



Vaasan yliopisto
UNIVERSITY OF VAASA

Heidi Cantell

Are strategies created differently based upon TMT gender diversity?

Examining the role of TMT gender diversity in strategy work

School of Management
Master's thesis in Strategic
Business Development

Vaasa 2021

UNIVERSITY OF VAASA**School of Management**

Author:	Heidi Cantell
Title of the Thesis:	Are strategies created differently based upon TMT gender diversity? : Examining the role of TMT gender diversity in strategy work
Degree:	Master of Science in Economics and Business Administration
Programme:	Strategic Business Development
Supervisor:	Paula Linna
Year:	2020 Pages: 94

ABSTRACT:

This thesis explores the role of top management team (TMT) gender diversity in firm's strategy creation and strategy work. The aim is to explore whether differences exist between different managerial groups in this context. The study is conducted by using a multiple-case research design.

The theoretical framework starts with introducing strategy process research stream continuing to strategy-as-practice perspective (SAP), which was applied in this study. Second, existing literature of top management team research is provided to create a basis for studying top management teams. Next, existing literature of TMT diversity is provided continuing to TMT gender diversity related literature.

The empirical part of the study was conducted by using a multiple-case research design. The study consisted of three different cases. One, representing TMTs consisting mostly of women, second representing TMTs consisting mostly of men and third diverse group representing TMT consisting half of women and half of men. The data was collected by using a semi-structured interview technique and analyzed by using qualitative content analysis methods.

As a result, although cases had many similarities, few differences existed. First, each case described themselves differently from each other by using different adjectives. Slightly more subtle adjectives were used by women compared to men's more decisive word choices. Second, the differences existed in the participation of personnel in the strategy creation. The findings show that the participation was emphasized the most in the case representing gender diverse TMT in which personnel was strongly engaged with the strategy creation. Findings also indicate that decision-making in homogeneous TMTs, which consists of either men or women stood out more agile compared to diverse case. All cases stood out with their collective way of making decisions. Last, findings also pointed out that all cases utilized many different sources of data for strategic decision-making, emphasizing financial means. In addition, TMTs consisting mostly of women pointed out also the support of feelings and personal beliefs in decision-making.

KEYWORDS: TMT gender diversity, strategy-as-practice, strategy work, strategy creation, top management team

Contents

1	Introduction	11
1.1	Motivation for the study	11
1.2	Research gap	12
1.3	Research problem and theoretical contribution	15
1.4	Thesis structure	16
2	Theoretical background	18
2.1	Strategy Processes	18
2.2	Strategy as Practice	21
2.2.1	Praxis, practices and practitioners	24
2.3	TMT Research	27
2.3.1	Top management team	27
2.3.2	The effects of TMT characteristics	28
2.3.3	Diversity in TMTs	31
2.3.4	Gender diversity in top management teams	36
2.4	Synthesis	43
3	Data and methods	45
3.1	Research strategy	45
3.2	Research Method	46
3.3	Case selection process	47
3.4	Data collection	49
3.5	Data Analysis	51
3.6	Reliability and Validity	53
4	Findings	55
4.1	Within-Case Description and Analysis	55
4.1.1	Case 1 TMT (Majority of women)	56
4.1.2	Case 2 TMT (Majority of men)	60
4.1.3	Case 3 TMT (Diverse group)	64
4.2	Cross-case analysis	67

4.3	Synthesis	76
5	Discussion	79
5.1	Theoretical implications	79
5.2	Managerial implications	80
5.3	Suggestions for future research	81
5.4	Limitations	82
6	List of references	83
	Appendices	93
	Appendix 1. Interview template	93
	Appendix 2. Interview proposal	94

Figures

Figure 1. Research gap.....	14
Figure 2. Strategy Process research according to Hutzschenreuter & Kleindienst (2006).	21
Figure 3. SAP approach (Whittington, 2006).....	24
Figure 4. An upper echelons perspective, a copy from Hambrick & Mason (1984).....	30
Figure 5. Demographic and cognitive diversity (De Anca & Aragón, 2018; Bantel & Jackson, 1989).	31
Figure 6. Effects of diversity adopted from Hambrick et al., (1996) and Parola et al., (2015)	35
Figure 7. Different perspectives of how gender diversity affects on firm's performance (Perola <i>et al.</i> , 2015).	38
Figure 8. Interview schedule.....	51
Figure 9. Example of coding from case 1.....	52

List of abbreviations

TMT	Top management team
UET	The Upper Echelons Theory
IPO	Initial public offering
SAP	Strategy as practice
KPI	Key performance indicator
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCO	Chief Commercial Officer
CHRO	Chief HR Officer
CBDO	Chief Business Development Officer

1 Introduction

The aim of the first chapter is to introduce the subject of the thesis. First, motivation of the study is presented continuing to the research gap that this thesis aims to contribute. Secondly, research problem of this thesis is presented continuing to theoretical contribution. Finally, the structure of the thesis is briefly conducted.

1.1 Motivation for the study

Factors that influence firm's strategic performance have been widely researched in the academia. (Cycyota *et al.*, 2007). Interest has increased in studying how a firm responds to its rivals' moves and what kind of countermoves it does in order to answer to competition on the market. (Hambrick *et al.*, 1996). The discussion of top managers role in firm's performance and strategy work has been studied for decades. (Hambrick *et al.*, 1996). Top management's role on strategy processes and strategic planning has often considered as a key variable in firm's success. (Wolf & Floyd, 2017). Furthermore, the way a firm is able to respond to the change lies in the mean how the top management render strategic issues. (Bantel & Wiersema, 1992). As the role of strategy process plays an important role in firm's success, the factors that influence on the outcome need to be examined. One way of studying the strategy work, is to examine the group that is creating the strategy.

Strategic issues involve multiple activities from the top managers and the characteristics of TMT are is great role in strategic issues. (Xu *et al.*, 2019). As leading an organization consists of complex events, all the interaction among individuals, collective cognition and capabilities of a TMT has a focal role in firm's strategic behavior. (Hambrick, 2007). Furthermore, the dynamics that a top management team (later TMT) create, affect on the outcome which strategy firm is more likely to apply. The Upper Echelon theory by Hambrick and Mason (1984) proposes that managers make choices based on their previous knowledge and values. Furthermore, the firm reflects the characteristics of its top managers. (Hambrick *et al.*, 1996; Hambrick & Mason, 1984).

At the same time, discussion on diversity related matters is increasing in organizational level. (Machado & David, 2018). Diversity is often presented as a positive factor when comes to studying team's effectiveness. (Knight *et al.*, 1999). Current literature has tried to draw the causality between top management's diversity and firm's performance with controversial results. Some studies have been able to show the link as where others have enabled to conduct the opposite. (Richard *et al.* 2004). However, studies of top-management diversity tend to focus on non-visible diversity factors such as background or characteristics of the members of TMTs. (Richard *et al.* 2004). At the same time, discussion on gender diversity and women's appearance in TMTs is increasing as the gender ratio still is unbalanced in majority of firms. Furthermore, still limited number of studies involve TMT gender diversity and organizational outcomes (Krishnan & Park, 2005). Noticing the complexity, of the phenomena further research is on demand.

With this in mind, the purpose of this thesis is to study how strategy work appears among homogeneous and heterogeneous groups. Furthermore, the aim is to explore the appearance of top management gender diversity in strategy work. In addition, the aim is to study whether differences exist. As mentioned above, diversity can be described various ways. In this context, the study defines homogeneous and heterogeneous groups based on the gender ratio within the TMT.

The aim of it study is to contribute on the conversation about the role of TMT gender diversity in the strategy creation and strategy work. In addition, the aim is to contribute on the conversation of formulating future TMTs as organizations are transforming to more diverse.

1.2 Research gap

The research cap is built upon three themes. First, the debate whether gender diversity affects on the firms' activities has been on top during the 21st century. The focus has strongly been in performance effects of having women in TMT for instance by Frink *et*

al., 2003; Krishnan & Park, 2007 and Deszö & Ross, 2012. Problematic is, that scholars seem to be equivocal with the results how diversity affects on firm's performance, or in contrast, does it even have an effect? On the other hand, when focusing on TMT gender diversity and firm's strategic behavior a few studies have showed different effects of having a diverse TMT. (Luanglath *et al.*, 2019; Frink *et al.*, 2003; Krishnan & Park, 2007; Johnson *et al.*, 2017). However, as diversity may be studied from several different point of views as diversity multiple factors exists, no coherent understanding exists what is the role in diversity in firm's strategic behavior. Hence, focusing on a single aspect of diversity and firm's strategy work offers an alternative insight on the academic discussion about TMT diversity. Furthermore, the role of TMT gender diversity in firm's strategy work needs to be further studied.

Second, although field of strategic management notices the importance of different organizational levels in strategy work, the role of TMT remains vital. The role of upper echelons in strategy work is pointed out in the strategic management literature and has been noticed as one stream of research. (Hambrick & Mason, 1984; Hutzschenreuter & Kleindienst, 2006). Hence, focusing on the intra and interdependencies among TMT offers an insight why different TMTs perform the way they do. Furthermore, as the study examines three types of TMTs, this study offers new insight especially about female dominated TMTs that are studies little due to their rarity.

Third, many studies about TMT gender diversity focuses on the performance outcomes from the traditional process perspective, for instance studies by Adams & Ferreira, 2009; Dixon-Fowler *et al.*, 2013; Mohan & Chen, 2004; Welbourne *et al.* 2007. The limitation in the traditional process research is that although strategic processes have been researched for decades, limited amount of data of the actual work done by strategists exist. (Mantere, 2005). As the traditional strategy process perspective tends to focus on the economic outcomes of a strategy work, little attention lies in the social aspects of doing strategy. Hence, instead of focusing only focusing on *what* kinds of strategic decisions are made, the study focuses on the strategy as practice perspective and seeks *how* a

specific strategy is created in a firm. (Chia & Mackay, 2007). Strategy as practice perspective offers a unique point of view to strategy work in which different praxis, practices and practitioners are explored.

To sum, the study aims to point out whether strategies are built upon gender by using the SAP perspective to offer an alternative viewpoint on the strategy work of TMTs.

This study aims to contribute on the conversation how different TMTs create strategy and what kind of factors appear in strategy process in homogeneous and heterogeneous TMTs. Furthermore, the aim is to uncover whether differences between male and female dominated TMTs exist and if yes, what kind of differences. Understanding the differences will help organizations to cover possible blinds pots in strategy process and to build up a TMT that consist of diverse individuals.

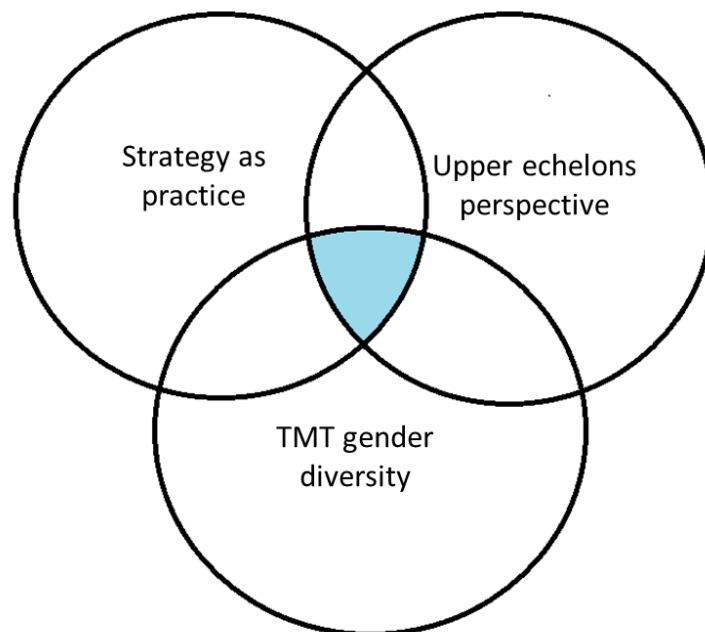


Figure 1. Research gap

1.3 Research problem and theoretical contribution

The purpose of the study is to contribute to the TMT diversity discussion with how top management gender diversity affects on the strategy work. The focus is to explore the theme within the Nordic Personnel Service Sector which by far has not been under studies considering the subject.

The following research question is selected for this study:

RQ : "How top management team gender diversity appears in strategy work ?"

To examine the research question, three objectives are selected to support the study. Furthermore, selected objectives are:

O1 : "What similarities or differences exist in homogeneous groups and in heterogenous TMTs when creating a strategy?"

