to Mayntz (2004), the “starting point of the search for mechanisms operating in a specific field is always an observed or suspected regularity; a correlation; or a puzzling event, structure, or process” (253). Sydow et al. (2009) take a similar stance. To them, patterns of behavioral practices have to be

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29 Defining a path dependence mechanisms with a circular loop where the outcome feeds back to the input opposes Mahoney’s linear, reactive sequences as path dependence mechanisms.

30 The standard example is the S-curve of technology diffusion. When a technology diffuses there is positive feedback given that a technology’s adoption and diffusion have mutual positive effects on each other. For example, the benefits of using a telephone increases the more people use a telephone. Positive feedback exists even if the growth rate of diffusion is constant or decreasing. “The S-curve of technology diffusion is the result of ongoing positive feedback but shows all three kinds of return structures at different points in time” (ibid.: 11). Their argument goes in line with Vergne and Durand (2010) who argue that “[p]ath dependence […] can exist without increasing returns” (752; see also Page 2006; Arrow 2000).
diagnosed. In a second step, the underlying process has to be identified through which this social phenomenon is generated (more on process research see chapter III). A thorough analysis of the (self-) reinforcing process will “provide deeper, more direct, and more fine-grained explanations” (Hedström/Sweberg 1996: 287) of the social phenomena being studied. The generated data then promises to open the black box of the emergence and reproduction of the persistence.
3. Analyzing the Persistent Homogeneity in Top Management with Path Dependence Theory

I argue that the theory of path dependence is an innovative and promising analytical framework for gender and diversity studies in order to further understand the persistence of homogeneity in top management. With its focus on processes the theory of path dependence is most fitting to study the human resource flow in top management positions. It is also a valuable analytical approach which helps to explain how a heterogeneous work force composition at the lower organizational levels transforms into a homogenous and rigid composition in the upper echelons. Using this approach the selection processes and organizational forces are revealed, which time and again produce the same homogenous demographic composition in top management. In other words, it can show how organizations become path dependent due to a pattern reproduction, i.e. a selection path.

Choosing path dependence theory as the analytical framework for this research is not only useful due to its process perspective. It is also supported by two empirical phenomena which suggest that the selection of top managers is driven by an organizational path. Firstly, many attempts and initiatives by organizations to increase the diversity in top managements have failed. Many companies attempted to increase the proportion of women in upper leadership positions for over a decade without any significant changes (Krell 2010). The continuation of the homogeneity reproduction is a puzzling rigidity and points towards an organizational path dependence.

![Figure 4: Puzzling rigidity of homogenous top management](image)

Figure 4: Puzzling rigidity of homogenous top management
In addition, the mentioned longitudinal studies by Mayrhofer et al. (2005) as well as Domsch (2005) on the comparison of career advancement of male and female cohorts show that an equal number of qualified women and men enter organizations at the entry level. Their studies go on to show that the further up the career ladder one goes, the more men are chosen, and consequently gain access to higher management positions. This phenomenon indicates a selection path that can be translated into the path dependence model.

![Figure 5: Application of path model to career selection processes](image)

At the entry level in phase I, there are an equal number of qualified men and women (illustrated with blue and red balls). The range of personnel selection (shadow) diminishes over the course of the career progression until a stable selection pattern has evolved. Exclusively blue balls symbolize the lock-in in phase III, i.e. the gender homogeneity in the top management.

From a path dependence perspective of particular interest are phases II and III to understand how a selection pattern for top management positions evolves as well as the dynamics which create and maintain a lock-in. By analyzing the organizational dynamics, a new perspective on the issue is offered since it will be paid close attention to the endogenous and emergent processes in organizations. Of interest are emerging patterns which build up unintentionally but develop such a strong pull that organizational actors become trapped in it. By understanding these organizational forces, light can be shed on the 'systemic refusal' of top management to open up for more diversity. With a focus on the more hidden forces in the organization, the reproduction logic of the top management can be brought to the surface. By making the existing dominant group in top management
the point of departure, the dynamics, processes and mechanisms which lead to the reproduction of homogeneity will be addressed. Using the theory of organizational path dependence further allows understanding the failure of change attempts towards more diversity in leadership positions. Are the reasons for failed change attempts to be found in the dynamics of organizational processes instead of single organizational actors who intentionally resist a change?

Putting organizational processes and forces at the center of attention offers to demonstrate how organizations matter in the (re)production of gender relations, and homogeneity in particular. What are the organizational forces which reliably position organizational members with certain demographic characteristics in certain positions? Beyond correlations between a person's sex and the likelihood of reaching a top management position, the theory of path dependence as an analytical framework provides ‘thick descriptions’ and insights on the organizational processes and the functional aspects of this connection.

In sum, the present research focuses

- on the organization's endogenous processes and mechanisms which reproduce homogeneity in top management,
- on the top management's included group and its functioning, as well as
- unintended or emergent effects behind the back of organizational actors.
III. RESEARCH DESIGN, METHODS AND DATA 
ANALYSIS

This chapter presents the research design including the presentation of the case, the research methods as well as the analytical steps for data interpretation. It is argued that the research questions of the present study require a special methodology which is able to grasp organizational processes, patterns as well as their underlying mechanisms. What is needed is process data to explain how homogeneity is reproduced in top management and why the selection of diverse top management candidates is limited. “Process research is concerned with understanding how things evolve over time and why they evolve this way” (Langley 1999: 692). In contrast to statistical research which supplies rather static evidence about correlations between variables, process research explains “how and why certain events play out over time” (ibid.: 691). What needs to be considered for the methodology is the challenge to research mechanisms because mechanisms are theoretical constructions which do not exist as such in reality. Identifying mechanisms is based on the observation of patterns which then serve as an empirical anchor for the interpretation of organizational path mechanisms. The data analysis needs to consider specific requirements for the research on processes and mechanisms.

To understand the selection path in top management three aspects have to be explored and analyzed. First, the selection path needs to be identified more closely. Vague suspicion about an existing path alone is not sufficient to adequately research an organizational path. What is needed is a thorough “identification of [a] strategic persistence or operational rigidity” (Sydow et al. 2009: 704) to assert path dependence. In this case, the failures of change interventions to create a more diverse work force will be analyzed closely as they point to an organizational lock-in. Second, the emergence of the path needs to be explored, i.e. the processes which have generated and which maintain a lock-in situation. To understand who gets included in top management positions and who does not requires an analysis of the selection processes for these positions. This understanding of selection processes is necessary to trace why the same kind of candidates reach top management positions time and again. However, the analysis of selection processes alone only goes as far as explaining how certain candidates make it to senior positions but it does not
sufficiently explain why the top management selects mainly candidates who are alike. As such, the research questions require a *third* empirical step. What needs to be identified is the underlying mechanism which drives the emergence and reproduction of homogeneity. In other words, “the logic of the very process producing [the] organizational persistence” (Schreyögg/Sydow 2011: 322; emphasis by P.E.) needs to be revealed. This third step sharpens the view on the organizational deep structure and provides explanations for the functioning of the top management in order to explore and explain the organizational persistence.

### 1. Research design

The research design needs to enable to answer the *how* and *why* concerning the persistence of homogeneity. As such, the research questions pursue an explanatory attempt. To grasp and understand the complexity of the issue, the design needs to generate rich and deep descriptions of the organization, including the official processes and rules as well as those taking place more informally at the backstage of the organization. Moreover, it is the aim to understand contemporary, 'real time' processes and dynamics within an organization to explain a current social phenomenon and not completed developments or circumstances of the past.

A research design which meets all of these requirements is an *empirical case study design*. Yin emphasizes that especially a case study design is appropriate to analyze complex social phenomena in depth (2009: 4). This design can grasp underlying processes and mechanisms of issues being studied (“how and why questions”, Yin 2009: 9). Furthermore, cases studies provide a research strategy which focuses on the understanding of present dynamics (Eisenhardt 1989) by obtaining rich and deep descriptions of the organization. According to Garud et al. (2010), especially path dependent processes need to be studied in 'real time' because “[o]therwise, it would be tempting to think of any sequence of events (retrospectively labeled as a path) as having been inevitable” (770).

Analyses and discussions in great depth allow for further clarifications what theoretical models and concepts – such as the path dependence model – can mean (Geertz 1987). By using a case study design for the analysis of a selection path it can be illustrated how this theoretical model can be identified in empirical work, for instance how stabilizing processes and self-reinforcing mechanisms actually reproduce a lock-in situation in a
specific organization. A case study, hence, does not have the aim of predicting phenomena in other organizations. Rather, with the newly acquired concepts and insights, a case study allows for a better diagnose of organizations and provides an analytical generalization (Yin 2009). “Case studies, like experiments, are generalizable to theoretical propositions and not to populations or universes. […] your goal will be to expand and generalize theories (analytic generalization) and not to enumerate frequencies (statistical generalization)” (15).

Case studies are also an appropriate design for process research. The potentially narrow focus of case studies creates more accuracy as well as awareness for in-depth-process research (Orton 1997: 423). This process data is able to “catch reality in flight, to explore the dynamic qualities of human conduct and organizational life and to embed such dynamics over time in various layers of context” (Pettigrew 1997: 347). The strength of case studies – their ability to deal with a full variety of evidence (Yin 2009: 11) – is a further argument for this type of design. In order to fully illuminate the spectrum and complexity of the issue being studied a variety of data sources needs to be collected. This allows to reveal the different reasons and shades of the becoming of the selection path including its self-reinforcing mechanisms.

Case studies need to be defined more closely in terms of the unit of analysis as well as the type of design (e.g. single vs. multiple case study).

In this case, the research questions aim for an empirical explanation of the persistence of homogeneity in top management. The top management is an organizational unit where research access is usually very limited. In addition, getting access to research on delicate issues (e.g. nonrational change barriers) is challenging. Given these circumstances, Yin suggests a single revelatory case where “the investigator has an opportunity to observe and analyze a phenomenon previously inaccessible to social science inquiry” (2009: 48).

A type of industry which provides a potential case for this research inquiry is the industry of professional service firms (PSFs). PSFs seem particularly revelatory and informative to study selection processes because they are known for their elaborate selection schemes (von Nordenflycht 2010). The importance of the personnel for the success of these corporations is essential because by selecting and retaining the ‘highest potential’ PSFs signal quality and rationality to the business environment (Armbrüster 2004).

31 Similarly Czarniawska: “Inequalities […] can hardly be provoked by researchers, and they are seldom invited to witness it” (2011: 81)
One consulting firm provided a unique research access to the top management and was therefore chosen as the case study example. For anonymity it will be called FIRM in the following. FIRM not only serves as a revelatory case but it is also a representative case (Yin 2009: 48) for two reasons: On the one hand, FIRM's work force composition represents approximately the average employment statistics of Germany. FIRM’s middle management level consists of 75 percent men, the partner level has 91 percent men and the core board group consists of 100 percent men (in 2009).\textsuperscript{32} This composition has not significantly changed since 2009. On the other hand, FIRM – similar to other companies of this size – has invested in several change initiatives for the advancement of women in recent years. However, the efforts have not led to a change in the composition of the top management and, hence, the homogeneity persists. These developments hint a path dependence.

The case study unit is the top management at FIRM composed of partners and the board of directors\textsuperscript{33}. The top management is understood as a group and interviewees from partner and board level are seen as representatives of this group. The aim is to understand the functioning of and dynamics within this group and not a comparison to other organizational units. Taking the top management as the unit of analysis makes the case study a holistic single case design (Yin 2009: 46).

The main attempt is to “catch reality in flight”. As such, the data collection focuses on current processes which could be witnessed during the research phase in 'real time'. For a better understanding of the processes and dynamics at FIRM today, the case study has additional longitudinal parts to trace the developments of the work force composition as well as the various attempts to change its composition.

\textsuperscript{32} For comparison, the average percentage in the private sector in Germany: Management level has 73 percent men, boards of Germany's Top-100 companies have almost 100 percent men (Holst/Busch 2010).

\textsuperscript{33} The board of directors consists only of internal executive directors to make executive decisions for the organization. In Germany, non-executive directors are organized in so-called “Aufsichtsräte” - a governing body external to the organization.
1.1. Presentation of the case

The case study example FIRM is a consulting firm which operates internationally with several thousand employees in Germany alone.\(^{34}\) The German offices are located in several regions with more than 20 cities across Germany.

In terms of its work force composition there is a homogenization process in the business units from an almost equal balance between men and women on staff level towards a largely homogenous composition on partner level with 91 percent men and 100 percent men in the board room.\(^{35}\) Interestingly, all men and women on staff level are hired due to their career potential and their outstanding qualification. However, no woman reaches the board level.

<table>
<thead>
<tr>
<th>Staff</th>
<th>Manager</th>
<th>Director</th>
<th>Partner</th>
<th>Executive committees</th>
<th>Executive Board</th>
</tr>
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<tbody>
<tr>
<td>M</td>
<td>54%</td>
<td>71%</td>
<td>84%</td>
<td>91%</td>
<td>98%</td>
</tr>
<tr>
<td>W</td>
<td>46%</td>
<td>29%</td>
<td>16%</td>
<td>9%</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Table 1: FIRM's work force composition of business units in 2009*

Despite various attempts since 2004 to break this homogenization process and despite a more thorough formalization of selection processes for the partner level in 2007, the homogeneity in the top management positions has been significantly stable over the last 15 years (see developments presented in chapter IV). The efforts to change the work force composition, thus, have not led to the expected changes.

FIRM is a ‘people business’, i.e. it creates revenue on the basis of its employees’ knowledge and skills and not through the production of goods. FIRM’s capital literally goes down the elevator at the end of the day. Like many other companies in this sector and of this size, FIRM is prone to high fluctuation and became aware of the necessity to better use and retain its human capital. Due to demographic changes and a so-called ‘war for talents’ among its competitors, FIRM realized the need to diversify its recruitment profiles and strategies in recent years. More female graduates as well as graduates from different

\(^{34}\) For anonymity reasons the precise number of employees is not stated here.

\(^{35}\) The administration unit undergoes an even more substantial change. While male employees are the minority with 18 percent on staff level it is the opposite on partner level with 88 percent male partners.
disciplines needed to be attracted and women in higher positions have to be retained. As such, FIRM Germany invested in diversity management as well as other HR measures to achieve its goal. One senior management position within the HR department was opened and funded in 2007 with the mandate to develop the entire diversity management portfolio at FIRM Germany. Prior to 2007, several measures on family-friendliness and the promotion of women had already been initiated by the human resource department in Germany to address the high fluctuation and external pressures. However, the initiatives before the introduction of diversity management were never systematically implemented nor followed up. Till date, all measures have developed no positive effects on the diversification of the top management.

On a more general level, FIRM is organized around partners who act as joint owners and bring in clients to increase the company’s turnover. Those who work below partner level are employed by the company. There are three business units in Germany. For anonymity they are labeled here as Inspection (1), Finance (2), and Performance (3). The business units developed at different points in time and vary in size and revenue. Inspection, for example, is the most profitable unit and has the longest history in the company which in turn gives this unit substantial leverage over the company’s values and norms. FIRM Germany is integrated into the global company network (FIRM Global). Despite the international corporate identity, FIRM Global does not have a strong impact on the day-to-day activities in the German offices. In contrast, recent years have seen FIRM’s European steering group gain greater importance and increasing impact on FIRM Germany and its strategies and policies.

As in other professional service firms, one finds competition and a very demanding working ethos at FIRM. It takes about 10 years to reach partner level and given the high level of competition to do so, there is an added prestige in arriving in the partnership.

1.2. Personal background
The research access at FIRM was facilitated by two factors. A five-month employment relationship as an intern at the HR department for diversity management anteceded the research inquiry. For FIRM this was decisive for the research access as I was seen as ‘one of them’. My previous boss supported my inquiry internally. A second decisive factor was a direct contact between one of my supervisors and one board member. FIRM and my
university had been in touch for several years for teaching and recruitment. The established trust and the understanding of reciprocating favors was a premise for my research access that was not granted in any other case.

During my time as an intern I did not establish contacts to my actual research unit (partners and board members). Nonetheless, the orientation and understanding of the functioning of the company as well as contacts to HR managers facilitated my research process significantly. I got to know a large part of the HR employees which positively impacted their willingness to share information or contacts during my research.

The research conducted was undertaken independently and I was not remunerated by the company at any given time. In order to maintain research independence all travel financing to and from FIRM offices were self-supported.

1.3. Research access

The time between my formal request for research access and the actual start of the empirical data collection lasted eight months. In December 2008, I submitted a formal letter to the board member representing Inspection, accompanied by a project outline and a supporting letter from my supervisor. The board member agreed and passed my request on to his assistant to discuss the next procedures with me, including aims and the potential benefits for FIRM. A partner himself, the assistant turned out to be a very supportive field coordinator for the project. After several meetings, phone calls, and the delivery of more detailed information a final preparatory meeting was arranged in July 2009, which included the assistant as well as the head of HR. As it became clearer that my research touches on several HR topics, the head of HR was included and signed the research contract.36

A foreseeable challenge during the empirical data collection was “researching up” (Nader 1969) meaning the participants being observed or interviewed for this study had significantly more status and power than me. Another critical issue was my participation as a young woman in a male-dominated field. As such, the support of two board members (Inspection and HR) was very helpful as it provided my research with the relevant authority and backing to move forward.

36 The research contract served mainly the agreements on strict confidentiality and discretion.
In the first letter and project-outline I addressed my topic (persistence of homogeneity in top management) directly. However, in the subsequent meetings and brief conversations regarding the project I drew the attention more towards path dependence and change barriers in the top management. As FIRM was undergoing several change processes at the time of the study, the participants could relate more easily to organizational change issues and I was able to avoid terms that were potentially negatively charged. This allowed me to get in contact with participants without touching on delicate topics and causing too much irritation beforehand. As my academic affiliation was to the business and management department (visible on my business card or email signature), my additional disciplinary background was of little interest to the participants.

The research process lasted one year, starting with a first observation in July 2009, and ending with a series of final interviews in June 2010 (see below). Depending on the research phase and its method, I was in the field several times a week and other weeks would pass with only a few emails and phone calls to prepare for the next steps. For the data collection I traveled between eight offices across Germany, mostly being in the headquarter where the HR department and my coordinator were located. As trust grew over time, I developed closer contact to a few participants and met them on a few private occasions. That gave me the opportunity to also get insights to their lives outside the company (private homes, interests, roles outside the job).

I discussed every empirical step and its feasibility with my field coordinator (the board’s assistant) in advance. Strategically it was helpful in most cases to outline the benefits of every research step. I brought along a presentation for every meeting outlining the steps and methods and the potential gains. My field coordinator was very supportive of my research and put me in touch with other partners where needed. In encounters with other partners and board members I was received politely, in some cases very friendly and open, in others with some hesitation and precaution.

2. Research methods

Path dependence research aims at revealing “systemic forces beyond the control of the individual actor” (Sydow et al. 2009: 691). As such, methods are needed which can look through surface manifestations to grasp dynamics behind the control of the subjects being studied. The challenge, therefore, is to investigate the deep structure, i.e. themes “that are
more hidden, that do not materialize so easily, or that are not fully registered or experienced by the subjects involved” (Alvesson/Deetz 2000: 166). A multi-method mix is needed to grasp different levels of analysis (individuals, groups, organization as a whole). In recent years there has been an ongoing discussion whether there is the best method or research design for studying path dependence (Dobusch/Kapeller 2011; Garud et al. 2010; Vergne/Durand 2010). While Vergne and Durand argue more for a methodology where the process can be controlled by the researcher (e.g. simulations), Garud et al. argue for an observant and narrative approach. Dobusch and Kapeller conclude that there is no single method which can capture a path dependence as a whole but such an undertaking needs to combine different designs and methods for the data collection and analysis. Only a multi-method mix is able to identify the different aspects of a path and allows unfolding the mechanisms underneath the surface. Also process research argues for the use of a variety of methods. A mix of qualitative and quantitative methods is able to go beyond a collection of static facts to reveal the dynamics and the pattern behind surface manifestations (Pentland 1999; Pettigrew 1997).

Existing empirical studies show the wide range of methods which can be used for researching path dependent processes. The volume “The hidden dynamics of path dependence” edited by Schreyögg and Sydow (2010) features a number of empirical studies on organizational and institutional path dependencies. The methods being used in these articles range from qualitative interviews, discourse analysis, analysis of descriptive statistics to qualitative archival data (documents), to name a few.

Besides the methodological challenge to study invisible self-reinforcing processes in organizations, studying gender relations is equally demanding. This is especially the case when studying those who are in higher status positions because to them inequalities are hardly obvious (Acker 2011). In Czarniawska's article “How to study gender inequality in organizations?” (2011) the author presents six possible methods for 'real time' studies:

- Documents and surveys
- Discourse analysis
- Ethnographic interviews

Acker argues that “disadvantaged are more apt to see inequalities than are those whose status and rewards are increased” (73). In terms of race, she gives an example of white welfare workers who see little evidence of racism in their workplaces compared to workers from other ethnic backgrounds. The latter ones had very different perceptions, seeing racial divisions, tensions and hostility at work.
Based on the methodological reflections above and considering the range of possible research methods to study the persistence of homogeneity in top management, the methods chosen for the present study will be presented in the following.

2.1. Archival records
Archival records, such as survey data or organizational records on the organization's employees give an overview over the workforce composition and summarize and visualize the organization's population. Provided as descriptive statistics they are a useful source for the quantitative analysis of the distribution of social groups (categorized by function, gender, age, etc.). If data collections from different points in time are provided, the analysis can show developments in the distribution of social groups over the course of this specific time.

During the data collection at FIRM, the descriptive analysis of statistics of FIRM's workforce composition was an important first empirical step in order to identify the selection path more closely. FIRM provided employment statistics for the years 1995-2010. On that basis it was possible to quantitatively analyze the persisting homogeneity in FIRM's top management positions over the course of 15 years. Of particular interest was the development of the proportions between men and women across hierarchical levels, differences between business units and proportional changes during the time span between 1995-2010. For further background information, the data set was also analyzed concerning nationality and age. FIRM also provided more detailed statistics on formal promotion processes from management to senior management level and from senior management to partner level. On the basis of these statistics it was possible to trace the significant points where men and women are selected. For additional background information, FIRM provided data on full-time and part time work of employees in leadership functions (management level to board level) for the year 2011.38

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38 The data collection formally ended in 2010 but data on part time/full time work was provided at a later point in time by the diversity manager.
2.2. Documents
Documents play an explicit role in case study research and can encompass a range of sources: e-mail correspondence, reports, administrative documents, agendas or websites (Yin 2009: 103). Their most important use is to anchor and inform the data collection process and to augment and strengthen evidence from other sources (ibid.). For instance, this allows triangulating the data with information retrieved from different sources, such as interviews.

For the research at FIRM, the collection of documents was particularly necessary for the reconstruction of change initiatives which aimed at breaking the selection path. I collected presentations, organization charts, internal PR-material and business cases, agendas, as well as public statements from the website or in the media.

Furthermore, the collection of documents concerning career selection procedures and selection criteria was highly important to analyze the formal selection processes. As such, I was provided with career planning schemes, detailed selection criteria for various hierarchical levels (if existent), career evaluation sheets, and presentations. These documents on formal career processes allowed comparing and discussing them with their practical application in day-to-day organizational life. The question was to what extent the official processes are applied, what effects they have for the organizational members and to what extent they structure and influence the advancement to higher positions.

2.3. Direct observations
Observations of the research site enable a deeper understanding of the context or the phenomenon. This applies particularly to case studies because they take place in the natural settings of the case (Yin 2009: 109). Observations can cover formal meetings to more casual settings throughout the field visit, such as encounters before and after interviews, breaks during meetings, the observation of office interiors, etc.
I carried out observations at FIRM to achieve greater familiarity with locally meaningful informal activities and dynamics. By seeing, hearing and feeling the field I observed how people interact in formal events and informal get-togethers while paying attention to recurrent topics, practices and rules. This understanding of the overall context was necessary in order to identify recurring organizational patterns as well as to familiarize myself with the functioning of the top management. According to Pettigrew, “[a]ctions drive processes but processes cannot be explained just by reference to individual or
collective agency. Actions are embedded in contexts which limit their information, insight and influence” (1997: 338).

I received access to events either through the head of HR or the board member for Inspection. In total this amounted to approx. 50 hours of observation of formal events. Before every event (except an internal conference, see below) I was briefly introduced to the participants by the respective board member. I participated passively in the meetings and events, merely observing and taking notes. In my field notes I captured practices and ways of expressions, reactions to my presence, informal side comments as well as parts of discussions’ content. In detail, these are the events which I observed:

- 4 full-day meetings of a regularly held HR meeting series, where the head of HR, partners with HR responsibilities and several HR managers (one accountable for each business unit) discuss developments and decide over new measures;

- 2 meetings (1 meeting full-day, 1 telephone conference) of the Inspection’s highest committee, consisting of two board members and several high status partners;

- 2 Inspection events where the new business strategy was presented by two board members to the partners of the respective region (approx. 30 partners each), followed by a discussion;

- 1 internal full-day conference for approx. 150 managers and partners across all business units who have the role of professional development advisers in the company (evaluation and career planning of employees).

Additionally, I collected a number of further ethnographical data (approx. 40 hrs.) by observing or engaging in more casual pre- and post meeting conversations, several informal talks, discussions with my field coordinator, as well as private occasions (dinners, parties).

In situations where I was among very few women I noticed some confusion in the participant’s reactions as they kept looking over to me, e.g. during the course of the meeting. After one meeting I was told that my presence had the effect of creating a “Sunday-behavior” among the partners because the atmosphere was less heated and tensed. As I visited most meetings several times the participants got used to my presence and over time their behavior normalized.
The observations had two further effects for the data collection. Through attending different meetings I got to know managers, partners and board members who became interview partners later on. Experiencing them in different contexts countered the potential impression management in interviews (see below). Before meeting interviewees individually in one-on-one interview situations I experienced about half of them in group settings in meetings or other events prior to the interview.

2.4. Interviews

Interviews are an essential – if not the most important sources for case studies (Yin 2009: 106). Compared to passively following events during observations, interviews provide the opportunity to actively direct the focus to certain topics. Information about events, developments or persons can be obtained and – equally important – interviews can explore opinions, personal experiences and feelings. Especially when researching a sensitive issue, anonymity and confidentiality can provide substantial data because they create a safe situation for interviewees to share their thoughts. By maintaining confidentiality, this information can also be used in subsequent interviews with the effect that other interviewees may see that the researcher has been entrusted with important information. Alvesson and Deetz (2000) refer to this process as ‘drilling’, where one may gradually explore the ‘deeper’ aspects of the phenomena being investigated.

For the research at FIRM, interviews were chosen as one of the research methods for three reasons: First, a set of interviews was conducted to reconstruct discussions and change initiatives concerning homogeneity in the top management. Because there was no archive or function which had collected all the information on this topic, it was necessary to assemble the puzzle through interviewing agents in this field. For this purpose I carried out:

- 11 semi-structured interviews (approx. 13 hrs) with HR representatives to talk about the impact and failure of change initiatives during the last ten years. Among the interviewees were 2 directors, 6 managers, 1 staff member (one director and one manager were interviewed twice).

- 6 semi-structured interviews (approx. 6 hrs) with managers and partners from business units who engage in activities for different social groups: the women’s network, the gay/lesbian network or the network for employees with Turkish
background. Among them were 4 partners (one of them interviewed twice) and one senior manager.

Most of the interviews with HR managers were arranged on my own because I still knew a major part of them from my time as an intern at FIRM. Interviews with partners were the result of a ‘snowball-effect’.

Second, the 11 interviews with HR representatives were also used to get information on FIRM's career schemes, selection processes, procedures in assessments, challenges in their application, as well as personal opinions and experiences with these processes and certain tools. As HR representatives have a slight outsider status at FIRM because they are not part of the business units but part of the administration, the interviews also provided reflections on the working conditions of partners and the functioning of the partnership from an outsider perspective. At times, this contrasted some of the descriptions and reports given by partners of the business unit (see below).

Third, to explain the persistence of homogeneity the actual patterns in the selection of top managers had to be identified. As such, numerous interviews were conducted with partners and board members to interview them about their career path, how they got into top management positions, and how they dealt with the career requirements. These interviews also aimed for an understanding of the functioning of the top management as a group, for instance shared behavioral rules for success and cooperation, the group’s cohesion and insider-outsider dynamics.

The practical proceeding was as follows: To arrange the interviews, I identified potential interviewees with my field coordinator. Primarily high-status partners were selected who were members of higher decision making bodies within FIRM. Moreover, partners from every business unit were selected in order to collect information from different parts of the company. The number of female partners was another criterion, thus, 1-2 women were chosen from every unit. The interview inquiries were sent out by my field coordinator as well as the head of HR. Apart from two cases everybody agreed to take part in the interview. For this research focus I carried out:

- 11 interviews with (high-status) partners (approx. 18 hrs)

39 In total 4 of the 14 interviewees were women, which is proportionally more than the representation of women on this level.
• 3 interviews with board members (approx. 3 hrs)

The interviews lasted between 45 and 120 minutes and were held in the participants’ offices or meeting rooms and once at the interviewee’s private home. All of the interviews were recorded and transcribed and minutes were written after every interview to take notes of the atmosphere, the interview dynamic, the appearance of the interviewee as well as the conversation before the interview and after the recorder was turned off. The interviews were semi-structured but all of them followed the same interview structure to ensure consistency while leaving sufficient room to discuss aspects not originally considered but which seemed important to the interviewees (Alvesson/Deetz 2000: 71). I interacted with half of the interview partners in other contexts outside the interview situation which allowed for triangulating their behavior and statements.

In detail, the interviews were structured in three parts (see detailed interview questions in appendix). To begin with, interviewees were asked to summarize their career paths and to reflect on the requirements for every career step, particularly the ones to access a leadership position. Of interest was also how the promotions happened and what role sponsors, mentors and networks played. Furthermore, it was inquired if the interviewees saw their career path as a classical path at FIRM and if they thought that there is a certain prototype who reaches top management positions. Related to this I asked if they could explain why the top management is so homogenous.

The second part of the interview addressed the rules and interactions in the top management. Of interest were informal dos and don’ts to position one-self in the top management and how these rules favor or impede one’s career development. As such, questions about tactical behavior and codes that have to be mastered were asked. It was also of interest how they learned this tacit knowledge and what happens if one violates these implicit rules. In a few interviews this section was enriched by asking what one has to do or how one has to be in order to get access to the inner circles of the top management.

In the last part I addressed the interviewees in their role as leaders who decide over the selection of new partners and the promotion criteria of managers. I asked how they identify so-called high potentials and how they recognize if one is suitable for the next career level. The final question had the element of a role play. I asked them to imagine that I was their mentee at FIRM and to share with me their advice and informal rules in
order to become a partner myself (what to do, how, who is important, etc.), and if there were special recommendations for me as a woman.

In multiple respects the dynamics in the interviews were similar to the experiences with managers described by Trinczek (2005). Despite the image of top managers as individuals with constant time constraints, several interviewees surprisingly exceeded the allocated interview time. A few even used the occasion for impression management to portray themselves in the limelight. With me in the role of a young female researcher and them as older established (male) professionals they presented themselves as all knowing individuals who tried to explain the world to me. A few others were very careful in their answers, maybe due to the request of the head of HR to participate, being cautious that statements do not harm their career. At a few occasions they appeared irritated by some of the questions. However, for most of the interviewees it was an opportunity to reflect on issues that were either usually not of interest to the organization but were on people’s minds, or they have had no time in the day-to-day work life to reflect on these developments. One interviewee said that I asked her questions which had never been of interest to the company during her 20 years of her employment but she found it important to talk about them. Some also used the opportunity to express their opinion given the confidential interview situation. This allowed them to voice criticism without being personally visible.

Complementary to the interviews on selection processes and career requirements with partners and board members, I conducted

1. 1 interview with an external coach (2 hrs.) who has been working with FIRM partners for several years.

The interview was very informative because the coach provided me with his observations on FIRM's selection practices as well as his insights on common coaching topics concerning the partners’ working motivation, fears and difficulties. Due to his external role he was able to raise topics which FIRM members can or do not want to see due to their internal role.
2.5. Social network analysis

A social network analysis is a quantitative research method which allows studying patterns of (social) relationships within and across organizations (Kilduff/Tsai 2003). Instead of focusing on the actors' attributes the focus is on the relations and their patterns between the actors. The idea is that single actors are embedded in a wider context – the network: To understand the behavior of single actors the characteristics and dynamics of the whole network have to be understood (Jansen 2006). At the same time, the network perspective opens the perspective for emergent effects of individual activities on a group level and allows shedding light on forces on the organizational level (Jansen 2006). Researching networks, thus, offers the understanding of micro-macro-linkages (ibid.).

The aim of the social network analysis at FIRM was to shed light on the interactions which take place behind or next to the formal organizational chart, especially for career promotion and processes of inclusion (e.g. Cross/Parker 2004; Jansen 2002; Ibarra 1992). This seemed promising because first observations in meetings as well as interviews with HR representatives quickly signaled the relevance of (semi-)informal processes in the selection of top managers as well as in day-to-day work life. What kind of relationships do executives maintain and how important are informal relations for their work? Who are the main players? What characteristics does the overall network have in terms of its density?

The focus of the network analysis was on five aspects:

First, a social network analysis provides empirical evidence for (informal) relations and interactions in the top management. This is an asset because most research on 'old boys' networks', for instance, is rather anecdotal without empirical inquiry. However, if the aim is to demonstrate the role of network relations for selection processes, then empirical data needs to be provided.

Second, it was of interest whether patterns of interactions in top management networks do exist and in what way they are related to patterns of career selection. For example, is the network position of men with certain attributes across different types of networks related to selecting exactly this type of men?

Third, overall network characteristics (cohesion, density) provide information on the characteristics and functioning of the top management. For instance, very dense and
cohesive networks tend to social closure and discrimination of outsiders (Jansen 2002). Furthermore, very dense networks develop and enforce norms which standardize attitudes and behavior (Jansen 2006; Kilduff/Tsai 2003). In other words, dense networks create shared values. This could be a crucial point to understand the coherence and stability of the implicit selection pattern at FIRM. As such, the analysis of network characteristics promises explanations for understanding the persistence of homogeneity.