Q2: "Does TMT gender diversity affect on strategy practices and if yes, how?"

O3 : "Does gender diversity affects on group's cohesion, discussions and decision-making and if yes, how?"

The thesis has three objectives to support and guide the study. The first objective in this study is to increase understanding of strategy processes and narrow the theme towards managerial strategy processes. The aim is to seek how different teams create strategy, what similarities and differences exist. Furthermore, the aim with this is to create a basis for what strategy processes may look like and what kind of literature exists around the field. The first objective aims to focus on the strategy process that a firm has. For the basis of this objective, literature is provided in sections 2.1. and 2.2.. Second objective is to conduct focal literature review of the role of TMT in strategy practices, presented under theme 2.3.

Third objective is to gain insight about diversity, narrowing the scope to gender diversity and specifically diversity in TMTs. Furthermore, the aim is to present the existing data on how TMT gender diversity is presented in the current literature. The theme is presented in section 2.3.3. and 2.3.4.

With the above three streams, the aim is to create the scope for the study. At the same time, the aim is to keep in mind the inductive research approach with the qualitative case interviews and notice that the approach on literature may vary depending on the results. However, using deductive research strategy enables to create a basis for the study.

1.4 Thesis structure

This thesis has five chapters. The chapters after the introduction are constructed as follows:

First, theoretical background is represented to create the scope of the study. The first chapter focuses on conducting a literature review on strategy processes and strategy-as-practice (SAP) literature, continuing to the description this thesis uses about strategy process. Next, literature of TMT research is presented to point out the reasons why TMTs are studied in academia. Furthermore, common literature of TMT diversity is provided in hand. Continuing with the theme, the literature review continues to represent the themes of TMT diversity and more specifically, TMT gender diversity. Last, a synthesis of the theoretical background is represented to conduct a clear basis for the empirical part.

In chapter three, data and methods are represented more closely. Research strategy, and methods are presented as well as the case which is selected for this thesis. Continuing to data collection and analysis, chapter three is bundled with presenting the validity and reliability of the empirical part of the thesis.

Chapter four focuses on the findings from the empirical part. Each case is first presented as their own to create a brief outlook on each case's strategy work. Next, cross-case analysis is used to compare these three cases with each other. Last in the chapter, synthesis is presented to summarize the findings and to contribute to the set research question and objectives.

Last, chapter five aims to contribute on the existing literature with theoretical and managerial implications, pointing out the limitations on this study and last, proposing suggestions for future research.

2 Theoretical background

The aim of the literature review is to conduct a theoretical basis for the thesis. The literature review consists of three main entities to create a scope of the study.

First, theories of strategy process lie in the center of the literature framework. A synthesis of different approaches how strategies may be formed and how the strategy process is established in the literature is provided in sections 2.1 Further, strategy as practice perspective, which this work utilizes is presented in 2.2.

Next, appropriate literature on TMT research is presented to offer an insight on the existing research of TMTs and its role on firm's organizational performance under 2.3.in sections 2.3.1 and 2.3.2.

Last, an outlook on diversity is provided narrowing the scope towards TMT diversity and providing literature on how gender diversity is considered to affect on firm's performance and strategic issues in sections 2.3.3. and 2.3.4.

Last, a synthesis of the theoretical framework is provided to aggregate different point of views.

2.1 Strategy Processes

Strategy work can be examined through different ways. Strategy process research, as a part of strategy research focuses on how strategies are formed and implemented. (Johnson *et al.* 2017: 19).

Strategy process research has been under studies for a few decades as a part of strategic management. The collective ground of the study field is scattered which can be seen from the numerous schools of strategic management. (e.g. Mintzberg & Waters, 1985). However, it seems that traditional strategy process research is often examined from the

formulation point of view without the focus on strategy implementation. This can be seen incomprehensible since implementation plays an important role in strategic processes. (Hutzschenreuter & Kleindienst, 2006). Nevertheless, studies show that throughout the years the perception of strategic formulation has evolved from strategy planning to examining the link between planning and performance. (Hutzschenreuter & Kleindienst, 2006).

The turning point seems to be in the early 90's. Until then, studies had focused on the strategic planning and its relationship with financial performance in firms. (Floyd & Wolf, 2017). Nowadays, also the aspects of cognition and perception are considered to affect on strategic outcomes when examining strategic processes. Thus, it seems that the field of strategy process research has gained benefits from other fields of studies such as sociology, psychology or even biology. As time has gone by, also long-time causality studies are offering tools for understanding causalities in strategy processes better. (Hutzschenreuter & Kleindienst, 2006).

Sminia (2009) states that one of the largest achievements in strategy process research has been to turn over the assumption that strategy process is a linear process from a plan to implementation. Instead of this, strategy processes and strategy formation are seen as complex processes with a lot of variables. The perspective that numerous actors are involved with strategy planning and processes has broadened since the 20th century and for example the increasing role of middle managers in strategy formulation have been noticed. (Floyd & Wolf, 2017).

Strategy processes can be examined by various ways and one of the most known ways to distinguish the differences and studying strategy as well as strategy processes, is the Mintzberg's ten schools. (Sminia, 2019). These schools represent the different lenses through which strategies can be examined. The schools are planning, power school, entrepreneurial, design, cognitive, learning, cultural, positioning, configuration and envi-

ronmental school. Based on their perspective, schools are further divided in to descriptive, and prescriptive groups. (Sminia, 2019). Thus, each representation of strategy formulation can be categorized under Mintzberg's ten schools.

In an extensive meta-analysis, Hutzschenreuter and Kleindienst (2006) sums that the current field of strategy process research literature consists of two type of studies: *linkage studies* focusing on the linkages of set themes and *box studies* focusing on individual themes of strategy process. Linkage studies can then again be divided into four different streams based on the interconnections between antecedents, processes, and outcomes. (Hutzschenreuter & Kleindienst, 2006). Box studies then again focus on the individual themes such as strategy processes, characteristics and personal cognitive context, strategy formulation or strategy implementation. (Hutzschenreuter & Kleindienst, 2006).

As an outcome of extensive research, Hutzschenreuter & Kleindienst (2006) identify six different approaches to strategy process research. From these, the strategy as practice (SAP) perspective is further represented in chapter 2.2 and the upper echelons perspective in 2.3.

Strategy process research

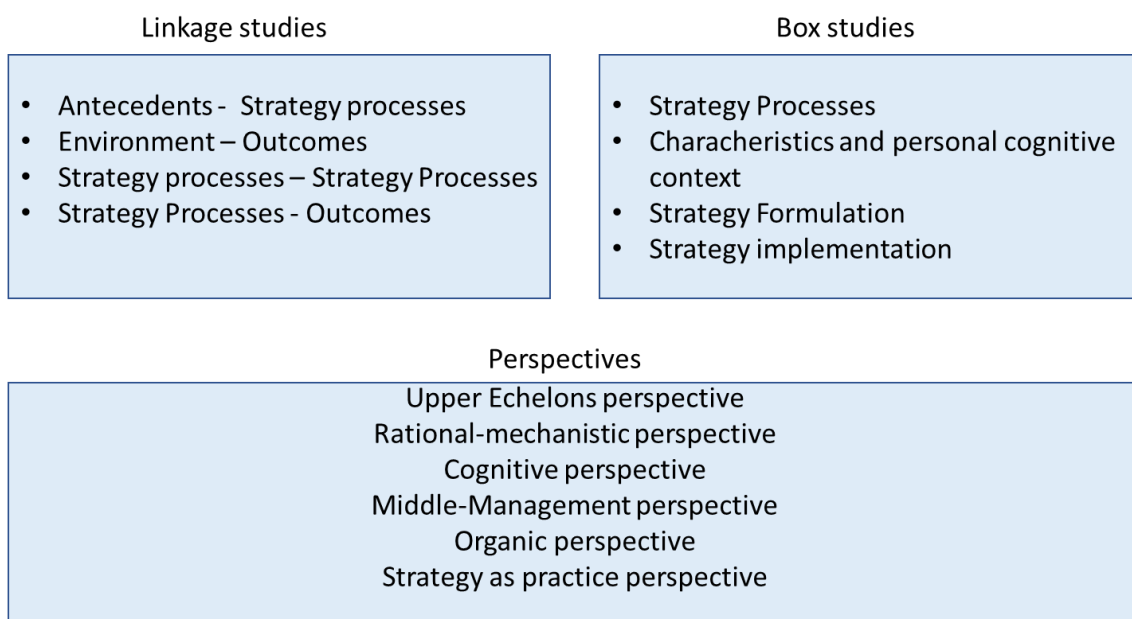


Figure 2. Strategy Process research according to Hutzschenreuter & Kleindienst (2006).

SAP perspective has taken a vital role in strategic management research since the 90's (Jarzabkowski, 2004). Although Hutzschenreuter & Kleindienst (2006) point that strategy as practice perspective is considered as being part of strategy process search, it can also be considered as an own research stream due to the differences to the traditional strategy process research. (Whittington, 2007). Notable also is, that perspectives may overlap and complete each other.

2.2 Strategy as Practice

Although SAP was presented as one point of view in strategy process research by Hutzschenreuter and Kleindienst (2006), Jarzabkowski (2007) argues that SAP should be considered and defined as an own stream of research instead of a part of any other theoretical frameworks. (Whittington, 2007). Furthermore, the origins of SAP perspective start in the late 80's. (Jarzabkowski, 2004; Chia & Mackay, 2007).

Limitations in the traditional research of strategy processes lie in the lack of social practices and activities that exist when creating and implementing a strategy. In addition, traditional approaches seem to exclude the role individuals who make the strategies and have little relevance in practice. Based on the research on strategy processes new streams have emerged to offer new insights to strategic management. (Vaara & Whittington, 2012; Jarzabkowski, 2005: 7; Whittington, 2007 ; Chia & Mackay, 2007). To focus more on the practicalities that exist when creating and implementing a strategy, the strategy as practice perspective has risen one of the new streams that approaches strategy work from another perspective attempting to break the traditional economic-based approach. (Jarzabkowski & Paul Spee, 2009).

As described above, strategy processes can be examined through various approaches and thus might be hard to put in practice. Furthermore, strategy process is often de-

scribed as number of information flows without focusing on the people behind the decisions. (Hambrick & Mason, 1984; Whittington, 2007). The limitation in the traditional process research is that although strategic management has been under study for decades, limited amount of data of the actual work done by strategists exists. (Mantere, 2005). In other words, the traditional process research stream focuses on answering the question *what* strategic decisions are made, SAP perspective seeks to find an answer on *how* a specific strategy is created in a firm. (Chia & Mackay, 2007).

Hence, to explore the role of TMT gender diversity in strategy work, the practical aspect of strategy work is vital to examine. Furthermore, the question of how to utilize those theories comes in hand with how to implement and put strategy into practice. Thus, practice-based analyzes aim to focus on the practicalities of strategy processes. SAP outlook extends the range of different outcomes, especially focusing on broadening the understanding of performance. (Vaara & Whittington, 2012).

Strategy as Practice (SAP) approach gives an alternative outlook to above mentioned description of strategy processes. SAP's aim is to focus on strategy as a social practice that is created by social constructivism. (Vaara, Whittington, 2012). The focus in the SAP perspective is on the individuals who create the strategy. (Whittington, 1996). This approach can be seen holistic in a way that it combines different point of views for example from the social sciences, philosophy, anthropology and thus sees strategy as a social outcome and result of different social activities. (Vaara, Whittington, 2012). The tradition of SAP focuses on how people work with strategy and to the importance that people have accurate tools and skills. (Johnson *et al.* 2017: 19). The main question in this approach is how social structures affect on individual's decisions and action. (Vaara, Whittington, 2012). SAP claims that *strategy is created by complex social activities rather than by linear strategy processes.* (Vaara, Whittington, 2012).

SAP research refers that strategic planning is more complex than the rational strategy process research suggests. Power-dependencies, individual's motives, interdependencies, political factors, socio-economical statuses, company policies, understanding of human behavior, tools that are used, people that are involved with the process, capabilities that the individuals have, all influence on strategy planning and need to be noticed. (Vaara, Whittington, 2012).

The difference with strategy processes and SAP approach lies also in the links of different sciences. Whereas process research stream links with economical strategic management point of view, SAP links with sociological theories. (Vaara & Whittington, 2012; Jabrawkowski & Paul Spee, 2009; Whittington, 2006). SAP perspective also broadens the description of "performance" that often refers to economic performance in strategic management literature. In SAP "performance" refers to wider perception, including strategic tools, political consequences, or improvement among those who practice strategy. (Vaara & Whittington, 2012). To sum, the scope of SAP perspective is broader than the traditional process perspective as SAP uses the sociological aspect to contribute of the complexity of strategy work.

2.2.1 Praxis, practices and practitioners

Strategy as a practice approach suggests that strategic processes consist of three elements and the social activities between each other and are central to the practice perspective (Whittington, 2006). In this regard, strategizing can be considered as a combination of these three and as the doing of strategy. (Jarzabkowski *et al.*, 2007)

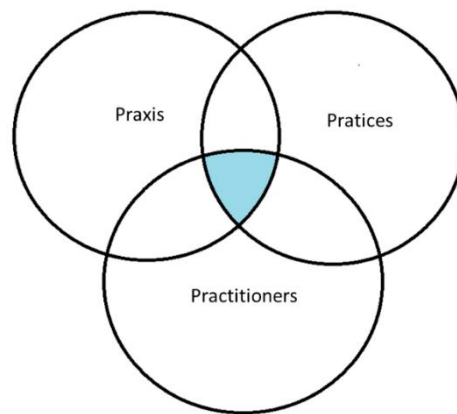


Figure 3. SAP approach (Whittington, 2006)

The first theme in SAP is “practitioners” which refers to all of those who are involved with strategy work. In SAP research, practitioners with their socio-economic status, motives, power dependencies and rhetorical skills are the ones who make the difference in strategy planning. (Vaara, Whittington, 2012). Practitioners are not only top the managers who traditionally are linked with strategy planning but all those individuals who work with strategy such team members and with increasing interest, middle managers. (Vaara, Whittington, 2012). Practitioners are the ones who determine the practices and praxis upon which to act and thus, they are interconnected with one another. (Jarzabkowski *et al.*, 2007).

Jarzabkowski and Paul Spee (2009) found that the current literature presents two main dimensions of practitioners:

First, literature recognizes the differences between individual or aggregate actors. Furthermore, some studies recognize practitioners as individuals who individually act with one another and actively influence on strategizing. Studies on aggregated actors then again, focuses on individuals as aggregate groups such as middle-management or top management. (Jarzabkowski & Paul Spee, 2009).

Second stream of study considers the relationships between strategy practitioner and organizational boundaries. In this regard, practitioners can be internal, as having a specific role within an organization or external as different consultants, trade unions, or media. (Jarzabkowski & Paul Spee, 2009).

All the actual work done by the practitioners is called *praxis*. (Whittington, 2006). This factor refers to individual activities which are embedded with social and institutional structures. In strategy work, praxis refers to real activities and that are done in practice to create a strategy and to execute it and the actual work of making a strategy. (Whittington, 2007) It includes all the deliberate formulation of a strategy and the actual strategy implementation. These actions can be rhetorical practices or words choices in strategy meetings. (Vaara, Whittington, 2012; Jarzabkowski, 2005:8; Whittington, 2006). Furthermore, praxis refer to activities that aim for seeking a goal. (Jarzabkowski & Wilson, 2002). These praxis are influenced by social practices. The theme of praxis relates the most with the traditional process perspective since it refers to what is actually done in organizations. (Whittington, 2006). Praxis connects the different activities of individuals, groups, and institutions in which these individuals act and contribute. (Jarzabkowski et al., 2007) Hence, praxis can be studied from different perspectives from the macro level to the micro level and as well as a dynamic factor that transfers between different levels through interactions. (Jarzabkowski & Paul Spee, 2009; Jarzabkowski et al., 2007).

Thus, the third factor that is embedded with SAP is *practices*. In SAP, practices refer to different tools, norms and procedures that can be utilized in strategy work and are often

inter-related to praxis (Vaara, Wittington, 2012; Mantere, 2005; Jarzabkowski & Wilson, 2002). Practices may be firm-related, embedded in different routines and organizational culture that all shape the way of strategizing. On the other hand, they are also related to the extra-organizational environment, which have an effect on firm's different practices. (Whittington, 2006). Practices are situated in a sense that although the use of different practices may be routinized, they contribute differently to the strategic outcomes based on the situations in which they are used in. (Jarzabkowski *et al.*, 2007).

According to (Jarzabkowski, 2005: 8-9) three types of practices broadly exist.

1) *Administrative practices*

First, practices can be administrative as how to coordinate and organize strategy including budgeting, forecasting, or setting specific KPIs that shape strategy. Administrative practices consist of the usage of different managerial tools such as the Porterian approach to strategies by 5 forces, SWOT analysis or PESTEL to name a few.

2) *Discursive practices*

Second, discursive practices refer to the linguistic, cognitive and symbolic methods that are used when creating a strategy. To simplify, the everyday language that is used in strategy work. Discursive practices can be studied for example by examining the use of language to socially achieve a specific organizational change. (Jarzabkowski *et al.*, 2007).

3) *Episodic practices*

Third aspect that is included in practices that create the opportunities for strategies to be created such as meetings or workshops. (Jarzabkowski, 2005: 9). Different practices may be considered as flows in which strategizing exists creating a stream of praxis. (Jarzabkowski, 2003).

2.3 TMT Research

Next, the role of TMTs in firm's organizational performance is presented. The chapter starts with describing a TMT. Next, common literature of TMT research is provided to create a basis of why TMTs are studied in academia. Continuing with the theme, the Upper Echelons theory by Hambrick and Mason (1984) is conducted to justify the hypotheses that individual characteristics influence on firm's performance. After, literature of TMT diversity is presented, continuing the existing literature of the role of TMT diversity in strategic issues. The chapter is finished with presenting existing studies about the role of TMT gender diversity in firm's operations.

2.3.1 Top management team

The term top management team (TMT) or executive team refers to number of the most influential individual of organization, that usually consists of the Chief Executive Officer (CEO) and people who directly report to her/him. (Finkelstein *et al.*, 2009: 10).

An effective TMT has gained increasing attention from scholars for the past few decades. (Menz, 2012). The research of TMTs extends up until the early 80s and has moved from focusing on single individuals to studying groups as active factors that influence on firms' performance. (Finkelstein *et al.*, 2009: 10). Previous literature has shown that TMTs are in vital role in firm's strategic issues. They play a key role in strategic change, organizational renewal and developing strategies (Alexiev *et al.* 2010; Jarzabkowski, 2003; Hambrick and Mason, 1984). As a vital function in strategic issues, TMT operates as a decision-making group. (Wiersema & Bantel, 1992). An effective executive board can be one of the most important strategic tools of a firm. According to Åhman *et al.*, (2007: 9) the purpose of a TMT is mainly to operate business, enhance the value of an organization in a sustainable way that have a positive impact on people's lives.

Finkelstein *et al.*, (2009) argue that TMTs are complex collection of individual executives. They influence actively on the organizational outcomes, but not just by the characteristics of each individual, but by the interrelationships among the executive team.

According to Finkelstein *et al.*, (2009: 121-122) TMTs have been under research for five reasons:

1. Organizations have multiple goals that are in conflict; those goals on top hierarchies influence how they are carried out in organizations.
2. TMT is in the key role in strategic decision making and most responsible of all organizational outcomes such as firm's strategy, performance, and organizational structure.
3. The interrelationships among TMT such as power dependencies, decision making processes and team cohesion generate an intriguing basis for research
4. Role differences exist among TMTs
5. Rather than studying the role of CEO alone, TMT research provides better prediction of firm's performance and organizational outcomes.

Thus, studying a TMT offers and insight to the center of a firm where all the strategic decisions are made. These decisions are linked with TMTs abilities to scan environment, recognize possible challenges, and notice opportunities. Furthermore, how a TMT negotiates and communicates new strategies and implements them. (Hambrick *et al.*, 1996).

2.3.2 The effects of TMT characteristics

As organizations are becoming more complex, the interests towards the role of TMT is emphasized. Especially, the influence of TMT diversity as a part of strategic decision-making and organizational outcomes. (Parola *et al.*, 2014). One of the groundbreaking studies in TMT studies that focus on the group perspective instead of individuals, is the Upper echelon theory (later UET) by Hambrick and Mason (1984). Until then, research had mainly focused on CEOs and strategic issues as limited number of studies existed pointing out the linkages between TMTs and strategies they create. The focus towards

TMT research stems from the results that firms strategic issues have a greater link with TMT than only studying CEOs. (Wiersema & Bantel, 1992).

Hambrick and Mason (1984) propose that since and if strategic decisions have behavioral aspect in creation, they might then be reflections of the characteristics that the decision makers have. The mentioned characteristics in this context were age, tenure in the organization, educational and socioeconomical background, and financial position. (Hambrick & Mason, 1984). The study states that the decisions are reflections of a person's cognitive base which include the knowledge or assumptions about future, knowledge or alternative decisions and assumptions or knowledge of how those alternative decisions influence on the outcome. (Hambrick & Mason, 1984). Furthermore, strategic decisions are complex entities consisting of multiple factors, that an individual cannot fully comprehend. (Hambrick & Mason, 1984).

Since a manager or a management team is unable to scan every organizational aspect, they must do their decisions based on the perception of a specific situation. These perceptions are built upon a person's values and previous experiences. (Hambrick & Mason, 1984).

Given the fact that individuals make decisions, such decisions are strongly influenced by the characteristics that each individual attribute to a group. These differences have an effect on each manager's cognitive models. Further, these models have a great turn in strategic decision making, sensing environmental issues, and perception of strategic issues. (Hutzschenreute & Kleindienst, 2006). Strategic choices presented by Hambrick and Mason (1984) are i.e. focusing on product innovation, un related or related diversification, amount of M&As, response times, financial leverage or administration complexity. These strategic choices then again, influence on firm's performance. Furthermore, Vaara and Whittington (2012) state that from the practice perspective, those who prac-

tice strategy are complicated individuals due to the social aspect and environment. Factors such as education, rhetorical skills, national culture and gender all affect on the outcomes how they work and make decisions.

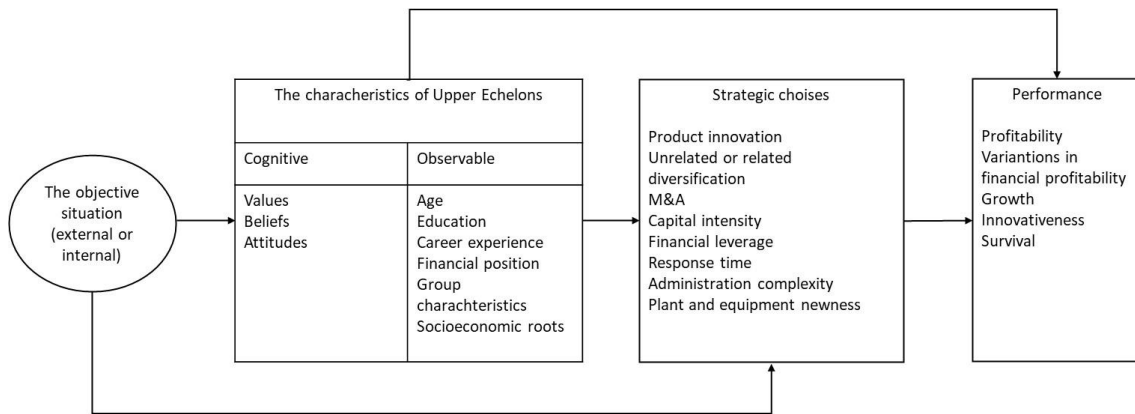


Figure 4. An upper echelons perspective, a copy from Hambrick & Mason (1984)

Hambrick and Mason (1984) state, that the way a firm operates can that way be predicted from the managerial background. The underlining statement is that individual characteristics influence on social dynamics of a TMT or a firm which then again influences on the organizational outcomes. (Welbourne *et al.*, 2007).

Pitcher and Smith (2001) also point that several studies exist proving the role of TMT characteristics in firm's performance. TMT tenure for example is related to the quality how strategic information is searched. Furthermore, Wiersema and Bantel (1992), suggest in their research that firms that are more likely to apply a strategic change in an organization consist of members that are younger, less amount of experience in TMTs, high TMT tenure and higher level of education.

In the updated study of UET, Hambrick (2007) states that although there are difficulties to achieve conventional psychometrical data on how top managers perform, examining demographic characteristics is a valid method in studying TMTs strategic behavior. In addition, multiple studies show the factual link between firm's strategic decisions, firm's performance and different demographic characteristics. (Hambrick, 2007).