Fourth, a network analysis opens the perspective for emergent effects of individual activities on a group or organizational level. As Jansen observes: “One has to analyze the whole thing, the network, in order to understand and explain the behavior of its elements […]. This approach is based on the belief that the whole thing has characteristics which individuals cannot have. Such characteristics are called 'emergent', they only come into being on a 'higher' aggregation level” (2006: 13). Emergent effects of individuals’ interaction which take effects on a higher, collective level are systemic traits (Jansen 2006: 51). A network approach, therefore, provides micro-macro-linkages similar to mechanisms (chapter II.2.1). Because the individual actor is closely embedded in networks of interpersonal relations, he/she may not be aware of the emergent effects of his/her behavior on a higher level (Granovetter 1985). These unintentional effects of embedded organizational actors suggest a connection to path dependent processes.

Unit of analysis and data collection procedure

As a unit of analysis an appropriate unit on partner level or above had to be found. For data quality it needed to be a unit that had clearly defined boundaries (Scott 2000: 54) and in which the network actors are physically (not only virtually) in touch on a regular basis. Also, to understand the network dynamics, a whole network of individuals (no ego-networks) was chosen as an appropriate unit. A whole network is a complete set of ties among all actors in the network.

In cooperation with FIRM a partner unit of Inspection located in one national office was chosen. This partner unit is the biggest unit at FIRM and consists of 27 partners (N = 27). Three of the 27 partners are women (11 percent). Three actors are directors, i.e. they do not have a full partner status, and three partners are recently appointed or relocated from another office. After obtaining the approval from the head of the unit, a questionnaire was

40 Originally in German, translated by P.E.S.
sent to all partners (see appendix). The questionnaire listed all names (fixed choice) and each partner had to state to whom, how often (not at all/occasionally/frequently\textsuperscript{41}) and what kind of contact he/she had to the others in the last six months. Three types of contact were listed: project collaboration (formal contact), exchange of information or advice (not related to project; informal contact) and informal relation, e.g. lunch, dinner or golf (informal, private contact). The response rate of the questionnaire was 88.9 percent (24 out of 27). The motivation to fill out the questionnaire was heightened as each partner was provided with a personal feedback on his/her network position.

All answers were entered into a data matrix, which then contained information on the interactions of all ties in the network.\textsuperscript{42} As the questionnaire asked for direct contacts the result is an asymmetric matrix, i.e. person A declares person B as a contact, but B may not define A as a contact. The data was analyzed with the software for social network analysis UCINET (Borgatti et al. 2002) to draw sociograms and to calculate relevant measures for interpretation.

In the following the formal analytical steps of analyzing a social network analysis are presented. The overview serves as a basis for the interpretation of the social network analysis in chapter V.2. The analysis of network data can be carried out on several analytic levels (e.g. individual and network as a whole) and with a number of criteria. Common criteria for whole networks include its density and connectivity. Centrality and prestige measures describe the position of individual actors. A criterion to describe the relations between network actors is the multiplexity of the network relation.\textsuperscript{43}

\textit{Density/cohesion}

A general criterion to describe a whole network is its density, also known as cohesion. The network density shows how closely the group is connected. Density is the proportion of ties in a network relative to the total number possible. The degree of density decides how quickly information can be spread or how norms and solidarity can be enforced. Thus,

\textsuperscript{41} The questionnaire defined occasional contact as three times or less per months and frequent contact more than three times.

\textsuperscript{42} Due to inaccurate answers two of the 24 questionnaires could only be partly used in the analysis.

\textsuperscript{43} The overview of different criteria for analysis is mainly based on Jansen 2006.
density describes the network’s potential for coordination and dense networks help to ensure social identity. A network’s density depends on the size of the network and the type of relations. The capacity to maintain relationships is limited as each tie requires resources (temporal and social). As such, large networks usually tend to be less dense, and friendship or kinship potentially requires more resources than loose business contacts. According to Jansen (2006: 95), small networks can have a density measure around 0.4 and higher, i.e. 40 percent of possible ties between the network agents.

Connectivity
In a network with high connectivity every actor can reach every other actor either directly or through an intermediary. If several actors are not directly connected to others, the network may break down in various parts. Thus, it would lose its stability and boundless flow of resources.

Centrality measures
In social network analysis the contact or relation between two actors is called tie. Ties serve to exchange resources, which can be information or – equally important – recognition and social support. For influence and career promotion two dimensions of ties are most relevant: the range of the network relations (number of ties to other network actors), and the status of the contacts. Centrality measures assume that those actors are prominent who are involved in many relations and therefore are very visible (Jansen 2006: 127). The three centrality measures focus on different aspects, such as influence, autonomy and control.

• Degree centrality
Degree measures show how integrated actors are in a network by showing the number of connections that one has to other network actors. A high degree centrality suggests that the actor is in a central and favorable position where he/she can mobilize resources, benefit from being respected or can influence the flow of information. In contrast, a peripheral actor is positioned at the margin of the network. In asymmetric networks the indegree centrality has to be differentiated from the outdegree centrality. Indegree describes the number of ties directed to the actor (e.g. number of people who ask the actor for advice), and outdegree is the number of ties that the actor directs to others (e.g. number of people the actor gives advice to). High indegree centrality indicates a high popularity and prestige, the number of outdegrees shows how far-reaching one gets involved in the
network. As network data is always relational in nature, there are no specified values that indicate if the degrees are high or low. The interpretation always emanates from a comparison of the data. Nevertheless, indegree values may be more reliable, as individuals may overestimate the centrality of their outdegrees.

- Closeness centrality

Closeness centrality is another concept to describe the integration of an actor in a network. It shows the extent to which the most direct paths connecting an actor to each of the other actors in a network are short rather than long. The idea is simple: an actor, who can reach others through short distances, is relatively autonomous as he/she does not have to rely on others. In contrast, an actor who has to cover long distances is dependent on others to provide him/her with social resources.

- Betweenness centrality

This centrality measure describes the extent to which an actor serves as a mediator or broker for other actors by occupying an intermediary position and connecting others. That means other actors rely on him/her to pass on resources. As such, betweenness centrality describes the level of control as the broker can use this position strategically. The gap between two components of a network is known as a structural hole (Burt 1992). The betweenness centrality of an actor spanning the structural hole has an exceptionally high value.

<table>
<thead>
<tr>
<th>Centrality measure</th>
<th>Degree</th>
<th>Closeness</th>
<th>Betweenness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Measures direct connections</td>
<td>Measures the distance to direct and indirect connections</td>
<td>Measures the extent to which an actor serves as a broker</td>
</tr>
<tr>
<td>Interpretation</td>
<td>Level of activity and influence</td>
<td>Level of autonomy</td>
<td>Level of control</td>
</tr>
</tbody>
</table>

*Table 2: Three main centrality measures*44

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44 Own illustration based on Jansen 2006: 137.
**Homophily**

Homophily is the tendency for actors to interact with and share opinions and behavior with other actors who are similar to themselves on dimensions such as gender, age, ethnicity, educational background or organizational affiliation (McPherson et al. 2001).

**Multiplexity**

Multiplexity is defined as the extent to which actors are connected by more than one type of tie, e.g. when colleagues socialize outside of work as friends. Like degree centrality, multiplexity also indicates the level of inclusion into a network. “Multiplex relationships are also associated with high trust and reliability since both parties have had the opportunity to interact and get to know each other in a variety of contexts” (Ibarra 1995: 675). Knowing someone in a variety of contexts also allows an intimate examination of a person. As such, an actor with many multiplex relations has good opportunities to mobilize resources; however, he/she is also subject to a higher degree of social control.

![Multiplexity in social network](image)

*Figure 6: Multiplexity in social network (own illustration)*

**Strong and weak ties**

The frequency of a contact as well as the degree of multiplexity determines the strength of a tie. According to Granovetter (1973), “the strength of a tie is a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services” (1361). A weak tie is an infrequent and distant contact, whereas strong ties are intensive, frequent and usually long-lasting. Strong ties create solidarity and trust and due to their high-maintenance the amount of strong ties for an actor are limited. According to Jansen (2006; 2002), strong ties create solidarity and collective identities, as well as reduce transaction costs and uncertainties. That also creates more stability. Furthermore, strong ties may lead to the development of a clique, characterized by high
cohesion and possibly social closure. One characteristic of strong ties is that connected actors are similar to each other (selection process based on homophily), or the actors within a group become increasingly similar to each other over the course of time (social influence or even pressure). These groups may then internally tend to social closure, where non-conformists and discrepant information are excluded in order to confirm existing norms and identities. The downside of strong ties is an information deficit because the flow of information may become redundant. This is where the importance of weak ties comes in, or – as Granovetter (1973) put it – the ‘strength of weak ties’. Minor closeness allows the maintenance of a wider range and longer distances of network contacts. The potential to exchange new information is higher. Weak ties are important for modernization and innovation processes. In extreme cases, too closed networks and the lack of weak ties can lead to missing out in a modernization process (Grabher 1993).

Cliquess

When a sub group of network actors has direct ties to all other actors in the subgroup, it is known as a clique or a club. They are usually not bigger than three to four actors.Cliques are characterized by informality with own rules, face-to-face interaction, and multi-functionality. They are cohesive, rather homogenous and actors’ opinions and behaviors tend to assimilate. The development of cliques in families and circle of friends is a common phenomenon and is important for socialization and identity processes. But in the public sphere they can be analyzed more critically (especially in politics and the economy) as cliques develop by a certain demarcation to the outside and discrimination of non-members. Inside the clique the social pressure may be extremely high and exiting the clique could be considered as a betrayal (Jansen 2006: 208).

Figure 7: Three cliques in a social network
2.6. Summary of research methods
The methods presented above provide a rich qualitative and quantitative data set for the case study at FIRM. With an emphasis on qualitative research methods (interviews, observations, documents), the research meets the requirements for studying organizational processes and mechanisms. The data collection provides data from various perspectives in the field as well as from different analytical levels. These “think descriptions” (Geertz 1973) grasp the organizational context which is a necessary requirement to study organizational processes (Langley 1999). An understanding of the context also clarifies why the processes occur, i.e. it sharpens the view for the underlying mechanism. The quantitative research methods (descriptive statistics, network analysis) are important for the visualization of the path assumption and for visualizing the relevance of formal vs. informal relations in the top management group as well as the characteristics of the relations between top managers.
<table>
<thead>
<tr>
<th>Method</th>
<th>Aim</th>
<th>Details</th>
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| **Archival Records**          | · Describe development of workforce composition, especially with regard to the proportion of women and men  
                               · Identify crucial points for formal selection | · Descriptive statistics on workforce composition 1995-2009  
                               · Descriptive statistics on promotion processes  
                               · Descriptive statistics on part time/ full time work |
| **Analysis of documents**     | · Reconstruction of change initiatives  
                               · Analysis of formal career processes and criteria | · Internal presentations and business cases for change initiatives  
                               · Organizational charts  
                               · Internal PR-material  
                               · Presentations of career development schemes  
                               · Detailed lists of formal selection criteria  
                               · Career evaluation sheets  
                               · Website |
| ~ 90 hrs of observations      | · Achieve familiarity with field  
                               · Understanding of context, e.g. behavioral rules, recurrent topics | · 50 hrs observation of formal leadership meetings  
                               · 40 hrs collection of further ethnographical data, mainly informal occasions (breaks, informal talks, lunch, party) |
| 32 semi-structured interviews | · Reconstruction of change initiatives  
                               · Analysis of formal career schemes, selection processes and criteria  
                               · Analysis of patterns in informal selection processes and criteria | · 3 interviews with board members (on personal career development, selection of partners, homogeneity in leadership positions, ‘career rules’)  
                               · 11 interviews with primarily high status partners (on personal career development, selection of partners, homogeneity in leadership positions, ‘career rules’)  
                               · 1 interview with an external coach (on partners’ career motives, selection processes and patterns)  
                               · 11 interviews with HR representatives from staff to partner level (on career development processes, HR structure and diversity initiatives)  
                               · 6 interviews with managers and partners representing diversity networks (women, gay, Turkish) |
| Social network analysis       | · Revealing formal and informal side of organizational life, especially for promotion processes  
                               · Identifying emergent effects between individual and group level | · Analysis of partner unit with N=27  
                               · Questionnaire on frequency of formal and informal contacts  
                               · Analysis with UCINET  
                               · Validation of data by one partner |

*Table 3: Overview of research methods and data sources*
3. Data Analysis

Process data is complex because it is “a reflection of the complexity of the organizational phenomena we are attempting to understand” (Langley 1999: 694). The data analysis, therefore, requires a suitable strategy for making sense of the data and for producing theory. Pentland (1999) offers an analytic approach how to build theory from “raw” and complex data. To him, the raw texts which were produced by the data collection contain the indicators for an underlying process theory. For instance, the stories that are told in the interview are descriptions by the interviewees; hence, they are surface observations. By asking what the underlying pattern is, the researcher gets access to the deep structure which leads to explanations.

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Story = Surface observation = Description