2.3.3 Diversity in TMTs

As referred above, the individual characteristics may influence on how a firm makes its strategic decisions. Hence, a relevant question is to answer on how those characteristics influence on firm's organizational outcomes and what kind of effect does different compositions of TMTs have? Before focusing on the outcomes, the term diversity is described.

First of all, as diversity means different things to different people. Although diversity has always existed since individuals are different, there is still confusions what diversity actually consists of. (Simons & Rowland, 2011). This is since diversity includes external and internal factors and many different approaches. (Machado & Davim, 2018). However, a few point of views how to study diversity exists.

As mentioned, diversity can be studied from several different perspectives. One approach to study diversity is to focus on the psychological and cognitive factors that creates heterogeneity among individuals. In cognitive approach, the differences are examined through values, beliefs or attitudes that creates the heterogeneity (Kilduff *et al.*, (2000). Diversity can also be studied through demographic diversity which refers to the factors that are relatively observable such as age, gender, educational background. (De Anca & Aragón, 2018).

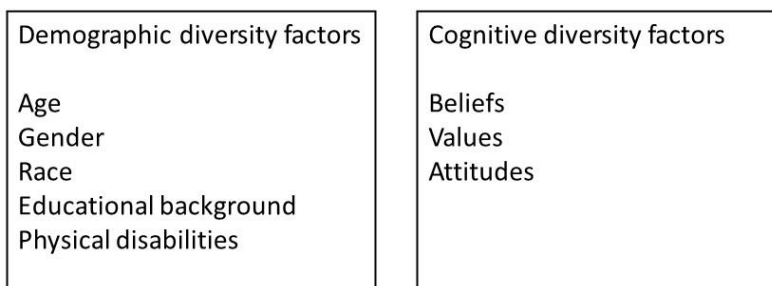


Figure 5. Demographic and cognitive diversity (De Anca & Aragón, 2018; Bantel & Jackson, 1989).

Since cognitive diversity factors that measures heterogeneity are relatively challenging to obtain and study, especially when the studied data is from the past, majority of diversity research tend to focus on the demographic factors as proxies of a group. (Hambrick et al., 1996). Gender diversity thus can be considered as a subordinate for diversity.

The ground for diversity studies has been pointing the link between firm's organizational performance, which is typically pointed by ROI or other financial parameters. In addition, studies on firm's strategic preference and TMT diversity also exist. (Hambrick *et al.*, 1996; Knight *et al.*, 1999; Talke *et al.*, 2009; Wiersema & Bantel, 1992;). As the description of diversity is shattered, not all studies have the same diversity factors as observable parameters. Indeed, as diversity can be examined from several point of views, large variety of results exist.

Typically, diverse teams are considered as an advantage for a firm. (Landaw, 2020). The argument behind studies pointing the positive effects of TMT heterogeneity is rather same in each; TMT heterogeneity increases the amount of different perspectives, cognitive capabilities, and overall ability to solve different problems. (Hambrick et al., 1996; Pitcher & Smith, 2001). Furthermore, team heterogeneity is linked with increased tendency towards creativity and innovation as well as the ability to create a wider range of different options. (Hambrick et al., 1996; Pitcher & Smith, 2001). Considering a firm's composition of employees, customer and other stakeholders, diverse TMT is more likely to represent them and create better insight on firm's key variables. (Landaw, 2020). Furthermore, a diverse TMT may identify and respond to continuous change more effectively than a non-diverse TMT. (Landaw, 2020).

When focusing on the strategic issues, Hambrick *et al.*, (1996) studied TMT heterogeneity and firm's competitive moves by focusing on firm's tendency to respond on competitors' moves, the magnitude of competitive moves and the speed how fast a firm was able to implement those strategic moves. In this context, heterogeneity factors were functional, educational and tenure heterogeneity. They found that top management

team heterogeneity has a positive correlation with firm's tendency to respond on competitor's moves as well as educational background and the magnitude of competitive moves. (Hambrick *et al.*, 1996).

Contrarily, TMT heterogeneity is a double-edged sword as it is linked with decreased ability to make fast decisions and generate conflicts and communication blocks. (Hambrick *et al.*, 1996).

The ground for suggesting that diversity decreases organizational outcomes comes from the social attachment theories. From an individual level, Tsui *et al.*, (1992) argues that individual prefers homogeneous groups over heterogeneous groups. Moreover, Simons & Rowland (2011) propose that from the social attachment point of view, individuals with different backgrounds tie more fragile relationships. In addition, heterogeneity then again may decrease the organizational attachment. (Tsui *et al.*, 1992). However, Simons and Rowland (2011) state that the preference of tiding social relationships with people who have the same kind of personal characteristics or share same demographic does not indicate that this kinds of relationships in organizations would be the most suitable in all situations. (Simons & Rowland, 2011).

The study by Hambrick *et al.*, (1996) reveals that TMT heterogeneity is linked with decreased speed of making decisions. Wiesrema and Bantel (1992) also point out that solidarity and mutual cognitions are more likely to appear in homogeneous teams which leads to higher consensus in strategic decision-making. Moreover, Knight *et al.*, (1999) propose that as TMT diversity TMT increases the amount of different point of views, it may also increase the number of interpersonal conflicts. These in turn, may have a negative effect of TMTs strategic consensus. Conflicts may increase the number of disagreements, especially when dealing with strategic issues that include a lot of uncertainty and ambiguity. (Knight *et al.*, 1999). Furthermore, according to Knight *et al.*, (1999), diversity decreases firm's strategic consensus as top managers have different interpretations of firm's strategic orientation.

Wiersema and Bantel (1992) studied TMT diversity and firm's tendency for strategic change. They state that willingness and novelty to make strategic changes result from decision-making styles that involve innovativeness and creativity and capabilities to take risks. (Wiersema & Bantel, 1992). However, they found little evidence of TMT heterogeneity in such operations. (Wiersema, Bantel, 1992).

When comparing the advantages of TMT diversity, Jackson (1992) and Pitcher and Smith (1999) point that the advantages of homogeneous and heterogeneous teams are environmental related as homogeneous teams may perform better in simple, routine tasks in stable environment and heterogeneity in turbulent environment. Hence, which composition is the most beneficial for an organization is dependable. The UET also proposes that in stable environments, homogeneous TMTs are positively linked with firm's profitability and in unstable and complex environments, the positive linkage is between heterogeneous TMTs and firm's profitability. (Hambrick & Mason, 1984)

On the other hand, firm's strategy is likely to influence on the composition of a TMT. Firm that focuses on innovation, growth or searching new opportunities consists of different TMT characteristics than a firm which strategy is to defend, cut costs and increase stability and efficiency. (Finkelstein *et al.*, 2009: 143). This said, firms focusing on different strategies may benefit more of homogeneous or heterogeneous TMT.

As many arguments pointing positive effects of diverse TMTs exist, there are many against. Multiple studies have aggregated together the different point of views how diversity affect on firm's performance. Studies by Hambrick *et al.*, (1996) and Perola *et al.*, (2015) propose that heterogeneous TMT have the following effects:

Positive effects	Negative effects
Increased amount of information resources available (Kauer <i>et al.</i> , (2007)	Decreased communication (Smith <i>et al.</i> , 1994)
Greater ability to scan environmental changes (Keck, 1997)	Increased amount of interpersonal conflicts (Pelled <i>et al.</i> , 1999)
Better ability to evaluate strategic decisions (Hambrick & Mason, 1984)	Slower decision making (Hambrick <i>et al.</i> , 1996)
Better problem-solving skills and cognitive resources (Howman & Maier, 1961)	Higher group turnover (Pelled <i>et al.</i> , 1996; Pferrer <i>et al.</i> , 1984)
Positive effect on firm's innovativeness (Bantel & Jackson, 1989)	Increased amount of conflicts, and social intergation (Frink <i>et al.</i> , 2003)

Figure 6. Effects of diversity adopted from Hambrick *et al.*, (1996) and Parola *et al.*, (2015)

As equivocal as the results are, number of scholars have suggested to move the focus from exploring the performance effects of TMT characteristics to simpler variables may have an effect on this relationship. (Talke *et al.*, 2010). Thus, the research question in mind, instead of focusing on the organizational outcomes, studying the strategy process would offer an alternative outlook how homogeneous TMTs function compared to heterogeneous TMTs. As diversity in organizations may influence both negatively or positively on group performance, the question in research is what processes emerge the effects of diversity and how to manage these factors. (Knippenberg & Schippers, 2007).

2.3.4 Gender diversity in top management teams

The research question “*how TMT gender diversity appears in firm’s strategy process*” in mind, common literature on general gender related TMT literature is provided. As it seems, majority of the studies represent the traditional process research stream pointing out the link in women in TMTs and firm’s performance with equivocal results. Limited amount of research focus on the strategy work and firm’s TMT gender diversity. Hence, this chapter focuses on presenting the existing studies of the effects of TMT gender diversity.

Gender related TMT literature has been growing in the past few years. The ground for majority of the studies have been pointing the link between firm’s performance and TMT gender diversity. The results seem equivocal on pointing out the positive and negative performance effects of having women in TMTs. This ambiguity, however, might be explained by the general absence on women in TMTs. (Krishnan & Park, 2005).

However, as the ratio of women in workplace is increasing, so is the number of women in TMTs. According to Hambrick and Pettigrew (2001), firms need diversity in their TMTs to survive in the changed business environment. (Krishnan & Park, 2005). Furthermore, gender can be described as an important measurement of TMT diversity.

Traditionally, men have been over presented in top management teams and as leaders. (Johnson et al. 2017: 491). Juuti and Aaltio (2006: 179) argue that positions that require skills for strategizing, policy-making and fast decisions are often stereotyped for men leaders more often than women. Moreover, women are overrepresented in positions that require more subtle skills, networking or empathy. (Juuti & Aaltio, 2006: 179). Thus, the rhetoric assumption of leadership is rather sexualized and women as leaders have received rather little attention traditionally. (Whittington, 2001: 47; Aaltio-Marjosola, 2001: 39).

In 2015, women held 5% of CEO positions in Fortune 500 companies. However, the percentage is increasing and the implication that women should act like men to get a leadership role is leaving behind. (Johnson et al. 2017: 491). Smith et al. (2005) propose that showing the relationship between organizational performance and women in TMTs or boards would affect positively on increasing the number of women in TMTs.

Whilst many countries have set goals to balance the gender ratio in TMTs, under representation of women still exist. In Finland for example, in 2007 women held 17% of TMT positions in public companies and 18% of private companies. (Pietiläinen *et al.*, 2015). However, the ratio seems to be growing. In 2019, women held 24% of the TMT positions in Finland. (THL, 2020).

Although the Upper Echelon Theory does not directly utter gender as one of the characteristics of diversity, the growing consensus that gender influences on top manager's characteristics, values, perceptions and thus decision making exist. (Perola *et al.*, 2014).

Current literature provides different approaches to show the link between organizational performance and women in TMTs. Complementing the findings of Perola *et al.* (2015) results are equivocal.

Author	Topic	Outcome
Dezsö & Ross (2012)	Does female representation in top management improve firm performance?	Female representation has a positive effect on firm's performance to the extent that firm focus on innovation
Krishnan & Park (2005)	Direct impact of women to firms' organizational performance	Positive relationships between the amount of women in TMTs and firm's performance
Welbourne, Cychota and Ferrante (2007)	Wall Street reaction to women in IPOs: an examination of gender diversity in top management teams	Women appear to have positive influence on firm's short-term performance
Adams & Ferreira (2009)	Women in the boardroom and their impact on governance and performance	Women in boardroom have a negative effect on firm's performance on average due to increased monitoring.
Dixon-Fowler, Ellstrand & Johnson (2013)	Strength in numbers or guilt by association? Intragroup effects of female chief executive announcements.	Female CEOs may influence negatively on firms performance due to external reactions of announcement
Mohan & Chen (2004)	Are IPOs Priced Differently Based Upon Gender?	No difference between firms led by women or men

Figure 7. Different perspectives of how gender diversity affects on firm's performance (Perola *et al.*, 2015).

As it seems, the question of how TMT gender diversity affects in firm's performance divide scholars in three groups: pointing the positive, neutral, and negative effects of TMT gender diversity. Then considering the causes on why gender diverse teams differ, multiple explaining approaches exist.

According to Krishnan and Park (2005) firms need diversity to cope with changed business environment. Since gender contributes as one measurement of diversity, having a gender diverse TMT could offer all the benefits that diverse team would. (Krishnan &

Park, 2005). According to Frink *et al.*, (2003) gender diversity increases the amount of different perspectives and broadens networks to work with. As gender diverse team represents individuals from different backgrounds, wider range of ideas and ways to solve problems exist. (Frink *et al.*, 2003). Furthermore, heterogeneous team creates a valuable and unique resource which is impossible to copy by homogeneous teams. Thus, competitive advantage may be created. (Frink *et al.*, 2003).

Arguments to support that women in TMTs increase firm's performance stems from different studies. One reason of women in TMTs influencing positively on firms' performance is based on the findings that compared to men, women encounter and overrun major obstacles in their path to top management and cope with male oriented hierarchies. (Krishnan & Park, 2007). Furthermore, women and men may have different set of skills when entering a managerial role at first hand. (Eagly & Johnson, 1990). This outcome may give women an advantage and hence, increase their capabilities of operating in top-level positions compared to others. (Krishnan & Park, 2005). According to Smith *et al.*, (2005) the positive effects in performance were mainly linked with women managers that had a degree from university.

Deszö and Ross (2012) state also that women in TMTs improve managerial performance and TMTs task performance, which is in focal role in strategic decision making. Better task management in turn, should lead to better organizational outcomes. (Deszö & Ross, 2012). According to Deszö and Ross (2012), firm's tendency to oriented towards innovation is higher among firms that have women in their TMTs. Welbourne *et al.* (2007) suggest that TMTs including women have better problem solving and innovation processes since TMT is more diverse.

Moreover, researchers suggest that men and women have different leadership styles. (Carter *et al.*, 1998; Johnson *et al.*, 2017; Whittington, 2001; Eagly & Johnson, 2001). According to Johnson *et al.* (2017), female leaders are associated with transformational

communication, focusing on collective achievements and energizing people in organization. Vice versa, men leaders are associated with transactional management styles including clear structures, systems, and different incentives. (Johnson et al. 2017: 491). Also, women have increased tendency of leading in a possess style, which increases harmony compared to male leaders. This has a positive effect on others' confidence, bringing people together and overcoming obstacles. (Krishnan & Park, 2005). Whittington (2001: 47), emphasizes that women tend to avoid authoritarian or abrasive leadership styles that are often connected with masculinity and compensate leading by informal, subtle, participating, and empowering ways.

Women are also linked with creating more interorganizational relationships and overcoming gender-related conflicts. (Krishnan & Park, 2005). As women add more diversity into TMT, they have alternative insight on strategic questions, especially on the ones that concern gender related issues. (Deszö & Ross, 2012). The positive impact is also explained by the emphasized interest towards transparency and effective focus on managerial activities which results in increased quality of decisions. Furthermore, female leaders are found less likely to take risks compared to male directors. (Jizi & Nehme, 2017).

Some psychologists have emphasized the differences in sexes in childhood events, backgrounds, and sex-segregated plays which may impact how boys and girls use different styles and methods when acting with each other. (Eagly & Johnson, 1990; Carter *et al.*, 1997). In addition, the differences may also be explained by the sex-role-spillover which refers to the different expectations that people have towards female and male managers. (Eagly & Johnson, 1990).

Also, although Welbourne et al. (2007) pointed that women affect positively on firm's performance in short-term, the discussion remained unclear whether it is the women affecting on firm's performance, or are people and especially women more eager to invest on companies that have women in their TMTs (Welbourne et al. 2007). However, the study highlights that women still are underrepresented in TMTs and thus the ratio of

women in TMTs remains relatively low. Therefore, it's not the women per se that affects on firm's performance, but the increased amount on women in TMTs. (Welbourne et al. 2007).

On the other hand, Eagly and Johnson (1990) state that since women and men are presumably selected for their managerial position based on their competencies, differences in their working style exist only little. Furthermore, managers who act in same organizational level, should differ rather little. (Eagly & Johnson, 1990). However, Eagly and Johnson (1990) state that to some extent differences exist despite the structural forces that minimize differences in workplace. Thus, since organizational roles in TMTs are more important than gender roles the differences may appear to be smaller than in other kind of organizational studies. (Eagly, Johnson, 1990). Juuti and Aaltio (2006: 187) emphasize that although some evidence of the differences exist, universal theories of female leadership is challenging to build since the context, environment and company culture are in great part of the entity.

Contrary, multiple studies point the opposite effect of having women in TMTs or as board members of as members of TMT. As Adams and Ferreira (2009), studied the gender diversity of board members and firm's performance, they found the opposite results. Adams and Ferreira (2009) represent that although correlation between firm's operations and gender diversity seems to appear in the first hand, causality and correlation problems still exist in further examinations. In fact, the more diverse a board of a firm is, the worse it performs on average. (Adams & Ferreira, 2009). This is explained by the increased board monitoring by female representators. Increased monitoring then again, is linked with decreased shareholder value. (Adams & Ferreira, 2009). In addition, Farrel & Hersch (2005) argue that it seems that female directors are named for their positions based on firm's aim for diversity and gender have a significant impact on the selection. (Adams & Ferreira, 2009). Hence, having gender quotas per se could harm well-operating firms in which increased monitoring would decrease productivity and affect on shareholder value. (Adams & Ferreira, 2009).

Evidence of the negative impact of female CEOs as a part of TMT on firm's performance has also been pointed out by Dixon-Fowler et al., (2013). They argue that the negative impact might be explained by the negative external response of announcing a female CEO. Moreover, it is not the gender of CEO per se, that explains the decreased value of a firm but rather the fact how investors perceive the gender as an operative variable. (Dixon-Fowler et al., 2013). Compared to men executives, media seems to homogenize the image of female executives in general. (Dixon-Fowler et al., 2013). As the gender ratio in top management positions is unbalanced, media seems to report female announcements differently which may affect on the perception of external stake and shareholders. (Dixon-Fowler et al., 2013).

On the other hand, Mohan and Chen (2004) found no evidence that gender would affect on firm's performance when examining the pricing of IPOs although literature has emphasized the differences in the risk management, investment strategies, personal conducts and financial decision making. (Mohan & Chen, 2004).

As noticed, the results pointing out the relationship with gender diverse TMTs and firm's performance is as equivocal as the general studies of diverse TMTs and firm's performance. However, as mentioned above, the differences have been challenging to examine since the number of women in TMTs is limited. Differences in leadership styles however exist as pointed above which may be further examined in this study.

2.4 Synthesis

Literature offers multiple insights on how strategy process is described and how firms may create and implement strategies. Traditionally, strategy processes are seen as linear processes and the implementation phase has got little attention. (Sminia, 2009). Majority of the literature focuses on examining the linkage between processes and outcomes. Current literature, however, recognizes the importance of strategy implementation as part of the process. In addition to the traditional strategy process research, practice perspective has risen as an alternative option for examining strategy work. Noticing this, strategy process may be seen as a continuous flow of different activities.

Strategy as practice perspective then again, offers another point of view on strategy processes and strategy work by moving the focus to individuals who make strategies and to social phenomena that influence on strategy work as well as to different practices that are done in strategy work.

Support to the fact that individual characteristics influence on firm's strategic performance is gained from the UET perspective. In addition, the current literature offers an ambiguous results how diverse TMTs and further, gender diverse TMTs influence on firm's organizational performance and on strategic issues. However, many studies have been able to point out some differences in the performance between homogeneous and heterogeneous teams. Common understanding seems to be, that diversity may increase innovativeness and creativity as well as the amount of different point of views. On the other hand, diversity may increase the number of conflicts and slower decisions making in a group. Differences exist also in the leadership styles that men and women use. This in turn, offers a basis for examining the strategy process among different TMT compositions.

Through the lenses of SAP, strategy work can be examined comprehensively. Hence, the SAP perspective is selected as a viewpoint through which TMTs are examined. This thesis combines the UET and SAP together and examine whether differences exist between

diverse and non-diverse TMTs. The strategy work is examined through SAP focusing on three themes praxis, practices and third, on the cohesion among individuals in the TMT.

As strategy work is a broad definition, this thesis will focus on strategy creation and strategy implementation as focal viewpoints of strategy work. Since every company has its unique way of creating a strategy, no specific pattern of a certain strategy process is applied in the empiric. Furthermore, the aim is to point out possible differences through the lenses of SAP.

Furthermore, SAP perspective offers a broader understanding on the possible differences in strategy work by considering strategy work from multiple different point of views than just from the traditional process perspective.

3 Data and methods

In the next chapter, the data collection and research methods are represented. The aim of the study is to explore the role of TMT gender diversity in strategy work by using qualitative research methods. This chapter will go through the research strategy selected for this case, conduct an overview of the selected research method, continuing to case selection process, data collection and data analysis. Last, the validity and reliability of the study is endorsed.

3.1 Research strategy

The primary method of discovering qualitative studies is applying either deductive, inductive, or deductive reasoning in data analysis. (Saldana, 2011: 93).

Deductive research strategy refers to an approach, where theory creates the basis for the study. In deductive research approach, the theory is first built and tested empirically after. (Saldana, 2011: 93).

Whereas deductive research approach starts with theory and continues to analysis, *inductive* research strategy is created vice versa. Inductive approach focuses on building the theory through empirical sources and therefore the data creates the initial source of knowledge. (Saldana, 2011: 93).

Third, *abductive* research strategy refers to a process where the theory is developed through active movement between empirical data and existing literature. (Saldana, 2011: 93). In other words, the existing theories are modified based on the data collection which is done first. After data collection and theory modification, the updated theory is tested (Eriksson & Kovalainen 2008:24).

The research strategy in this study is a combination of deductive and inductive research approaches. In order to create a theoretical basis for the study, existing literature is presented. However, since in-depth literature on the studied subject is rather limited, inductive research approach is used in the data collection to support and complete the existing theories. Hence, the aim of the analysis is to find patterns and themes that are similar and those that vary across cases and compare them to the existing literature.

3.2 Research Method

A research design can be seen as a path that guides the observer through the study. It helps the observer to create connections between the variables that are under the observation. (Nachmias & Nachmias, 1992 in Yin 2009: 26) For this study, a multiple-case study was selected as a research design.

While single-case studies can provide a rich outlook on studied phenomenon, multiple-case study offers a strong basis for building theory. (Eisenhardt & Graebner, 2007). A case study is often used in studies that contain empirical research of a specific phenomenon in its natural real-life context. (Saunders *et al.*, 2007: 139). A case study is a useful research design in situations where a study is conducted individually with a limited amount of time and resources. (Maylor & Blackmon, 2005: 243). Research questions that include a descriptive or analytical approach such as asking questions “how” or “why” may be answered by case study. (Maylor & Blackmon, 2005: 244). Case studies are used in various situations where the basis of the study is to examine and understand complex social phenomena. Furthermore, case studies offer a holistic view on the real-life case examples such as behavior in individual or small group level or managerial processes (Yin, 2009).

According to Maylor and Blackmon (2005:246), *“a multiple case study is useful if you want to identify which features are unique to a case and which are common across cases”*. In this case as the aim is to answer the question how TMT gender diversity appears in strategy work, it is justified to use multiple case study research design. A multiple case

study offers approach to compare different groups and patterns that exist in them. (Maylor & Blackmon, 2005: 246).

Case studies can be exploratory, explanatory, and descriptive and all three can be applied in one case study Yin (2009: 8). In this context, this study can be considered as exploratory, since limited number of studies exist on explaining the differences in strategy work when examining the gender ratio, especially when focusing on the SAP perspective. Furthermore, studying the theme in the context of Nordic firms within the Personnel Service Sector have remained unstudied until this work. The aim in exploratory research is to clarify existing concepts, form new problems and create hypotheses. The nature of exploratory studies is also to focus first on the existing studies, discussions, or case studies. Furthermore, exploratory studies often focus on creating new hypotheses rather than test existing ones. (Sue & Ritter, 2012: 2)

On the other hand, also descriptive approach is used since existing literature of TMT research and TMT gender diversity exists. Common in descriptive studies is that they usually have few research questions that guide the study but are not typically driven by strict hypotheses. Data in descriptive research can be collected by using both qualitative and quantitative data collection. (Sue & Ritter, 2012: 2)

3.3 Case selection process

The literature review focused on conducting a base for the study by exploring the current literature about the role of gender diversity of TMTs. Notable was that literature provided examples broadly from different industries without a emphasize on specific kinds of firms. As mentioned in the study of Hamrick and Mason (1984), differences among industries exist and hence, to examine the differences in TMT compositions and strategy processes, comparison should be done within an industry. Following the argument, all the cases were selected within the same industry.