Pattern = Deep structure = Explanation/Theory
```

*Figure 8: Analytical steps for process research (following Pentland 1999)*

On the basis of Pentland's strategy for analysis, I conceptualized three analytic steps for the analysis of my data corpus. The data analysis aimed at identifying and exploring the selection path, i.e. the selection patterns for top managers at FIRM as well as the underlying mechanisms which generate this selection practice.
By using the individual reports of partner's career developments ('text'), a first step of the data analysis was to *identify the career selection pattern* at FIRM. Koch (2009) refers to this as the analysis of the pattern inscription. In practice this means the interviews were subjected to a qualitative data analysis by looking at patterns of career development and the use of (informal) career requirements. All interviews were arranged on a coding tree with Atlas.ti, which consisted of a start list of codes and further open codes (Miles/Huberman 1994). Patterns across the partners’ careers became obvious when similar procedures or requirements for success and promotion appeared in the narratives. Furthermore, formal selection processes which were explained by HR representatives and the partners themselves could be contrasted with the actual selection practices.

The second analytical step aimed at *understanding the system's logic*, i.e. the context specificity of the top management. Characterizing the context of the top management promised important indicators for the underlying mechanism. The idea behind this was that there needed to be specific circumstances in the top management which made the similarity-attraction-principle (Byrne 1971) so prevalent. Why, compared to other hierarchical levels of organizations, does this social-psychological process come into play especially on the leadership level? What characteristics distinct to top management functions create the need to choose candidates who are perceived as similar to the existing top managers? The analysis of the system's logic was necessary to understand why such a narrow selection pattern is in place especially at top management level.
Apart from using rather obvious descriptions about the partnership and higher leadership groups, I also paid attention to the more subtle and latent content of the interviews. Individual statements explicitly or not always reveal information on the underlying system’s logic because the interviewee is embedded in an organizational context. I raised questions such as: What is said between the lines? How are things said? Is someone speaking very hesitantly? Are statements contradictory? How is the dynamic in the interview?

Drawing on Froschauer and Lueger (2003), I developed a scheme for analysis for this second analytical step to analyze the system’s logic more closely.

In practice the following steps were taken for the system analysis: After coding the interview, several passages of the interview text were chosen for a deeper analysis of the system logic which provided insights on the context as well as a variety of viewpoints (theoretical sampling). The passages were divided in short sections to paraphrase the content and to disclose potential latent meanings. I then looked for contradictions, generalizations, the use and meaning of buzz words, peculiarities of expressions and potential underlying constructions of norms. This was a basis for the analysis of the system’s context on a meta-level. The guiding question for this analytical step was: “What characteristics can the social system possess in order to produce such statements?” Lastly, the analysis looked at potential system effects, i.e. the consequences of the interviewee’s statements on other subsystems including alliances, the stabilization of the system or the marking of boundaries.

<table>
<thead>
<tr>
<th>Page/Line</th>
<th>Paraphrase</th>
<th>Latent meaning</th>
<th>Context</th>
<th>System effects</th>
<th>Further peculiarities, thoughts</th>
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Table 4: Scheme for system analysis following Froschauer/Lueger 2003

A system analysis moves from an individual level to a more abstract level. In this manner, it provides valuable information on processes independent of individual behavior. For the identification and explanation of path dependent processes this is crucial because path dependent processes are characterized as having a nature of their own without being consciously controlled by organizational agents.
The third analytical step was directed at *revealing the underlying mechanism* which drives the selection path. Koch (2009) refers to this as the identification of the mechanism inscription. As explanatory mechanisms are often invisible or only observable in their effects (Hedström/Swedberg 1996: 290), this “opening of the black box” (Pentland 1999: 718) is based on interpretation. The system analysis described above laid the foundation for this interpretative step. In addition, interpretative memos were employed which had been written during the coding process.

### 4. Validity

For data validity, the case study relies on multiple sources of evidence. Basing the research on various sources counteracts the bias potentially resulting upon a single case study. In addition, the variety of sources was needed to develop a reasonably holistic picture of the case example. This then allowed the data to be triangulated. As an additional step for data validity a large part of the results were validated from participants in the field. In regular meetings with my coordinator at FIRM and with HR representatives preliminary results were played back and discussed. Lastly, a final version of the results was presented to a group consisting of one board member, one partner and one HR director in September 2011. The presentation was followed by a discussion during which results were by and large approved.
IV. EMPIRICAL FINDINGS I

SPECIFYING THE PATH ASSUMPTION

This chapter specifies whether we can speak of a selection path which reproduces homogeneity at the top of FIRM’s management. When assuming a path, the first step is to identify continuing practices or a persistence (Sydow et al. 2009). The assumption for the path at FIRM is based on the failure of several change attempts to increase diversity in the top management. This chapter analyzes in detail the initiatives at FIRM concerning the diversification of its workforce. It will be argued that a number of measures and targets have been created to increase the female proportion, but till date they have not had any significant impact on the top management’s composition concerning the male/female proportion. The second part of this chapter provides detailed statistics illustrating the composition of the top management since 1995. The statistics allow identifying those decisive points of selection which create an imbalance between men and women in top management.

1. Failed initiatives at FIRM

Using documents and interviews gathered and reconstructed for this study, I was able to piece together the change initiatives and their development at FIRM from 2004 onwards.\textsuperscript{45} The change initiatives are grouped based on FIRM's different approaches to overcome the lacking diversity in its top management. These include measures which directly aim at increasing the proportion of women at the partnership level, measures which address the overall diversity in the top management, or measures aimed at changing the working conditions at the top management in order to attract more women to this level (e.g. family friendliness).

\textsuperscript{45} As there has been no department or function with a mandate to manage all these measures, the reconstruction is built based on interviewees’ statements across the organization.
Path breaking attempt 1: International target to increase proportion of female partners

In 2004, FIRM Global announced the international target to reach to 25 percent women at the partner level by 2010. At that time, FIRM Germany was far from that goal with less than 7 percent women at the partner level. An increase of 18 percent in the female proportion in six years would have called for an ambitious action plan. However, at the time the advancement of women had not been a defined topic for FIRM Germany. The global target did not lead to a German implementation plan with a systematic program for the advancement of women. It was only in individual cases that some women were promoted to higher management positions. This was more a result of having the direct support from superiors. Consequently, FIRM Global's target did not show any significant impact locally at FIRM Germany.

Path breaking attempt 2: Support of women in leadership positions

A year later, in 2005, the first serious discussions in Germany were initiated by the deputy CEO at FIRM. The deputy CEO’s motivation was said to be a personal one because his wife – working for FIRM’s competitor – pointed out that FIRM was lacking engagement for the advancement of women. As a consequence, the deputy CEO instructed a successful female partner from Inspection (for the purpose of this study called ‘Anna’) with the support of a female HR manager to develop recommendations for the board on how to tackle the low number of female partners (at the time the composition of the board was entirely male). Together they prepared a presentation for the board held in early 2006. One of the recommendations was the development of an internal women’s network at the partner level to support women in leadership positions. On the day of the presentation, the dynamics among the board members turned out to be very surprising for Anna and her HR colleague. Although the presentation was initiated by the deputy CEO, he appeared rather reserved throughout the discussion. The two women were left to face a polemic discussion without support of the deputy CEO. As a result the suggestion of a women’s network was rejected. The two women “felt hammered down” and the experience was “very disillusioning”\(^{46}\). After the board meeting the deputy CEO instructed the two women that future discussions on this topic should only take place on lower levels. As such, this first

\(^{46}\) Interview Anna, Partner Inspection.
attempt of FIRM Germany to create measures to support women in leadership meetings failed.

Anna kept pursuing the goal for advancement of women. In fact, after the presentation she realized that individual board members were indeed open towards the topic but they were hesitant to signal this during the board meeting. The board member for Inspection approached Anna after the discussion telling her he was unsatisfied with the rejection of her suggestions. His business unit, he told her, would welcome measures to increase the number of female partners.

Following this discussion, Anna organized a workshop for women in Inspection to discuss the internal barriers women face in their careers. During the workshop it became clear to her that the higher up the career level one travels, the more internal barriers women face. Subsequently, Anna presented the findings to the deputy CEO and the board member for Inspection. However, the presentation yielded no action by either of the two board members despite having previously stated the importance of engagement in this field.

After the top down rejection of the women's network recommendation and the lack of support from board members, Anna initiated a women's network in 2007, based on her personal initiative and using her personal financial resources. The inaugural workshop was attended by the majority of FIRM’s female partners. Until 2010 (the year the data collection ended), two thirds of female partners became members of the women’s network. Half of them took up official responsibilities within the network to organize networking meetings, compile tools and organize trainings. For Anna, this high level of engagement from the female partners is a further sign for the urgent need for change.

In terms of ethnic diversity, a few managers and partners with Turkish background had already established a loose network for Turkish partners in Inspection in 2006. Their motivation to do so was mainly business-driven to use their background to better target potential Turkish clients in Germany. In contrast to the women's network, the Turkish network received financial support from the deputy CEO as well as authorization from the head of HR due to its business focus. As such, their objective was not political in nature – to raise attention for ethnic diversity at FIRM – although discriminating incidences of employees with Turkish background had occurred. I was informed about a discussion taking place whether a German-Turkish employee should work for traditional German clients. In addition, the case of a trainee wearing a headscarf caused attention leading to FIRM’s worker’s council having to discuss the issue with the board. Despite of the trainee's very good results, no department wanted to hire her at the end of her traineeship.

After a difficult start on Anna's own initiative, today the network has a positive reputation. In fact, FIRM uses the women’s network to signal its engagement for women in leadership internally and to the outside world.

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Path breaking attempt 3: Installing diversity management

In January 2008, an important top-down directive introduced a systematic engagement for diversity management. FIRM’s European steering group defined the requirement to set up a position for Diversity & Inclusion at FIRM Germany. A senior manager position was created for the diversity manager. ‘Thomas’ (the name given for the purpose of this study) was appointed as FIRM’s diversity manager. Thomas was an external candidate coming from an international corporation, he is openly gay, and had experience with managing a German network for homosexual leaders. His position was set up within the HR department but he reported directly to the European diversity manager as part of the European steering group. Despite his relatively high entry position in FIRM, it turned out to be a challenging task for Thomas to establish and have his work recognized in the company. Over a course of two years, Thomas met with a number of partners to find sponsors for supporting his work in Germany. However, the partners lacked willingness to support Diversity & Inclusion officially.

After the reporting structure changed in 2009, Thomas reported to the German head of HR who asked him to focus his work on improving FIRM's family-friendliness. Family friendliness was seen as an important factor to increase the female proportion in management. In addition, Thomas tried to initiate measures in a variety of fields to advance the diversity agenda. For example, he supported the women's network, the launch of a gays' network, he started an internal campaign on the benefits of diversity, he implemented several federal laws into FIRM’s HR policies, and he achieved an internal pay-audit to assess a potential gender pay gap. In 2009, Thomas also suggested a relative quota for promotion processes on management level to proportionally promote women and men to the partner level. This recommendation, though, was rejected by the head of HR on the ground of “lacking necessity”.

In late 2009, Thomas found out that his position as diversity manager was going to be made redundant, and with that he would be let go in early 2010. For a long time this information remained unofficial. The reasons for terminating his employment with FIRM were very controversial. The head of HR told Thomas about his dissatisfaction with the

49 Discussing the results with the head of HR and another HR-director, though, did not lead to further reflections or measures.
way Thomas had set up diversity management within the company. He said that Thomas' conception lacked business focus and the implementation lacked impact. Thomas was puzzled about this criticism because only recently he had presented the business benefits of diversity at a big internal conference. Moreover, in the interview conducted for this study, Thomas expressed how most of his initiatives received little to no support, and in many cases were blocked, from top-down by top management. Although cognizant of the challenges brought about by demographic change, the executives never fully committed to diversity management. Thomas felt he was being kept busy with providing information over and over again or with dealing with small-scale tasks related to issues of family-friendliness. What he needed was support and authorization to integrate diversity management into an overall company strategy. He indicated that there was a sense of open-mindedness towards his work from the majority of partners, but he described the executive level as “concrete blocks” – unable to reflect on the system as a whole and rather blame individuals for the lack of achievements in this area.

“The old concrete blocks base decisions on what they and their peers like, but they don’t accept difference. They make their decisions very irrationally because they don’t allow everything, only specific opinions, but not all opinions.”

Thomas had to leave FIRM in early 2010. At the same time, not only was he let go but, as mentioned above, the entire position of diversity manager was made redundant. His responsibilities were divided and given to two HR managers to take care of as peripheral tasks.

It might well have been an external event which led to the (temporary) reintroduction of the position for diversity management back into FIRM. In a surprise announcement, the German telecommunication company “Telekom” announced in March 2010, the introduction of a women’s quota of 30 percent. Telekom – a DAX-listed company – was the first among private companies to introduce this measure. The move created media frenzy and received wide media coverage in Germany. After this news, the head of HR at FIRM appointed a new person responsible for diversity management. A connection could be deduced from the public discussion of the quota and the head of HR’s decision to reintroduce the diversity manager position. Nonetheless, the seriousness of this reintroduction is arguable. The head of HR appointed a female director from HR to the position of Diversity & Inclusion. She had no previous experience in the field of diversity management and at the time of her relocation, the HR department did not know where to place her, until the idea came about to make her the
diversity manager. Nonetheless, over the course of time, the new diversity manager familiarized herself with the topic comprehensively but she quickly realized the limitedness of her leverage. Developments and outcomes of her work could not be documented in detail because my data collection at FIRM ended in summer 2010. After leaving the field, though, I was informed that also this new diversity director was made redundant in fall 2012.

Path breaking attempt 4: German target to increase the proportion of female partners

In 2009, FIRM Germany set a target for all its national offices to increase the proportion of women at partner level until 2013. The requirement to define a national target was made by FIRM's European steering group. The board consulted Thomas, Anna and another female partner from Inspection for the target definition process. In order to reach a significant change, Thomas and the two partners suggested 20-25 percent. Their suggestion was based on the female potential in the “pipeline” at the middle management level. However, the board decided on twelve percent women on partner level by 2013. This meant an increase of three percent in four years (in 2009 it was 9 percent women). Although this target was very modest, the developments suggest that FIRM will not succeed in achieving this goal (see statistics below). Moreover, nobody was given the task to monitor the implementation of the goal and the target was not sufficiently promoted internally. Hardly any partner from the business units interviewed for this study in 2010 was aware of the existence of such an agreement.

Path breaking attempt 5: Public statements

On its public website FIRM declares the advancement of the workforce diversity as a core aim. The importance of an open and tolerant workplace is highlighted where everybody can realize his/her full potential irrespective of an employee's gender, age, ethnic background, religion or (dis)ability. Among the presentation of their internal steps, FIRM points to its participation in two German-wide measures for diversity, the German “Diversity Charta” (Charta der Vielfalt) as well as the “Audit Work & Family” (Audit Beruf und Familie).
FIRM began taking part in the “Audit Work & Family”\textsuperscript{50} in 2006. The company’s HR department had developed family-friendly measures, such as flexible working models, opportunities for tele-working, or re-entry programs after maternity leave. As a result of this effort, FIRM received a certificate for family-friendliness. Until today the certificate is publicly displayed (e.g. FIRM’s homepage, recruiting events, in foyers of local offices) and serves as a tool for public relations.\textsuperscript{51}

FIRM also signed the German “Diversity Charta” in 2007. The Charta is a business initiative led by four German companies to support diversity in organizations. Signing the Charta, however, did not require FIRM to reflect on internal processes or to define diversity goals. Also this certificate is used for public presentations.

\textit{Path breaking attempt 6: Complementary measures}

Complementary measures for the diversification of the top management have been introduced in recent years. This includes improving FIRM's 'work-life-balance' to retain, in particular, women with care responsibilities. Early discussions on this issue took place in the late 1990s and early 2000. However, in its early stages this topic did not have the acceptance and support to establish specific measures. As one senior manager from HR claims, the state of affairs back then indicated a very different attitude towards the issue of work-life-balance:

\textit{“Work-life-balance, I’m just telling you, ten years ago it was the taboo word of the day, the year, the decade, yes? Well, not good at all. And a topic like child care, dear god!”}  
(Senior Manager, HR, w)

At that time, the partnership’s statute still consisted of a paragraph on the prohibition of part-time work for partners. In 2004, however, this was officially removed.\textsuperscript{52} From then on it was officially possible to work part time in a partner position. Concerning the improvement of family-friendliness, FIRM also engaged an external company which

\textsuperscript{50} The “Audit Work & Family is a management tool to assess an organization’s family friendliness. External auditors award quality certificates if family friendly measures are in place.\textsuperscript{51} Until 2010, around 1000 public and private organizations took part at the “Audit Work & Family”. Nevertheless, at least at FIRM the award of the certificate does not seem to have significant positive impacts for more diversity. The possibility for part time work does not say anything about its acceptance and whether it actually harms the career due to a presenteeism-culture.\textsuperscript{52} Interviewees, however, could not recall how this came about.
continues to provide services including the search for child- and elderly care, babysitters or au-pairs.

Another complementary measure to break the selection path was a series of gender trainings at the partner level introduced in 2008. The aim was to create awareness for differences between men and women and to reflect one's behavior. Due to a lack of participation by partners in some regions the trainings were ceased.

Finally, in 2009, a mentoring as well as a training program for women was launched. The mentoring program came about from Anna's and other female partner's initiative. The program had top-down approval to be rolled out, one HR manager supported its organization but no further financial budget was provided by FIRM. All costs had to be covered by the participants. The training program aims to develop leadership skills in particular for women at the management level. Over the course of several modules, and with the support of a coach, women are trained in career management, networking, leadership skills and sharpening their professional profile.

To summarize, between 2004 and 2010 FIRM aimed at increasing the diversity of its workforce and, in a top-down decision making process, decided on a variety of measures to achieve this goal. Flexible working models were established, diversity management was installed, networks are in place for women, for German-Turkish employees and for gays, a mentoring and training program for women was launched, and above all, targets to increase the female proportion on partner level were defined. All of these measures are also stated publicly on the company website. Despite all these attempts the change process is slow with hardly any improvements in diversifying the workforce especially on leadership levels (see statistic below). Board members are puzzled about this persistence and fail to see why women do not make it to the top.\(^5\) Although FIRM has invested considerable time and capital to create change, homogeneity persists in its top management.

The following graph presents the developments at FIRM in chronological order.

\(^5\) E.g. interview with board member for Inspection.
Figure 10: Initiatives at FIRM 2004-2010
2. Development of workforce composition

FIRM’s statistics on its workforce composition over the last 15 years indicate a very modest trend towards a more heterogeneous top management. From 1995 to 2009, the number of female partners increased by a mere of 4 percent (from 5 percent in 1999 to 9 percent in 2009). These numbers do not reflect FIRM’s initiatives to increase the female proportion of top management as outlined above. Based on the figures, the developmental trajectory will miss its own defined target of 12 percent female partners by the year 2013 in Germany, as the current rate of increase is too slow. FIRM Germany also fell a long way short of the global target of 25 percent by 2010.

![Graph showing development of female partners since 1995 in FIRM Germany](image)

*Figure 11: Development of female partners since 1995 in FIRM Germany*

A closer look into the recent years (2008-2010) even suggests a decrease in the number of female partners and thus a regressive trend towards homogenization in top management. In fact, while 81 percent of newly appointed partners in 2008 were men, the figure had reached 96 percent by 2010.

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54 Data until 2009 was provided by FIRM; own forecast.
The homogeneous composition becomes most obvious when looking at the highest management functions of FIRM in 2010. Here the proportion of men increases from 91 percent on partner level to 100 percent in the highest decision making body. The steering groups of the business units altogether have 47 men (98 percent) and one woman.

Apart from the proportion of men and women, a tendency towards increasing homogenization can also be seen in the nationality of partners. In 2009, the percentage of German partners surpasses that of the previous years. Furthermore, most of the non-German partners are of British or American origin.\footnote{The data on nationality, however, provides no information on the ethnic origin and racial background.}
The decisive points for an increased homogenization process appear to be between management and partner level, and between partner level and top leadership functions. The *Finance* unit illustrates this very well. While at staff and management level the proportion of men and women is more or less balanced, this changes dramatically on partner level where we see the proportion of men suddenly increasing from 54 percent to 88 percent and that of the women dropping from 46 percent to 12 percent. Moreover, despite a fairly equal proportion in *Finance*’s ‘pipeline’ for leadership positions, the unit has no woman in its highest decision making body (*Finance* steering group).

Identifying this break gave grounds to look further into the intermediate steps between management and partner level at FIRM. The first requirement for being promoted from senior management to partner is the selection for the partner development program.
Although the pool of candidates in the senior management consists of 75 percent men, a significantly higher proportion of men (91 percent) is chosen for this program.

![Bar chart showing percentage of men and women on the way to partner level in 2009](image)

*Figure 16: Percentage of men and women on the way to partner level in 2009*

This break, as well as the profound imbalance of men and women in highest management functions, requires a thorough analysis of the processes in place at these career stages. What is happening in these transition phases? Which processes are inimical to the defined targets to increase the diversity at the top? The following chapters will address these questions in detail.

### 3. Summary

This chapter has provided data which justifies a path assumption at FIRM. For several years, FIRM has worked towards diversifying its workforce especially in the upper leadership level. However, these initiatives have fallen short of reaching their goal. Rather, in recent years the top management shows tendencies of becoming even more homogenous. While FIRM has implemented measures to create change, these have at best amounted to a “Sisyphean struggle”.

The analysis of statistics indicates the decisive points where the homogenization process is most distinct. The transitions from management level into partnership as well as the selection into highest leadership positions above partner level favor male candidates. This is puzzling given FIRM's intentions to increase the proportion of women on these levels.
Hence, there appear to be invisible forces and unconscious processes in place which prevent a change process towards a more diverse work force. What prevents top managers from pursuing the change process effectively? A close examination of organizational stabilizing processes can explicate the working of underlying forces which cause such a persistence. It will be analyzed whether the persistence is caused by a path dependent process.
V. EMPIRICAL FINDINGS II

EXPLAINING THE PATH

The exploration as well as explanation of an organizational path requires a close analysis of recurrent processes and patterns as well as the driver which keeps these processes going, i.e. the underlying mechanism. This chapter, thus, closely analyzes the processes which create the persistence of homogeneity in FIRM's top management group (partner and board level). Put differently, what exactly are the processes leading to this lock-in situation? And what generates these processes?

The path at FIRM will be explored along two lines: First, section V.1 takes a close look at the career selection processes to understand whether there are certain patterns in the career selection which narrow the choice of candidates and reproduce homogeneity. The focus is put especially on the transition to the top management (partnership and highest leadership positions) because the statistical data in chapter IV has demonstrated that this is the point where the most significant imbalances between women and men are created. Furthermore, special attention is paid to those processes which are less visible, informal or at the backstage of the organization in order to sufficiently grasp the dynamics taking place behind the actors’ backs. A social network analysis in chapter V.2 will provide additional data that may shed light on these informal processes.

Translated into the model of path dependence put forward by Sydow et al. (2009), this chapter traces the selection processes from the entry level of the organization up to highest leadership positions. How can it be that on recruitment level (phase I) there is about a 50/50 ratio of men and women with equal leadership potential but the core group of the board consists of 100 percent men (phase III)? What are the processes in between? How does the range of available personnel options diminish so drastically? Second, to further reveal the homogeneity puzzle this chapter also aims at understanding the social forces creating such a stability. Thus, section V.4. closely analyzes the functioning of the partnership. Are there self-reinforcing dynamics (starting in phase II of the path model) which generate the selection path? It will be argued that the organizational mechanisms
which drive the selection path are coordination effects. Put differently, a cohesive and well coordinated 'gemeinschaft' in the top management provides incentives to maintain the homogeneity in FIRM's top management group.

1. Career selection processes

1.1. Formal selection processes
FIRM's career selection schemes are complex and neatly structured. In the following section an overview is given of FIRM’s career track with a focus on selection processes and respective criteria. I will briefly outline the selection from lowest to highest career stages and – given the research focus – make a comprehensive analysis of the transition into top management level and above.

The way up to the top management at FIRM appears clearly signposted; the web, recruitment events and internal career information signal a straight career track. The major stages are staff level (associates/consultants), management, senior management, directors56 and partnership with further possibilities for higher leadership positions up to board level (leading a region, a service line, a function, etc.). FIRM expects fixed retention times for every career level up to partnership including the necessary training requirements on each level. Management level is expected to be reached within four to six years after entering the company; the promotion to partner level should take place after eight to ten years, reaching partner status more or less in the eleventh year of the career. If entering the company as a graduate at the age of 25 to 30, partners are mostly in their mid to late thirties when reaching a position of high responsibility over clients, personnel and capital. Compared to other fields, this is a fast track career.

56 Directors are “almost-partners”. They do not own shares of the business but have gone through the partner promotion process.
Up to management level the assessment of the employees occurs several times a year, usually following the end of each project in addition to one main work review every year. Employees are then categorized into a scheme from poor performers to exceptional performers by comparing them to each other. Even if the majority of a group consisted of exceptional (or poor) performers, only a certain percentage (e.g. 10 percent) can be classified in the top (or bottom) category. The classification is then used to help decide on the bonus received that year and the chances for promotion. There is no fixed percentage of how many candidates get promoted every year but it largely depends on FIRM’s financial situation and growth rate. If employees are ranked in the middle or below on several consecutive occasions or if their retention time on one level is too long, they will be given the ‘recommendation’ to leave the company and possibly work for one of FIRM’s clients. The attrition rate of the personnel is almost ten percent of the workforce each year. The selection into and out of the company is a complex and extensive procedure.

FIRM has general assessment criteria for all hierarchical levels. These are specified for the staff level. The application of the criteria on higher levels, however, remains vague (see below). The criteria include hard skills such as professional expertise and know how, but the majority concentrates on soft skills, e.g. communication, leadership, motivation, or responsibility.
1.1.1. Formal selection on recruitment and staff level

The first decisive point for selection is the graduates’ entry into the company. FIRM tries to achieve a large pool of applicants. On the one hand, this improves the choice of selection; on the other hand, a low success rate signals the choice of the outstanding candidates to the business environment (see also Armbrüster 2004).

FIRM carries out recruitment events and strategically places advertisement to target graduates primarily with business, finance, or law background. Especially for the business unit Performance FIRM has expanded its recruiting profiles to social sciences, life sciences, and engineering in recent years. In addition, the company tries to target male and female graduates equally. This allows FIRM to maximize the number of applications they receive and, hence, the high selection rate.

“Many apply at FIRM, I think several thousand a year, an extreme selection. I would claim that the ones who apply are already a bit above average. [...] and in the end we only take one thousand on board. It’s quite mind-blowing.” (Partner, Performance, m)

It is FIRM’s aim to select ‘the best of the best’. In elaborate procedures of personnel selection the candidates’ skills, knowledge, and behavior are tested. The ‘best’ are those candidates who display very good self-presentation skills.

“Now, the question is ‘Who are the best?’ The best are those who behave most intelligently, those who come across well in their presentation, in their self-presentation, but also in their presentation of content.” (Coach, m)

In addition, the applicants have to show a very high level of engagement, motivation, discipline, and even willingness for self-abandonment to be considered for a position.

“We look for employees who [...] show a high degree of engagement, who have been very proactive in any hobby or whatever, and who are willing to enter a hard path. And that comes along with a high degree of self-discipline, proactiveness, self-abandonment, absence of free time, etc.” (Manager, HR, m)

The work reviews on staff level are based on a detailed, five-page check-list of criteria which defines the requirements for all employees and sets specific standards for employees in each business unit. In the first years, staff members focus on the development of professional know-how. Analytical expertise and quick learning skills as well as social skills, including team work and communication are also critical for reviews. The reviews are carried out by the superior as well as an assigned career councilor on management level.
Two of the three units (Inspection and Finance) require further formal qualification before one can progress to partner. Staff members have to take courses and exams in addition to their regular work to prepare for the certification as tax accountants. These professional exams are an extra hurdle, a means for further assessment of their expertise. Equally important for the selection is that the demanding qualification phase tests commitment and engagement. In practice, the employees have to do with fewer holidays than in the previous years to save enough time for several months of study leave. The pressure to pass the exams is very high:

“That is an enormous psychological pressure because the colleagues know you are on leave. And then you come back with ten others and it is paid attention to who passed and who didn’t. […] That’s really stressful.” (Partner, Inspection, m)

Not all employees in Inspection and Finance decide to shoulder the exams or make it through them, which means they have to leave FIRM sooner or later.

1.1.2. Formal selection for and on management level

The second main point of selection is from staff level to management. Due to FIRM’s pyramid structure less than fifty percent of the candidates manage the transition to management level because the rest has voluntarily left before promotion. The decision for promotion is based on the staff’s detailed work reviews. The unit’s steering group decides how many of the exceptional candidates can be promoted. A ranking then defines the new managers.

At management level, the basis for evaluation is no longer a check-list of criteria. The check-list is replaced with ‘management by objectives’. In a yearly interview, a superior defines personal and business targets with the manager. FIRM’s general evaluation criteria are supposed to be taken as a basis for this interview but in practice they have not been broken down into a guideline for this meeting. In other words, this review process follows no explicit criteria.

As a member of Inspection, a second additional formal qualification (certified auditing accountant) has to be acquired on management level as a prerequisite for becoming a senior manager. Again, holidays have to be saved for a study leave and the pressure rises to pass the exam after investing so much time and facing a failure rate of almost fifty percent. One partner describes this high selection with quite a satisfactory undertone:
“The exam you don’t get for free, and that’s good. Well, it’s not like a sailing license, which you can just do in your holidays, yes? [Laughs] You have to work for it, yeah, quite a bit. And many, many fail despite having a university degree and being young and dynamic and whatever, but you can still fail. So, that’s a hurdle. Not many are selected.” (Partner, Inspection, m)

The next step from the management level is then to be appointed to senior manager. The prerequisite for this step is the participation at a development program which trains for further leadership responsibilities. There are no formal procedures or criteria for being selected for the trainings, i.e. the selection is informal. Partners suggest candidates for the development training and a leading partner with HR responsibilities nominates the participants.

The lack of official criteria on management level may explain the unequal evaluation of men and women. Women in contrast to their male colleagues are disproportionately evaluated as “strong performer” and not in the best category as “excellent performer”. In other words, women’s performances are, in average, assessed lower than men’s. This holds further negative consequences for career development because one needs to be assessed as an excellent performer to progress to partner level.

1.1.3. Formal selection for partner level

After about four years on management level the third major point of selection is the promotion to partnership. The workforce is reduced from management to partner level by two thirds. The ‘up-or-out’ principle, a distinctive feature of professional service firms (von Nordenflycht 2010), does not allow staying on indefinitely as a non-partner.

The prerequisite for becoming a partner is to have proven entrepreneurial aptitude by bringing on board new clients or by placing new products on the market. Chances are good if one is involved in creating high revenue, has a list of prestigious references or has very good feedback from clients.

“An even more important criterion is whether he [sic] brings new clients, [...] that’s the trump!” (Coach, m)

Outstanding technical knowledge or very good leadership skills alone will not bring someone forward.

57 Similar van de Brink et al. (2010): Their study analyzes selection processes in the academia and shows that more male applicants obtained the label ‘excellent’, whereas women were largely labeled as ‘good’.
“Well, you become partner if you’re successful on the business side. But you won’t become partner if you are able to manage your employees one hundred percent.” (Partner, HR, m)

There are further semi-official requirements for becoming a candidate. These are based on FIRM’s general criteria but, again, they are not specified for this level in some sort of check-list. The semi-official criteria include:

- **Leadership:** Leadership is monitored through regular bottom-up feedback whether the person can establish, manage, and retain a team.

- **All-rounder vs. specialist:** Apart from being known for a special expertise with certain clients, it is beneficial to have knowledge in a broader field or at least to have a record of different kinds of projects.

- **Cooperation:** It is approved to cooperate internally with other service or business units.

- **Operational unit:** As it is important to demonstrate that one can bring the company forward, only those who spend most of their time in operational units in Germany have further career opportunities.

- **Short term assignment:** It is appreciated to gain temporary ‘out of the box’ experience in a different context, e.g. in one of FIRM’s international offices, at a client, or teaching at the university.  

These required skills have to be proven at the management level over a course of time without fail. As this partner recalls:

“You have to demonstrate these [requirements] in consistently high quality over a long time. So it’s a stretch in many directions. You have to get through quality reviews. Of course, the quality of the projects you’ve done is also examined, if they correspond to the risk-management requirements. There, also, you can’t make a howler. And in general, I think, it is a pretty wide spectrum of demands which are placed.” (Partner, Performance, m)

To become nominated as a candidate one needs a sponsor on partner level who will suggest one’s name for the partnership. There is neither a structured procedure for the nomination process nor a ‘tick-off-file’ whether requirements are fulfilled (see below). Each region and each business unit carries out the nomination process differently. In some

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58 Parental leave is not seen as an “out-of-the-box” experience.
places the group of all regional partners decides over new candidates, in others only the head of the region decides on the candidates. The lists with the recommendations then get passed on to the business unit’s steering group on the national level which decides on the actual nomination for the development program. Until this stage, it is a closed procedure, i.e. the candidates do not officially know if they are in the race.

Once nominated as a partner candidate for the development program, the steps and procedures again are formalized. The candidates attend a one-year long development program, from which one can be dismissed at several stages. The program examines the partner candidates on their suitability for the partnership and prepares them through trainings for further leadership responsibilities.

The first step of the selection program is to pass an assessment day including a nomination interview and several individual and group tasks. 

“Especially in this partner program it is about presenting yourself, you as a person, what you’ve done and where you want to go” (Partner, Inspection, m)

A panel who observes the candidates throughout the day consists of partners from all five business units. For the assessment the panelists use a list of criteria specially designed for this day. The criteria are divided in two sections: First, the assessment of the candidate’s ‘business case’ examines entrepreneurial thinking and active shaping, knowledge of the market, as well as orientation towards FIRM’s goals. Second, the candidate’s ‘personal case’ is examined, i.e. personality, behavior, and self-presentation. Here, the interest lies in the candidate’s soft-skills concerning communication, team work, and networking, as well as a confident, charismatic appearance for representing FIRM. The ‘personal case’ is given higher emphasis for the overall evaluation. Interviewees stated that the professional performances are actually more the backdrop and do not necessarily have to be discussed.

“We have two stories. Not only to look at the business case but especially at the personal case. [...] In the last development programs we had candidates who had very good business cases but we told them ‘sorry, we cannot put him on stage as a FIRM-partner, that’s impossible’.” (Senior manager, HR, w)

“Technical competence, let’s say, is something basic which just has to be there. Nothing which needs to be discussed. [...] Essentially it depends on the personal competences.” (Senior manager, HR, m)

If the first day is successfully passed the candidates have to participate in several training and coaching units on the side of their regular job to further improve professional behavior, communication, and entrepreneurial positioning. The personal information
shared in the coachings and trainings is not fully confidential because the trainers and coaches report to the selection committee on the candidate’s behavior and improvements. These events demand a lot from the candidates as they have to share and discuss personal weaknesses with each other. As such, the development program not only examines the candidate’s expertise but the person as a whole is put through the paces. Psychological pressure is experienced to open up in a big group in order to improve one’s performance.

“For example, on the first appointment one sits together in a big group and everyone can write on cards their strengths and their weaknesses. [...] It’s really easily said, but you have to do it in front of a group of people of whom you know that they also want to become partners. In principle they are your comrades but also your competitors. And are you ready to open yourself in this circle?” (Partner, Performance, m)

The development program ends with a final interview carried out by members of the board and leading partners. If successful, the official appointment to partner status follows.

The overall process is very demanding concerning time investment and, even more, personal efforts.

“It’s, I have experienced it myself, it’s an assessment, a permanent assessment. It’s the question if you want that and if you are willing to make this extra-mandatory commitment.” (Partner, Inspection, m)

Despite the procedure’s stressfulness, however, many interviewees underlined the improvement of partner selection compared to the procedure before 2007. Due to the candidates’ close examination, the process is seen as a thorough and objective selection based on ‘hard facts’. Subconscious factors are denied:

“Due to the nomination procedure, the development program, I think, let’s say, the hard facts bring about a certain objectivity. So I don’t see the risk of the subconscious.” (Partner, HR, m)

Before 2007, the partner selection was less formalized, and did not include assessment days and training units. The candidates only had to pass two interviews, one with partners, one with board members. The selection was based on fewer official criteria. It is said that professional expertise and revenue were most important. Appointed partners before 2007 are seen to be more heterogeneous concerning their skill-set because not everybody needed to have good leadership, communication and presentation skills.
1.1.4. Formal selection process on partner level and above

When entering the partnership one has the status of a non-equity partner, i.e. one carries the partner title without being financially involved with personal equities. A non-equity partner is seen as a ‘junior’-partner with slightly less status. It is a challenging state because one has to establish oneself on the market and generate clients in a highly competitive environment. It is helpful at this stage to achieve collaborations with well-established senior-partners, who might hand over their clients once they approach retirement. After a few years with non-equity status, the partners have to participate in a final interview to become an equity-partner of the company. At that point he/she also becomes financially tied to the company.

In general, the main performance criterion for members of the partnership is the revenue generated. The financial success is stated in evaluations. Other criteria do not play a role at this stage. The partner’s yearly bonus depends on the revenue – the barometer for success. Once a year, all partners have individual talks with the leading partner of the region to discuss the business development. As long as the revenue is satisfactory, the partner is quite immune towards criticism concerning leadership behavior, etc.

“A partner is impeccable. If you have made it to become partner, then it’s fine. Then you have to develop professionally, but then you can also have your peculiarities.” (Senior manager, HR, w)

In terms of its structure, the partnership resembles a network with little hierarchies. Partners can act quite autonomously and rule within their “principalities”, i.e. their team of managers and staff below. Despite its network structure, there are higher leadership positions for steering sub-service groups, business units, regions, or markets, possibly leading even further up to a board membership. What is significant is that for appointments to higher leadership positions there are – in contrast to the selection for partnership – no formal openings or procedures.

“We don’t have, let’s say, a vacancy posting, and then somebody applies and then somewhere there’s a committee which decides. It’s surely different from the partner nomination. [...] There is no formal procedure.” (Leading partner, Inspection, m)

The selection process is nontransparent and takes place behind the scene. Selected partners may not even know that they are negotiated upon and offers usually come surprisingly:
“Well, the most unclear process for me was when I became head of the region. That took place offstage. I was called one day and ordered to a talk and if I can imagine taking up this position.” (Leading partner, Finance, m)

Besides a lack of formal procedures, there are also no guidelines or criteria for required qualifications. Having equity-partner status may be a semi-formal precondition for a higher leadership position but as the following quote illustrates exceptions are possible:

“I’m non-equity partner, the only non-equity partner in the whole leadership team and all other service groups. All the other colleagues are equity-partners. And that shows that it’s less the formal aspect which played a role, but it was clearly the issue of trust.” (Leading partner, Performance, m)

Sustainable, repeated success, e.g. leading sub-units, was named as a qualification for higher positions. Surprisingly, technical expertise does not necessarily have to be given. The partner below was asked to lead a special service group without having the required knowledge:

“And then the board came and said if I could do that additionally. [...] I felt a bit uncomfortable because I didn’t have this technical focus anymore, but after all I did it.” (Leading partner, Finance, m)

The selection for the highest committee, the board, is completely nontransparent. Nobody outside of the board knows how personnel decisions come about. In fact, even the three interviewed board members could only speculate what led to their appointment. A board member speaks of many coincidences in the appointment process:

“After all, it was always my impression that it depends on many coincidences.” (Board member, m)

In summary, the selection processes for upper leadership positions barely have a formal structure, lacking formal selection criteria and appointment procedures. Once having passed the extensive formal selection for partnership, the further allocation of upper leadership positions is nontransparent; the process is only comprehensible to the respective committee. Up to partner level, possible career steps were signposted, however, this does not apply to positions in the upper echelons. For the partner’s career planning this means they have little influence and control over making their way up. Because there are no official criteria, partners cannot work strategically towards certain qualifications for fulfilling selection requirements.59

59 Nordenflycht (2010) states informal management processes as a characteristic of PSF partnerships. Similar results are provided by Kornberger et al. (2011) for the management level in accountancies: Managers have to go through a space and time of 'anti-structure' before moving up to the next career level.
1.1.5. Discussion and conclusion of formal career processes

The illustration of the career selection processes at FIRM demonstrates the extensive requirements for a successful career. The selection of candidates for the partnership is comprehensive and time-consuming, including assessments, trainings, and coachings.

One effect is that these selection processes lead to an uniformization of partners in terms of their skill-set and self-presentation. The career development programs streamline and model the candidates towards the company’s principles.

“We’ve really beaten into them how important business development is, so probably every young partner will rattle off a similar story on business development.” (Board member, m)

This process leads to a production of a similar type of partner because all candidates are ‘pushed through the same mills’.

“Due to our human resource development, which we do much more systematically today than 20 or 15 years ago, we have the risk to always develop the same type. And that leads to a certain uniformity. [...] I think we have to be aware not to develop always the same type but also allow for squarishness. [...] because everybody is pushed through the same mills, no? They all have to do the same courses and everybody has to have a coach.” (Board member, m)

This homogenization process creates similarities in skill-set and self-presentation. However, to explain the homogenization process concerning gender, further aspects have to be considered.

The formal career path is highly demanding in the sense that it requires employees to align their personal life around the company. In case of career ambitions, commitment has to be signaled all the way through. As every career step up to partner level has a fixed retention time for every level, the ‘up or out’ principle requires one to be promoted to the next organizational level within a specific time frame. A longer retention time or the surpassing of age requirements for certain levels puts into question one’s suitability for being promoted. The formal selection processes, hence, implicitly favor those employees who can fully dedicate their life to the job with no further responsibilities. These career structures and requirements are based on male life models, which mean that employees with care responsibilities – largely women – may not fully meet requirements at all times for promotion to the next career level. The requirements demand too much personal costs to balance work and family life. Those to whom this applies eliminate themselves

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60 “[T]he ordinary worker is a man, an abstract person who has few obligations outside work that could distract him from the centrality of work” (Acker 1998: 197).
'voluntarily' (self-selection). Consequently, due to this gender bias in formal career requirements, the range of candidates who are able to fulfill these requirements diminishes.

Apart from the processes producing a homogenous composition in leadership functions, the analysis also revealed several informal scopes in the selection process. First, there is a lack of formal procedures preceding the development programs on the management level. Although these development programs are crucial for moving upwards, there are no formal procedures for selection. Second, formal evaluation criteria decrease the higher the organizational hierarchy. Whereas regular work reviews and promotion decisions on staff level still follow a tight check-list of criteria, at higher levels work evaluations are increasingly unstructured and contextual. For the highest leadership positions and for the board, the selection is formally unstructured, nontransparent for the subjects of decision, and thus governed by informal criteria and procedures. What is striking is that none of the interviewees – including the three interviewed board members – mentioned the role of FIRM's external supervisory board (Aufsichtsrat) for the selection of board members. However – according to German corporate law – the selection and appointment process should be formalized, i.e. it is the supervisory board's role to appoint and depose FIRM's board members.⁶¹ According to interview statements, though, the selection was based on internal “coincidences”.

The graph below shows the critical points of informality (red arrows) with an increasing informal scope for the personnel selection (red triangle).

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⁶¹ Aktiengesetz (German corporate law), § 84.
The informal scopes which were especially found in leadership positions require a closer analysis of the informal selection processes taking place at these levels. It seems that the informality allows for an implicit selection pattern which favors an “homogeneous ideal” (Loden/Rosener 1991). Such an analysis will illuminate the process in more detail, i.e. how the disproportional selection between men and women comes about.

1.2. Informal selection processes for the partnership

In the section above a number of formal gaps and an increasingly informal scope in the selection procedures at FIRM were revealed. The following section will zoom into these formal gaps to examine the informal processes more closely taking place at the

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62 Informal organizational processes, in contrast to formal processes, are to be understood as an unplanned or implicit form of control and regulation. Although not always planned or strategically employed, the informal side of organizations can be equally or even more effective than formal structures (see Schreyögg 2008, Grochla 1980).
leadership level. Close attention is paid to informal processes in two transition phases: The one from senior management to partner level and from partner level to higher leadership positions.

![Diagram](image)

**Figure 19: Research focus for informal selection processes**

### 1.2.1. Informal selection for partnership

The crucial point for demonstrating the informal scope in the partner selection is the nomination process for the partner development program. Once the candidate has entered the partner development program, the process is structured and based on predetermined requirements. The crux, however, is beforehand, i.e. the suggestion of potential candidates.

*The other question is who is being delivered to me? We can only continue to work with the quality that is delivered to us. And the business units choose the candidates themselves. [...] But who do they actually choose?* (Manager, HR, w)

The selection of potential partner candidates is carried out differently across FIRM. It is the regions’ task to deliver a ranking list of candidates to the national steering group but every region conducts the process in a different way without official procedures or criteria. Negotiations may already take place backstage before partners sit together officially to decide over the list of candidates.

*The important decisions aren't made here in the partner meeting. They are made beforehand, when you talk to everybody individually and such things. [...] then you have to pick up everybody beforehand.* (Leading Partner, Inspection, m)

The decision making process may even be characterized by a strong casualness and informality.

*At least once a year we do a partner workshop. [...] We go to a nice restaurant where we sit together with some good food. That's an atmosphere to say, ‘okay, let's think about it together’. [...] And then some say 'yes, yes, yes, fits, fits’, or one says 'oh no’. Well, it develops from this feeling. It's not a certain process where everybody has to write three names on a list and the ones being stated the most get chosen... No.* (Partner, Inspection, m)
This process of selection is not a democratic and transparent process where decisions are based on objective requirements. In this collective situation it is more a shared gut feeling of a desired type which makes someone a potential candidate. “It’s a feeling from the mind [sic] but also from the gut.” (Partner, Inspection, m).

The gut feeling is actually seen as a must-have for being in a leadership position in order to choose the ‘right’ person.

“This feeling which you actually have to have as a leader the higher you are, yes? To say that [person] will work and that won’t. This intuition.” (Partner, HR, m)

The deciding factor for selection does not seem to be measurable or definable. The ‘human side’ of the selection process is emphasized when dealing with this decision.

“There is a human touch to it, yes? You cannot... that is not digital, not black or white, yes- no, on-off, it’s not. You cannot make that measurable. For that it is too much about dealing with humans.” (Partner, Inspection, m)

In the partner’s understanding the requirements for partners cannot be defined and clearly pinpointed; they are not “black or white”, the matter is too complex. Since FIRM’s working culture is generally very much number-driven, it is surprising to observe that selection requirements for the partnership become immeasurable. On all previous levels, the personnel’s behavior and skills were reviewed and rated, but on the threshold to partnership the person is not seen to be fully assessable anymore. The partner above uses the German expression “es menschelt” for describing the “human touch”. What exactly is he trying to point out? The term “es menschelt” is usually used to down play misbehavior by legitimizing it with human’s natural imperfection. The self-conception of FIRM, though, is to always do things the best way with highest quality standards. Especially concerning the selection of their workforce great efforts are taken to select the very best. Why is it then, at this point, that the rules can be bent? Even if the quote indicates that the partner may be aware that this informality is not fully legitimate, he does not make attempts to further justify the procedures. In fact, his manner of describing the selection process in the interview suggests that to him it is just right the way it is.

In addition, there is the element of “luck” and to be “at the right place at the right time”. Working too straight towards a promotion and being too determined is actually seen as counterproductive.

“It doesn’t work for good or for evil. That has to happen incidentally, no? Steering it is limited, and those who really want to control it usually bet on the wrong horse. (laughs)” (Board member, m)
“I would say success is like a shy deer. The more you are after it, the more it will run away from you. Yes? There are things, they just happen.” (Partner, Inspection, m)

Contrary to portraying career options as clearly defined, this attitude gives the formal process a surprising twist. One just has to let “things happen”. Moreover, the quotes are contrary to the requirements FIRM officially communicates, i.e. determination and ambition as success factors. De facto, the candidates are somewhat left in the dark, they have to wait to be chosen. It is the informal selection scope which allows for this practice. To say that “things just happen” and that candidates should ‘not be too determined’ facilitates informality of the selection process.

Despite the lack of a formal selection process for partner nomination, there is, nonetheless, a shared understanding of how a partner should be. Given the homogeneity in the top management, the candidates are requested, consciously or not, to fulfill a certain implicit pattern and conform to a certain prototype.

“[…] because from the bottom the selection process is not so transparent, yes? Well, you can suspect certain things. Especially when you observe other careers, you can expect to see certain patterns.” (Leading partner, Inspection, m)

Many other interviewees also spoke of a prevalent prototype in the partnership. I will therefore elaborate in the following sections what is required to fulfill this implicit pattern. The vagueness and intangibility will be examined carefully in order to reveal the underlying informal selection pattern as well as beneficial factors for a successful partner nomination and appointment. As such, it is possible to analyze what actually constitutes the gut feeling for partner selection.

**Beneficial factors during the nomination phase**

There are, apart from the informal criteria, a few factors during the nomination phase which can be favorable or disadvantageous for the promotion. These factors illustrate that the appointment to the partnership is not only based on excellence and a high level of professionalism but depends on a number of circumstances.

- **Economic situation**
  There is no set number of partner appointments every year but it very much depends on the economic situation. If markets are growing, more people are chosen from the candidate pool. In economically difficult times, only a few get the chance while the others have “bad luck”.
“If the business is a bit more difficult, then of course it’s hard. [...] And if one says ‘now is my window for the next career step’, you can have bad luck. Well, that’s a pity.” (Leading partner, Inspection, m)

Networks

Chapter V.2 will take a detailed look at the role of networks for career advancement at FIRM. At this point, I will nevertheless highlight the importance of networks for selection processes. All interviewees, without fail, described networks as indispensible for success. The more one has contacts with partners who take part in the decision making process for partner promotion, the more likely it is that one will be selected. Strengthening and broadening one’s links in the company are important throughout one’s career. Networks give access to important information and resources, as well as to clients.

“They play a very, very strong role. [...] it is a give and take for acquisition, [...] you act as brokers for each other, you make each other known. That means, it is important for business development internally but also for visibility outside. So, a very, very strong role.” (Board, w)

Networks are established and used for far more issues than just professional exchange. The board member below describes how he cultivates and invests in contacts to build strong personal connections. The quote indicates that the social aspect of networks even precedes the professional purpose.

“In the daily work it’s simply the walk across the halls in the evenings and the short visit in the office. ‘How is it going? Any news?’ Every now and then there’s a professional link. But if there is no professional link, it’s simply the perception that somebody is coming in and asking ‘Hey, how are things going?’. That’s very important. I very much cultivated that. One could say that possibly it’s wasting one, two hours a week. I don’t think it’s a waste. It’s an investment.” (Board, m)

I want to call attention to the fact that – according to the quote – personal connections are established in the evenings. A few minutes later in the interview, the board member describes how they sometimes sit together with a glass of wine after work. These practices indicate a long-hours and presenteeism culture. The working hours stretch far beyond the actual work. The quote points out the wish to socialize with colleagues in a time which could actually be spent outside the work context. Below I will suggest the gender dimension of this culture.
Professional performance alone is not enough for advancing in the hierarchy. Almost all interviewees explicitly pointed out the importance of mentors. Today and especially before the introduction of the extensive partner selection program in 2007, the support of an informal mentor (also referred to as ‘protégé’, ‘advocate’, or ‘sponsor’) was decisive to be suggested and prepared for the partner nomination process. Making a career is not only about doing excellent work but actually about superiors taking note and acknowledging it.

“And yes, the question is how do you get ahead? I don’t get ahead by doing excellent work. I need people who see that I do this work. [...] If no one talks about me, then I can do the greatest job but I won’t get ahead.” (Partner, HR, m)

Mentors play a major role on staff and management level to link managers with clients and prestigious projects. During the nomination phase they can have an even more decisive role to share and introduce key decision makers for the partner appointment.

“And if it went towards the nomination I would try to identify with you the most relevant people, and to advise to be somehow in touch with these very relevant people so that they know more about you than just an impression from paper.” (Partner, Performance, m)

To put candidates in touch with key decision makers is one thing; equally important is the sharing of tacit knowledge and rules of conduct which are exchanged in more intimate settings after work. Due to the lack of structure and transparency in selection processes on higher organizational levels, advice from mentors on how to proceed becomes very important.

“When [...] you sit together regularly in the evenings and talk about everything under the sun, then you also talk about many job-related things. [...] What do I have to do to become partner, how can I approach the next level, what can I develop to increase my chances? You get a feeling for it.” (Board, m)

“In that moment, of course you need supporters who show you [...] what you should pay attention to, in what direction to march, and what to stay away from. So in a positive and negative sense, that you experience a certain guardrail.” (Partner, Performance, m)

Especially because candidates are so thoroughly examined in the selection process for the partnership, it is helpful to be informed beforehand about the dos and don’ts in the top management. An idea of appropriate behavior or the “guardrail” gives orientation and security during this demanding phase.

When the support of mentors goes beyond giving advice or making contacts it may even be a case of patronage. Patronage in the context of promotions means that an influential superior informally “protects” his/her employee and makes sure he/she gets promoted –
no matter if formal requirements are fulfilled or not. All strings behind the scene may be pulled to bring decision makers in line to promote their desired candidate. Before the introduction of the partner development program in 2007, this practice of patronage was more prominent than today because fewer partners were involved in the decision.

“My closest supporter was the CEO. He was so busy with his position that he needed somebody who did the things for him. I was the one who did it and in return he made sure I became partner. Because of that he did it.” (Partner, Performance, w)

- Visibility

Although the definition of candidates on lists is a closed process, candidates may unofficially know about their chances.

“And an informal candidature developed of several candidates, that was pretty transparent. Not officially transparent, but you knew you were in the race.” (Board member; m)

It is important to know if one is in the race because at this critical point it becomes increasingly necessary to be known and visible to the partnership. Similar to networks, the more a candidate is visible among the decision making committee, the higher the chances for selection. The interviewee describes the importance of overcoming this hurdle:

“And for sure it is important that when you know you are part of the circle of candidates and you have partners behind you, and you haven’t been in touch with the leading partner, that you approach him. You have to approach him. That is the first hurdle, yes?” (Partner, Inspection, m)

Besides these beneficial factors for selection there are a number of informal criteria which create an informal selection pattern for the partnership. The following section looks at this pattern more closely.

1.2.2. Informal criteria for partnership

As indicated, the informal scope in the selection processes opens the room for informal selection criteria. These criteria do not necessarily contradict the formal criteria, but instead they complement and fill in the gaps between the lines. Partner candidates are therefore not only chosen on the basis of their formal qualification and success record, but there are additional criteria that come into play in the selection process.
• **Available at all times, flexible, overcommitted**

Better career chances are given if one comes across as overcommitted and available at all times around the clock. The underlying rule here is that no one gets ahead working regular hours from nine to five. There are times when projects can be so demanding that the workload regularly requires the sacrifice of evenings and weekends. With the exception of Finance, HR and Risk Management, it is common to travel throughout the week.

“**Well, it means a lot of time. It means to come home late, you always have to work at the weekend, you have to travel.**” (Partner, Inspection, m)

A look at the time of the email correspondence with my field coordinator illustrates the point. Almost half of the emails were sent at rather unusual working times (in bold below), i.e. after 8pm or at the weekend, and in some cases even in the middle of the night.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Thursday, 4. June 2009 21:34</strong></td>
<td>Monday, 10. May 2010 10:11</td>
</tr>
<tr>
<td>Thursday, 27. Aug 2009 10:50</td>
<td><strong>Friday, 17. Sept 2010 23:01</strong></td>
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<tr>
<td>Friday, 6. Nov 2009 14:54</td>
<td><strong>Saturday, 5. Feb 2011 19:07</strong></td>
</tr>
<tr>
<td><strong>Wednesday, 6. Jan 2010 01:40</strong></td>
<td><strong>Sunday, 22. May 2011 23:52</strong></td>
</tr>
<tr>
<td>Tuesday, 19. Jan 2010 00:36</td>
<td><strong>Friday, 19. Aug 2011 02:03</strong></td>
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<tr>
<td><strong>Saturday, 13. Feb 2010 22:00</strong></td>
<td><strong>Sunday, 4. Sept 2011 03:46</strong></td>
</tr>
<tr>
<td>Sunday, 14. Feb 2010 20:01</td>
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</table>

*Table 5: Time of email correspondence with field coordinator*

A look at FIRM’s statistics on part time and full time work confirms the expectation that upper leadership positions require full time commitment. In 2011, only 3.6 percent of all partners\(^{63}\) and nobody in the executive board worked part time.

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\(^{63}\) Female partners work almost three times as often part time (6.5 percent) compared to their male colleagues (2.4 percent).
One extreme example is the weekly schedule of the board member of Inspection, who also has a global role additional to his German board position. Almost in disbelief herself, his secretary told me about the insane week ahead: Tuesday to Thursday he has to be in New York, arriving in Germany Friday morning, leaving to Australia the same day on Friday evening and starting the new week back in the German office on Monday. It is a life between time zones, fully flexible, with hardly any time at home.

It is expected that such engagement is voluntary and undertaken with pleasure. As one partner points out, this is “[...] an engagement, an over-obligatory engagement which has to be made, and which is made with pleasure.” (Partner, Inspection, m)

One has to be willing to make sacrifices in one’s private life because the job leaves hardly any time outside work life. The company comes first and personal plans may have to be set aside.

One interviewee described a colleague on partner level who only saw his children every few months because the few nights he was home he usually arrived after their bedtime. At times the children woke up excited about their father being home, but the partner felt “disturbed”. For him it was priority to get as much rest as possible to be fully functional the next day.

• **Loyalty**

Loyalty was said to be a key requirement for success in different ways. The quote below points out that loyalty, at times, is of higher importance than professional performance.

“If partner promotion is coming up there are, I think, unwritten rules. In case of doubt the decisive criteria for me was – maybe even putting a lack in professionalism aside – if I can rely on that person. Is he loyal to me? Is he loyal to the company?” (Board member, w)

Various partners mentioned that voicing too much criticism can be seen as being disloyal. If a contrary opinion to superiors is expressed it may hamper the career and one might end up getting ‘stuck’.

“Anxious, I would say. Anxious. They don’t open their mouth anymore. Or positively [sic] put, if you say your opinion you’re stuck on the flytrap.” (Partner, HR, m)

Loyalty is further tested by checking how far personal commitment to the job goes. The coach describes how loyalty is measured by the quantity of work undertaken. “The partner chases me to do this job, also that one, also that one, also that one. It [loyalty] is controlled by the quantity of work.” (Coach, m)
In extreme situations the “loyalty-card” may be pulled by superiors to tap people’s bad conscience if they do not prioritize the work over private matters. The coach (‘Mr. Weber’) recalls a training situation with a partner. Mr. Weber took the role of an employee who does not want to take on extra work load over the weekend. In a role play he negotiates with a superior partner whether he has to work over the weekend:

“And then I said, ‘I’m sorry, I can’t. I promised my wife since half a year to go to Hamburg to see the ‘Lion King’. She is a real fan’. […] And then they [partners] don’t stop talking. And they always pull the loyalty card. ‘Mister Weber….You know… […] I would also support you, if you… ‘In this manner, yes?”

The coach then intensifies the role play and tells the partner that he cannot work over the weekend due to his father’s eightieth birthday. Even in this situation the partner calls for prioritizing work over family. This situation illustrates very well that work life has priority over private matters.

- Assertive, extrovert, “alpha dog”

The majority of interviewees described the need to be assertive and outgoing in order to be successful. Especially in the last few years it became more important that partners have to be extroverted, present, and salesman-like to conduct business in a competitive market. Equally important is their assertiveness and visibility internally, also described with “alpha-dog”- or “top-dog”-behavior.

“The role in the partnership, the internal role, is very much driven by positioning and clear command. […] this strong leadership, this assertiveness, also with other leading people in a team – that is, I think, the basis to prevail.”(Partner, Inspection, w)

The quote points out that the atmosphere in the partnership requires authority and some level of aggressiveness to be accepted and to make one’s point understood. Several interviewees described the atmosphere in some meetings as harsh and rough. Some leadership meetings were described as cock fights or the meeting of battle ships. It needs dominant behavior to be visible. During my observations, I, too, was able to witness such behavior: Some partners’ tone of voice was rather aggressive, everything was commented on, they were taking digs at each other, cracking jokes. The language was very forceful and militaristic, using expressions such as “slaughter”, “first shot”, “marching through” and “heroic battle”. An interviewee describes similarly:

“Power-hungry people come across as very present. They have a manner how they sit at a table, they just appear present. That’s not somebody who cowers down but they sit leaning forward, or fixate on you, and have the appropriate body language which signals that.” (Partner, Finance, m)
However, contrary to the “alpha-dog”-behavior, interviewees also stressed polite manners as key characteristics for success.

• **Authentic: polite, eloquent, communicative, with integrity**
  The overall presentation of partners is expected to be polite, eloquent and communicative, especially towards clients. The candidate should not come across as fake or “trying too hard”. There is a fine line of being assertive and eloquent on the one hand, and too much of a “market crier” and fake presenter on the other.
  “You know, if one talks like he just came back from the rhetoric course, yes? Totally fake, yes?” (Partner, Inspection, m)
  A frequently used word here is ‘authenticity’, i.e. to be oneself, to be real, to be natural, and to show integrity. Authenticity combines the characteristics mentioned above of having integrity, being polite, eloquent, and communicative.
  “I’d say, for me it’s the normal thing to be friendly and engage with each other open-mindedly, that’s enough. Well, nothing exaggerated, or nothing artificial. That’s what today you would call […] authentic. That’s also important. When someone just is like he is, yes?” (Partner, Inspection, m)
  Authenticity is seen as an ‘overall package’ which also includes appearance, gestures, and expressions to come across as a credible person. According to the following quote, credibility is about the person as a whole including private interests and emotions.
  “I think someone is authentic if his answers, also gestures, expression,…- […] Is he really like that because it was a spontaneous reaction and you notice certain emotions? Or does he say things because he knows…- For example, Mister Smith sits in the committee and he [the candidate] chooses a football example because he knows Mister Smith is a football fan, no? And the question is if he’s doing it because he likes football himself? Or because he knows if I take a football example it’s in favor for me, maybe I get a point. That’s what we base it on.” (Senior Manager, HR, w)
  According to this statement, a person is credible and authentic if ‘real’ interests and emotions are shown instead of pretending or conforming to expectations just for the purpose of getting ahead. If the person was only pretending, his/her integrity may be questioned.

• **Team player, adaptive, ‘open’**
  Already on lower levels it is a requirement to have team player skills to work effectively within project groups. This ability is also very important for the partnership level because it portrays itself as a big community. Being a team player means to integrate and even
subordinate oneself to the group by not acting as a “poser” or “busybody”. “One has to be open, being able to listen [...] to subordinate oneself at times.” (Partner, Inspection, m).

New members of the partnership are expected to maintain a low profile and to adapt to the partnership. Conforming to the existing rules and being flexible by adapting to new surroundings are therefore essential traits. The interviewees also used the expression ‘to be open’. At first, it sounded like curiosity and tolerance but a closer look at this statement reveals another meaning: to be willing to conform. “Conformity pressure, yes, it's inevitable, because a certain behavior is demanded” (Partner, Inspection, m). In addition, openness means the willingness to open oneself up and become predictable for others, i.e. to be an open book without hiding private matters. “You have to open yourself so others can see ‘What kind of guy is that?’” (Leading partner, Finance, m).

• Age

There is a shared understanding of the appropriate age for reaching partner status. Due to the retention times on the career track, candidates who closely stick to this career development are in their late thirties by the time they reach partner status. The informal rule suggests that by the age of 40 the entry into partnership should be achieved, otherwise the person’s suitability may be questioned. “Yes, I think that actually it is 40. Until 40 you should have made it. [...] That is unwritten law.” (Senior Manager, Finance, m)

Certain age expectations also apply for the board level. For this position partners have to be senior in their status, but not too senior in age. An experienced partner at the age of 60 would be considered as too old for a board position.

• “Home grown”

It is a career advantage to have spent the whole career, or at least the majority of time at FIRM.

“I think at FIRM [...] the majority of partners are homegrown, they worked their way up at FIRM; they started and completed their career path here.” (Board member, m)

Especially career changers who enter FIRM on management or senior management level have difficulties to establish themselves.

“To become partner at FIRM is really not an easy task. It's complex for colleagues who climb up the path internally, with high requirements. And for someone who enters the company later, I think, it is even harder. FIRM has a culture which doesn’t accept those who come from outside.” (Partner, Performance, m)
It is difficult for career changers to set up necessary mentors or networks to integrate quickly and to make themselves familiar with the formal and informal requirements. As demonstrated above, mentors and networks, however, are essential to get ahead. Given the nature of informal criteria, they cannot be studied in order to take them up. It needs several years to become aware of this tacit knowledge.

- **Subtle appearance, embodying the company**

At a meeting during my field observations, one partner was half jokingly mocking about his colleague’s slightly more obvious outfit. The colleague wore a broadly striped shirt and had a handkerchief in his front pocket. I did not immediately follow the joke because at first sight I found nothing peculiar about his colleague’s appearance. This incidence, however, sharpened my eyes towards the uniformity in dressing at FIRM.

The expectation for the dress code is to represent and embody FIRM. As the company has a rather conservative image, its personnel are expected to dress accordingly. Without any official guidelines, the similarities in outfit are obvious. Slight deviations in color, pattern, or material of suits already make one stand out as inappropriate.

“Decent appearance. We are [...] conservative, we have the consultant image, that’s nothing bad, that’s a strength, to simply admit to that. It definitely wouldn’t look good if I walked around in a cord suit here.“ (Partner, Performance, m)

“ [...] not with an aubergine colored jacket and mustard-colored pants to the client. But that’s usually already filtered out before. That’s a conformity pressure, yes, the appearance, one can certainly say that.“ (Partner, Finance, m)

The partner below shares his insight that the extent of conformity pressure also influences the choice of brand to which one invests in.

“There is this – what’s it called this shirt company? Eterna? [...] 98 percent of the partners wear those shirts.“ (Partner, HR, m)

Apart from clothing, the overall appearance is also rather homogenous. For men it is a short haircut, the majority are beardless and frameless glasses or with steel frame. Deviations from this norm are rare; in a few cases they are consciously used as personal trademarks (e.g. slightly longer hair, beard).

- **Traditional private life, heterosexual relationship**

Informal criteria also penetrate the private sphere of candidates. Due to the high demand in work life, it is beneficial if candidates come across as grounded in a traditional family
setup. It is advantageous if one can prove to have a family, because family is seen as a necessary place for relief and recovery; it is a safe “harbor”.

“If work is very demanding then surely it is favored, it is good, if there is something balancing at home, [...] clear structures have something calming, something safe, providing a harbor.” (Partner, Inspection, m)

The image of a safe harbor draws on the traditional notion of a supportive, nurturing, and caring partner at home – generally a housewife. Children, of course, complement the image. Despite hardly spending time with their children, they serve as an easy, uncontroversial small talk topic with colleagues and clients.

“When you go to the client then kids are a big topic. Because you always have [...] an uncontroversial subject.” (Partner, Inspection, m)

A traditional family set up also implies a heterosexual relationship. There are no board members or leading partners at FIRM who have openly admitted to be homosexual. This suggests that homosexuality is a disadvantage for career success; or at minimum it may cause controversy. A senior manager recalls the situation when he had to make his homosexual relationship transparent:

“I remember, in the interview it was really a topic why I wouldn’t move. I said, ‘We have a house’. ‘Who is ‘we’?’ ‘Well, my husband and I.’ And then the partner turned around and said, ‘Well, where do we stand on this issue?’” (Senior Manager, Finance, m)

As the candidate’s sexuality is made an issue, the quote further illustrates that the private circumstances matter for the selection. Otherwise, the partner would not have inquired “who is 'we'?”.

- Classic hobbies

While visiting the partners for the interviews, often the interior decoration in the offices indicated classic hobbies one would stereotypically expect from a male top manager. In their offices I saw model cars or pictures of expensive and fast vehicles, golf balls on the desk, or football club emblems on the computer screen. “One likes to drive big cars, wear expensive watches, expensive shoes, then you have an identification”, says a female partner (Inspection) about her male colleagues. Another partner sums it up: “The classic topics: Cars, football, technology” (Partner, Inspection, m).

Without exception, in every break during the observed meetings football was a topic of shared discussion. Sharing this interest enables a person to connect to the other participants, chatting about common interests and further getting to know each other. It is conducive to become ‘one of them’.
1.2.4. Informal selection processes and criteria for higher leadership positions

Whereas on the threshold from management to partnership informal selection processes complement official procedures, once partnership is reached, the process is completely informal for choosing partners for higher leadership positions, e.g. head of a business unit or even executive board membership. The selection processes are highly opaque and it is a decision solely made among a few leading partners. No one outside knows how and on what basis the person in chosen.

“It isn’t disclosed to the outside, self-evidently, when it’s not democratic. And of course it’s only a very small group, so you don’t know how it [decision] comes about.” (Partner, Inspection, m)

All of the interviewed partners with a higher leadership responsibility confirmed the lack of transparency. For all of them their selection was surprising because they were suddenly contacted without expecting it.

Similarly to the partner selection process, it is said that luck and coincidence play an important role for higher leadership positions:

“Well, you know, who becomes board member? Only very few can become that. You have to be the right man, the right woman at the right time at the right place.” (Partner, Inspection, m)

Trust and a close connection to higher partners is another important factor in the selection process. The following quote stresses this aspect:

“Well, I would say, there is hardly anything like trust here at FIRM. For [my boss] it was incredibly important, that the colleagues in the leadership team neatly represent the different units, but also that he has absolute trust to this leadership team. And back then that was the prerequisite.” (Partner, Performance, m)

Closely related to having the right and trusting relationships is one’s visibility and degree of popularity within the partnership. When informally assigning leadership functions, the likelihood of being chosen is higher if one’s persona quickly comes to mind by the deciding partners.

“For a position close to the board it was the case that one said ‘who can do that?’. In the mind’s eye reviewing the partner and asking if he [sic] can live up to that position?” (Partner, Inspection, m)

This quote is consistent with observations of informal selection processes witnessed at FIRM. Within the Inspection leadership team it was asked around in the group whether someone had a suggestion for a certain position. Off the top of their heads people threw in names which were then briefly discussed. Consequently, partners who were not on the radar had no chance of being selected. The presentation of the network analysis results
(below) will demonstrate the implications of this informal selection practice for the career advancement of women.

The criteria for appointments to further leadership positions are wide ranging and the partner’s promotion is not based on formal qualifications. Similar to the nomination of partner candidates, the selection is based on the candidate’s personality and is, to some extent, justified emotionally.

“Well, I think it depends a lot on the personality. [...] they have to be people [...] whose performance was very high, who had been successful with clients. But more on the basis of a feeling, if I may say so, not really measured.” (Senior manager, HR, w)

Several interviewees said that partners are qualified for higher leadership positions if they managed to create high revenue from a big client, and less, for example, for their excellent general management skills. However, this cannot be a consistent criterion because the board member for Inspection never had the experience of having a big client.

Other interviewees named high acceptance in the company and having the right touch for bringing people together as reasons for their appointment. A high degree of assertiveness was another stated reason.

“So, the next one was supposed to be someone who would take up the fight with the others [...] and they said, well, he has broad shoulders, maybe he can do that.” (Senior partner, Finance, m)

A trivial but nevertheless common criterion for being appointed to a higher leadership position was the argument that it was someone’s turn after being in the partnership long enough.

“Yes, yes, it was also my turn.”(Senior partner, Finance, m)

“I’ve been partner long enough, I simply made contacts.”(Board member, m)

Taking a closer look at the board members' qualifications there seems to be an additional informal selection criterion. No matter which function they represent, all of them, except the head of HR, have the same higher qualification. As described above, employees in Inspection have to achieve two additional qualifications for practicing their profession as a chartered accountant. A lot of effort is invested in order to pass the exams and gain this title. Interestingly enough, even those board members carry the title who represent functions in which this qualification is not needed. As the professional title is exclusively needed for the work in Inspection, there is – to an outsider – no rational reason for
achieving it in other business functions. Recalling the informal loyalty criterion, the expectation that board members have to carry this professional title could be seen as an extra proof of their commitment. Only those partners are considered for a membership in the board who prove the identification with FIRM – having the *Inspection’s* professional title is one way of doing so.

Finally, in one case gender was stated as a reason for selection.

“What ultimately was the deciding factor for me, or rather, of course I don’t know who else was in the run and which advantages I had compared to them, I do think that also one criterion was that I am a woman.” (Board member, w)

It has to be noted that at the time of her appointment, the under-representation of women in boards was discussed in the media. It may have been a strategic decision for FIRM to appoint a woman to the board. Its composition is publicly displayed so with appointing a woman their efforts to increase the proportion of women could have been signaled. However, a close look at the board’s structure revealed that the female board member received a board position which is not part of the board's core decision making group (chapter IV.2).

### 1.2.3. Discussion of informal selection criteria

Although the partner selection process was formalized several years ago, informal selection criteria still resonate in the overall selection process. The importance of informal criteria culminates in appointment processes for higher leadership positions as these completely lack official procedures. The different informal criteria form an informal selection pattern. In the words of the interviewees, it matters if a person 'fits'. The person's fit works as a meta-criterion and will be presented in the following.

**Metacriterion ‘personal fit’**

For the majority of interviewees the decisive question was ‘Does this candidate fit to our partnership? Is it the right type?’ Surprisingly though, despite its prevalent use and importance, interviewees could not define the term fit. It is a very vague concept, a ‘certain something’ or ‘je ne sais quoi’ based on a gut feeling. The quote’s diffuse sentence structure below reflects the partner’s inability to define the meaning of fit.

“Umm, well, I’m in favor of him, he fits us, he is the right kind of guy.” – *PES:* “What do you base this on?” – “Tss, it’s maybe an emotional element, to say, hey, that’s it, yes...” (Partner, Inspection, m)
However, what can be noted is that the benchmark for a person’s fit is the partnership already in place. Candidates who share the characteristics and attributes of the existing partners fit the mould for promotion into the leadership system. In other words, the success model is to conform to the existing partners. In that way the selection pattern leads to a duplication and self-reproduction of partners.

“Yes, I guess we have a certain pattern where we duplicate ourselves. Well, you only let those come up that are very similar to yourself. That means, such a partnership constantly reproduces itself and accepts nothing else, left or right, it truly rejects it.” (Partner, Performance, m)