As the case selection is important in building possible theories in case studies. (Eisenhardt, 1989). The case selection started by selecting the industry in which companies operate. Personnel service sector was selected for the study due to broadness of different firms operating within the industry. The case selection process started by mapping all the firms operating within the same industry. In the case selection process, secondary data of each firm was first mainly collected through the websites of selected industry's union, using LinkedIn and by using different search engines. Based on the research, hundreds of potential firms were found. After mapping all the possible firms operating within the industry, information for the case selection was done primarily through the company websites.

As the study aims to seek the TMT gender diversity, the focus was on the information that was able to find from the webpages of different companies. To cover the objectives and examine the research question, case groups are selected based on the gender heterogeneity among the members of the TMT. Out of the potential prospects, total of 13 companies were contacted through email and/or phone.

Out of the 13 inquiries, 4 firms accepted the proposal of attending the study. Based on the composition of TMT, firms were categorized into three different cases that were further examined in the study.

The initial purpose was to find TMTs that would only consist of men or women and a third that would consist equally of both. However, the selected industry represented unbalanced ratio of different TMT compositions and hence, cases were selected based on the majority of women or men in specific TMT. Thus, case 1 represents TMTs consisting mostly of women. Case 2 represents TMTs mostly of men and case 3, representing TMTs consisting half of women and half of men.

As a result, cases consisted of the following:

- Case 1 (majority of women), two companies

- Case 2 (majority of men), one company
- Case 3 (half men, half women), one company

3.4 Data collection

As the aim of the study is to gain in-depth understanding on the forces and factors that influence on the strategy work among different groups. Hence, the data for the study will be collected by using qualitative research methods. In qualitative research, data can be collected by several ways such as interviews, observations, using textual data or visual materials. (Eriksson & Kovalainen, 2008).

Qualitative research method typically starts with loose research objectives and evolve by the interviews that are executed. (Maylor & Blackmon, 2005: 250). The aim in collecting qualitative data is to gather empirical material for the studied questions. (Eriksson & Kovalainen, 2008: 78). Since the primary data is collected by the qualitative methods, the type of how an interview is constructed needs to be considered. As this study focuses on the strategy work that happens in organizations and in TMTs, *an interpretive* approach that state business world being more complex to put if specific frameworks than for example physical sciences (Saunders *et al.*, 2007: 106) is applied. According to Nag *et al.*, (2007), interpretive approach gives voice to the ones that are experiencing the events that are studied. Furthermore, it emphasizes the native perspective of the interviewees which is important in the approach. (Nag *et al.*, 2007). Furthermore, what steps are taken in strategy creation, and what facts are taken under consideration when creating a strategy and how individuals as social actors influence on them.

On the other hand, as the objectives of the study focus on the dynamics of TMT and forces that exist within diverse / non-diverse TMTs, the study seeks for experiences and meanings that lies in the conversations between members of TMTs. Hence, *an emotion-alist* approach, where a subjective experiences and feelings are taken under focus is also applied.

Third, *constructionistic* approach is also applied since the study focuses on the aspect of how the strategy is created and how the TMT works towards strategy creation and how these are conducted in the conversations between the interviewee and the interviewer. (Eriksson & Kovalainen, 2008: 79-80). Since there are no clear hypothesis on how the strategy work may vary depending on the gender diversity, a semi-structured interview technique is selected to keep the structure of the interviews comparable.

In semi-structured interview technique, the researcher creates a list of different themes and questions that will be covered during the interview but may vary depending on the interview situations with the interviewee. Furthermore, the questions may have some variability depending on the flow of the interview. Also, additional questions may be asked to cover the set themes and objectives in each interview and to explore the set research question in the context of specific organization. The interviews are also being recorded and notes will be taken in order to maintain the reliability in the study in further analysis. (Saunders *et al.*, 2007: 312).

Noticing the guidelines, the data used in this analysis was mainly primary data, collected by interviewing individuals from three case groups. The company websites were used for collecting the secondary data to gain a wider understanding of each firm's business. Due to the COVID-19 situation, seven out of nine interviews were conducted by using online tools. As underlining the importance of non-verbal signs and uniqueness of the atmosphere in direct conversation, the hopes remained high towards face-to-face interviews. Furthermore, using online tool instead of face-to-face interaction for interviews was relatively regrettable but still necessary noticing the underlying conditions. All the interviews were conducted during November 2020. The length of the interviews lasted from 36 minutes to 51 minutes and were all carried out in Finnish. The role of each individual varied across the cases including members broadly from TMTs such as CEOs, CFOs, CHROs, and COOs or such.

Interviews		Date	Meeting	Duration of the interview	Title
Interviewee	1	4.11.2020	Face-to-face	0:36	Sales Director
Interviewee	2	5.11.2020	Teams	0:47	CHRO
Interviewee	3	6.11.2020	Face-to-face	0:51	CEO
Interviewee	4	6.11.2020	Teams	0:41	CFO
Interviewee	5	9.11.2020	Teams	0:45	CEO
Interviewee	6	5.11.2020	Teams	0:39	CBDO
Interviewee	7	13.11.2020	Teams	0:37	CCO
Interviewee	8	16.11.2020	Teams	0:40	CEO
Interviewee	9	20.11.2020	Teams	0:46	CEO

Figure 8. Interview schedule

Interviews were built upon using semi-structured interview technique. The interview consisted of three parts following the research question and objectives. First part on the interview considered the firm's strategy creation and strategy praxis that emerged during the strategy creation. As this varied depending on the strategic situation each firm was in, strategy creation was also considered from retrospect. The second part on the interview consisted of questions about strategy practices in daily bases and third part consisted of questions about the TMT cohesion and TMT work.

3.5 Data Analysis

The data will be analyzed through qualitative content analysis within each case. A data-driven content analysis method is selected since pre-existing literature is limited and an inductive research strategy is selected. The starting point of analyzing the data is to create a clear narrative of each of the selected cases. (Maylor & Blackmon, 2005: 252). After creating the content analysis of each case, the aim to find patterns that exist among selected cases, find commonalities, differences or variations that exist. (Maylor & Blackmon, 2005: 252). The analysis is done by using the coding technique in which the data was categorized and coded further to find themes and patterns from the data. Each case was first coded as their own and finally, for the cross-case analysis, cases were compared between each other. Inductive and deductive approaches were used in data analysis to

first, compare the results in the existing data and second, using results as the initial source of theory since limited amount of pre-existing literature on SAP approach and TMT gender diversity existed.

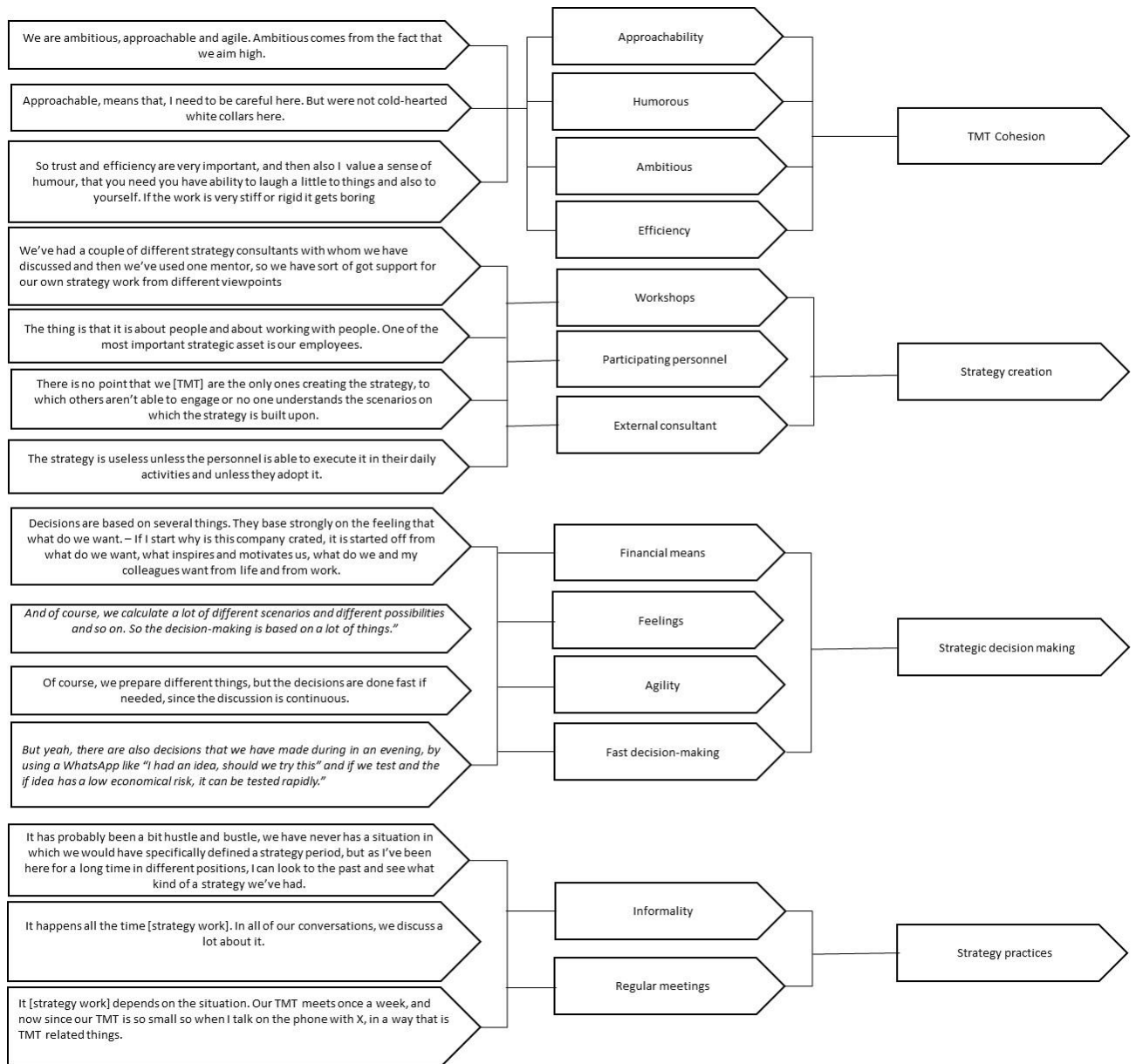


Figure 9. Example of coding from case 1

3.6 Reliability and Validity

According to Saunders *et al.*, (2007: 149), reliability of a study refers to the process in which the collection of data and techniques used in the data analysis, will result consistent findings. The reliability can be evaluated by observing different issues, addressed by Easterby-Smith *et al.*, (2002) in Saunders *et al.*, (2007: 149):

- Will the results remain the same in different occasion?
- Will the results remain the same despite of the observer?
- Are the results transparent that were conducted from the raw data?

The interviews were conducted in suitable time and location for the interviews to minimize the *participant error* of a difficult time and occasion. Furthermore, to avoid the *participant bias*, the interviews were anonymous, and no data was given to third parties in the data analysis. Third, to avoid the *observer error*, the researcher was the only one conducting the interviews. To also secure the reliability of the study, each interview was recorded to ensure the results' similarity despite of the occasion and observer. Also, each record was transcribed and saved to several location to avoid the loss the data. In addition, large number of citations were used in the findings to maintain the messages of the interviewees as original as possible and to keep the results transparent.

In qualitative explorative studies, quality can be measured by the validity and the external validity of the study. Validity concerns whether the results are what they seem to appear in the study. (Saunders *et al.*, 2007: 150). To ensure the validity and to tackle possible biases in this study, data was collected from different perspectives and sources to gain a diverse approach to the studied topic as proposed also by Eisenhardt and Graebner (2007) to mitigate biases. In addition, the literature framework was created by using multiple existing theories. The data was appropriately collected and analyzed by the guidelines of qualitative content analysis method.

The external validity, or can also be known as generalizability, refers to the intuitive belief that the theories that are built upon studies must be applied in other settings. (Gibbert *et al.*,2008). The case method in this context must be taken in to consideration, as neither single- or multiple case studies allow wide generalization about a population. In addition, as the nature of the study is exploratory, this study may be considered as a starting point to theory development as also pointed out by Gibbert *et al.*,(2008).

4 Findings

Next, the findings of each case are represented as their own entities to gain understanding about each case as its own. After, cases are analyzed through cross-case analysis through different themes that came across in within-case analyses. The aim is to point out the possible differences among cases and to connect findings with existing literature. Finally, results are discussed to conclude the findings of the study and summarized with the set research question and objectives.

4.1 Within-Case Description and Analysis

The cases are selected as follows:

Case 1 consist of individuals that are members of a TMTs that consist of majority of women. Case company 2 consists of individuals that are members on a TMT that consists of men.