As different candidates outside the selection pattern are rejected, this self-reproduction prevents openings for new types of partners and thereby the diversification of the partnership.

A reason why partners are not able to clearly define a person’s fit may stem from the contradictions of several informal criteria. The presentation of the informal criteria above may have already indicated that some criteria not only complement each other but actually conflict and even contradict one another. Below, conflicting criteria are presented and discussed.

**Contradicting informal criteria**

- Authenticity vs. ability to conform

Those candidates are preferred who are genuinely ‘natural’ and who remain true to themselves. Here, authenticity is a key word. At the same time, candidates have to show their willingness and ability to adapt and conform to the rules in the leadership system in order to become part of and be accepted in the upper echelon. Moreover, they have to regularly go through trainings and coachings in order to ‘optimize’ themselves and have to work on their personal ‘shortcomings’ to become more effective leaders. Sinclair (2011: 508) describes these personal development processes as a “treadmill of self-improvement”, i.e. again and again something in their behavior or appearance is seen as inadequate and therefore has to be corrected. But is a person authentic who constantly ‘corrects’ his or her behavior? Guthey and Jackson (2005) point out an “authenticity paradox” because the pressure to manufacture an “authentic persona” makes authenticity by its very process impossible.

- Determined vs. “trying too hard”/“too desperate”
To achieve success at FIRM candidates have to constantly signal their determination and commitment. However, there is a fine line between being perceived as determined on the one hand and “too desperate” for success or “trying too hard” on the other. The same behavior can be assessed differently depending on the candidate or the situation.

• Team player vs. assertiveness/authority

Being a team player means integrating oneself in a group to work together towards a common goal. It is based on cooperation, treating others as equals with a balance of appropriate communication and listening skills. One may have to put aside the personal agenda and put the team ahead of oneself. These required team player skills, though, contradict authoritative and assertive behavior. To be successful at FIRM one clearly needs to push one’s own personal agenda, to command, and to stand out of the mass. It is about being more visible than others and not ‘disappearing’ in a team. What is more, the self-image of FIRM’s partners is described as one of a “primus inter pares”, i.e. all partners perceive themselves as the most senior one. To fulfill both requirements – to be equally a team player and a “primus inter pares” – appears to be a balancing act if not a contradiction.

• Open vs. no criticism/loyal

To be open-minded, to communicate openly, and to be true to oneself also means to share one’s personal opinion. One would not hold back with one’s own ideas or position. This conflicts, however, with the need to be loyal and to hold back with criticism especially towards superiors. Instead of sharing different viewpoints, conformity towards the superior’s opinion is conducive for the career. As already mentioned above, openness therefore appears to be more like a buzzword than the actual favoring and practicing of open communication.

In short, there are a number of informal selection criteria which serve as an additional layer for thoroughly assessing partner candidates. However, these very informal criteria prove to contain contradictory elements. It appears that the informal scope in the partnership allows for a very situational, flexible, and individually shiftable use of informal criteria on candidate-by-candidate basis. Depending on the situation or the candidate, either one or the other criterion is used and a selective interpretation of the candidate’s profile is made. For example, while in one case the candidate’s behavior could be positively valued as loyal and determined, comparable behavior of a different candidate, depending on the situation and circumstances, may be seen negatively as
“brown nosing” or as an “over-achiever”. This makes it difficult to objectively assess the candidate’s qualification. There is no ‘right’ way for behaving which applies to all candidates who aim for partner status and to which one could work towards. Ultimately, it depends on whether the partnership approves of one's fit. Besides, if the benchmark for someone's fit is the male dominated partnership, it is no surprise that the informal selection pattern entails a gender bias.

**Biases in informal selection criteria**

The analysis indicates a strong bias in the selection pattern. In order to explain the persistence of homogeneity – particularly homogeneity in gender – this bias needs to be disclosed because such a bias significantly narrows the range of potential candidates. It will be demonstrated in the following discussion that the majority of the selection criteria have, directly or indirectly, a strong gender bias because they are oriented around stereotypical male attributes.

- **Constant availability**

Expecting availability around the clock indicates a long-hours or presenteeism-culture. This long-hours culture seems gender-neutral but indirectly implies a high risk of excluding individuals with care responsibilities – overwhelmingly women. It is very challenging for these employees to be as flexible and available as their (male) colleagues who are more independent from responsibilities outside the organization. “Time here can be seen as a resource to which more men than women have access. […] This suggests that the requirement and, indeed, the expectation of working long hours for certain elite jobs in senior management, acts as a means of closure to exclude women because far fewer women than men can comply with [it]” (Rutherford 2001: 377). In other words, the selection pattern requires candidates with maximum detachment and independence from responsibilities outside the professional sphere.

- **Age**

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64 See also Hofbauer 2004; Rudolph/Okech 2004.

65 Especially in top management, family concerns should preferable not collide with work matters. At FIRM the story about a female partner's family planning circulated. She timed the birth of her child by having a Caesarian section, so that one day before the surgical intervention and three days afterwards she could keep the appointments with high level clients.

66 Caring responsibilities are seen as peripheral, invisible and someone else's (women's) but not the company's responsibilities or matters to deal with (Acker 1998).
Having the 'right' age is a further criterion which potentially carries a gender bias. The notion of a certain age for partner promotion (mid to late 30s, maximum 40 years old) is based on the assumption that career development goes about without any interruptions, e.g. parental leave. With a longer timeout from the job or phases of part-time work the expected retention time cannot be fulfilled anymore, possibly active mothers or fathers unsuitable or too old to become partner if they aim for this position.

**Authenticity**

Behavioral expectations for a leadership position, such as assertiveness, dominance, and decisiveness are tricky for women. Women are likely to be perceived negatively as controlling, too hard, or “bitchy” if they act according to these success characteristics (Bell/Nkomo 2001). An adaption to the behavioral pattern of success questions the women's authenticity:

“I noticed […] that their type doesn’t appear to be authentic. […] Our women are partly very hard, very dominant, little charming, they don’t allow their womanhood.” (Senior Manager, HR, w)

Jamieson (1995) calls this the double-bind-dilemma. Behaving according to female stereotypes (‘soft’, empathetic, harmonizing) women do not fit the top management. If they behave according to the rules in top management (‘tough’, dominant, authoritative), they lack authenticity because they are not seen as ‘female enough’.

**Traditional private life**

The criterion of having a traditional private life is interpreted differently for men and for women. Whereas for men having family tends to be seen as a “safe harbor”, for women children are seen as a “handicap” (Sinus Sociovision 2010: 67). Having children or even potentially having children creates suspicion about their commitment and loyalty to work. Women with children are seen as a risk because they might leave the company or reduce their working hours. On one occasion at FIRM, a male partner did not want to hire women because they may drop out due to family planning. Such a selection practice places women under general suspicion no matter how dedicated they are to the job.

At the same time, if women decide not to have children in order to fully dedicate themselves to work, they do not fulfill the requirement of having a traditional private life. It is a catch-22 situation: Women without family are stigmatized, but having a family turns out to be a handicap.
Concerning private interests, it is less credible for a woman if she shares the same classic interests as men, e.g. football (see interview situation described above). It is likely that a woman who shows passion about football would have caused irritation in the interview because it may be unexpected that a woman shares a traditional male interest. Sports or cars is what Hearn calls “men's currency of conversation” (2002: 45). A woman with these interests may be perceived as non-credible.

Overall, the implicit selection pattern favors a certain type of man at a certain age, who is independent from responsibilities outside the company (e.g. care work), who lives in a heterosexual relationship and who shares 'male currency' interests. This pattern significantly narrows the options of personnel selection (Phase II in path dependence model) and excludes particularly women. Due to the pattern's gender bias, women easily lack the fit to the partnership. In fact, women at FIRM felt being pressed into patterns of non-fit. One female partner described the view on women as “clichéd”, meaning that women are perceived according to a stereotypical mould. Another female partner was displeased because she was always portrayed as “too kind”, while a third female partner was criticized for being “too motherly”. Such characterizations stand at odds with the selection pattern for success. It is not surprising that these women saw such descriptions as unwarranted and unjustified, and that they felt uncomfortable with these attributes.

1.3. Conclusion of selection processes at FIRM

The way up to the Olympus promises to be clearly signposted when entering the company but the higher the hierarchical level the more unstructured, nontransparent, and informal the selection becomes. The selection of partner candidates seems to be a choice based on meritocracy, rationality, and quality. However, a closer analysis of the selection processes reveals several formal gaps and an increasingly informal scope for selection. Within this informal scope an implicit selection pattern based on several informal criteria was revealed as well as their situational use and their biased nature towards stereotypical male characteristics. These informal criteria create a “homogenous ideal” (Loden/Rosener 1991) or an “ideal worker” (Acker 2006) which defines the norm for selection. If only criteria were used which assess the candidate's professional qualification and performance, the pool of candidates would be larger. On top, however, a candidate’s ‘personal case’ is formally and informally examined by scanning the person’s fit. The gendered nature of the
formal selection processes as well as the gendered implicit selection pattern narrows down
the list of suitable candidates. Due to the biased nature of the informal selection pattern
this ‘ideal worker’ often happens to be a (certain type of) man. Contrary to how
professional service firms portray their selection, it is therefore not the selection of the
‘best’ but the ‘best suitable’ (see also Armbrüster 2004).

Overall, the process which guides the partner selection is cooptation, i.e. the top
management group recruits its own successors (Becker 2004: 583). Cooptation allows for
selection processes in which performance is not (the only) decision criterion. Instead,
peers are favored which are similar to existing partners which turns the top management
into a closed and cohesive group. Cooptation then reproduces the status quo and serves the
stabilization of existing power relations (Sydow 1995: 1634).

The analysis above has demonstrated the processes which significantly narrow the choice
of selection of top management candidates. What remains unanswered is the question
concerning the strong pattern coherence. Why is the implicit selection pattern so stable
and what makes it so coherent as to always select a similar type of candidate? The social
network analysis in the following chapter will provide explanations for this question by
taking a closer look especially at the interactions at the “backstage” of the partnership.
2. Social Network Analysis: Shedding light on FIRM’s ‘backstage’

What happens at the interstices of the formal organizational chart? What role do formal and informal relations play for career advancement and the partnership as a whole? Which emergent effects develop from close relations among top managers? These and other guiding questions are at the center of the social network analysis at FIRM (see chapter III.2.5.). Shedding light on FIRM’s backstage provides insights into the importance of informal relations in the top management, in what way informal relations are functional for ensuring the fit of new candidates for the partnership, and in what way network relations produce an emergent and exclusionary effect for women.

2.1 Analysis of partner unit at FIRM

The partner unit at FIRM is analyzed according to the network measures presented in III.2.5.

Density and cohesion

![Diagram showing network measures]

**Table 6: Density results of partner network**

The overall density of the partner network (formal and informal contacts) is very high (75 percent of all possible relations). In fact, the reachability in the aggregated network is 100 percent. This means, three quarters of network members are connected directly to each other, while the remaining quarter needs only one intermediary to reach the rest of the
contacts. The invested resources to maintain the distinct network density in a unit of 27 partners are high, as it requires a lot of time to keep in touch with up to 26 partners. It is striking that both informal networks (exchange of information as well as private contacts) have a higher density (0.7) than the formal network (0.29). Even private contacts show a higher density (0.44) than the formal contacts. These results indicate that informal contacts are highly relevant and – given the investment of resources – have a higher priority than formal relations. The significance of the informal relations is confirmed by statements given in the interviews conducted.

“Well, I would say, the informal [relations] are probably the more important ones. Much more important than the formal ones. Because the real information is delivered via the informal ones. You are more free, nothing is kept track of, so yeah, that’s the most important stream of information, yes?” (Partner, Inspection, m)

The importance of informal relations can be attributed to the lack of formal structures in the top management which makes informal processes crucial for the partnership’s functioning.

Overall, the partner unit is highly connected which creates a very strong cohesion. Information can be channeled very quickly and the possibility for coordination is high. Highly dense networks tend to have shared values, give orientation and govern actors’ behavior. High density therefore implies stable expectations for actor’s behavior even in very uncertain and complex situations (Helfen 2009).

**Multiplexity and strong ties**

Of all network contacts, 50 percent of the relations are multiplex, i.e. half of the network relations serve at least two purposes. This is another indicator for the network’s high level of activity and cohesion. Looking at strong ties (multiplex relations with a high frequency), they make up 29 percent of all network relations. Thus, almost a third of all network relations are characterized by high stability, i.e. the contact to another actor is not only very frequent but also used for at least two different purposes. Strong ties serve to reduce uncertainties and create solidarity and a common group identity. Due to the high number of strong ties in this network we can assume that the ‘group spirit’ in this partner unit is fairly strong. Although the 27 partners do not work together in one overall project, an image and notion of “we, the partner community” serves as a common denominator.
Degree centrality
Indegrees are of high significance because they show how others see the importance and popularity of a network actor. If an actor’s number of indegrees and outdegrees are similar, the person has a realistic assessment of her/his network status. If the indegrees are much lower than the outdegrees, she/he might overrate her/his importance. Vice versa: If the indegrees are much higher than the outdegrees, the person underestimates her/his popularity.

For the degree centrality analysis I analyzed the five highest and lowest rated actors, first regarding their indegree/outdegree measurements. Results show that among actors with the highest indegrees there are – across all networks – no women, directors and new partners. In contrast, four of the five lowest rated actors in the aggregated network are women or directors. We also find a similar pattern for outdegree measurements. The difference is that one woman is among the top five of formal outdegree contacts. She assesses 13 outdegrees for herself. However, comparing her outdegrees (13) with her indegrees (6), we can deduce that her colleagues do not see her as an overly important contact. In fact, the result of her indegree is below average (6.44). This (gender) aspect will be analyzed more closely below.

Cliques
The network is so dense that it cannot be subdivided into independent cliques. The cliques overlap in most cases. In total, UCINET defined 55 cliques for the aggregated network, 11 cliques for the formal network and 38 cliques for informal contacts. The actors present in the majority of the cliques are all male partners. New partners, directors, or women do not play a central role in any of these network cliques.

Homophily
The proportion of women (11 percent) in the overall network is too small to calculate any meaningful homophily values.

Network positions of women, new partners, and directors
The aggregated network demonstrates an interaction pattern that we find across all networks: female partners are largely in marginal network positions and never part of the

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67 One person can be part of different cliques.
‘dominant coalition’. In the aggregated network (Figure 20 below) we can see that all three women (in red) are located in the network’s periphery. In addition, the position of new non-equity partners (triangle) as well as directors (square) were also analyzed. Although directors are formally categorized as part of the partnership, they have slightly less status than ‘real’ partners. Like the marginal position of women we also find similar results for directors and – to a certain extent – also for new partners.

*Figure 20: Aggregated network (all types of contact)*;

*Blue = men; red = women; square = directors; triangle = new non-equity partners*

For a more detailed analysis, let us take a look at the different types of networks:
As already stated, the network of formal working relations shows significantly less activity than informal networks. Interestingly, in the formal composition, women take a slightly more central position than in the aggregated and informal networks. Figure 21 also shows that one of the directors takes an exceptionally peripheral position and is hardly included in formal projects. This tie also indicates that he only collaborates with one partner. Other directors' positions are not central either.

Figure 21: Formal contacts: project-based relations

Figure 22: Informal relations (aggregated): information exchange and/or private contacts
Figure 22 shows the total of informal network ties for information exchange and/or private contacts. Again, female partners are not in a central position. One director and one new partner have close access to central actors, but the majority of directors as well as new partners are not well integrated.

Looking only at the informal network of information exchange (figure 23), we see that the central coalition (5-6 partners in the center of the network) is composed only of male partners. As the highest activity in this network concerns informal information exchange, these five partners, arranged like a pentagon, take a very significant role in the overall network for knowledge exchange and distribution of resources.
At first sight, the position of the new female partner (red triangle) in the network of private contacts (Figure 24) looks promising. Compared to her two female colleagues she takes a central role in this informal network. In comparison to other networks, the central position is exceptional. Thus, a deeper analysis is suggested.

As the network data is asymmetric, the data can be transformed into a symmetric matrix which shows confirmed contacts only (a tie is only a confirmed tie, if A and B see each other as a contact). Figure 25 below shows only those informal, private contacts which are stated by both sides. Although in this figure the new female partner is still the most central of all women, her overall position in the network of confirmed ties appears less central. Similar to the analysis of indegrees and outdegrees, asymmetric and confirmed ties may deviate from each other. Looking at the in- and outdegrees of the female partner we witness a discrepancy. The female partner interpreted her position differently to the majority of partners. In contrast to her self-assessment, she is not seen as such a central figure among the network partners (few indegrees compared to outdegrees). Figure 25 indicates the same effect: the female partner has less centrality in the eyes of other network actors than in her self-assessment.
Finally, we take a look at frequent relations and strong ties. The position of women in the network of frequent contacts (figure 26) is similar to most other results. All three female partners have fewer frequent ties in relation to the central male actors and, consequently, their position is peripheral. Two of the three directors’ positions are also marginal.

Figure 26: Frequent relations (aggregated network)
As figure 27 shows, women also have a marginal position in the network of strong ties. Along with two women, two directors are also at the network's periphery and, hence therefore have few strong ties to other network actors. They are less part of reciprocal services, trust relationships, or group-identity-generating circles. Their marginal position could also be interpreted as being rather non-conformist and consequently, they do not gain a central position among the inner circle.

Figure 27: Strong ties (frequent and multiplex relations)

For validity, I compared the social network results with the spontaneous seating at a partner unit’s meeting which I attended. The similarity of the women’s position in the room compared to their position in the network is striking. As in the network analysis, they are sitting at the margins of the gathering.
2.2. Discussion and conclusion

The network analysis at FIRM reveals a significant relevance of informal relations for the partners’ daily work. The density of informal relations in the partner unit is more than twice as high as for formal contacts. In addition, the network cohesion appears to be very high.

I argue that the significance of this strong cohesion in the partnership is profound for the partner selection process. A cohesive partnership is likely to share values and a coherent selection pattern. In collective situations (as described in chapter V.1) the dense relations easily lead to a diffusion and homogenization of implicit criteria. That explains why the selection of the same type of partner is so reliable and stable despite a lack of formal selection processes. The understanding of the ‘right’ partner candidate is collectively shared and this shared understanding enables consensual decision making even in very casual and informal settings.

The results of the network analysis are consistent with the analysis of the selection processes in chapter V.1. Both chapters illustrate that networks are crucial for a partner’s progress and success. The more central a partner is located in the network, the higher is the personal fit for a leadership position. Vice versa, this means that an informal selection for leadership positions is disadvantageous for those partners who are at the periphery of
the network, e.g. women. These partners will hardly stand out in one's mind when deciding informally on the selection of leadership positions.

It is also striking that half of all network ties are being used for multiple purposes (multiplex ties). Multiplexity enforces the partner unit’s cohesion, trust, and stability. Firstly, the multiplex and strong ties are very conducive for a perpetuation of the implicit selection pattern in the partnership. They secure the collective understanding of the ‘right’ candidate. Secondly, the high amount of strong ties (frequent and multiplex) demonstrates the strong commitment to the partner unit beyond functional tasks. These findings complement the analysis of the implicit selection criteria which demonstrated that a top management position requires the ‘person as a whole’ and ‘private’ aspects are also informally reviewed in the selection process. The following chapter sharpens this aspect by developing the concept of organizational hyper-inclusion (see below).

The flip-side of high density and strong ties is that social norms and conformity pressures are very prevalent (Jansen 2006: 28). Dense networks go a long way to ensure the control of their members and tend to marginalize those who do not fit the group identity or norms. This is consistent with interview statements of partners who described conformity pressures in the partnership regarding behavior and appearance. One has to resemble a certain prototype or pattern in order to be successful.

A further conclusion is the pattern we find across all different network types: Firstly, female partners have a marginal position and they are never part of the ‘dominant coalition’ or inner circle. Secondly, the network position of directors also reflects their lower hierarchical status. To a large extent, directors do not have central positions in either the formal or the informal network compositions. Thirdly, also the majority of newly appointed non-equity partners are in rather peripheral positions. This confirms statements from the interviews where partners spoke about the inability to quickly integrate new partners in the partnership at FIRM. Overall, these patterns suggest that personal characteristics (e.g. gender) as well as hierarchical status influence one's network position. It can be assumed, though, that over the course of time new male partners will move more towards the center of the network. In contrast, gender is likely to permanently define a person's position. It hinders the mobility of female partners to move towards the center of the network.
Another pattern is the position of a small number of partners. The most central actors in almost every network are four male partners. One of them is the head of the partner unit. Due to his functional role he has among the greatest influence in the formal as well as informal composition (one of the highest in- and outdegrees). The other three partners have worked for FIRM for over twenty years and at least two of them have some of the most profitable mandates of this partner unit.

From these observations we can conclude that the partner’s personal attributes (e.g. gender) determine the extent to which he or she is central and integrated in the partner unit. The network patterns demonstrate that the likelihood for male partners to be in a central network position is higher compared to women, directors or new partners. It depends on the partner’s attributes whether the network provides opportunities or constraints for the actor.

Of particular interest for this study is that the network analysis illustrates emergent effects of exclusion. The network pattern raises the question why female partners are in marginal positions. One explanation for the women’s position could be simply their preference to be at the periphery of the network because, for instance, they have no intentions to be part of the inner circle’s status scrapping. However, this would contradict the one female partner’s self-assessment where she estimated her position more central than her colleagues did (see degree centrality). It is important to note, therefore, that interaction patterns do not result solely from personal preferences but are bound to the network context and even to exclusionary pressures (Mehra et al. 1998, Ibarra 1993). This illustrates the systemic characteristic of networks very well: The women’s positions are not fully explainable through their personal networking activities and preferences but highly depend on how others assess their importance (“You don’t make yourself to be a star, but really it’s the others” (Partner, Inspection, w)). Even if a female partner put a lot of effort in becoming more visible she might experience constraints from the network she is embedded in. Due to the women’s lack of fit they tend to be invisible for central male partners. Thus, the emergent effect of exclusion becomes visible on the network level: the partner network shows fewer strong ties to women and directors. A single established male partner probably does not intend to exclude women and directors intentionally, but

68 They have the highest betweenness- and closeness-centrality values, i.e. their control of resources is high and they can act autonomously in their scope. Actors who are able to control relevant resources and thereby increase other’s dependence on them acquire significant power resources.
on the whole this effect occurs on a higher level. The fact that female partners had slightly more central positions in formal networks compared to informal networks supports this conclusion. The difference for women between the formal and informal networks illustrates what Wetterer (1999) calls “marginalized integration” or “excluding inclusion”. Formally women are increasingly included in organizational interactions. Informally, however, they are not seen to be relevant contacts.

The network analysis further suggests two similarity processes. First, a high level of social interaction (high density and frequency level) creates similarity among network actors (Erickson 1988). This is due to the extensive time actors spend together – be it in formal project collaborations or – more prevalent in this partner unit – the informal occasions. Given this high level of interaction, partners adapt more and more to each other’s behavior as well as to the organization’s values and rules. An interviewee pointed out that “it is almost surprising how very, very much it harmonizes” over the course of their career. Second, the network pattern shows that similarity of attributes ‘breeds connection’ – only established male partners are part of the ”dominant coalition” (Brass et al. 2004). Both processes may compound and reinforce each other with the result of an even stronger tendency for assimilation and homogenization in the network’s inner circle.

In fact, a network position may be subject to self-reinforcing processes because networks work as a catalyst for ‘suitable’ persons. As a central actor gains his position through a high number of reciprocal services, he also has reliable access to important resources such as the circulation of profitable and lucrative projects. This ensures that he can maintain and even strengthen his central position. Practically speaking, two partners may realize their same passion for cars which leads them to talks about other technical issues. The relationship then becomes more familiar so one invites the other to order wine at the same vineyard, and so forth. More and more things tie them together and reinforce the relationship. In contrast, marginal network actors may connect to more central actors but this contact is not necessarily reciprocal. Hence, the improvement of the position may continuously be difficult as the actor does not become part of the circulation of information among the inner circle. For further research, it would be interesting to identify this process empirically. It would require a network analysis with several points of data

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69 Partner, Inspection, w.
collection over a course of time to provide evidence for self-reinforcing dynamics in network relations.

Translated into path dependence theory, the data suggests that the selection pattern is subject to a tapering process compared to phase II in the path dependence model. Leaders become more and more alike, they experience more and more similarities; their relations become more and more multiplex; and the increasing group cohesion in turn ensures a coherent and collective selection pattern. As a result, homogeneity reinforces itself and those who do not fit the selection pattern are increasingly marginalized.
3. Becoming hyper-included over the course of the career

Both the selection processes for top management positions (V.1.) as well as the extensive involvement in the partner community (V.2.) illustrate that a top management’s professional and private sphere overlap more and more the higher the career level. The formal and informal career requirements on the career path hardly leave room for purposes and responsibilities outside the organization. Access to a top leadership position requires the person as a whole. Referring to the work of Krell (1994), this high level of inclusion into the organization’s boundaries can be called ‘Vergemeinschaftung’. With no direct translation into English, the term means the building of community (‘gemeinschaft’). At FIRM, the ‘gemeinschaft’ is established early onwards on the career path, e.g. by sending teams to a client for several weeks, closely working together, establishing an internal bond with little time for their social contacts at home. This further escalates at the management level, as a case study by Kornberger et al. (2011) on a consulting company also finds: “[The] demands of work [are] hard, if not impossible, to reconcile with social life outside work” (523).

Krell (1994) points out that this ‘all-round use’ of the organization’s member is made possible through an ‘all-round service’ by the organization. The organizational ‘gemeinschaft’ meets needs, desires, and social benefits which are usually provided outside of the organizational context. This creates a strong collective loyalty and group spirit. In the workplace settings analyzed by Krell, the company's own sports team, kindergarten, health insurance fund, or company-owned apartments do not necessitate leaving the organizational context. In return for the company's support, however, the members have to be at the call of the company: lifelong, eager to work, and sacrificing one’s private life and personal time (283).  

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70 The sociological term ‘gemeinschaft’ (similar to ‘community’) draws on Weber (1922) and Tönnies (1887, see Tönnis/Harris 2001) who contrast it with ‘gesellschaft’ (society). Gemeinschaft means a permanent association and unity with strongly shared beliefs, habits or traditions. According to Tönnies, the family is the most perfect form of gemeinschaft.

71 Hochschild’s study (2000) provides a similar finding. In her extensive case study, she portrays how the professional and private spheres increasingly overlap. Studying a US-based multinational, she demonstrates in detail how the career pervades the private sphere and how work is prioritized over private matters (despite the fact that her interviewees claimed that “family comes first”). Her explanation is that the organization meets personal needs which are otherwise met in the private context, which include thrilling group experiences, support in daily tasks as well as personal development. In that sense, work provides a sense of belonging, support and acknowledgment, whereas the private sphere (primarily the family setting) is experienced as stressful and unsatisfying due to the limited capacity and time availability.
A similar concept to ‘Vergemeinschaftung’ is the ‘clan-concept’ by Ouchi (1981): Clans are “intimate associations of people engaged in economic activity but tied together in a variety of bonds” (70). As an example, Ouchi and Jaeger (1978) portray clan-like structures in Japanese corporations who show an extremely high identification of the individual with the company. Due to lifetime employment and several all-encompassing organizational measures they find an almost “total inclusion” (306) of the employee into the work organization. Also FIRM offers these organizational measures and services for its employees, e.g. sports activities and contracts with fitness studios, pension schemes, agencies for childcare, or company cars on top management level.

While an employee at FIRM becomes part of the company’s ‘gemeinschaft’ early on, I argue that the inclusion into the top management ‘gemeinschaft’ is a distinct form of ‘Vergemeinschaftung’: top managers become ‘hyper-included’ (Erfurt Sandhu 2014; Erfurt 2012; Geppert 2012). Organizational ‘hyper’-inclusion\(^\text{72}\) illustrates that a top manager's inclusion exceeds the ‘normal’ membership of the organization. For a top management position the organizational boundary stretches far beyond the functional role and encompasses almost all areas of life – the organizational context becomes the spatial and temporal living space. It is a special characteristic of top management positions to expect “total dedication” (Kanter 1977: 66) and “a single-minded attachment” (68). A top management position demands not only the top manager's functional role but the person as a whole.

To illustrate the concept in more depth, three elements of hyper-inclusion are described in more detail based on the empirical material:

- **Blurring of the professional and private sphere**

  As indicated above, hyper-inclusion describes the fusion of the self and the organization. The person and the organization enter a symbiotic relationship where the boundary between the two entities fades and the professional life extends far beyond the workplace into all spheres of the private life. The organizational context (office, dinners with colleagues and clients, the company’s gym, company car, etc.) becomes the living space.

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\(^{72}\) The term “hyper-inclusion” is first used by Göbel and Schmidt (1998) to differentiate different forms of inclusion into functional systems (“normal inclusion”, “limited inclusion”, and “hyper-inclusion”). In their article they point out that hyper-inclusion is a “too much of one inclusion” (111) and prevents inclusion in other functional systems. The authors fall short of specifying the term for an organizational context, and, in addition, their use of the term strongly overlaps with Goffman’s “total inclusion” (1990). A differentiation remains unclear.
or the 'home' – the two become increasingly hard to decouple. In other words, the working day never ends in the office.

“Well, a leader is someone who internalizes leadership. That means he does not leave the company and then puts down that coat but he’s always in this coat, even when he is asleep.” (Senior Manager, HR, m)

As such, top managers are expected to personify and embody the company around the clock. There is no ‘private person’ after work ends, as this partner also describes:

“When I am somewhere in a hotel and going to the restaurant in the evening or drinking a beer at the bar or so, I am FIRM and that is what I represent. I have to behave accordingly.” (Partner, Performance, m).

Costas and Fleming (2009) raise the issue of 'dis-identification' and 'self-alienation' regarding one's professional roles, i.e. a discrepancy between the professional role and one's private self-conception. The authors describe how employees may not identify with their roles and character traits of their professional roles (dis-identification) or feel uncomfortable with how the professional role has noticeably changed them (self-alienation). As an example of self-alienation the authors portray 'Paul' who becomes “aware that 'who he really is' is the empty and shallow corporate husk” who fails to sustain his “outside work self” (370). As for dis-identification, they describe the manager ‘Helen’ who “return[s] the mask at the end of the day” (365) and distinguishes her private-self from the role she enacts at work. In both cases, the employees describe a discrepancy between the idea of their 'real' self and the company-self.

In case of hyper-inclusion, though, it can be argued that there is no discrepancy between the 'real' self and the professional role. Instead, personal and organizational expectations overlap making them seemingly indistinguishable. In the course of the career, individual values and the self-conception merge more and more with that of the company – giving truth to the meaning “I am FIRM, FIRM is me”. Top management positions require a full identification with the organization.

• Subordination of all other spheres of life

Hyper-inclusion requires top managers to subordinate their being to the organization. This manifests itself in two dimensions: The time dedicated towards the organization does not allow for assuming further roles or functions outside the organization on a daily basis.

73 To be clear, Costas’ and Fleming’s interview partners were employees from entry-level to middle management positions. It can be assumed that interviewees in top management positions would report less ambiguity concerning their self-conception vis-à-vis that of the company.
The top manager’s professional engagement leaves no time for reproductive responsibilities, e.g. taking care of children or elders. The incompatibility of other roles also accounts for the life course. The defined time spans for expected qualifications, career steps, and internal socialization, as well as the implicit age expectations by which these steps should be taken, require a substantial time period of a person’s life to be aligned to the career. This period of 20 to 30 years allows for no engagement which is not seen to be conducive for the career (see Geppert 2012). Slogans at FIRM, such as “Work is now, life is later” illustrate the point.

- Hyper-inclusion as a precarious life concept
The flip side of hyper-inclusion is that while one becomes intimately associated with the organization for identity, status, and recognition, one becomes automatically ‘locked out’ from alternative sources for such things outside of the organization. Consequently, personal and social needs have to be met within the working context. It is precisely the dependency on the leadership position which makes hyper-inclusion into the top-management so precarious since top managers can only rely on one primary source of acknowledgment and identity. While there is an organizational hyper-inclusion there is a societal 'meager-inclusion'. This dependency on professional recognition and emotional support creates an existential fear of losing one’s membership with the organization since there is no alternative to rely on. FIRM’s coach describes a strong fear of partners losing their position:

“Not to lose the position. Very important. The higher you get, the stronger is the fear to lose the position. Because they don’t have anything else in life. I am FIRM. FIRM is me. And now? I don’t want to lose this recognition. I don’t want to lose this status.”

74 Given the precariousness of hyper-inclusion, one may question why it is attractive to aim for a top management position. Here, it is rather obvious that top management positions provide significant financial privileges, power, control, and status. Top managers receive an income which provides a great economic independence for themselves as well as their families. The financial remuneration comes along with bonuses, company cars, pensions, and other benefits. Top managers are in a position of high reputation and power to make strategic business decisions, to dispose of extensive capital, or to control resources and personnel. Being hyper-included also entails that friendship-like relations to colleagues and clients can be used and turned into capital and resources for the job. This privileged economic aspect is what differentiates hyper-inclusion from similar modes of inclusion, for instance the housewife. A housewife could be seen as hyper-included in the home, however, the difference is that a housewife receives no financial remuneration and therefore has no economic independence. A housewife’s recognition and status is not comparable to the one of a top manager.

75 The dependency on the job for identity, status, recognition, etc. comes along with more dependencies required to function properly in a top management position. Top managers depend on their secretaries, the work of assistants and subordinates, experts, and a wide range of support personnel in order to carry out...
The precarity and need for assurance and recognition also surfaced in the interviews at FIRM. In conversation with top managers, a striking number of their answers ended with “…, yes?”. Were they implicitly asking for approval? Many top managers wanted to know whether their answers had deviated from those of their colleagues. This need for reassurance was surprising, especially in situations where a young female researcher interviewed an older male and high status top manager. A further situation which demonstrates the need for reassurance took place in a leadership meeting at FIRM. The company was reported to have had the best rating in a German wide ‘employer-of-choice’ survey compared to their three competitors. The leadership group at FIRM took advantage of this occasion to award themselves trophies which were handed to every leader of the group. They presented each other the awards and congratulated one another during the meeting.

Schroer (2001) points out that most studies on modes of inclusion focus on different shades and reasons for exclusion. However, “[s]olely paying attention to the mechanisms of exclusion results in assuming the domain of inclusion as unproblematic” (43). Apart from the precarity for the individual outlined above, hyper-inclusion may also have problematic effects for business ethics. The protection of one’s own position according to the principle ‘power over purpose’ is likely to be prioritized over the principle ‘purpose over power’ or broader ethical standards. In addition, due to meager-inclusion ‘normal’ reference points in society may fade over the course of the career.

All in all, this mode of inclusion distinguishes itself from the prevalent one in our modern, functionally differentiated society. Today, individuals are generally partially included into organizations, having memberships in different organizations across several systems, e.g. the economy, the church, the education system (Windolf 2009: 16). In this sense, one has a role as an organizational member at work, a family role as a parent, a membership at the sports club, etc. All these memberships are fairly independent from each other. Hyper-inclusion, however, resembles more the mode of inclusion of the stratified and segmented differentiation of pre-modern times where individuals were included to a single system – their feudal division. The inclusion into their guild or craft is referred to as total-inclusion (Müller-Jentsch 2003: 13). Other examples of “total institutions” (Goffman 1990) are

their role and execute their responsibilities at the helm. In addition, most male leaders rely on their wives who manage the family and the household.
prisons and psychiatries. Whereas both total-inclusion and hyper-inclusion share the aspect of the blurring of the boundaries, the important difference lies in the matter of personal choice. Hyper-inclusion therefore refers to the voluntary inclusion into the leadership system whereas total-inclusion refers to the compulsion to do so. Apart from top managers, professional athletes are hyper-included given the alignment in their way of life (temporally, physically, socially, economically, etc.) to their profession (Bette/Schimank 2006).

In addition, hyper-inclusion is not a gender-neutral concept. On the contrary, this form of inclusion calls for those who have no (potential) competing responsibilities – largely men. As pointed out above, individuals with (potential) care responsibilities cannot or do not have the need to fully serve and fuse with the work place. As such, both formal and informal career requirements most likely lead persons with the 'suitable' gender into a top management position.

Moreover, hyper-inclusion serves to stabilize male-identities in various aspects. The idea of an economically independent and powerful man meets the prevalent image of an ideal masculinity – so called ‘hegemonic masculinity’ (Connell 1996; Bird 1996). In their study on the relation between subjective well-being and employment situation, Trzcinski and Holst (2011) find strong evidence that men in leadership positions report a significantly higher level of subjective life-satisfaction compared with men in non-managerial positions and unemployed men.\(^\text{76}\) The study supports the argument that male identity is still largely based on professional work because men’s self-worth is affected very much by their kind of employment. Aiming for an ideal image of masculinity puts the many hours at work in a positive light. “The longer the working day, the more status loaded and ‘masculine’ seems to be the job because it is less compatible with needs and interests outside the organization”\(^\text{77}\) (Hofbauer 2008: 252). In addition, the distinct commitment to the job and its high remuneration are highly compatible with a bread-winner mentality, i.e. to be the

\(^{76}\) “For women, however, a very different picture emerged. No statistically significant differences were observed among women in high-level managerial positions, women who worked in non-high level positions, and women who specialized in household production, with no employment outside the home. Only women who were unemployed reported lower levels of life satisfaction” (Trzcinski and Holst 2011, 11).