The third case company is selected based upon the heterogeneity of the group, consisting individuals equally of both women and men. Three individuals are interviewed from each comparable group obtaining total of nine interviews. As mentioned above, each firm selected for the study operates within the same industry.

Each firm was in a unique situation in context to a strategy creation. Hence, comments were also collected on the strategy periods and the strategy work within those periods in order to create a broad perspective on each firm's strategy work. As strategy work in as continuous flow of activities, these activities were also pointed out through the interviews.

As interviews were semi-structured, comparison of cases was possible. Different themes are represented in the findings to point out the possible differences among cases.

4.1.1 Case 1 TMT (Majority of women)

Strategy creation

The role of TMT in case one was emphasized as an operative actor in firms' daily operations. The role of TMT was noticed to be central in decision making and in leading the firm towards desired direction:

(Interviewee 7) "The role of our TMT is to lead the way to a direction where we as a company are going to and also to create our vision and mission."

(Interviewee 9) "The role of TMT is a great part of decision making so a great amount of decisions or the situations in which decisions are needed to be made, the work is done in TMT. It does not mean that that the TMT would make all the decisions all by themselves without participating anyone else, but the final decision is always done in the TMT. And of course the personnel and others get to influence and participate in different things, and get to say their ideas out loud and so on, but the final nail comes from the TMT."

When considering the strategy creation and the praxis and practices within, notable was the participative approach in creating a strategy. The strategy creation of case one involved a lot of different people, including personnel, external consultants and smaller sessions with TMT. Strategy was formulated with several people in different meetings, workshops and brainstorming sessions. Tools such as MS Office were used in strategy creations without further comments about other traditional strategy tool. Firm's values were also pointed out as a basis of the strategy work, based on which the actual strategy is also emerged:

(Interviewee 9) "It's a good question on how this [strategy] is has been created. Over a year ago, we started to think about our values and started to work on our values, and through that work, we also started our strategy work."

(Interviewee 5) "We've had a couple of different strategy consultants with whom we have discussed and then we've used one mentor, so we have sort of got support for our own strategy work from different viewpoints" – "And our strategy work is closely done with our personnel. For example, our values are created with our whole personnel ja actually the ones we've got, they have come from our personnel."

And in addition, we don't actually implement our strategy, but we create it together in such a way that that our whole personnel and above all, different teams anticipate on how this industry will transform. And If we think about the directions here, I see it in a way that the strategy is created from bottom to top rather than other way around and we find it vital in order for people to actually engage with the strategy."

(Interviewee 7) "It took quiet a time when we started to figure it [strategy] out. In 2019 we used an external strategy consultant who started to exchange ideas about the different dimensions that strategy consists of and what aspects need to be considered. So that is how it started to emerge. We then noticed that the strategy easily gets left behind due to all other work we do." -- "And how it really went was that we as our TMT, we openly discussed about it [the strategy]. Each of us created an own vision of where we are in three and in five years and through want kind of steps will we get there. And from there we started to find some sort on consensus of how our future will be like. "

Also, the role of personnel in strategy creation was noted strongly in case one. Personnel had been engaged with the strategy by participating them in creating the values of firms. In addition, personnel had been also involved strongly in the actual strategy creation process:

(Interviewee 9)" We've had workshops previously in a way that everyone gets to participate, and our values have been there in addition to the strategy, vision and the rest, so yes our personnel have been in vital role there also."

(Interviewee 7) "And actually, before I forgot to say, we also had a strategy day in the beginning of the year where we and whole of our personnel participated, where we with our personnel – we had that kind of a workshop called "From trailblazer to competitive position". We had a two-year time period where we went through our services, our capabilities, the market, and how these will appear in two years - so through the workshop we engaged our whole personnel to the discussion and also went through our working-methods what's good and worthy to hold on to, what we want to increase, let go, what is on our minds and so on. We also participated our personnel to the strategy creation even more in the operative context."

Strategy practices

When considering the strategy work in practice, challenges were also noticed. Strategy work in case one was noticed to be challenging in a sense, that it was noticed to easily get left behind with all the other operative tasks. *(Interviewee 7)*. Outside of the strategy

creation, strategy work was pointed out relatively informal as strategy related issues were considered in different forums and conversations without specific processes:

(Interviewee 7) "It happens all the time [strategy work]. In all of our conversations, we discuss a lot about it. For example, we've got a Slack which is an important communication channel in which we discuss a lot. So yes, we do thrash out different things without even noticing that it is a strategic conversation or creating a strategy. "

(Interviewee 9) "It [strategy work] depends on the situation. Our TMT meets once a week, and now since our TMT is so small so when I talk on the phone with X, in a way that is TMT related things. But yeah, then we have a head of development who proposes different issues that should be developed, but according to a situation, we have not systematically decided on how [strategy work] and there is no specific process on everything.

(Interviewee 9) "It has probably been a bit hustle and bustle, we have never has a situation in which we would have specifically defined a strategy period, but as I've been here for a long time in different positions, I can look to the past and see what kind of a strategy we've had. And actually, the things that have influenced on the strategy have been person-oriented."

Informality was also pointed as one of possible areas of development within TMT by interviewee 5:

(Interviewee 5) "I would make it more regular and actually it is under progress. So that it would be more continuous and proactive in a sense that we would develop our operations to a direction where there would be actual questions on the table, and issues where we are going as a firm would be brought up. But yeah, COVID-19 has disturbed this kind of activity since you don't have an insight towards the future, but now it is starting to be possible again."

Strategic decision-making

As strategy work stood out relatively informal, decision-making was noted agile without specific formal processes. TMTs had meetings scheduled regularly in which strategy work was done. In addition, informal communication occurred in several channels. Software such as WhatsApp and Slack were mentioned as one communication channel with TMT

members which typically are referred as fast-commination platforms (WhatsApp, 2020; Slack, 2020):

(Interviewee 7) "We are agile, as we discuss with each other all the time, we don't have to wait until our meetings, so we can prepare things and discuss about them and we aim to make fast decisions. Of course, we prepare different things, but the decisions are done fast if needed, since the discussion is continuous. "

Interviewee 9 also pointed out that although strategic decision-making is often based on the financial factors and discussed in TMT meetings, decision-making is agile:

(Interviewee 9) "And of course euros matter, so we calculate. And the numbers are very important part of strategic decision-making. But yeah, there are also decisions that we have made during in an evening, by using a WhatsApp like "I had an idea, should we try this" and if we test and the if idea has a low economical risk, it can be tested rapidly."

In case one, strategic decision-making based on several different factors. Among financial means, industry analyses, personal knowledge and assumptions of the future influenced on the strategic decisions making:

(Interviewee 9) "Our union publishes reports monthly like where our industry is going to, which sectors are growing and coming down, so those we follow for sure " – "Then we also follow the Nordic markets, if something works there, we consider whether it would be strategically smart to start it here. – " And of course euros matter, we do a lot of back office calculations that what are the risks, when will we achieve the breakeven if we do something new. The estimations are very important in strategic decision making"

Own knowledge based on strategic decision making was also pointed out by interviewees 5:

(Interviewee 5) "We continuously focus on the numbers and think about our processes whether there's something we can do more efficiently. But of course feelings direct us also and all those things we sense in our market" – "Everything we hear in customer meetings, that's important. Then there's different forums where we are in."

4.1.2 Case 2 TMT (Majority of men)

Case two pointed the role of TMT as the peak of industry specific knowledge and as an operative actor in firm's activities:

(Interviewee 6) "TMT represents the industry related top knowledge, each member examines and benchmarks his/her own industry, in order to reach the set growth objectives and strategy."

When focusing on the strategy creation, case 2's strategy stood out as practical action plan for future including clear steps forward.

(Interviewee 6) "Strategy in our firm is more like when do we enter to a specific industry and how many new cities do we open, and how do much do we invest on technology, marketing, what kind of positions need to be fulfilled and where. And it is the same kind of budgeting so that we (TMT) set an upper-level target and collect estimates from the regional units and then from that way we check whether our estimates what we can achieve is on same line. And each member on TMT is responsible from their own industries, they collect information and bring it in the strategy creation."

Notable also was, that fewer people of the firm were engaged in the strategy creation. The strategy for each period was typically created someplace else with a possibility of dining and spending time with each other as pointed by interviewee 6. Individual preparation in advance was also pointed out. Tools such as whiteboards and typical MS Office software were utilized in strategy creation. Traditional strategy tools were not used in the strategy creation neither in case 2.

(Interviewee 6) "We have had that sort of a habit that we have gone somewhere in to a retreat-like place to Aulanko congress centre or somewhere to a manor and stayed there for a night so that there we've there brightened our current position and then, what kind a elements to continue with. And then we've created the next version out of it [strategy] and at the same time, we've spent time with each other, we've went to eat and to some sauna and so on. So that's how its typically done and there has been a task to prepare specific topics in advance."

The strategy creation stood out as practical plan for future, as the long-term strategy had been made years ago as interviewee 6 pointed out. Strategic initiatives stood out as person-related and hence, strategic actions were made based on the opportunities a firm seizes:

(Interviewee 6) "At the moment, it's more like, since we've been doing this for many years, we have brightened those viewpoints where we want to grow, we have that sort of decisions that where do we open this and that and when do we go international."

(Interviewee 8) "It [strategy] has not been planned for a specific period as example for three years, but we have done initiatives by seizing opportunities and these are personified in a sense that the openings of new locations are based on the right people we get"

Rather than focusing on the abstract visions, practical activities were emphasized:

Interviewee 8 "There is no [specific tools], Excel and Power Point and Trello for sure, but the times I've used Business Model Canvas or such, they remain very abstract and I, myself, haven't got so much out of them. I consider myself as a simple person, and the connection to the concrete action that what are our first steps, that what do we really start doing, so that is the driver, not particularly an abstract vision or so."

In addition, personnel were engaged in the strategy by different meetings in which the set targets were informed and later by continuous work of management.

(Interviewee 6) "Well, once a year we tell what kind of goals we have for the upcoming year. We've got financial meetings with all of our personnel and in that's where we try to remind where we are going ja how does the competition affect, so hopefully it is [strategy implementation] continuous work in the management level, so not only like once a year without getting back to it for a long time."

Personnel were participated more in the value creation of the case company. This was done by collectively setting the values for the firm. Each person had the possibility to influence on the outcome and the final values were set up at each location.

(Interviewee 6) "We wanted to create [our values] collectively, so we asked our personnel five adjectives that described our firm, that what kind of a firm are we, what kinds of issues direct us and we got a long list out of which we asked our personnel to vote for five adjectives again. And we did not delete any negative adjectives either."

Strategy practices

Strategy work in Case 2 stood out relatively clear, focusing on navigating possibilities based on the set strategy. Strategy work also stood out agile in a sense that different initiatives started off fast, focusing on the practical activities over monitoring and planning. In this regard, strategy work seemed agile, informal and fast.

(Interviewee 6) "I would call it more of a tactics [strategy work in practice]. Tactics refers to middle-size operations, that's done weekly in our TMT and we discuss and it's more of operative like. I would not say we get back to our strategy in a weekly basis. It should be a clear snapshot of where we are going so there is no need to get back in to it all the time."

(Interviewee 8) "We haven't had any large workshops, meetings or preparation meetings, the initiative starts off from single individual, usually it is a member of TMT. Sometimes another person. After that we exchange ideas with one another, usually it is with me or with a member of TMT, so that we'll make a draft of a financial estimation whether this investment is profitable and a rough execution plan. After, the plan is considered in TMT or in the board if it is a large initiative and after that, we start working with it rapidly. – We focus on the actual operational activities, not so much on the planning and monitoring, but on the actual activities and doings."

(Interviewee 8) "And in this single initiatives we have different people participated for example tech, marketing, of external people"

Interviewee 8 "The operative work is emphasized (within TMT). And let's put it so that strategic initiatives start off fast, as I compare to a previous life, the preparation cycle is much shorter, and they start off by individual initiatives. The there's a short stage of preparation in which we either aim move to the practical implementation as soon as possible, or to abandon the idea. And sometimes the abandoning may be a result of a trial, in which it is noticed that the idea does not work in practice. And since our goal is to grow, we need to move forward very fast, and we also have a several initiatives on-going. We aim to start them off fast, develop them to some sort of stage and transform them to an actual business activity in a fast cycle."

Strategic decision-making

Strategic decision-making in case 2 could be described as agile as the strategy work. The base on strategic decisions relied strongly on the financial estimations. In case one, TMT met once a week regularly and in addition to formal meetings, decisions and preparations were also made outside of the TMT meetings. Different tools were used in communications such as email WhatsApp, phone calls and face-to-face interaction.