\(^{77}\) Original in German, translated by P.E.S.
provider of the family’s financial security (Hearn/Collinson 2006). The financial support for the family may become quite bizarre, as a quote from FIRM’s coach illustrates:

“Some of the men feel guilty towards their family, their kids. That’s why they fund everything that’s possible. After all one has the money. [...] Recently one said ‘my kids shouldn’t have to work’, I said ‘Are you crazy, or what?’. [...] But he was really convinced that it is a heroic deed if he gives his kids so much money that they don’t have to work.”

In Connell’s article “Inside the glass tower: The construction of masculinities in finance capital” (2010), she portrays different men on their career track. She concludes that those men rise to the top who are “the most orthodox practitioners of modern patriarchal masculinity”78 (21). They have breadwinner/housewife-families, are comfortable with executing authority, and have conventional male interests in their free time. Others who, for example, take up different roles and decide to be active fathers, “eliminate themselves” (ibid.) from the career track.

The masculine identity is also stabilized by informal inclusion into the organization. Homosocial interactions are essential for the gender identity because to a large extent the adoption and confirmation of masculinity takes place in group settings among men (Meuser 2004; Kimmel 1996). Especially these homosocial settings in contexts of power and capital provide reference points for hegemonic masculinity. In daily power games and competitions, by sharing stereotypical male interests, or by enacting male-connoted behavior, male top managers stabilize their identities as men.

The table below summarizes the main gender-relevant aspects of hyper-inclusion.

<table>
<thead>
<tr>
<th><strong>Temporal engagement</strong></th>
<th>More than full time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compatibility with other roles</strong> (daily as well as over the life course)</td>
<td>No compatibility with roles which are irrelevant to the organization</td>
</tr>
<tr>
<td><strong>Identity</strong></td>
<td>Essential source for masculine identity; Self-conception merges with organization; ‘Locked-out’ of other roles</td>
</tr>
<tr>
<td><strong>Remuneration and status</strong></td>
<td>Provides great economic independence, control and power</td>
</tr>
</tbody>
</table>

78 Original in German, translated by P.E.S.
Table 7: (Gendered) aspects of hyper-inclusion (based on Geppert 2012: 98)

<table>
<thead>
<tr>
<th>Gender connotation</th>
<th>Male</th>
</tr>
</thead>
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The following chapters take a close look at the effects of organizational hyper-inclusion. What interrelations are to be found between hyper-inclusion and the persisting homogeneity in the top management at FIRM? Which hidden forces preserve the top management as it is?
4. Hidden forces: What drives the homogenization process?

This chapter takes a closer look at the functioning of FIRM’s partnership to reveal the underlying mechanism of the selection path. As such, this chapter provides explanations for the driver of the selection path in phase II (its formation) as well as in phase III (its perpetuation). Asking why a path develops or continues always implies the question whether it is somehow functional or beneficial for a certain party. Hence, the guiding questions here are whether or why it is functional for the top management to select its candidates according to a very narrow selection pattern. What does the top management or its members gain from maintaining this homogeneity? Are there certain benefits or incentives if the top management composition is reproduced as it stands?

It will be argued that hyper-inclusion creates maximum coordination in the top management. In addition, a well coordinated top management – cohesive, rule-guided, and conformist – provides benefits on several levels which make it attractive to maintain this coordination. These benefits develop such a strong pull that homogeneity is reproduced although the organization attempts a diversification of its top management. It will further be argued that homogeneity, particularly homogeneity in gender, is a constitutive element for the top management ‘gemeinschaft’ as well as for hyper-inclusion. The latter is crucial to understand the persistence of the male dominance in top management.

What led to this argument? How did this argument evolve in the data analysis? In a first step, the data quickly suggested the importance of informal rules and strong expectations for behavior in the partnership. As there are only a few formal rules in the partnership this seemed to create a distinctive need for informal control among the partners. The partners closely monitor each other to ensure that group norms are complied with and behavior stays consistent. In addition, the data also suggested the importance of a feeling of unity and collectivity in the partnership. Many partners spoke of a give-and-take culture, trust, and reliability.79 Both aspects indicate a strong coordination and cohesion. In order to further sort and interpret the data, I used the sociological concept of ‘gemeinschaft’, initially put forward by Tönnies (1887) and later adopted by Krell (1994) who critically applied it to organizations and human resource management. Although the top

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79 Several interviewees emphasized this give-and-take culture, doing each other favors as well as standing shoulder to shoulder. “You help each other, one is upright, you can rely on your partner colleagues, and you can lean on them.” (Partner; Inspection, m)
management is a special type of ‘gemeinschaft’ (hyper-inclusion), Krell's concept is especially illuminating in respect of the phenomenon of coordination. The concept of ‘gemeinschaft’ addresses both the conformity and involvement of its members (beyond their formal function) as well as the coordination of a workforce. The sorting of my findings according to this concept then – in a second step – provides insights into the potential benefits resulting from the partnership's strong cohesion.

4.1. Coordination in the partnership

By using Krell's concept of ‘gemeinschaft’ for analysis, this section elaborates on the functioning of FIRM's partnership regarding its strong coordination. To begin with, the importance of informal rules and coordination in FIRM's partnership will be illustrated. Subsequently, Krell's four principles of ‘gemeinschaft’ (1994: 32ff) will be applied to illustrate how coordination manifests itself and how it is produced.

In FIRM's partnership, behavioral expectations, rules, and codes are strongly present with little room for flexibility. They are described as 'guardrails' on a highway which define appropriate behavior and which prevent deviation from the norm. Similar images are 'corridor to maneuver' or acting in a 'security zone'. According to the quote below, it is essential to move within this corridor and to comply with the boundaries if one wants to feel confident and be successful at FIRM.

“[…] we also have very strict rules. Well, because success only works here if you stay within those guardrails. And in my opinion these guardrails are not always visible but they are very effective. If you move outside of the guardrails you won’t be successful here.”

(Partner, Performance, m)

The quote indicates that these rules are informal and unwritten. One way of coming into contact with and learning how to apply them in the course of the career is by making 'painful' mistakes or by being introduced to them informally, e.g. through mentors.

“Actually, you only figure them out when you make mistakes. Because they are unwritten. Insofar, either somebody explains it to you beforehand (..) or you learn them – at times very painfully, yes.”

(Partner, Inspection, w)

While maneuvering within this group is a demanding task in itself, becoming part of the partnership's 'inner circle' is what is seen as the 'supreme discipline’. If one wants to

80 This image was brought up without me introducing the aspects of path dependence theory prior to the interview.
become part of this inner circle one not only needs to know how to make use of the appropriate rules, but also needs a clear “code-identification” (Partner, Inspection, w). That means the rules have to be adopted as one’s own without questioning or challenging them. In other words, they have to become one’s 'second nature':

“Well, it’s a little bit tricky but [...] basically you play champions-league so you know how to behave. You know how the wind blows. I mean this is what you would call second nature. In a company there are rules [...] and FIRM is quite extreme, I would say, we are especially quirky, yes?” (Partner, Performance, m)

Overall, the rules in the partnership address appropriate ways of interactions, self-presentation, work practices, or leadership. They function to regulate and organize tasks, work flows, collaborations, decision making, power plays, etc. A closer look at the dos and don'ts of these unwritten rules, however, indicates that many of them are not only operational rules for organizing the work flow. In fact, a majority of the rules help to preserve the partnership as a gemeinschaft. They serve to strengthen the partnership's group spirit, unity, and cohesion as well as loyalty towards each other. Krell puts forward four different features of a workplace gemeinschaft: Permanent occupation, the group's closure and demarcation, homogenization for a collective group-spirit, and emotion-oriented leadership. I argue that all these features are conducive for coordination. In the following, the informal rules reported and witnessed at FIRM are organized according to these principles.

**Permanent occupation**
To Krell, ‘gemeinschaft’ means permanent relations (p.33). For work settings it is permanent occupation which achieves the desired engagement and involvement with the organization. At FIRM, the principle of permanent occupation is present in several facets. First, long-term employment within the same organization establishes a strong bond between the employee and the workplace. The implicit selection criterion 'to be home-grown', presented in chapter V.1.2, illustrates this aspect of gemeinschaft. Also the social network analysis demonstrated that the most influential partners are those with the longest professional track record at FIRM. Second, permanent occupation also implies the full commitment to work by making the career the central part of one's existence – demonstrated through long working hours and constant availability around the clock. According to a partner, there is a latent pressure to expand work relations into the private sphere. For instance, when a partner invites colleagues to a private event (a barbecue-party
at home or a Christmas party) it is implicitly expected not to miss the occasion. Not attending such events would be disadvantageous for one's image and standing vis-à-vis the others. “You sense something negative, if you don’t show up” (Partner, Finance, m).

Third, permanent dedication to work also means to persevere under any circumstances. The rule is to always keep all 'balls up in the air’. It is a no-go to fail, to resign, or to feel overwhelmed.

“If you hold up a ball, you’re not allowed to drop it. And the problem is if you enter leadership responsibility, again and again new balls are thrown to you. There are more and more balls which you have to keep up in the air parallel. What FIRM doesn’t forgive and doesn’t accept is when balls fall down.” (Partner, Performance, m)

**Group’s closure and demarcation to the outside**

To create a community of shared interests, the closure of the group and its demarcation to the outside is another central feature of a ‘gemeinschaft’ (p.33). “Strong communities tend to have strong boundaries” (Kanter 1972: 169, cited in Krell 1994). The feeling of unity within is created by distinguishing the ‘gemeinschaft’ from those who are different outside. At the same time, this demarcation limits potential competitors.

At FIRM, one of these features is the ability of full time availability and priority of work. The quote below and its interpretation illustrate how a divide is made between those who are part of the partnership and those who do not fit.

“ [...] when you are single and you can work 70 hours, then you become partner. That’s really not an issue. The interesting question is if you say ‘I have three kids and I’m not so flexible’. That’s where it comes to an oath.”

**PES: That is? Oath? What do you mean?**

“The Rütlî-oath, the three cantons. No- Then the question is [...]” (switches to another topic)

The partner says that if a person cannot commit entirely to the job there is an oath – he mentions the so called “Rütlischwur”. What does that symbolize? Whose oath? And what image does he draw on? The Rütlischwur is a legendary oath in Schiller’s “Wilhelm Tell” (1804) where three Swiss cantons form a bond against the enemy Habsburg. It is an oath of allegiance to each other, to form a union and to commit to solidarity no matter what the circumstances. The oath starts with the phrase: “We shall be a single people of brothers, never to part in danger nor distress.” The brothers form a bond against a mutual enemy
which bounds them together even in the face of danger. Put differently, the oath is a motive for the heroes to shoulder all challenges no matter the cost.

How can this be interpreted in terms of the interview? Is a person who does not fully commit to the partnership seen as untrustworthy or a potential danger? Is there a divide between loyal partners (who happen to have no family responsibilities) on the one hand, and questionable persons (perhaps with family responsibilities) on the other? Indeed, an oath is a very strong metaphor. Apart from marking a strong division between those with clear and those with questionable loyalty, between those inside and those outside the circle, it also portrays the partners as a strong union, a bond of brothers (not sisters) making sure that no one enters their bond without vowing to be loyal to the cause.

Apart from the use of distinguishing features (e.g. constant availability), Krell also points out the gemeinschaft's special recruitment and selection practices: in case of open positions, internal candidates and those who are part of the wider network are being recruited. The selection processes at FIRM as well as the principle of cooptation for top management positions which have been demonstrated in previous chapters bear strong similarities to Krell's concept.

**Homogenization for a collective group-spirit**

Homogenous groups facilitate the development of a collective identity in a ‘gemeinschaft’ (p. 35). Krell states that national or regional origin, gender, religion, or ethnicity can create homogeneity and group-spirit. The role of homogeneity will be discussed in detail below. First of all, a closer look will be taken at the means to create a collective group spirit at FIRM's partnership.

From early in the career onwards, there are tight socialization processes which ensure the building of a collective mind-set. The “raw material”, the entry-level employee, is molded until it fits smoothly into the organization. 81 Trainings, coachings, and thrilling group experiences support this socialization process. Leaders at FIRM also tend to speak in a paternalistic manner when describing how they raise their employees to become entrepreneurs and take up the organization's values and aims. This long and shared

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81 At FIRM, the socialization process is described as trimming a plant until it conforms to the image of the consultant: “The seed which is coming from the university should already carry these characteristics. That means I cannot order roses and then I get oak seeds and then suddenly we have a German oak tree growing here which then crushes the client. In the end we need seeds which prosper on the field of consulting [...] and then you can start to cut it, that’s the fine-tuning.” (Partner, Inspection, m)
socialization process in the organization creates a distinct feeling of unity and trust, especially when one reaches the smaller group of top managers at the top of the pyramid. One particular rule at FIRM which creates a collective group spirit is that all partners are on first-name basis. They use the German informal term of reference “du” with the first name instead of the formal “Sie” with the last name (commonly used by most adults in traditional German work places). Once one enters the partnership, all partners address each other informally on first-name terms, no matter if they have met each other before, if they are from the same business unit, or if they work in the same office or not. This creates a feeling of familiarity and intimacy despite being a group of several hundred partners altogether in Germany. In addition, it signals a distinction to lower levels where the form of address is largely, if not completely, formal.\(^\text{82}\)

There are further rules which prevent a destabilization of the collectivity. Several partners spoke of the informal rule that no one should take the center stage or try to stand out of the mass. Everybody should integrate and blend in with the group. Standing out is seen negatively – like someone playing the role of the “market crier” or the “busybody”. Instead, everybody should take their place in the partner community. FIRM’s external coach takes it even further. He describes how partners actually fear to create attention with potentially non-conformist behavior.

“There is an extreme fear to stick out in a bad light, to say one wrong word, to do something wrong at the wrong point of time, and then to be punished until the end of one’s life or at least until the one at FIRM.” (Coach, m)

**Emotion-oriented leadership**

The connection between coordination and this fourth principle of gemeinschaft, emotion-oriented leadership, may not be self-evident. However, an emotionally charged leadership style captures and reaches the person as a whole, e.g. through a distinct use of language. According to Krell, using and triggering emotions makes the employee more receptive for the values or norms of the gemeinschaft, thus creating alignment and coordination.

At FIRM, the opening speech of the deputy CEO at an internal FIRM conference for managers and partners illustrates the point. In his emotionally charged speech, he aimed to commit his audience to an even higher dedication towards their work. He opened his

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\(^{82}\) The informal “du” is used on lower hierarchical levels if a level of familiarity has developed over time.
speech by describing his arrival to the hotel in the morning and being proud of seeing the FIRM-flag in front of the hotel. He then established a positive group-spirit saying amongst other things “We are the best”, “I am proud of you”, and “We are a team that delivers quality”. He continued in a persuasive tone saying “Being the best is not an easy task”, “It doesn’t work without torture”, and “Success requires a bloody battle”. In the closing part of his speech he again struck a positive tone suggesting “There is nothing better at the end of the day than being successful” and “In the end we will come off as winners”. The use of the word “we” pervaded his entire speech as well as the use of expressive, emotional, and forceful metaphors. By pointing out FIRM’s symbols (e.g. flag) and by creating a ‘gemeinschaft’ through an emotionally charged language he enforces the feeling of FIRM’s leadership as a collective unit.

All of the principles above, permanent occupation, group's closure, homogenization/group spirit, and emotion oriented leadership imply rules and expected behavior which create a cohesive and coordinated partnership. Using the concept of ‘gemeinschaft’ sharpened the view that these rules address partners beyond their functional role as top managers in their positions as head of unit, etc. The rules in FIRM's top management clearly exceed operational coordination. In fact, partners are coordinated as a person as a whole: by ensuring their personal fit and their emotional involvement, by harmonizing their mindset and behavior, as well as by coordinating their 'private' lives.83

4.2. The role of homogeneity for coordination

The previous sections have indicated that homogeneity is crucial for a collective group identity, cohesion, and coordination. Compared to heterogeneous groups, a homogenous group is better able to develop and ensure shared rules and values (see also Krell 1994: 35). Put in a nutshell, homogeneity is functional and makes work life 'easier':

“And that's why this homogeneity definitely has a functional side. It is simply easier, sure.” (Coach, m)

“Well it's the comfort, looking for those who are similar to me because it's easier.” (Partner, Inspection, w)

83 Private is put in quotes here because as a matter of fact, for a top manager at FIRM the division between his/her formal function and the private person disappears.
As already indicated above, coordination, cohesion and trust prospers best among equals. In Krell's analysis of the different forms of gemeinschaft, she illustrates that the demarcation along categories such as gender, ethnicity, or nationality is significant throughout for being included in a gemeinschaft. In other words, these categories are of utmost significance for building the gemeinschaft's group spirit (1994: 36, 286). Homogeneity, hence, is not a by-product for the building of a ‘gemeinschaft’ but it is a constitutive element for establishing its collective identity (35). Krell's review of different forms of ‘gemeinschaft’ further demonstrates that gender is a main category which decides over the placement of candidates inside the boundary or outside. In all organizational types analyzed by Krell, an exclusion of women unites men in these positions even more. To her, all-male groups or a clear dominance of men is conducive for the group's identity and cohesion.

Other studies have also put forward the positive relationship between homogeneity and cohesion (Webber/Donahue 2001; Williams/O'Reilly 1998). Homogenous groups tend to be more stable and cohesive. Especially in terms of demographic characteristics, these groups create positive emotional effects regarding belonging and comfort.84 Also at FIRM a member of the partnership describes:

“Probably you feel best in a group if it's very homogenous. It has a lot to do with wanting to be part of the group, and with the belief that [...] the group should speak with one voice.” (Partner, Inspection, w)

Understanding the importance of gender for coordination in the partnership helps to explain the seeming contradictions of informal rules at FIRM. Besides the rules which secure a smooth functioning, interviewees spoke of expected behavior which – at first sight – seemed to undermine a smooth functioning or group-spirit. For instance, interviewees highlighted rivalry and competition between partners in contrast to solidarity and the give-and-take culture. Contact with each other was partly described as aggressive, pushy, trenchant, or teasing, including verbal sparring and 'flexing one's muscles'. Partners may elbow each other out of the way in order to optimize their personal position before working towards shared goals. Metaphorically speaking: “They go around the corner, punch each other on the eye, and then everything is alright” (Partner, Inspection, m).

84 In contrast, organizational diversity (e.g. functional background, expertise) has more cognitive effects (Rastetter 2006: 89).
But is this behavior actually a contradiction to the cohesion among partners? A closer look at this behavior suggests that the demonstration of one's strength, power, and masculinity is actually necessary to prove one's suitability for the partnership. “It is not the aim to win every time, to beat or even to humiliate the other. But it is [...] the reassurance that one still has the fitness to play this game anytime” (Sinus Sociovision 2010: 57). As such, the male-connoted, aggressive behavior is about making sure that the colleagues have the appropriate fit, strength, and fitness for the top management. What seems like a contradiction actually turns out to be a necessary condition. The battles in the partnership have more a ritual function and secure the members' fit.

Doppler (2005) suggests that the gestures of dominance have a further function. Given the intimacy in the dominantly male partnership, the suspicion could rise that the partnership is a homoerotic community. To prevent this assumption, the partnership distinguishes itself strongly from homosexuality by displaying this stereotypical male 'alpha-dog' behavior. Rivalry and dominance counter the image of a stereotypically 'soft' and more feminine homosexual. Rules which seem to contradict unity and familiarity actually have the purpose of reassuring the necessary masculinity in the top management. Even though the focus in this study is gender homogeneity, this aspect provides an explanation for the persistence of homogeneity regarding sexual orientation (the implicit norm to be heterosexual).

4.3. The driving force: Coordination effects

“It [the rules] has strength because you become extremely confident in your actions if you maneuver in this corridor. [...] You are incredibly successful, because you know very well how to behave. (Partner, Performance, m)

The quote indicates very well the positive effects of a well-coordinated partnership. Against the notion that strict rule-corridors and guardrails for behavior are constricting and disadvantageous, the informal rules in the partnership appear to carry a number of benefits. Also previous quotes above have pointed out that maneuvering within the corridor or the security zone among similar others is “functional”, “comfortable” and “easier”.

This section, hence, looks at the beneficial effects of coordination which are a the core of a path dependent process. Coordination effects mean that organizational behaviors, mindsets, or values become increasingly harmonized and alike. This creates more and
more advantages for maintaining the very behavior or pattern (Sydow et al. 2009). The concept was initially put forward in institutional economics. North described institutions as the rules of the game which provide structure to everyday life: “Institutions exist to reduce the uncertainties involved in human interaction” (1990: 25). A classic example on the institutional level is that of rules on right-hand or left-hand traffic. The traffic became smoother and accidents were prevented because more and more drivers experience the benefits in following the same rule. Consequently, the more the coordinated behavior holds an advantage and benefit for the actors, the more coordination effects become self-reinforcing. This also applies to the organizational level: “It becomes more attractive to adopt these rules the more other individuals also follow them” (Sydow et al. 2009: 699). The attractiveness of sticking to a certain pattern points out the special feature of paths. Against the dominant image that paths are change barriers, are inflexible, or prevent innovation, path dependent processes carry advantages or benefits for those on the path.

In the following, a closer look is taken to analyze what benefits derive from such rule-guided behavior of a homogenous and cohesive partnership. The analysis at FIRM revealed three different kinds of benefits. First, the homogenous ‘gemeinschaft’ provides organizational benefits. Second, at the individual level, there are psychological benefits derived from the gemeinschaft. And third, the research data indicates socio-political group benefits.

Organizational benefits

The homogenous and cohesive partnership with its tightly knitted network of informal rules creates benefits for the organizational functioning.

“Let’s say, that’s how leadership functions. Leadership functions best the more conform the people are.” (Partner, Inspection, w)

Due to the partners’ similar behavior, interactions tend to be smooth and efficient. Decision-making is relatively uncomplicated because consent or compromises are found quickly and the implementation of decisions tends to run effortlessly.

“Of course it is easy if my counterpart is like me. Then the conversation is short, you understand each other, you say where things need to go to, and then all is well.” (Board, m)
In addition, conflict can be kept at a minimum and little time is wasted on collisions and disputes over work procedures.

The data indicates a further advantage: Due to conformity and homogeneity, behavior becomes more predictable because the next move is likely to be anticipated. The partner below illustrates the predictability by comparing the partners’ relations with the image of an old couple.

“It’s like an old couple. They know each other by many unspoken gestures, by knowing what the other person thinks and by anticipating. And especially in urgent situations when you have to act quickly, [...], when you can anticipate that, then that is a well-coordinated team. Then everyone pulls on the same rope and maximum speed can be picked up.”(Partner, Inspection, m)

Without having to invest in prior detailed verbal agreements, the collaboration allows for an efficient work flow. Transaction costs are minimized while output is maximized.

Similar to the image of the old couple, partners described their work using the metaphor of a football game. In a fast, competitive game the moves of the players have to be closely coordinated to gain maximum success for the team. Every player has to follow the same rules for the team to score the most goals. Individual display of skills and tactics outside practiced set plays may lead to confusion and mistrust and ultimately cause the team to fail.

A smooth work flow and predictable behavior saves capacity at the organizational and individual level. Time and capacity which would be needed to coordinate unfamiliar colleagues can instead be invested towards work related issues.

**Individual benefits**

In addition to organizational benefits, the data suggests benefits on the individual level – largely with psychological effects.

Moving within these guardrails allows for staying in familiar settings without having to deal with ambiguities and uncommon issues:

“Leaving the path is something that is difficult for the people here. [...] They like to be in their security zone (..) to engage in other things, that’s difficult for them. They don’t like uncommon things here.” (Senior Manager, HR, w)

The inclusion into the partnership offers a great sense of belonging to a group of likeminded individuals who strongly associate with their workplace. Collaborations
between partners tend to be more than mere work contacts. Many relations are also friendship relations where interests and hobbies are shared. Time is spent with each other far beyond project related exchange. The high number of multiplex relations (see network analysis in chapter V.3) illustrates the deep embeddedness of partners at FIRM. The workplace becomes the “home”.

“The company became a home to me.” (Partner, Inspection, m)

Related to the previous point, the similarities among the partners as well as the strong group cohesion create a feeling of familiarity and trust. The similarities in attributes and attitudes increase interpersonal acceptance, attraction, and liking. Given this shared background, partners feel safe and comfortable in the partnership. The quote below indicates that the feeling of belonging and trust also comes with emotional support.

“[...] an atmosphere in which you [...] feel good, where you have trust, and where you know that people help each other” (Partner, Inspection, m)

This aspect of coordination also leads to an increased level of assurance and self-confidence in one's actions. The ‘guardrails’ of organizational rules allow one to maneuver confidently within this framework while complying with the rules increases the chance of one’s success.

Lastly, a homogenous, cohesive group allows for the stabilization of identity. Social identity theory points out that individuals derive their identity and self-esteem from a perceived group membership (Tajfel/Turner 1986). Identity is formed through a process of social comparison. “[...] people may seek to construct or maintain homogenous groups in order to increase the salience of group membership, thus maintaining or enhancing their self-esteem and identity” (Westphal/Zajac 1995: 61). Partners are oriented towards each other to reassure each other of their being. Given their similarities, identity is unlikely to be questioned. However, to feel good about one’s identity requires to distinguish oneself from others and even to feel superior to others (Gruenfeld/Tiedens 2010). Consequently, this logic suggests that the flip side of strong group identity is the devaluation of and discrimination against 'unsuitable' others.
Socio-political group benefits

Maintaining strong cohesion and a coordinated partnership helps to ensure that power and capital are kept under control and within a group of likeminded individuals. This allows the group's collective interests and resources to be safeguarded vis-à-vis non-members. By selecting strictly only those persons who 'fit', the gatekeepers of power control who will get a share in decision making and who won't. The ones selected are entrusted with lucrative business and capital until they themselves pass on the benefits to those that come up.

“At some point the baton was passed on to me. I was entrusted with clients. These are not my clients. Not I acquired them; my predecessor worked for them. The baton was given to me, and it's my job to run the relay as best as possible to bring the team forward, yes?” (Partner, Inspection, m)

Since equity partners at FIRM become owners of the firm, it is especially important to check who can be trusted to share a piece of the cake. As such, “[h]iring and promoting people who are similar to one-self […] helps to perpetuate and institutionalize managerial power” (Boone et al. 2004: 635).

The question which remains is whether these coordination effects are self-reinforcing. Do they increase the higher the organizational level? Would that explain the increasing homogeneity the higher the management level? None of the interviewees directly stated increasing benefits of harmonized behavior in a homogenous group. However, this is not surprising because an important feature of a path is that organizational actors are not necessarily aware of these dynamics. The forces which develop a pull and form the path are beyond their control (Sydow et al. 2009: 691). Calling in mind, thus, that employees increasingly harmonize over the course of their career – both in their personal characteristics as well as in their behavior – highly suggests that also coordination effects increase the higher the organizational level. The workforce statistics have clearly demonstrated the increasing gender homogeneity in management and top management positions. Interview statements have illustrated that adapting to informal rules, expected behavior, and mindset is highly relevant especially in top management positions. All of these aspects give reason to conclude that coordination effects are self-reinforcing the more homogenous the work force composition becomes. The more benefits develop from

85 “One tends to promote the same type of employee, for sure. […] But we don't do that consciously.” (Partner, Performance, m)
a coordinated workforce the more attractive it will be to engage with similar others and to maintain this homogeneity. It can therefore be argued that in middle management level, where dominance of men slowly becomes prevalent (75 percent men), this positive feedback mechanism takes off. Self-reinforcing effects then develop great momentum the higher the leadership level where leadership groups are becoming (almost) entirely male. These dynamics develop a self-reinforcing and circular cycle which produces great stability (further discussion in chapter VI).

4.4. Intermediate conclusion and discussion

To conclude, there are a number of informal rules and group norms in the partnership which have to be learned, respected, and internalized in order to be successful at FIRM. These informal rules guide the partners’ behavior, self-presentation, and interactions. Individual success is only possible if one maneuvers within the aforementioned guardrails. As such, there is no need to enforce social control externally or to establish formal guidelines. Quite the contrary, the partnership functions relatively smoothly due to distinct informal control mechanisms among the partners.

Interestingly, the informal rules at FIRM’s partnership not only serve the operational work flow but they also serve to secure the partnership as a ‘gemeinschaft’ – characterized by familiarity, belonging, unity, emotionality, and trust. As illustrated above, a constitutive element for a ‘gemeinschaft’ is its homogeneity and its collective identity of like-minded and demographically similar persons. It was further demonstrated that this collective identity develops within strong group boundaries where a central category for the definition of the inside and the outside of the ‘gemeinschaft’ is gender. A dominantly male group with similar personal backgrounds is conducive for the feeling of ‘gemeinschaft’ and holds benefits for its functioning. More precisely, a homogenous group of hyper-included top managers – dominantly male – is functional in the sense that it can coordinate and control itself more easily.

The crucial facts for understanding the persistence and reproduction of homogeneity at FIRM’s top management are the benefits which result from the coordinated and homogenous partnership. Coordination effects are the driver of the reproduction process because they make it attractive to maintain the partnership as it is. These coordination effects become self-reinforcing the more homogeneous the management becomes, i.e. the
higher the organizational level. Holding on to homogeneity by selecting self-similar others preserves the very functionality which homogeneity carries.

What does this imply for FIRM's selection processes? Highly sensitive informal selection processes are necessary to make sure that the partnership's coordination is not challenged or irritated. The organizational benefits can only be maintained if those candidates are included who are familiar with and whose (expected) behavior is in line with the prevalent organizational rules. Including candidates outside the fit-pattern – for instance women – puts the benefits which result from coordination at stake and potentially disrupts the partnership's smooth functioning. Boone et al. put it similarly: “Hiring similar others enhances the perceived predictability of the newcomer’s behavior and thus, the predictability of the working environment” (2004: 635). The closure and demarcation functions to limit the number of competitors for a relatively small number of leadership positions (Krell 1994: 34 drawing on Weber 1922). The stronger the system's demarcation, the higher its stability (see also Luhmann 1995a).

What is more, the stability comes at a high cost. If the selection pattern is persistently reproduced, the top management is at risk of being locked in the selection path (phase III). Although FIRM wants to increase the proportion of women on partner level, the forces pulling towards homogeneity are too strong. On middle management level, the range of personnel options decreases but the selection pattern still holds some flexibility. Due to the increase in self-reinforcing dynamics, the selection pattern finally becomes locked-in at the partner level. This dynamic is especially visible in FIRM's highest decision making body: the board is entirely male.

The advantages of coordination effects have systemic characteristics because the benefits only materialize if all individuals agree to the same logic in the partnership. Individuals are interdependent of each other in the sense that positive effects only come about if an individual can rely on all others complying with the rules. The benefits only emanate from the ‘gemeinschaft’ when it functions as a whole. This point is emphasized because in case of change attempts the logic of the whole system has to be addressed, i.e. the forces which hold the system together. For failed change attempts this means that the positive aspects of the system’s functioning have probably not been considered. If (male) top managers, the top management group, and the organization as a whole benefit from homogeneity, it counters attempts to change its homogenous composition (further discussion see chapter VII). The forces which prevent change towards more diversity are 'hidden' or unintended
in the sense that resistance does not directly aim at change interventions for more diversity per se. Instead, there are forces which pull the partnership together as a homogenous ‘gemeinschaft’ and maintain the status quo. As a consequence, change attempts do not succeed. This would also explain why in collective settings, such as the board meeting, it was not possible at FIRM to discuss homogeneity-related issues critically (chapter IV.1.). Although high level partners and the deputy CEO declared the necessity of diversity initiatives in bilateral settings, and although FIRM publicly states the importance of diversity on their website, the dynamics in a board meeting seem to be a context where change attempts are undermined. In this collective situation the forces pulling toward coordination are neither strong enough to discuss internal reasons for the lack of women nor to jointly decide on change measures.

Despite the finding that homogeneity is functional, premature conclusions about the benefits of a homogenous top management should be handled with care. On the one hand, homogeneity in top management does indeed reduce ambiguities; create internal consistency, and so on. However, what happens if, on the other hand, the selection pattern becomes so rigid that alternative solutions – i.e. the selection of candidates outside the fit pattern – become locked out? The following chapter will further discuss the potential costs and the dysfunctional flip which the persistence of homogeneity in top management brings about (VI.3).
VI. DISCUSSION - HOW PATH DEPENDENT PROCESSES REPRODUCE HOMOGENEITY IN TOP MANAGEMENT

How can it be that approximately 50 percent of the highly qualified employees on the company's entry level are women and 0 percent of these women arrive at the top of the organization – despite once having being hired due to their career potential? What are the organizational processes which lead to such an imbalance over the course of the careers? Which mechanism fuels these selection processes and which forces maintain this imbalance? The previous chapters have provided empirical material to answer these questions. Based on these “thick descriptions” (Geertz 1973), this chapter aims to bring together the findings and discuss them in the context of existing research. What new insights does this study provide? Where does it confirm previous studies and where can differences be found? And after all: Can we speak of a selection path? What exactly are the stabilizing processes which reproduce homogeneity in the top management? Is the underlying mechanism always self-reinforcing? What are the potential costs resulting from the lock-in situation? Is there a context specificity? And what is the role of systemic forces?

Bearing in mind the model of path dependence, the selection of (top) management candidates resembles a tapering process the higher the selection takes place on the organizational level. In other words, the selection pattern becomes increasingly narrow at higher the organizational levels. The analysis of the career selection as a potential path sharpened the understanding of recurrent processes which always lead to the same result. It directed the view at those processes and organizational dynamics which time and again ensure that certain persons ‘arrive’ in certain positions over the course of their career. As the data shows, there is a co-existence and interrelation of several stabilization processes which create a persistence of homogeneity in the top management (1.). These processes are driven by an underlying self-reinforcement which creates incentives for those within the system to maintain the path (2.). Apart from these benefits, a core characteristic of a path is its potential inefficiency. As such, according to the theory of path dependence, the costs of the selection path are presented (3.). Special attention is also paid to the top management's context specificity, which provides fertile ground for the development of
the path (4). To emphasize the unintentional effects and hidden forces, a separate section takes a closer look at the organization's systemic forces (5).

1. Stabilization processes
Homogeneity in top management is reproduced through the interplay of several stabilizing processes. Besides a ‘self-selection’ in formal selection processes (1), formal procedures have an increasingly informal scope at higher levels in the hierarchy – making room for implicit selection patterns (2). The high cohesion of top management groups creates a pattern coherence (3). Moreover, both formal and informal processes interlock (4). Lastly, we find a circular, reinforcing process on the leadership level (5). These processes indicate that the persistence of homogeneity is – over and over again – a result of organizational processes.

1.1. Formal selection processes
Professional service firms are known to have highly structured career advancement schemes involving regular feedback and selection processes. These are necessary for two reasons: On the one hand, a track with clear career opportunities functions as an incentive for the intellectually skilled employees. Due to strong competitive options for the workforce in other companies, retention is a big challenge for professional service firms (von Nordenflycht 2010). On the other hand, the elaborate selection procedures signal quality and objectivity to the business environment because a professional service firm’s output quality is hard to evaluate (Armbrüster 2004).

What the analysis of FIRM’s career selection processes has confirmed is that highly structured formal career advancement schemes include standardized retention times at every level (see also Dambrin/Lambert 2008; Rudolph 2007). These define at what level certain qualifications, periods abroad, and leadership experiences have to be completed and attained. Constant requirements along this career track are high job performance, availability, and frequent traveling – during which one's motivation and commitment are regularly assessed. Rudolph (2007) further argues that these high formal requirements are conducive for creating an image of exclusiveness and elite. To her, prolonged working hours, frequent traveling, and a high level of engagement signal to have the best workforce and also serve to support the self-conception of exclusiveness.
Although these formal selection processes suggest the selection of the best qualified candidates, the requirements for a leadership position carry a strong risk of favoring only those persons who can align their lifestyle to the career and who can signal their commitment to the company at anytime. The formal requirements demand a type of manager who can devote him/herself entirely to the company and who is detached and free of competing responsibilities outside the organization (hyper-inclusion). With this level of dedication and alignment of one’s self with the company, the ‘up or out’ principle requires one to be promoted to the next organizational level within a specific time frame. Longer retention on one level (e.g. due to parental leave) puts into question one’s suitability for being promoted. Also Meyer et al. (2005) reveal the pattern that career success requires a continuous progression without any disruptions (see also Kumra/Vinnicombe 2008, Rudolph 2004). Kornberger et al. (2010) highlight how working flexibly in order to combine a management position with family life would mark one as not serious and committed enough about climbing up the ladder. Hence, these formal career requirements are based on linear male life models. As a consequence, the requirements tend to exceed personal costs for those individuals with additional responsibilities unrelated to the company. It is largely women who tend to leave the company on a ‘voluntary’ basis after a few years (self-selection; see also Dambrin/Lambert 2008).

It is important to point out that organizations create contextual constraints within which people exercise choice (see Ely/Padavic 2007). This means that leaving the company due to care responsibilities is not a purely individual preference independent of the organizational constraints. However, most internal discussions, including those within FIRM, portray the decision of women to leave the company as their personal choice to prioritize family over work. Such a view fails to fully reflect on the biased internal career processes which ultimately lead to the drop-out of highly qualified women. In other words, companies tend to externalize the cause for homogeneity instead of reflecting on the constraints from within. There has been little discussion at FIRM about the formal selection procedures which call for a type of employee who is independent from reproductive responsibilities outside the organization.86

86 Furthermore, socially it is more accepted that women leave the company due to family responsibilities compared to men. Their alternatives to become a part-time employee or a temporary full time mother are more socially legitimate and do not question their femaleness. Men, in contrast, have less latitude in their gender identity (see also Ely/Padavic 2007). Metaphorically speaking, they are more locked in the career
Apart from the formal selection processes, the formal criteria for a top management position are prone to biases. If an official criterion for entering the top management is the ‘personal case’ then the criteria runs the risk of subjectively appraising an individual’s self-presentation and impression-management instead of judging the person based on more measurable criteria such as qualifications and skills. It appears that what matters more is a certain type of personality and the “savoir-être” instead of the “savoir-faire” (Quental 2011). In other words, it is more about the 'being' than the 'doing'. This interpretation is consistent with Grey’s (1998) research on accountants where he points out the importance of personality instead of professional qualification for career success. Also Armbrüster (2004) argues that these assessment processes are a testing ground to see whether the candidates are willing and able to subordinate to the consulting culture and rationality beliefs. It “is not a test of aptitude, skill or talent, but rather of attitude, identity, and subjectivity” (2004: 1262).

Concerning the development of the path, the formal selection processes can be located in phase II of the path model. The formal career requirements narrow the variety of suitable candidates for leadership positions because they are designed only for those employees with a linear and largely uninterrupted career development. The narrowing shade in the path model (see chapter II.3.) illustrates the diminishing range options available to top management candidates.

The extensive selection process for the partnership has additional functions. The comprehensive assessment – at FIRM the process for the selection of partners is a one-year long assessment and training program – can be interpreted as a rite of initiation or a ‘rite of passage’ into the partnership. A rite of passage means that passages in social life from one stage or group to another are often accompanied by elaborate rituals where the individuals are socially and spatially separated from their accustomed group before they are reintegrated in a new group (van Gennep 1960). Rüegg-Stürm and Gritsch highlight that these kinds of rituals have an equally individual as well as a collective function for reassurance and the building of ‘gemeinschaft’ (2001: 10). The transition from management into top management creates insecurities, irritation, and destabilization at the

and breadwinner model. Stepping out of this model still remains socially less accepted, i.e. men have less of an exit option.

87 “Savoir être” can be translated with “to know how to present oneself”; “savior faire” stands for “know-how”.

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individual and collective levels. Apart from the new situation for the individual, the top management group has to include an unknown factor (the new member) without yet knowing if the individual will be loyal and comply with the established rules. The elaborate rite of passage fulfills the function of socializing new partner candidates, thus facilitating their assimilation into the partnership. Kornberger et al. (2011) point out that this is a transformational process in which the “partner material” is “shaped into form” (518). The authors point out the potential constraining effect of these new role expectations one has to fulfill in order to fit in the new group. “[O]nce the individual arrives on the other side of the passage, their field of potential action is limited and structured by the role they are expected to play” (517). The elaborate selection processes, hence, not only ensure that a certain type of person with certain abilities and characteristics gets access to the partnership. They also guarantee conformity to the partnership and coordinate new candidates within a fixed frame or guardrail of expectations. Furthermore, Kornberger et al. argue that these rites of passage have a profound effect on the group perception. “This metamorphosis creates a cohesive group (those who passed) out of the heterogeneous mix that the group might have represented prior to the experience of this rite of passage” (ibid.). In this thinking, the selection processes do more than just filter the suitable individuals for top management positions. They are equally important for the group's functioning. As it will be further argued below, understanding the group's functioning is vital to revealing the underlying mechanism which reproduces homogeneity.

1.2. Informal selection processes

Despite a high level of formalization, the career development and selection procedures at FIRM exhibit a number of formal gaps in the selection processes, which lead to the development of informal scopes. The identification of top management candidates not only entails a complex evaluation of skills and qualification but equally, or even more, of particular circumstances and a set of implicit characteristics and requirements. At FIRM, the selection processes for leadership positions above partner level (head of business unit, board member, etc.) are entirely unstructured. Leaders in these positions described their
appointment as coincidence, surprise, or even fate. While the company officially performs the selection of the best, there is an “informal substructure” in the “backstage” (Rudolph 2007: 114) which applies especially for top management positions. This analysis confirms the studies on informal selection processes by van den Brink et al. (2010), Kornberger et al. (2011 and 2010), Nickel (2009), and Hördt (2002). For example, Kornberger et al. (2011) find that instead of demonstrating technical expertise, top management candidates need the three Ps in order to be seen as “partner material” (527): performing (self-presentation and impression management), playing games (being visible with the “right” people and popular topics) and politicking (alliances with the “right” people to pursue own interests).

The present study reveals an implicit selection pattern for top management positions which contains a number of informal criteria. These criteria do not necessarily contradict or counteract formal selection criteria but fill the gaps that exist in the official procedures. Most prevalent were:

- Loyalty
- “Home-grown” (entire career at organization)
- Authenticity
- To have punch/“alpha dog” behavior
- Perennial availability
- Over-commitment
- Age appropriateness (e.g. reach partner status not older than 40 years)
- Subtle appearance/embodiment of the company
- Settled/traditional private life (heterosexual, married, children) with classic hobbies

These informal criteria create a person’s ‘fit’ with the top management which functions as a meta-criterion in informal selections. The benchmark for a person’s fit is the characteristics of the top managers already in place. Top management candidates who resemble and conform to the characteristics and attributes of the existing top managers are seen as suitable for inclusion into the existing leadership group. Other authors have described it similarly as being on the “same wave length” or having the “right chemistry” (e.g. Hartmann 2002: 121f). Consequently, the selection pattern leads to a duplication and self-reproduction of top managers and prevents an opening for individuals with different characteristics for a more diversified top management.
To a large extent, the implicit selection pattern supports the characteristics of existing top management groups which have been studied quantitatively (e.g. Buß 2007) and qualitatively (Connell 2010). According to Buß’ study, most German top managers live the “classic family ideal”, almost all of them are married (92 percent) and have children (85 percent). To the author, “orderly” family relations remain a stable recruitment rule (Buß 2007: 25). Quoting a COO, he writes: “Someone who doesn't keep his private life in order also has problems in work life” (Buß 2007: 25f). Concerning their background, most of the top managers grew up in a higher white-collar or entrepreneurial family where mothers were primarily the home makers and traditional values and disciplines were the norm. Today, their values contain a strong sense of duty, loyalty, as well as a hard working ethos (216). Connell (2010) describes various managers in the finance industry whose wives quit their job or reduced their working hours after the birth of the first child. This family setup provides the manager the space and independence needed to dedicate and commit the necessary time and energy to the company. Connell provides further descriptions for expected behavior and interests for managers in this industry which confirm the informal selection criteria at FIRM. Interviewees in Connell’s study see aggressive behavior on the trading floor as a matter of course and as expected. In addition, their free time is dominated by classic male hobbies, e.g. football.

Due to the strong male bias in the implicit selection pattern (discussed in chapter V.1.2.3), female top management candidates tend ‘not to fit’ into the top management group. These findings are also consistent with previous studies. Fitting a certain image, pattern, or mould has been discussed by several authors, e.g. Kumra and Vinnicombe (2008), Rudolph (2007), or Anderson-Gough et al. (2005). The 'double-bind-dilemma' (Jamieson 1995) describes in more detail how women lack fit no matter how they behave: behaving according to female stereotypes (e.g. ‘soft’), women do not fit the more aggressive edge required in the top management. By behaving according to the rules in top management (‘tough’), women then lack authenticity (‘not female enough’).

Further reference literature emphasizes another critical aspect: The reason why women disappear from the range of potential candidates (shadow in phase II of path model) is not entirely explicable by reference to women’s family responsibilities. The previous explanations in this study may have created the impression that the ability to be loyal and

89 Similarly Grey (1994): “[The] pursuit of career pervades even the most intimate forms of social relations” (493). A supportive partner and marriage is seen as an adjunct to career.
committed depends on whether the women has children or not. However, the studies by Meyer et al. (2005) and Kleinert et al. (2007) give evidence that women per se – with or without children – face a glass ceiling. If women reach the age where they could potentially start a family, it is likely that they will not be considered for further leadership positions (Kleinert et al. 2007: 105). It can therefore be concluded that the criterion for exclusion is not disloyalty and the lack of commitment but that it is potential disloyalty which is strongly associated with the female sex.

Apart from the previously mentioned women’s lack of fit, it is important to point out that men do not have the personal fit, per se. Fit is based on an idealized image of success which centers on availability, independence, assertiveness, and authority. Not all men fulfill this image. Instead they “experience pressure to conform to often narrowly prescribed understandings of how they should look and who they should be” (Sinclair 2011: 511). There is an expectation that both women and men have to adapt to a particular masculine standard of top management. Those who do not conform to it leave the organization ‘voluntarily’, or become marginalized or rejected. Meyer et al. (2005) provide evidence that men whose behavior deviates from stereotypical gender roles experience disadvantages in their career progression. Also the comparison of pay between different groups of men gave evidence that family oriented men face losses in income. Their study shows that men as single-earners in the classical role of breadwinners have the highest income compared to men in dual career partnerships or single fathers. As soon as their wives are employed, the career-promoting effects of a marriage decrease for men because working spouses have less capacity to fully manage children and household alone. The authors conclude that men in traditional breadwinner roles and with career ambitions are rewarded whereas deviant behavior is sanctioned.

The informality of partner selection is not too surprising because despite formal structures, organizations tend to develop informal rules (Luhmann 1995b). This is especially the case in partnerships of professional service firms because their self-conception leads to a preference for autonomy. As von Nordenflycht observes, “[h]ighly skilled individuals have […] a consequent distaste for direction, supervision, and formal organizational processes” (2010: 160). Consequently, the few formal rules for partners are complemented with informal approaches to management processes. This means that due to a lack of formal selection criteria there is a need for highly sensitive informal selection processes in order to self-regulate membership. The predictability in organizations which is usually
created through formalization then has to be brought about through trust and loyalty (see Luhmann 2000: 407ff). A reliable informal selection process which ensures the selection of 'trustworthy' self-similar others is therefore necessary to complement formal procedures. Overall, this process can be described with cooptation: The existing leadership group only accepts and includes candidates of their own kind.

Relating these findings to the path model, informal selection processes and cooptation significantly reduce the range of potential candidates in phase II. Informal and biased selection criteria which have developed in informal scopes favor a particular kind of men who resemble the top managers already in place. The cooptation into highest leadership functions – those positions where selection functions completely informally – can be located at the transition from phase II to phase III.

1.3. Development of pattern coherence

Despite the informality in top management and the lack of formal procedures for being selected into the upper echelons, it is surprising how stable and unambiguous the use of implicit selection patterns for leadership positions is. Without official guidelines or criteria the patterns remain very coherent. How is this possible? A closer look at the relations and dynamics in the organization's 'backstage' provided an explanation for the pattern coherence and stability.

The case example revealed a very high density as well as very high group cohesion in the top management. At FIRM, the group's cohesion is distinct in informal relations among top managers. In fact, the density of informal relations is more than twice as high compared to formal relations. In addition, the majority of relations between top managers are multiplex which further strengthens the group's density. Given the informality in top management of professional service firms as described by von Nordenflycht (2010: 161), informal relations are of particularly high importance for the circulation of shared and collective values. In addition, high density and cohesion are guarantors for a stable group identity – what Granovetter calls 'cliques' (1973) – which also ensures norms and shared values. Grabher (1993) has pointed out that these shared values can easily lead to 'group think', i.e. a diffusion and homogenization of values, ideas, and norms.

I argue that such a cohesive group with its high level of activeness in its backstage facilitates the development and perpetuation of a shared implicit selection pattern. In collective settings (e.g. while discussing candidates at get-togethers in pubs) the implicit
pattern becomes coherent, reliable, and self-evident without being made official and explicit. Furthermore, the high multiplexity of top managers' relations embeds them very deeply in their social network which in turn shapes their thinking, values, and practices (Helfen 2009). Despite high uncertainty and complexity of a top manager's work, the embeddedness in strong relations enables stable behavior and norms.

Several authors have also pointed out that groups with strong ties tend towards social closure (e.g. Granovetter 1973) and social pressure to adapt to and maintain the network's norms and values (Jansen 2002). For this reason, a collectively controlled selection pattern is conducive for controlling access to the leadership group and to maintain its homogeneity. Given top management's informality, characterized by a lack of formal rules and official selection procedures, highly sensitive informal selection processes are in place (Ohlendieck 2003). The role of multiplexity becomes particularly decisive: due to overlapping relations (formal and informal), the different spheres of a person's life become accessible and examinable. The overlapping relations then allow for a 'background check' of the candidate and provide information on the candidate's private life, interests, and values. As such, multiplex relations make the candidate's fit and member's conformity controllable and secure a precise observation and selection.

Despite the official inclusion of a number of female top managers in the leadership group, their position in the network – especially in the informal network – illustrates the effect of their 'non-fit', that is their "excluded inclusion" (Wetterer 1999). In this case example, all women have a marginal position and they are never part of the 'dominant coalition' (Brass 1985). Network studies indicate that these interaction patterns do not result solely from personal preferences and individual activities but are bound to the overall network context and even exclusionary pressures (Ibarra 1993, Mehra et al. 1998). It is the collective pattern which unfolds emergent effects. The women's positions are not explainable through their personal networking activities but depend highly on the collectively shared image of a successful top manager. As already pointed out in chapter V.2, a single established male partner probably does not exclude women intentionally, but with him being embedded in such a cohesive network this effect has to occur on a higher level.

1.4. Interlocking of formal and informal selection processes

Formal gaps in official career and selection processes open the scope for informal processes and implicit selection patterns. Informal processes, therefore, complement the
selection of top management candidates and allow a combination of official and implicit
criteria. According to Tacke (2008), informal networks therefore can have a ‘relieving’
effect for formal procedures. Selecting solely on the basis of formal criteria (e.g. technical
expertise), various candidates may be qualified and fulfill the requirements for the
inclusion into the partnership without controlling their fit. At that moment, informal
networks unfold their importance by allowing a further check based on the implicit
selection patterns. As such, they contribute to the top management’s selection of
unsuitable candidates. As networks do not have formal criteria for in- and exclusion, non-
fitting candidates cannot be officially excluded. In addition, officially excluding top
management candidates on the basis of certain attributes (e.g. gender, age, and ethnicity)
would be illegitimate as well as illegal. Informal processes, thus, make the exclusion of
certain unsuitable groups invisible and potentially unintentional.

Accordingly, formal and informal processes form a complementary relationship (Grün
1980) in the sense that informal processes are accepted – consciously or not – to
complement and extend formal structures. As formal structures cannot entirely shape
organizational relations, informal processes constantly complement organizational life.
With regard to the system’s efficiency, formal and informal processes enter a functional
interaction and symbiosis. Luhmann (1995a) speaks of an ‘elastic combination’ depending
on the situation. Organizational members easily move between the two ‘worlds' and use
the one or the other form of organization to deal with daily issues.90

The way formal and informal processes interlock also illuminates the phenomenon of
organizational hyper-inclusion. Both the formal requirements for career advancement into
a top management position as well as the distinct informal embeddedness into the
company require a top management candidate to fully integrate both his or her
professional and private selves.

1.5. Circular process in the leadership system

The previous processes (which create a coherent selection pattern) form the basis for a
circular process in the leadership system: the use of the selection pattern on the one hand

90 The interlocking of formal and informal selection processes resembles the different complementary levels
of social control in organizations put forward by Türk (1981: 46). The author differentiates between the
‘organizational control’ of employees through official selection and socialization processes, ‘impersonal
control of activity’ through administrative rules and personnel policy measures, as well as the ‘personal
control of activity’ through colleagues, subordinates, and superiors. Whereas the first two modes of control
resemble the formal procedures for selection, the latter bears similarities to the informal processes above.
and the existing homogenous top management composition on the other hand are linked in a circular process. The leadership system’s selection pattern favors a certain type of person (e.g. committed, loyal, hard working). The persons being selected, in turn, stabilize the homogeneity and cohesiveness of the leadership system which, again, secures the coherence and use of the selection pattern, and so on.

Figure 29: Circular process in leadership system

This circular process is what makes the homogeneity in top management stable as it creates a closed and cohesive system. According to Sattelberger, this closed system functions like an “(unconscious) immune system” (2011: 430) which rejects unfamiliar influences and interventions. It ensures that only those candidates are chosen who do not irritate, disrupt, or undermine the leadership system. Hence, members are chosen and retained against the background of not being a risk for the top management group. And

91 Already Ortmann (2005) has described the existence of “one thousand loops” which create a high stability of gender inequalities through closed, reproducing cycles. “One thousand” symbolizes interminable loops in society which are self-sustaining, self-confirming and, at times, self-reproducing. Two of his exemplary loops are the following (p. 116f):

92 If an already included member turns out to disturb the cohesion, the organization will always find possibilities to remove this member to protect the organization. As an example from FIRM illustrates: "A colleague [...] he was bragging and behaved very blatant, let’s say, and he was sent off to China. He was given the boot for two and a half years. And when he came back he had difficulties to reintegrate. And then
the more cohesive a group, the more resolutely it excludes those who do not conform adequately (Tannenbaum 1966). It is the circularity of the process and the system's self-referential nature which prevent an opening of the loop to include candidates outside the fit-pattern. As Sattelberger describes: “Within this corps there is a so-called 'collective wisdom' which is hardly challenged and almost never revised. The individual always looks for familiar patterns and ignores everything which – if it was noticed consciously – would question opinions and judgments” (2011: 430).

Tannenbaum also claims that the exclusion of members is the likely result of their deviation from values and norms which are important to the group. This point is crucial for the understanding of the exclusion of women. As demonstrated in chapter V.3, commitment to the top management's 'gemeinschaft' is a central norm in the leadership system. Its compliance is seen as highly important to secure cohesion and group spirit. The inclusion of members with potential family responsibilities would water down one of the top management’s core informal rules. As argued earlier, the inclusion of those persons who are not hyper-included but potentially have competing responsibilities is especially risky for the leadership system. This would question an individual’s loyalty to the top management ‘gemeinschaft’.

To sum it up, due to the processes presented above, a selection pattern emerges with the effect that over and over again the same type of candidate arrives in top management positions. The more advanced the career progression and further up the hierarchical level, the more the selection pattern narrows down towards a certain type of man. This explains how the extraordinary stability of male dominance in top management positions is produced and reproduced over time. There are organizational processes in place which constantly re-create homogeneity in leadership positions. Thus, the male dominance or 'old boys' clubs' are nothing static or historically set in stone. Instead, the process-character rather points out the everyday stabilizing dynamics which maintain this persistence. In addition, the empirical data gave evidence for coordination effects as the underlying driver of these stabilization processes. This mechanism will be further discussed in the following section.

*he left. [...] I would say FIRM knows very well how to get rid of unpleasant colleagues who do not fit the mould. And of course that protects the organization, no?* (Partner, Performance, m)

93 Quoted in Steinmann/Schreyögg 2005: 603.
2. Coordination effects as the underlying mechanism

Coordination turned out to be a key word for the functioning of the top management group. A distinguishing characteristic of the top management at FIRM is the narrow corridor of very rule-guided behavior to preserve the partnership as a gemeinschaft. A number of informal dos and don'ts create 'guardrails' for the top manager's behavior and self-presentation. Conforming to the guardrails is an essential requirement for being successful. Interestingly, the guardrails do not just ensure a smooth operational functioning but they are equally important for ensuring the partnership's distinct cohesion and unity as a ‘gemeinschaft’. The inclusion into the partnership and higher leadership positions requires the person as a whole beyond his/her professional role. A selection pattern which ensures that by and large only male top managers with certain characteristics, interests, and background get access to the highest leadership positions has the effect that coordination is created through increasing similarities among the personnel. When top managers adopt and embody a specific way of being and behaving, their interaction becomes highly coordinated and smooth. In fact, it is organizational hyper-inclusion which ensures maximum coordination in the organization. Top managers’ all-round fit and conformity as well as their high involvement in the organization beyond their functional role make them most predictable for the organization. This has significant implications for path breaking attempts. As it will be discussed further in the conclusion of this study, an unlocking of a selection path requires a loosening of coordination effects in order to disrupt the path mechanism of homogeneity. However, hyper-inclusion strongly binds top managers to the organization which makes it a challenge to disrupt the reproduction logic (see more below).

Returning to coordination effects: What do top managers ‘gain’ from their homogenous composition? In what way is homogenous top management functional? The present study demonstrated that the coordination of the personnel bears positive effects on various levels. Self-similarities among top managers in their cohesive leadership group create benefits for the organization regarding the organizational functioning and work flow. In addition, socio-political group benefits are provided to control the access to power, as well as benefits for the individual concerning social and psychological needs. On the basis of the findings in chapter V.3., the table below summarizes the benefits of coordination effects at the leadership level.
<table>
<thead>
<tr>
<th>Organizational benefits</th>
<th>Socio-political group benefits</th>
<th>Individual benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Smooth and efficient communication</td>
<td>• Securing power, resources, and interests by defining and controlling criteria for inclusion</td>
<td>• Familiarity and trust</td>
</tr>
<tr>
<td>• Quick decision making and implementation</td>
<td>• Predictability</td>
<td>• Belonging</td>
</tr>
<tr>
<td>• Predictability</td>
<td>• Reduction of uncertainties and conflict</td>
<td>• Confidence in behavior</td>
</tr>
<tr>
<td>• Commitment to the job</td>
<td>• Security, resources, and interests by defining and controlling criteria for inclusion</td>
<td>• Stabilization of identity</td>
</tr>
</tbody>
</table>

Table 8: Benefits from coordination effects at the top management

What is crucial to point out is that these coordination effects become increasingly self-reinforcing the more homogenous the personnel becomes. The more the organizational actors become similar to each other due to a narrowing selection pattern over the course of their career, the more these actors benefit from their homogeneity. As demonstrated, the selection pattern tapers in phase II, (top) managers become increasingly alike, more and more characteristics, values, or interests overlap, their interactions become more multiplex and their leadership group more cohesive and conform. The result is an increasing coordination and, hence, an increasing benefit the higher the leadership level. As such, homogeneity is produced and reproduced due to increasing positive feedback. The consequence is that it becomes more and more attractive to choose top management candidates according to the implicit selection pattern. Due to coordination effects, homogeneity becomes more and more advantageous and functional.

The identification of coordination effects provides an answer why homogeneity in top management is reproduced, i.e. why the implicit selection pattern and processes are in place. Coordination effects are the mechanism which makes it attractive to keep the circular process going and which even enforces the feedback loop. Due to the mechanism, this circular process develops a life of its own. The result is a path.
According to Sydow et al., the revealing of the mechanism is what uncovers the “heart” of organizational path dependence (2009: 698). The identification of the underlying forces allows a better understanding of the persistence and the change barriers being studied. If – due to coordination effects – homogeneity is functional then it can be interpreted that the use of the implicit selection pattern is, first of all, to maintain the functional aspects of a homogenous leadership group. Consequently, the exclusion of certain groups that do not fit the selection pattern, especially women, is 'only' an indirect or unintended effect. Figure 30 above illustrates this aspect by suggesting two analytic levels: the individual use of the selection pattern at the lower level, and the reproduction of the top management's homogeneity at a higher, collective group level. The consideration of two levels in the figure reflects the emergent process of exclusion which has been discussed in various sections above. The exclusion of unsuitable candidates is not necessarily an intentional and purposeful act of individuals but it can be seen as an emergent, systemic effect of the top management's functioning. Put differently, the system’s logic of preserving the gemeinschaft has effects which the system’s members may not be aware of or which they do not actively intend. By aiming for a partnership’s smooth and predictable functioning, only those are selected who cause no irritation for the system. Consequently, this creates exclusionary effects. Hence, the exclusion of women, for example, can be seen as a

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94 Conceptualizing an organizational mechanism as a process encompassing different levels allows to grasp this emergent effect of organizational processes (Florian 2006; Hedström/Swedberg 1996). It opens the view for the systemic forces which keep the top management together. Further aspects regarding systemic forces will be discussed below.
consequence of the search for certainty, coordination, and predictability in the leadership system.

In addition, the benefits of increasing coordination effects for the individual – presented above – are highly gendered. The stabilization of identity, confidence in behavior, and so forth are conducive for men. The more homogenous the work setting becomes, the more it provides sources and confirmation for male identities on the individual level. The stabilizing effect for men's self-conception increases the higher men rise. Women, on the contrary, increasingly face a double-bind-dilemma the higher they rise. This is likely to lead to a destabilization of their self-conception.

Figure 31: Increasing returns for male identity

The question which remains is whether coordination effects keep increasing in the top management or whether the benefits of homogeneity reach a saturation point and turn into constant returns once this point is reached. The data does not indicate that an increase of homogeneity in the highest positions of the organizations creates an increase in returns. At a certain point, coordination effects cannot increase anymore because the top management can hardly become more homogenous than it is. Once the lock-in point is passed and the top management composition is stable, the top management reproduces its personnel on the basis of constant returns.
The image above summarizes the theoretical findings by translating the different aspects of the selection path into the model of path dependence. The image shows the emerging selection path over the course of the career progression, i.e. rising up the organizational levels. Whereas on entry level the proportion of equally qualified men and women is the same, a tapering process leads to a lock-in situation in which the personnel is by and large male. The loops at the bottom of the image illustrate that coordination effects increase but become constant once the lock-in is reached.

Various literatures have discussed the effects of homogeneity in groups and organizations. Management studies and psychology, for instance, have studied the advantages (and disadvantages, see below) of homogeneity in organizations especially regarding group performance. The majority of studies within this strand support the findings presented above regarding the positive effects of homogeneity on organizational performance, such as faster decision-making processes and communication (e.g. Jehn/Mannix 2001; Webber/Donahue 2001; Knight et al. 1999). In addition, being a member of a homogenous group creates higher job commitment. For example, Tsui et al. (1992) found that men in
homogeneous work groups reported the highest commitment to their jobs. Commitment decreased the more heterogeneous the group became in terms of ethnicity and gender. The research by Williams and O'Reilly (1998) has further relevance for assessing advantages regarding homogenous groups. Their research overview suggests that homogenous groups tend to be more integrated, have less conflict, and therefore function more smoothly. Concerning psychological benefits, Williams and O'Reilly's research indicates that homogenous groups – because they tend to be more cohesive – have a better ability to meet their members’ needs compared to more diverse groups. Furthermore, homogenous groups are experienced as more stable and less stressful. Also Zajac and Westphal's study (1996) indicates positive feedback effects from homogenous top management groups. In case a firm’s board of directors appoints a new external CEO, the demographic resemblance between the board and the new CEO tends to be very high. The authors conclude that the demographic similarity is a way to reduce ambiguity and uncertainty which an external CEO candidate may bring about. The demographic similarities create interpersonal attraction and bridge uncertainties in this ambiguous matter when a firm's outsider is positioned in such a prominent function.

Effects of homogenous and cohesive groups for the stabilization of one's (gender) identity have been discussed by Meuser (2005). He points out that homosocial settings are an essential pillar for the development of masculinity. Particularly in these settings men give each other orientation for the development or confirmation regarding their identity, values, and opinions. Bird puts it similarly: “Homosocial group interactions provide feedback and support for masculinity self-conceptualization” (1996: 127 f). Support for the argument regarding socio-political group benefits is also delivered by Zajac and Westphal (1996). The authors find evidence that due to sociopolitical reasons CEOs and boards favor successor candidates who are demographically similar. By selecting personally compatible similar successors they maintain their influence over organizational affairs, preserve their legacy in the company, and facilitate internal socialization.

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95 Bird also argues that emotional expressions are seen as inappropriate in homosocial settings among men. Her analysis, though, falls short in looking behind the curtains. Although emotional detachment has to be demonstrated it does not mean that cooperation among men is characterized by independence and rationality. Quite the contrary, this analysis suggests that men’s social and psychological needs are met through the strong social cohesion of the top management as a gemeinschaft.
However, these findings have to be treated with care because they may suggest that homogeneity is beneficial on the whole and, by implication, that diversity in organizations is disadvantageous to the organizational functioning. This result would not suffice as a final conclusion – the matter is more complex. A more thorough study of the literature indicates that the debate on demography in organizations is controversial with no final conclusions to be drawn from rational-economic reasons for the composition of groups. What matters for the creation of benefits is the group’s context, because diversity categories can always be moderated by other variables, such as culture or organizational hierarchy (Williams and O’Reilly 1998). This indicates that homogenous or heterogeneous groups are not per se advantageous or disadvantageous. For example, homogeneity may be advantageous for the functioning of the top management group, however, concerning the overall organizational performance there might be significant losses. To further illustrate this ambivalence of path dependence, the costs of homogeneity will be discussed in detail in the following section.

3. The flip side: Potential inefficiencies of a homogenous top management

Potential inefficiencies are a core characteristic of a path because from a strategic point of view a rigidity narrows down alternative options and prevents change (Sydow et al. 2009: 695). Elaborating on the positive and rewarding aspects of a path for an understanding of the driving forces, thus, is only one side of the coin. According to path dependence theory, the story would not be complete without discussing the potential costs, inefficiencies or suboptimal outcomes.

Costs of homogenous top management can be assessed on different organizational levels. Firstly, a homogenous top management carries disadvantages for the organization as a whole. Secondly, costs can be detected on the group level, and thirdly, the strong cohesion and conformity pressures of homogenous groups carry personal costs on the individual level.

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96 Koch (2009) notes correctly that in contrast to lock-ins in technology (e.g. the QWERTY keyboard, the VHS video system), inefficiencies in social patterns are much more difficult to define and not as clear cut. “[…] there is only one keyboard, one nuclear power system, or one video system […]. Hence, such a lock-in can directly be measured by comparing the remaining technological solution […] with newly emerged alternatives. […] On the other hand, from an organizational point of view the statement of path dependence is related to the emergence of a social pattern (Sydow et al. 2005), which makes the appraisal of lock-ins and inefficiency much more difficult.” (2).
Costs for the organization

Costs for the organization concern several aspects. First of all, efforts and investments for change attempts to diversify the top management have by and large not materialized. For example, at FIRM, time and money has been put into women in leadership programs, family-friendliness measures, or diversity strategies. Nonetheless, the top management composition does not reflect these efforts. The organization has failed to implement its change attempts sustainably. In addition, it has not been successful so far to adapt to a changing work force with an increasing proportion of highly trained women.\(^\text{97}\) If not selecting the 'best' for the top management (regarding qualification and experience) but the 'best suitable' (regarding their fit to the top management), valuable human resources are lost. Furthermore, the small number of female top managers has signaling effects to women on lower levels because it may suggest to younger women that their work is not acknowledged at the top of the organization. Consequently, expecting limited career opportunities potentially increases the self-selection of women which potentially increases costly fluctuation rates (Kalev et al. 2006).

Secondly, the organization's inability to adapt to changing societal norms of equality can also create losses in turnover by losing business partners. Especially for public sector clients the diversity lacking in FIRM's project teams has already been an argument to decline FIRM's business offers.\(^\text{98}\)

Thirdly, a potential inefficiency arises from a strategic point of view. Corporate strategy literature has put forward the “Upper Echelons Perspective” which argues that the corporate performance can be explained by the characteristics of the top management team (TMT) members (Hambrick 2007; Hambrick/Mason 1984). The characteristics of TMTs are valid (but not exclusive) indicators of the executives’ cognitive frames. Hambrick writes: “[...] demographic profiles of executives are highly related to strategy and performance outcomes” (2007: 335). The article argues that homogenous TMTs lead to a limited and selective perception and interpretation of the environment due to narrow cognitive frames. This, in turn, constricts strategic choices and affects corporate performance. The literature also proposes that within turbulent environments and under

\(^\text{97}\) Nor with highly trained candidates with migration background nor with an increasing number of men with stronger family ambitions.

\(^\text{98}\) According to one of FIRM's board members, FIRM's business proposals had been declined due to the lack of women in leadership positions in the service teams.
great job pressure, similarities among TMT members have negative effects on decision-making and firm performance. The study by Rost and Osterloh (2008) picks up this perspective and investigates the effects of homogeneous TMTs during the financial crisis. They raise the question why prior to the financial crisis the majority of directors did not have the foresight to predict the problems of taking too much risk. Their analysis demonstrates that homogeneity in gender and functional background led to significant group think especially in situations of high uncertainty. By contrasting it with heterogeneous groups, they suggest that banks with homogeneous TMTs were especially affected by the financial crisis due to higher risk taking.

Kornberger et al. (2011) take the argument even further by generally questioning the rationality and efficiency of management practices in Big Four companies. Instead of actually solving problems efficiently, a manager has to take part in constant performing, game playing, and politicking if he or she wants to be seen as a successful top management candidate. “To be visible and develop a 'fame agenda' might ironically limit the time managers have to accomplish 'real' work, diverting their efforts to the representation of success rather than the actual accomplishment of results” (532). Although to the managers their investments in self-presentation and the building of allies seem efficient, the activities of constructing the image of a successful leader “make the organization as a whole less equipped to solve problems efficiently” (ibid.). The seriousness of the issue, according to the authors, lies in the fact that “accounting firms represent bastions of rationality in our society: they assess, they evaluate, they audit, and they manage risk” (ibid.).

**Costs for the top management group**

One research strand among the literature on organizational demography is the information/decision-making perspective (van Knippenberg et al. 2004). Within this field it is argued that diverse groups tend to outperform homogenous groups because they possess a broader range of knowledge, skills, and abilities. Diverse viewpoints may force the group to engage more thoroughly in decision making processes without premature consensus. The greater the amount of information, the better the decision will be (De Dreu/West 2001). Higher amount of information also leads to a potential for more creative and innovative ideas (Bantel/Jackson 1989).
In contrast, homogenous groups tend towards what Janis (1982) calls “groupthink”, i.e. group members behaving and thinking alike in order to avoid conflict and to maintain consensus and harmony. Janis argues that groups are likely to experience groupthink under certain conditions, which include strong group cohesion, homogeneity of members’ social background, insulation of the group, high stress, and difficult tasks. The effect is that such groups, according to Janis, tend to be closed-minded in the sense that they disregard or rationalize facts which would challenge the group. Moreover, they tend to stereotype those who oppose the group as weak or biased. There is a strong pressure to conformity which is achieved through pressure on disloyal members but also through self-censorship of ideas that may deviate from the norm. As such, groupthink prevents thinking in alternatives because it blocks new information and patterns for orientation. Instead of adapting to changes in the environment, the group holds on to success patterns of the past (see also Schreyögg 1989).

These descriptions of groupthink hold parallels to FIRM’s top management: the analysis in chapter V.3 revealed the tightly knitted informal rules for coordination in the partnership. The narrow corridor to maneuver – which the interviewees perceived positively for orientation – actually carries a risk, because groupthink obstructs the view on potential alternatives. A number of examples above demonstrated that the preservation of the partnership’s cohesion has priority over reasonable and rational decision making. As a matter of course, if one only maneuvers in this corridor of success, then naturally every action is perceived as successful given the lack of reference points outside this narrow logic. By interacting only with others who are alike, anything that is being done is likely to be approved of and so becomes reinforced. This is especially the case when those are included who confirm to one another’s thinking and when discrepant information is blocked. Members of the top management constantly confirm each other’s opinion and start to revolve around themselves. Consequently, this promotes rigidity and prevents adaption to the environment.

Costs for the individual

Due to conformity pressures, costs for individual top managers in a very homogenous group mainly lead to performance constraints as well as psychological and physical health issues. For example, if there are strong pressures in the organization to conform to a certain prototype, persons who do not fully match the projected image have to invest a lot of energy to assimilate (Lindsay 1993: 551). Consequently, the norm to conform limits
one's performance and innovative thinking. As Thomas observes, “because assimilating people want to fit in, they focus on doing the expected or accommodating to the norm […] They can't focus on their personal strengths or on innovative ideas; they're too busy trying to adapt.” (1991: 8f). Sinclair (2011) also points out that leaders face distinct pressures to conform to the right “identity-making”, i.e. to 'produce' a convincing sense of themselves.

While top managers have to demonstrate power and autonomy, they also rely on internal confirmation and a network of support. These dependencies stand in sharp contrast with what top management positions promise; managerial ranks are constructed as independent, rational, and detached positions. The higher the hierarchical level, the more it promises autonomy and freedom. However, what this image of the independent leader neglects is that autonomy and freedom actually decrease the higher the leader rises (Doppler 2005: 293). The image of being in control leaves aside the fact that top managers are embedded in a tight network of mutual observation and control (Collinson/Hearn 1996b: 14). Being dependent and subject to constant watch by colleagues and employees creates further psychological pressure.

Regarding the norm of being constantly available and loyal, high personal costs are accepted to demonstrate one’s devotion to work. Constant performance pressure and little time for recreation are known to lead to stress-related illnesses among top managers, including burn-out, gastric disorders, or heart diseases (Thierfelder 2002; Kienbaum 2007). At FIRM, the high level of stress and health risks are euphemized as a ‘maturation of personality’ where health issues are – by and large – downplayed or made a taboo. Top managers suffer most from the problem of not to being allowed to have any problems (Thierfelder 2002: 439). Below, FIRM’s coach describes the typical behavior of an aging partner who cannot admit to his decreasing work capacity. At enormous personal costs the partner tries to keep up permanent performance.

“Now he becomes old, he's aging. The place is getting big and bigger. Slowly he can't control it anymore; it slips out of his hand. [...] Now they try it with force, last effort. 'In

99 During the one year of my research process, three cases of sudden and unexpected deaths of partners came to light. It was said that the cause of death was stress related. One of the stories that circulated was about a relatively young and very ambitious partner who suddenly dropped dead on the beach when playing with his son during the holidays.

100 At FIRM, one of the interviewed board members sipped on a tea for his irritated stomach; the other board member had two packages of sedatives on his desk.

101 After one of the main board members who always opposed flexible work suffered from burn out himself, the FIRM’s board slowly talked about temporary time-out options for partners.
old days I could do these push-ups easily, always thirty. Easy. And today I already realize with the fourteenth that it's getting tough. But with double effort, with everything I have, I will manage thirty. I will manage somehow. 'But the costs are gigantic. That's typical behavior. [...] They want to prove themselves.'

To summarize, the costs which result from maintaining and holding on to a male dominated top management position illustrate a potential inefficiency. Despite the positive feedback for the organization and the top managers to preserve the status quo, the organization is also undergoing a “dysfunctional flip or rationality shift” (Sydow et al. 2009: 695). As the authors write: “latent inefficiency becomes manifest when an organization confronted with these change requirements cannot adopt new measures because it is confined to the existing path of action, which binds it to the historical solutions” (ibid.). If the organization continues going down the path, it may only be a matter of time until the potential costs increasingly put the company's success and survival at risk.

4. The top management's context specificity

Why are particularly top managements so homogenous and why is coordination most distinct in these ranks? This section discusses in more detail whether there is a context specificity in the top management which creates a fertile ground for the reproduction of homogeneity. Path dependence theory has pointed out that certain conditions may create a fertile ground for the development of self-reinforcing mechanisms. Regarding coordination effects, Schäcke (2006) raised the question whether there are circumstances which make the development of coordination effects more likely. In his work he puts forward the following conditions as a fertile ground for coordination effects: challenging contexts (e.g. pressure in decision making, psychological pressure), high group cohesion, as well as homogeneity (215f.).

I argue that top management positions are characterized by precisely these circumstances. Apart from homogeneity in upper leadership positions, top managers' work is highly uncertain and non-formalized. This creates challenging conditions for top managers, as

102 In path dependence theory it is discussed whether contextual conditions are a self-reinforcing mechanism in their own right (Sydow et al. 2009: 701). For example, for Pierson (2000), ambiguity and complexity can amount to self-reinforcing effects. To Sydow et al., however, this is a misconception of path mechanisms. Nevertheless, they do see these contextual conditions as an enhancing context for the development of paths. There can be conditions in which practices gain momentum more easily and which create a fertile ground for path mechanisms.
they permanently move in uncertain terrain, operate with uncertain information, and have to manage a series of unspecific, non-formalized tasks. Their work entails few standardized procedures and decisions have to be made without overlooking details and consequences. As a consequence, the ambiguity and uncertainty of their work is likely to be compensated with familiar social interactions in a homogenous leadership group. If not the content of their work, then at least social interactions stay predictable by being similar to each other. Maintaining this similarity among each other, thus, can be seen as a coping strategy to deal with the complexity in top leadership positions. Similarly Kanter: “The lack of structure in top jobs makes it very important for decision-makers to work together closely in at least the harmony of shared understanding and a degree of mutual trust” (1977: 53). This argument is also in line with a study by Boone et al. (2004) which gives evidence for increasing homogeneity among top managers in cases of uncertainty and complexity. The study shows that top management teams tend to close ranks when environmental complexity and pressure increases. In addition, they point out that closing ranks and preserving homogeneity may even precede rational decision making for the organization's success. “[E]xecutive management team metabolism is driven more by behavioral processes at the team level than by rational-economic factors at the organizational level […]” (650).

In addition, the way leadership positions are constructed increases the need to form a cohesive and homogenous group. As leadership positions require top managers to align their life to the company (hyper-inclusion), the work leaves very little room for matters outside the working context. Being detached from other sources of identity and belonging creates the need to invest and bond with those within the organization. Top managers receive a sense of comfort and security in exchange for making themselves fully integrated with and available to the organization. Locked out of other sources of identity and recognition makes trust, familiarity, mutual reassurance, and reciprocity a necessary trade-off. Compared to lower hierarchical ranks, the top management actually has the power to create these intimate settings. “[T]he capacity for ‘self-cloning’ (Hambrick et al. 1993) or ‘homosocial reproduction’ (Kanter 1977) may be available only to relatively powerful organizational actors” (Zajac/Westphal 1996: 85).
5. Systemic forces

What does 'systemic' mean in this context? When considering systemic forces in an organization it means that the focus is on the whole system – its condition or internal dynamics – instead of pointing at single “problem groups”. “Problem groups”, e.g. women or ethnic minorities, only stand for a problem inherent in the overall system. The problem which manifests itself in the exclusion of employees with a headscarf, or homosexual managers, or female partner candidates, is not those respective individuals’ problem and, thus, cannot be addressed in isolation. The exclusion of these individuals only mirrors a characteristic of a system. Thus, the logic of the whole system has to be considered to understand the logic of the path. In this case, it is the existence of strong coordination effects which lead to the top management's inability to include individuals outside the fit pattern because they are a risk to the system’s functioning.

An example regarding FIRM’s presenteeism-rule illustrates the systemic perspective.

“The manager doesn’t go home – although he could because he has nothing else to do anymore – because the staff members are still working. So he stays. The staff members work longer, because the manager is still there. The manager looks at the partner, the partner says, I don’t go home because the manager is still there so he also continues to work.” (Coach, m)

No one dares to make the first move to leave the office, no matter from which hierarchical level. The situation cannot be changed by only addressing one hierarchical group. All hierarchical levels are interrelated with each other. Only if the system's logic as a whole is considered can the underlying forces be understood and changed.

This systemic aspect is a central feature of path dependent processes. Sydow et al. argue that individual actors become entrapped in the systemic forces and lose control (Sydow et al. 2009: 691). As a consequence, the system takes on a life of its own, shaping and driving the actors’ behavior. Such forces are highly risky or dysfunctional for a top management because they undermine the top management's very task: which is to control. If top managers become entrapped in the system's logic then rational decision making becomes impossible.

“The higher you get, the more you are grabbed by the system. And after all it is not the board members who steer the system. The system directs itself; it took on a life of its own. There is no human intention, but a pure system's intention, which is being followed.” (Coach, m)

Furthermore, these systemic forces may be so strong that even new entrants cannot refrain from yielding to them (ibid.: 692). Regarding the top management's diversity, this is a
crucial insight because even new members who may favor the idea of more women in the ranks are subject to the dynamics pulling towards coordination. The effective agency of a single actor to change top management towards more diversity is limited because the system’s logic hardly allows for diversification.

Another critical consequence is that the system's logic rejects information which may undermine the top management. A previously used example illustrates this point: A trainee at FIRM – one of the best of her year – who wore a headscarf caused a big discussion because no business unit wanted to hire her after the trainee program finished. The diversity manager criticized the incident because responsible executives at FIRM were unable to reflect on and discuss the reasons for her rejection. Instead of noticing the system’s inability to open up for a candidate outside the fit pattern, possible shortcomings were desperately looked for in the trainee’s person.

“[…] when there is somebody with a headscarf, then they look for every reason what the female employee may have done wrong. So to speak, not having to look for reasons in the system but reasons regarding the person.” (Senior Manager; HR/Diversity, m)

As a solution they tried to relocate her to FIRM in Turkey, although she is a German citizen. This incident was not followed by further reflections on FIRM's practices.

Another example also illustrates the difficulty for FIRM's executives to accept and identify the significance of “uncomfortable” information. A big internal event for managers and senior managers was organized because FIRM came out of a challenging time and employees’ motivation was low. Among other things, managers and senior managers had to discuss in groups what they saw as factors for motivation. A number of executives collected the results and presented the positive aspects in front of the audience. For the delicate and negatives ones, though, they engaged an organizational theater. The theater actors had to humorously bring up the sensitive topics because FIRM’s executives could not talk about it. Metaphorically speaking, the theater actors had the role of court jesters who comically comment on issues the king cannot vocalize. It was the role of external fools to point at the organization’s hidden or blind spots as well as delicate conflicts (see also Schreyögg 2001). By this means the seriousness of the situation became moderate and easier to digest for all participants.

Two conclusions can be drawn: first, revealing systemic forces and their effects has an emancipatory potential because it can inform about non-obvious constraints and opportunities inherent in social dynamics. Quoting Scott-Morgan, “[w]hat is vital is the
ability to uncover the links between the unwritten rules and the unintended side effects that are showing themselves as business problems” (1994: 27). Second, for change attempts it means that measures for empowering excluded groups have limited success because they do not address the system’s underlying logic. As long as organizational forces are prevalent and pull towards strong coordination in the top management, an opening for more diversity in the top management is unlikely. As long as the benefits of homogeneity in top management appear to outweigh those stemming from diversification, change is perceived as being at odds with success.
“Sisyphean struggle”\textsuperscript{103} is how internal change agents describe the change attempts for more diversity in the top management. It was revealed that the reason for this unavailing effort is a path dependence in the selection of top management candidates. In this case it is a selection path which leads to the persistence of homogeneity. The top management level was described as “concrete blocks”\textsuperscript{104} which prevent change measures from setting in. Concrete blocks, in fact, turned out to be a telling metaphor to describe the top management’s features and functioning. The distinct density and cohesion in the top management as well as its pronounced coordination have created such a compression and consolidation that there is hardly any room left for change to take place. As a result, the forces which preserve and stabilize the organization are so strong that they undermine the attempts for change. The selection path could not been broken so far because the top management’s coordination has not been addressed and loosened. The top managers’ distinct embeddedness and involvement in their organization – described as hyper-inclusion – led to blind spots and barriers to change: They are unable to reflect on the rules and forces of the system which create exclusionary effects from within. Instead, the reasons for failed change attempts are externalized by pointing at, e.g. women's seeming inabilitys or societal circumstances.

Essentially, the study has revealed the organizational processes and forces which create a persistence of homogeneity in top management. The findings open the black box of the demographic metabolism, i.e. why a balanced number of men and women enter the company but to date the top functions of the organization remain almost entirely male dominated.

In a first step, a tapering process was identified which creates a stable selection pattern for top management candidates. Over the course of the career, leaders become more and more alike in their professional appearance, behavior, as well as in demographic characteristics and personal interests. The more advanced in one’s career, the more the person as a whole

\textsuperscript{103} Quote from partner, Inspection, w.

\textsuperscript{104} Quote from senior manager, HR/Diversity, m.
becomes assimilated and part of the organization. This tapering process was analyzed along two dimensions. On the one hand, the formal selection processes for top management positions pointed out the requirement to align one's life to the career, both on an every-day basis as well as over a substantial period of a person’s life time. Candidates who can fully dedicate themselves to their career show themselves to be an option for selection and advancement. The flip side of the formal requirements is that they become a risk for those persons with additional (reproductive) responsibilities – that is mainly women. On the other hand, the analysis revealed an increasingly informal scope for selection at higher levels of the organizational hierarchy. Above partner level, selection processes are fully unstructured without formal criteria or procedures. As top management operates largely without these formal processes, its informal selection processes are particularly important. Within this increasingly informal scope an implicit selection pattern unfolds which holds a strong gender bias. In addition, a meta-criterion – the person's fit to the existing top management – reproduces and duplicates the top management's homogeneity by only allowing for a selection of new members that are similar to the ones in place. Both the formal and the informal processes diminish the options in the choice of personnel – a narrow selection pattern evolves. New candidates are coopted into the top management group.

In a second step, the constitution of the top management was analyzed. As the top management is particularly dense and cohesive, collectivity enables and ensures the homogenization and diffusion of shared values and norms. This condition is also conducive for the establishment of a coherent selection pattern. Moreover, the social network analysis revealed the importance of the 'backstage' of organizations. The very high density of informal relations illustrated that a lot of time is invested in relations beyond formal work collaborations. Relations between top management colleagues tend to be multiplex, meaning work relations also serve simultaneously as friendship relations. It was further argued that this multiplexity is vital for determining the fit of a person as a whole. The informal relations give access to the person's private life, which allows for a 'background check'.

In a third step, the study shed light on the underlying mechanism of the selection path, i.e. the driving force of the homogeneity reproduction. By zooming into the dynamics and functioning of the leadership system it became obvious that there is a tight informal behavioral corridor to maneuver in. This corridor ensures a distinct coordination of the
leadership group beyond the operational work flow. Coordination, de facto, is doubly secured: on the one hand, it results from the narrow corridor to maneuver within a very cohesive group. On the other hand, it results from a thorough selection based on the fit-pattern which assesses the candidates as a whole. Both aspects secure harmonization and homogeneity to the greatest possible extent. The decisive factors which become the driving force for the reproduction for homogeneity are the functionality and the benefits which coordination brings about. Homogeneity carries coordination effects which create positive feedback and which make it attractive for the top management to maintain its composition as it stands. For instance, homogeneity provides organizational benefits because it makes members’ behavior predictable and ensures a smooth functioning of the work flow. On the group level, a sensitive selection of 'suitable' candidates secures that power positions remain in the hands of an unambiguous group. Homogeneity is also central on the individual level where it stabilizes identity and provides familiarity, emotional support, and belonging. It was further argued that gender is a constitutive element for the building of the collective top management identity as well as the smooth coordination among top managers. Homogeneity in gender reduces ambiguities in social interactions.

This driving force develops greater pull the more homogenous the group becomes. Benefits from coordination effects increase the more similar and conformist leaders become. As this similarity process increases over the course of the (vertical) career, the returns of coordination increase the higher one travels up the organizational hierarchy. The increase of this positive feedback with a simultaneous constriction and tapering in the selection of personnel is what makes the selection processes a path.

Reflections on the increasing overlap of the professional and private sphere as well as the context specificity of top management led to the development of the concept ‘organizational hyper-inclusion’. Hyperinclusion is a – if not the – decisive factor in explaining the persistence of homogeneity in top management. By ensuring this high level of involvement and fit of the person as a whole, i.e. in its functional role as well as its 'private' aspects, top managers become as predictable as possible for the organization. In the state of hyper-inclusion, top management members internalize the organizational rules. This has high relevance because predictability and coordination are central principles of

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105 It was argued that the benefits do not increase endlessly. Once a smooth functioning is reached and the system is stabilized, coordination effects become constant.
organizing. As long as the access to a leadership position requires hyper-inclusion, the persistence of gender-homogeneity in top management positions will remain.

Despite the benefits, path dependence creates potential inefficiencies and significant costs. To name a few, the organization has to deal not only with costly change measures which have had no effects so far, the biggest threat to the organization are in fact the effects of hyper-inclusion: top managers are so involved and aligned with the company that they lose sight of the changes surrounding them and lose the ability for innovation. By conforming to the system rules, original and innovative ideas are scarce. In addition, securing one's position at all costs leads to potentially irrational behavior and decisions.

Apart from the process perspective, the theory of organizational path dependence has opened the view for diverging developments between the organization and its environment. Due to positive feedback processes, the organization reproduces a homogenous composition of its top management despite significant changes in the environment. Internal positive feedback processes create a rigidity which prevents the organization from adapting to societal changes. The dynamic which provides benefits for the leadership group at the top has flipped over into a rigidity of the organization. Path dependence creates an inability for reflection and incapacity for coping with change. Due to the top management's cohesion and coordination, the leadership group is blind towards contradictions and irrationalities.

The path dependence perspective has also shed light on the emergent and systemic effects of coordination processes. As such, the exclusion of women and other minorities is not necessarily the result of deliberate exclusion strategies but can be seen as a consequence of organizational coordination processes. These coordination effects also lead to the blind spot that top managers cannot perceive their homogeneity in gender. Instead, they experience themselves and each other as profoundly individual and heterogeneous (see also Pasero 2004).

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106 The argument does not intend to disqualify explanations which point at deliberate exclusionary practices. The study rather intends to expand potential explanations by showing how organizational processes can have emergent and indirect effects on men and women.
1. Why do diversity management measures keep failing?

As in FIRM, many diversity management concepts are directed at the excluded groups in top management. Companies' diversity measures primarily focus on women, especially the advancement of women to leadership positions, where common measures include trainings, coachings, and mentoring programs for women, the establishment of women's networks, flexible working models (mainly directed at women with care responsibilities), re-entry programs, and special recruitment measures for women as well as girl's days. While offering diversity trainings designed for all employees, hardly any organization targets those persons specifically who have already reached top management. Hence, those who actually create and reproduce organizational structures or career requirements that is mainly men – do not have to reflect on the status quo. Instead, those who stand outside of the top management are encouraged to reflect on the top management's informal norms and success strategies. The focus of these measures, thus, reinforces the idea that women are the 'problem group' and that male top managers can continue with 'business-as-usual'. As a consequence, these measures may even have the effect of deepening the gender divide.\(^\text{107}\)

The present research, however, demonstrates that there is a hidden driver within the top management which prevents an opening of the leadership group to include more diverse personnel. Apart from the challenging – if not paradoxical – situation that the selection path needs to be broken by those who are actually locked into it\(^\text{108}\), there is a positive feedback mechanism at work (coordination effects) which secures a strong cohesion and closure in the top management. Furthermore, coordination effects carry benefits for the organization, the leadership group, as well as its members by maintaining the homogeneity in top management for its functional aspects. Consequently, these positive

\(^{107}\) Kornberger et al.'s (2010) study on the introduction of a flexible working program highlights how working flexibly – for instance, doing home office or reducing weekly working hours – is perceived as reflecting only a part-time commitment towards the company. "It cast the flexible worker as a dilettante; being a member of the [flexible working] program was, therefore, synonymous with not being regarded as 'serious' about one's career, [the company] or serving the needs of clients" (787). The flexibility program may have improved working conditions for (largely) women to balance their management position with family life. At the same time, by taking part in the program, it marked them as less ambitious and committed to their career due to the organization's expectations to commit to work 100 percent. As a result, the program even deepened the gender divide and the dominance of men in top positions continued.

\(^{108}\) See Geppert 2010: Change initiatives towards an increase of diversity in top management are expected to be launched by precisely those organizational actors that are the subject of the change attempts. In other words: white, middle aged, male top managers have to decide on and dissolve their own closed circle of white, middle aged, male top managers.
feedback dynamics prevent a successful and sustainable implementation of change interventions. Diversity management measures keep failing because they do not take into account the systemic forces in the top management. The majority of change interventions aim at empowering excluded groups without addressing the inherent logic of leadership systems. A shift in the discussion has to be made away from women's 'shortcomings' towards the top management's constitution. What needs to be considered for a successful change process? How can path dependence theory inform sustainable change strategies?

For an understanding of change barriers it needs to be taken into consideration that in a state of path dependence, organizations and their actors have lost the power to deliberately break the path. They are governed by self-reinforcing dynamics and have therefore lost control and the choice of alternatives. “Path dependent behavior, strictly speaking, excludes path-breaking behavior” (Sydow et al. 2009: 702). Hence, a lock-in cannot be escaped endogenously. The breaking of a path requires an exogenous shock (Vergne/Durand 2010; Sydow et al. 2009). At least, it is necessary to “integrate an exogenous perspective – that is, an activity that is not under the regime of path dependence” (Sydow et al. 2009: 702). This may enable organizational agents to reflect on practices and dynamics which are usually taken for granted. The hidden dynamics which drive the process need to be disclosed by taking a critical stance. The key to break a path is to interrupt the self-reinforcing mechanism which drives the pattern reproduction. This “specific energy” (ibid.) has to be understood and redirected or dispersed. As expected, this is not an easy undertaking due to the fact that these dynamics are hidden. “Subconscious blinders, perceptual defense and blind spots” (ibid.) easily hamper the path breaking process. Furthermore, emotional resistance may prevent one from reflecting on the status quo.

It is important to understand that in order to break the top management's selection path it is necessary to loosen coordination effects. The intervention has to address this positive feedback mechanism as it is the driver of the reproduction process. Given that this driver is out of the top managers’ control, it is not surprising that they tend to be unaware of the biased selection pattern. Being hyper-included makes them 'blind' and unable to reflect on what keeps the biased selection processes in motion. But understanding the top management's functioning provides an opportunity to reflect on the system's logic including its unintentional effects of exclusion.
What practical implications does this have? How do strategies for change need to be designed if they consider adequately the inherent logic of the leadership system as well as the functional aspects of hyper-inclusion? Based on Sydow et al. as well as on my own considerations, there are several points where interventions seem promising.

The breaking of the selection path through an exogenous shock suggests a *women's quota* for top management positions. An external quota would have the potential to interrupt the logic of self-reproduction and to open up the scope of action – especially since the exclusion of women is, to some extent, an unintentional and emergent result of hidden forces.

A rather unusual change strategy – suggested by Sydow et al. (2009) – is a *paradoxical intervention* to address the system's logic. In this case, the external change agent would not advise the organization to reflect on and change its selection practices and career requirements. On the contrary, the change agent would suggest continuing with the organizational practices or even reinforcing them. That would mean more coordination and more cohesion through an even tighter and even more sensitive inclusion of top managers into the organizational context. The idea is that this paradoxical intervention leads to a pattern implosion. Hyper-inclusion and homogeneity would then take even more extreme forms which would ultimately lead to top management members resisting their own practices from within.

Alternatively, in order for top management to regain control over its internal selection processes, it needs to *actively and systematically steer its diversity management activities* by defining precise milestones and responsibilities. In any case, it seems essential that *room for distancing and reflection* is provided which allows top managers to observe their own practices. As a matter of fact, in a state of hyper-inclusion this is a difficult undertaking, because hyper-inclusion makes recognition and stepping out of organizational practices a challenge in itself. Nonetheless, a driver for change could develop if leaders become aware of the logic's personal and organizational costs as well as its dysfunctional flip.

The study's findings also propose to *formalize selection processes* especially in higher leadership positions. A definition of selection procedures and criteria is necessary to prevent an informal cooptation by top management groups based on biased and implicit selection patterns.

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109 Possibly also for other diversity dimensions, e.g. a quota for ethnic minorities.
In the long run, top management positions need to be designed in a way that allows them to function without uncontrolled positive feedback dynamics. As such, *functional equivalents* need to be developed which substitute the functional aspects of hyper-inclusion. For example, the mode of inclusion into top positions needs to allow sources of recognition and identity from roles outside the working context. In turn, this would indirectly allow for an opening up of top management ranks, since the need for such a cohesive ‘gemeinschaft’ as the provider for emotional support and belonging will become less important. The organization needs to make a deliberate decision as to what extent its top managers need to become part of the organization: complete inclusion of the person as a whole? This would perpetuate hyper-inclusion with its risk for exclusion of women and other minorities. Or is the organization willing to design top positions which allow for partial inclusion? A more balanced mode of inclusion suggests a potential for the breaking of the path.

Overall, change processes in the field of gender and diversity management need a deeper understanding of organizational change processes. Change agents in this field can make their work more effective if they are more aware of and have deeper knowledge about the organizational functioning and organizational dynamics which may hamper the change process.

2. Implications for gender and diversity studies: Organization matters

Within gender and diversity research, an important explanation for the homogeneity in top management are informal networks among men, also known as old boys' clubs. Firstly, these works tend to see old boys' clubs as something historically fixed and given because men have traditionally occupied top positions within organizations. Secondly, the reasons for these clubs are explained with interpersonal dynamics or as something that develops informally as part of the top management's culture (e.g. Vinnicombe/Singh 2003; Oakley 2000). Regarding the first aspect, the present study demonstrated that old boys' clubs are not a static feature of organizations but that they are the result of (everyday) organizational processes and expectations which, over and over again, produce gender relations in organizations. This organizational process view indicates that despite its persistence, this composition is not forever fixed but changeable.
The second point suggests that gender relations are constructed as a “doing gender” process in interpersonal interactions (West/Zimmerman 1987). Moreover, old boys' clubs appear to be something that develops uncontrolled and on the sidelines of organization's structures, and which has the connotation of being something 'parasitic'. This study, however, highlighted the decisive role of *organizations* in the production of gender relations. Gender is not just an outcome of “doing gender” processes on the interpersonal level but gender relations are also a result of organizational structures and processes (see Acker 1991). The organization defines formal career requirements and carries informal career expectations which result in an unequal distribution of men and women in leadership positions. Given the expected mode of hyper-inclusion for top management positions, this ultimately leads far more men into these functions due to the genderedness of the concept.

Furthermore, the homogenous gemeinschaft at the top of organizations is nothing accidental or undesigned. On the contrary, to become part of the top management's informal circle is an implicit but nevertheless organizational expectation. The way leadership groups function requires the members to integrate themselves beyond the formal function and to hyper-include themselves entirely as a person. Hyper-inclusion therefore comes close to what Krell describes as an organizational strategy to manage its personnel (Krell 1994: 27ff). By addressing the person as a whole the organization can make an “all-round use” of its top managers (ibid.: 283). This different understanding of old boys' clubs entails that these homosocial bonds are an organizational expectation instead of an informal group conspiracy at the backstage of organizations (see also Erfurt Sandhu 2014). These clan-like relations are in the interest of organizations because they ensure a better organizational performance. Ouchi and Jaeger (1978) argue that clan-like relations reduce coordination costs due to the overlapping of individual and organizational interests. This overlap makes organizational members predictable. Furthermore, clan-like structures tap into the personal resources of their members and use the potential of trust and loyalty for organizational purposes (see also Brose et al. 1994).

As such, gender is not simply brought to a gender neutral organization by its gendered members where gender is produced in interactions. At the same time, especially
organizational leadership positions produce gender relations.\textsuperscript{111} Put in a nutshell: Organization matters. There may be organizational divisions which are less gendered or more ambiguous in their gender connotation. On lower organizational ranks gender can be more contingent. But the top management's distinct mode of inclusion – hyper-inclusion – produces a clear gender connotation which is male.\textsuperscript{112}

3. Implications for organizational path dependence theory

The study illustrated a path dependence in selection processes for top management positions. It has demonstrated how this lock-in is maintained due to a tapering process in the selection and a number of stabilizing processes and self-reinforcing dynamics. The findings show how positive feedback reproduces and perpetuates an equilibrium over time.

Regarding the research design, the study demonstrates the asset of ethnographic research methods for theory building. The variety of mainly qualitative research methods produced “thick descriptions” for analyzing organizational dynamics. The variety of data allowed looking behind surface manifestations to identify and reconstruct organizational processes and mechanisms.

Regarding organizational mechanisms, it was demonstrated that gender can play a constitutive role in self-reinforcing mechanisms. Particularly for coordination effects, increasing homogeneity in gender is a decisive factor for an escalating dynamic. As such, gender can be a structuring force in the development of a path.

This empirical study puts an emphasis on the path-formation phase and also zoomed in the lock-in state to bring into focus how an equilibrium in the lock-in phase stabilizes and perpetuates itself. It was demonstrated that in the state of a lock-in there are positive feedback mechanisms (coordination effects) which maintain the lock-in's stability. These returns, though, only seem to be constant returns. This differs from path dependence theory, firstly, because positive feedback mechanisms are only seen to be a characteristic element of the path formation phase but not of the lock-in phase. Secondly, because path

\textsuperscript{111} For a closer look on the production of gender relations in organizations, see Geppert 2012.

\textsuperscript{112} In this sense, a functions mode of inclusion – whether it is partial inclusion or hyper-inclusion – can be one possible indicator to specify the role of gender in organizational functions. Taking into account the function's mode of inclusion can inform the discussions whether and where gender is a constitutive element of organizations.
dependence theory has defined positive feedback mechanism with increasing returns and not with constant returns. As such, this empirical study is an example that – at least in the lock-in phase – a path stabilizes due to constant returns.

This study clearly confirms two aspects of organizational path dependence theory: the importance of the enhancing context and the systemic forces. Regarding the latter, the self-reinforcing dynamics in the top management are the hidden forces which – behind the backs of the organizational actors – drive the reproduction process of homogeneity. Considering these systemic forces allows us to capture functional aspects of the top management's homogenous composition as well as the indirect and unintentional effects of its coordination. Regarding the former, the construction of top management with its required mode of hyper-inclusion as well the ambiguity of its very task creates a fertile ground for coordination effects. Lower hierarchical levels do not provide such an enhancing context as they tend to be more formalized, their tasks entail more routines, and they allow more for a partial inclusion into the organization. But the way leadership is constructed requires a well coordinated, very cohesive and hyper-included group.

4. Limitations of the study and future research

The case study FIRM is comparable to other companies of its size in Germany – particularly consulting companies – due to its work force composition as well as the different diversity management measures which have been introduced to increase the proportion of women in top management positions. These similarities suggest a potential for generalization. However, one has to be cautious about jumping to an early conclusion because the largely qualitative approach of this case study cannot ‘prove’ how homogeneity in top management is reproduced in all organizations. The study does not allow for a “statistical generalization” (Yin 2009: 15) to predict developments in other organizations. Nonetheless, what is being provided is a new and more detailed insight into the reasons for this puzzling rigidity in top management. This study's aim is therefore to produce plausible and novel explanations by providing an “analytic generalization” (ibid.). This allows for a better diagnosis of change barriers in other organizations.

What further limits a generalization of the findings is FIRM's business structure. FIRM's leadership is organized as a partnership in which the partners own shares of the company and split their profits and losses. To protect this capital, the selection processes may be
more sensitive compared to companies in which executives solely act as managers of the capital. It is likely that the partnership examines more carefully who fits in and who should be co-opted into their gemeinschaft. The partnership may also have a stronger sense of group-spirit in which belonging and commitment are particularly distinct.

If one is to believe the interviewees’ self-descriptions, then the particularities of accountants as a professional group are a further limitation for generalization. Due to their profession, accountants are described as persons to whom certainty is not just important for the content of their work but for whom the need for certainty also applies to their social interaction. Accountants are said to prefer a social comfort zone in which they can interact unambiguously with persons who are similar to themselves.

In this study, the main category for the illustration of homogeneity in top management was gender. Homogeneity in top management encompasses many more categories, such as ethnicity, sexual orientation, disability, and age. Hence, the question which remains is whether the processes and mechanisms which apply to gender can also explain the low number of persons from other minority groups. Future research needs to trace the organizational processes which produce these differences beyond gender and its intersections with other diversity categories. Overall, based on the findings of the present study, it is likely that the breaking of the selection path would not only lead to an opening of the top management to include more women but also other minority groups.

As suggested above, a further interesting field for future research is an analysis and discussion of alternative constructions of top management positions. How can leadership functions be designed without implicitly requesting top managers’ hyper-inclusion? What functional equivalents for hyper-inclusion are thinkable and realizable? Which consequences do part-time top management positions have for the composition of these leadership ranks and their selection practices?

With regard to hyper-inclusion, future studies which analyze the consequences of hyper-inclusion not just for gender relations but also for ethical behavior would be interesting. Given that hyper-included top managers work in very self-referential settings, they tend to lose sight of other social reference points outside their field and lose touch of 'the normal, everyday life'. Furthermore, given their fear to lose their position, there is a likelihood to

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113 For a humorous (self-)description, see Hakelmacher 2006.
act irrationally and even unethically for the sake of securing their status quo (see also Baecker 2005).

As this research focused on endogenous processes in organizations for the reproduction of homogeneity, an additional field for future research could be the interlocking of endogenous processes with those that are exogenous to the organization. For instance, how does the organization draw on the society's separation of work and family and the associated responsibilities for men and women? How does the organization make use of social gender divisions for processes within? In what way does the organization refer to 'typical' female responsibilities in society (reproductive work) to legitimize the high number of men in top management positions? To phrase it in path terminology: What complementary effects are there between the organization and its social environment? Complementing the endogenous processes with the exogenous aspects as well as their interrelations may provide even more explanations for the stability of homogeneity in top management.
APPENDIXES

(in German)
Appendix A: Interview protocol for interviews with partners and board members

Teil 1: Eigener Weg in die Partnerschaft/in den Vorstand

- Können Sie bitte als Einstieg kurz Ihren eigenen Karriereverlauf mit den wichtigsten Meilensteinen beschreiben?
- Welche Voraussetzungen und Bedingungen mussten Sie erfüllen, um in diese Position zu kommen?
- Wie wurden sie ausgewählt?
- War es schon immer Ihr Ziel in diese Position zu kommen?
- Wie sind Sie das angegangen?
- Hatten Sie Vorbilder und Identifikationsfiguren?
- Welche Rolle spielte die Unterstützung von Vorgesetzten und Mentorship?
- Welche Rolle spielten persönliche Netzwerke in Ihrem Karriereverlauf?
- Wie sind Sie zu Ihrer Position als Leiter einer Serviceeinheit/Vorstand gekommen? Warum wurden gerade Sie ausgesucht?
- Halten Sie Ihren Karriereverlauf für einen klassischen Karriereweg bei FIRM?
- Wie muss eine Person sein, um Partner [Vorstand] zu werden? Gibt es eine Art Prototyp? Ist das ein bestimmter Typus Mensch, der hier in Führungspositionen ist?

Teil 2: Informelle Spielregeln und Kultur in der Partnerschaft

- Können Sie zwei oder drei Situationen beschreiben, in denen Sie gelernt haben, dass eine bestimmte Verhaltensweise erwünscht oder unerwünscht ist? Wie verhält man sich taktisch richtig um erfolgreich zu sein? Oder anders ausgedrückt: Was sind die ungeschriebenen do’s and don’ts auf dem Karriereweg?
- Wenn Sie sich an die Zeit zurück erinnern, als Sie Partner geworden sind (erste Meetings etc.): Hatte Sie etwas an der Kultur überrascht? War etwas an der Kultur gewöhnungsbedürftig?
- Gibt es bestimmte Codes, die Sie erlernen mussten?
- Wie haben Sie das gemerkt oder von wem haben Sie das erfahren?
- Was passiert bei einer Verletzung dieser impliziten Regeln oder Verstoß gegen implizite Normen?
• Wenn man die Partnerschaft mit demographischen Merkmalen beschreibt (Ausbildung, Herkunft, Geschlecht, etc.) ergibt sich ein relativ homogenes Bild (besonders in Leitungsgremien). Wie erklären Sie sich das?

• Ich möchte nochmal auf die persönlichen Netzwerke zurückkommen, die wir schon angesprochen hatten. Welche Rolle spielen informelle Beziehungen und persönliche Netzwerke für Ihre derzeitige Arbeit als Partner/in?

• Für was nutzen Sie Ihre Netzwerke?

Teil 3: Karriereanforderungen für den „Nachwuchs“

Um den Kreis zu schließen, möchte ich zum Schluss gerne nochmal auf das Eingangsthema zurückkommen. Wir hatten mit Blick auf Ihren Weg über Karriereanforderungen und Prototypen gesprochen. Als Partner/in sind Sie nun in einer Position, in der Sie auch über den „Nachwuchs“ entscheiden, d.h. Sie können Manager und Managerinnen besonders fördern und schließlich auch für das Partner Development Centre vorschlagen.

• Ich möchte gerne wissen, woran Sie in der Arbeit mit Ihren Mitarbeitenden erkennen, wer Potential hat? Können Sie schon relativ früh erkennen, wer ein High Potential ist und wer nicht? Und wenn ja, woran?

• Abschließend habe ich noch eine letzte Frage. Stellen wir uns mal vor ich würde morgen bei FIRM anfangen - mit dem klaren Ziel Partnerin zu werden - und Sie wären mein/e Mentor/in. Welche Tipps würden Sie mir auf den Weg geben und mit welchen Spielregeln würden Sie mich nach und nach vertraut machen?

• Was ist wichtig?
• Wer ist wichtig?
• Wie muss ich etwas angehen?
• Codes?
• Gibt es etwas, dass man als Frau beachten muss?
Appendix B: List of Codes

Karriereweg FIRM und Selektionsprozesse

Karriereförderndes Umfeld/wirtschaftl. Situation

Karriereschritte FIRM
Examen
„Up or out“ Prinzip
Auswahlprozess Partnerschaft
Insb. Partnernominierungsprozess
Auswahlprozess Leitungsgremien/Vorstand
früher – heute Vergleich bezügl. Auswahlprozess
Karriereförderndes Umfeld/wirtschaftl. Situation
Vorbilder
Rückschlag
„An sich arbeiten“/Identitätsarbeit
Fügung/Zufall
Förderer, Mentoren, Ziehväter
Netzwerke
Typus Führungskraft
Bauchgefühl

Formale Anforderungen (so auch Teil der formalen Kriterienkataloge)

Referenzen f. Partnernominierung/Empfehlungsschreiben
Breite fachliche Aufstellung
Fachliches Know-How
Business Case: Geschäftsentwicklung/Mandate
Mitarbeiterführung
„Out of the box“ Erfahrung
Personal Case:
Engagiert
Höflich/freundlich
Kommunikativ
Schnelle Auffassungsgabe
Selbstständig
Soziale Kompetenz
Souverän, Selbstbewusst
Teamplayer
Zielstrebig

Implizite Anforderungen

Alter
Blender (negativ konnotiert)
Dauerverfügbar
Durchsetzungsstark
Eigengewächs
Erscheinungsbild
Extrovertiert
Firma verkörpern
Flexibel
„Frau bleiben“
Gefestigte Persönlichkeit
Geordnete Verhältnisse Privatleben/Familie
Herkunft
Integer
Klassische Hobbies
Loyalität
„Mit Leib und Seele“
Offenheit
Passfähigkeit
Persönlichkeit sein
Politische Gesinnung
Querdenker
Religion
Sichtbarkeit/Visibilität

Kontext FIRM allg. und Partnerschaft/Partnergemeinschaft

Unternehmensbeschreibung FIRM
Charakterisierung Partnerschaft/System Führung
Differenzen, Abgrenzungen, Systemgrenzen
Selbstreproduktion Partnerschaft
„Inner circle“
Selbstbild Partner
Treibermotivation für Partnerschaft
Heterogenität
Homogenität
Regeln (informell)
Codes (Verhalten, Umgang)
Anpassung/Konformität
Erwartetes Verhalten
„Geben und Nehmen“
Koordination (Nutzen)
Kritik üben?
Vertrauen
Wohlfühlen
The dissertation analyzes the persistence of homogeneity in top management. It argues that organizations are path dependent in their selection of top managers. Due to a selection path the same type of candidate is selected over and over again which reproduces homogeneity in upper echelons. Using gender as a variable, the study raises the question how and why homogeneity is reproduced. The focus is on the organizational processes and mechanisms which maintain the status quo as it is.

By employing a case study in a consulting firm in Germany using interviews, observations, social network analysis as well as the analysis of statistics and documents the study analyzed the selection processes for top managers. The special access to the company's top leadership groups allowed for an analysis of the formal and the informal processes for selection as well as the functioning of the leadership system.

A central finding of the study is that homogeneity in top management is reproduced due to coordination effects. The similarity among top managers as well as their distinct involvement into the organization ('hyper-inclusion') allows for the best possible coordination and predictability in the organization's social and operational life. The more leaders become similar to each other over the course of their career, the more they benefit from the coordination. Eventually, this dynamic develops such a strong internal pull that the organization becomes unable to react to social and demographic changes in the environment. It fails to diversify its top management and homogeneity persists.

The dissertation makes an important contribution to the debate on gender and leadership by shedding light on the role of organizations in the production and distribution of the internal demography. It can further be explained why change initiatives towards more diversity in top management tend to fail or, till date, do not yield any measurable effects. On the basis of the analysis new approaches for the creation of more diversity in leadership positions are developed.
KURZFASSUNG DER DISSERTATION


Mit einer Fallstudie in einem großen Beratungsunternehmen werden mit Interviews, Beobachtungen, einer sozialen Netzwerkanalyse sowie der Analyse von Daten und Statistiken die Selektionsprozesse für Führungskräfte analysiert. Der besondere Zugang zur obersten Führungsebene erlaubt neben der Analyse der formalen Prozesse auch einen Blick auf informelle Auswahlprozesse sowie der Funktionsweise des Führungssystem.


REFERENCES