(Interviewee 8) "We use phone calls since people are in move. We discuss about the issues in our TMT meetings to the extend that it is possible. We have two hours a week, and there are two dozen of things we need to go through, so there is no ability to go all the issues through thoroughly in that context. The ones who prepare the initiative collect the material, discuss with each other either face to face or on Teams, so the main work is done by them. And often people outside of TMT is involved."

Interviewee 8 also pointed out the typical decision-making process as follows:

(Interviewee 8) "Technically, it goes so that a proposal is sent to email, some smaller matters can also be decided in WhatsApp, and often in TMT meetings it [proposal] is presented, and we have a short discussion and after that it is decided, and in the end, each matter is agreed unanimously. The implementation is emphasized, what needs to be considered, what needs to be done differently and who need be involved. – so there has never been a need for formal voting on anything alike. "

When asking what factors affect on decision-making, interviewee 6 pointed out the following:

(Interviewee 6)"Estimations very much. What is our ability to open new locations and how many of the can be below zero at a time and there is a formula for that and estimation on that and the preparations are done based on that. "

4.1.3 Case 3 TMT (Diverse roup)

Strategy creation

Also in the case 3, the role of TMT stood out as operational actor, pointing the direction for the personnel and making sure the firm achieve the set targets:

(Interviewee 1) "The role of TMT is to lead the direct the ship towards the set goals that are created together with the board."

The strategy creation of the case 3 consisted of different meetings, workshops, and brainstorming sessions different people were widely engaged with the strategy creation process. External consultants were also planned on using for the upcoming strategy planning period. Notable was, what each level of organization was participated in strategy creation in different forums and workshops. In case 3, strategy creation stood out collective. It was also noticed to be more time taking since so many different levels of organization was involved with it. The values also stood out as important base of strategy creation Common tools such as MS office was widely used in strategy creation in addition to white boards:

(Interviewee 3) "We have already started the work with our organization – although they haven't probably realized it, but we've worked with our values and what do they mean for each of us. – Another one is that we have started last year was our corporate responsibility and how do the work in our society by creating value. And this was done with our personnel. We chose three areas that were social responsibility, financial responsibility and ecological responsibility. These we divided into smaller parts, so we got our value chains"

(Interviewee 3)"And the next step is that in some sort of a forum, each organizational dimension as its own gets to consider their own business strategy which is interconnected with the corporate strategy. And mission. And to be able to do so, SWOT is needed to be done first with TMT and middle-management and for sure, middle-management will need the operative level for the work. We actually used SWOT analysis in each of our location last year, but we need to get is wrapped up together as a holistic entirety."

External consultant was also pointed out as useful addition to the strategy creation to facilitate workshops due to the small TMT in which one person facilitating would make difficult to participate:

(Interviewee 2) "We thought that it would be good [to have an external consultant], since you have to facilitate the workshop and since there is quite a few of us in our TMT, and if one has to facilitate, he/she is not able to participate on the actual work at all."

This way of doing strategy was also noticed to take longer time than with smaller amount of people as pointed out by interviewee 3. However, doing strategy this way was seen vital in order for people to engage with it:

(Interviewee 3) "I don't actually believe that the strategy per se is important, but the ways how to actually get to the set goals. And it is so important to include individuals broadly enough from all organizational levels to the strategy creation. And also, to include the board due to their perspectives which is are broader than a well-functioning TMT. And when it is [strategy] done together people adopt it completely differently, whereupon the work actually feels meaningful. But it requires a lot of effort and takes time. You cannot squeeze it out with in a month, but it requires at least three to four months with smaller milestones and a lot a background work. "

Strategy practices

Daily strategy work included meetings with TMT twice a month. Main channels for the strategy work were pointed to be informal face to face conversations, and using Teams and OneNote. Personnel and middle-managers were also engaged with the work through different projects.

(Interviewee 1) "We meet twice a month, but of course meet more than that during weeks. -- In the meetings we observe our business from several different point-of views such as finance, IT, sales and marketing, commercial operations, management and from all our core businesses. And that directs us towards our strategy, what we want to do and achieve. "

The meetings consisted of different set subjects, but some things could also pop out during the meetings:

(Interviewee 3) "And we also need to give the time to thoroughly go through different issues and even seek for further information during our TMT meetings. Not all things are on the top of your mind until they pop out. So the meetings are also for planning, not just for making decisions."

(Interviewee 2) "And of course we discuss about things more often. And for example, we have had this in-house development project in which middle-managers also have participated. We have created some drafts and represented them for managers and collected their ideas on how things should be done. And as managers discuss with our personnel, we get their ideas from there." -- "Not all things require all of us, so in our TMT meetings there are sometimes issues that is not in one's interest for example finance's. So sometimes they are mixed in our TMT meetings. But if we think about informal stuff, of course we work with issues informally."

(Interviewee 3) "We have different groups, in which there can be individuals outside of our TMT. So we are flexible and agile depending on who needs to be informed and what does one think about something, so it's preferable to have different conversations too much than too few. "

Areas of development were also noticed in the TMT meetings. However, the challenges were explained by the changes in TMT:

(Interviewee 3) "We should be better not to jump from things to another. But here I believe that the thing might be that we need to provide background for different things and explain what have we previously decided to work on a certain way."

Strategic decision making

Strategic decision making was pointed up above, in which strategic decisions were done in TMT meetings. Case 3 used also multiple different data sources as basis on strategic decision making. Financial estimates, customer data, and all the possible data which is possible to gather through different sources were pointed out :

(Interviewee 2) “So, if we are brutal here, our purpose is to make sure that the bottom line of the income statement looks appropriate so that the company is reasonable to keep in business.”

(Interviewee 2) « As our goal has been a healthy business this year, we have had to make some hard decisions also . »

Decision making in TMT meetings seemed to be formally organized in a sense that clear frames existed, and common rules were created to support the TMT work:

(Interviewee 3) “We have a set framework we use in which we make sure that things that need to be decided are always in the beginning. And all the additional information and attachments are also linked there. And those are things we always go through first. – And then we discuss about it and decide. Or decide not to make a decision since additional information is needed and then depending on the schedule, it will be decided in the next meeting or in Teams. – Thus, it is an official framework for our meetings and how do we work. And we have very good open communication and we have also set rules on how do we interact with each other, how do we behave and created sort of own rules which we have also openly communicated to our personnel. »

4.2 Cross-case analysis

Next, this work will focus on the differences and similarities that were found based on the analysis made from each case. All three cases were analyzed and themed based on the findings in the data. Although some differences exist, the argument by Eagly and Johnson (1990) that since individuals are presumably selected to their positions based on their competencies, differences should exist only a little. This argument was also pointed out in this study.

However, a few slight differences were found between different managerial groups.

First, as mentioned in the pioneer studies by Hambrick and Mason (1984) and Hambrick (2007), that the organization is the reflection of its top managers and since a management team is not able to scan every organizational aspect, it must do decisions based on their understanding of specific situation. Furthermore, the perceptions are built upon

each member's beliefs and values. This argument was seen in different perspectives of each interviewee and stood out also in some of the responses as pointed out by interviewee 9 (case 1):

(Interviewee 9) "And of course people matter in a sense that our previous CEO, I might stereotype here, but was very traditional 50-year-old-man with quite a different kind of an idea of what a CEO should be like versus I who sees running a business quite differently. I strongly believe that well-being employee genuinely completes his/her job better and you can have fun at work. You can laugh at the coffee break and sometimes use time there more than 15 minutes without that it would somehow negatively affect on the work. So, it must have some kind of an effect that a firm looks like its leaders. "

Noticing the fact that everyone has a unique perspective of looking different situations, the strategy creation and strategy work in companies differ based on these perspectives. This was also pointed out by interviewee 7 (case 1) when describing the characteristics of their TMT consisting mostly of women:

(Interviewee 7) "We are ambitious, approachable and agile. Ambitious comes from the fact that we aim high. We are not here just for fun, but we are very ambitious and want to grow this business and make good profit. And we are very decisive in a sense that we know our capabilities and that we are good.

Approachable, means that, I need to be careful here. But were not cold-hearted white collars here. And the reason I want to point this out and this is important thing for us as a firm, and it is related to our values and our tone of voice and to everything that we stand for, that we are approachable, we are not arrogant. We are humble enough, but we do not grovel, and we are in this with all of our hearts. We are real people, we are easy to approach, we are easy and fun to work with, but we are still truly professional."

(Interviewee 9) "Who ever you have in your TMT, you have to trust on them. You have to trust that what ever you say, it stays in that TMT – And what ever you say, you need to know you can trust others, and you need to trust that the people you work with does not want anything else but good for you, and you have eachothers' back no matter what. – So trust and efficiency are very important, and then also I value a sense of humour, that you need you have ability to laugh a little to things and also to yourself. If the work is very stiff or rigid it gets boring. We all have more fun if the work is lighter as the issues may be serious"

Comparing the description to the case 2 consisting mostly men, TMT were described more decisive and task-oriented:

(Interviewee 8) "Agile, rapid and efficient could be those that describe us."

(Interviewee 6) "The first thing that comes to my mind is goal-oriented. Especially for me it is important that you don't ramble things but make decisions. Thus, the one who keeps on going and is active will win the market. And the ones who become rigid and stay solving things does not do anything. So, you need to be agile. And it does not mean that you should shoot everyone that fails, but if you have courage and determination, you will fail at some point, but you cannot stay laying on the ground with the issue. So as adjectives I would describe us as future-optimistic and goal-oriented. So those are hopefully the most important things rather than dwelling on specific issues for months."

(Interviewee 6) "We don't have that sense of thinking that "this haven't worked before". We are young enough and equal, and there are not any old men saying that we should only work on specific way. There is some healthy blustering of an underdog in our operations. We all have a bright vision that we want to success better than our bigger competitors"

Case 3 in this context were a combination of subtleness and decisiveness as interviewees 2 and 3 sum:

(Interviewee 3) "We look ahead, we are development oriented and positive. And productive"

(Interviewee 2) "Our atmosphere is positive, but at the same time determined. We expect we get things done and things need to be done, but at the same time we are compassionate."

Comparing the differences among different teams, findings support the UET literature, that each company is a reflection of its top management. Furthermore, each individual has its own perspective on looking towards things, that resemble their values and beliefs. Subtle, participating and informal way of leading was mutual in case 1 comments. This

finding seems to be in line with the argument of Whittington (2001 :47) which emphasizes that women tend to avoid authoritarian or abrasive leadership styles that are often connected with masculinity and compensate leading by informal, subtle, participating, and empowering ways. On the other hand, case 2 seemed to describe their composition more focusing on the outcomes and activities.

When considering the group cohesion, each case trust and the ability to make mistakes without feeling of insecurity were pointed in all cases. Regarding innovation, each case emphasized the importance of trying new things to respond to the rapidly-changing environment. Hence, the argument, that innovativeness is higher in diverse teams, as mentioned by Hambrick et al., 1996; Pitcher & Smith, 2001, did not stand out in the context of this study. Furthermore, each team noted that the team consist of different members that balance each other, and that different point of views existed among the members. Although differences existed on how teams described themselves, interviewee 2 (case 3) sums up some of the characteristics pointed in the interviews:

(Interviewee 2)“There are some good characters that each leader should have. – When you are leading an organization, you should have the capabilities, motivation, and courage to make difficult decisions, to innovate and to try different things and to be open for reformation. It is challenging if there are not such characters in TMT, since then you might stuck in your processes and especially as this industry changes so fast, it can be a challenge.”

In addition, all three cases described their TMT as an open and informal.

Out of the three cases, case 3 emphasized the team-factor, that the more each individual knows each other, the better they work together. This in turn, may be useful, since according to Tsui *et al.*, (1992) homogeneous groups may have better natural tendency to cooperate with each other. Hence, building a team especially in diverse environment is beneficial, since it otherwise may be more challenging compared to cases 1 and 2.

Strategy creation

Similar in each case was that different tools were used in creating a strategy. Strategy was also created in different forums, participating different individuals. The biggest difference between cases was the participation of personnel, which was approached differently among each case.

In case 3, being the most diverse TMT, the participative approach was in big role in the strategy creation. Different organizational levels were participated in strategy creation, value system analysis and value creation. Strategy was also seen as important factor in everyday activities and a base of motivation and presented by interviewee 3 (case3):

(Interviewee 3) "It [strategy] must be created together with the organization. There is a lot of smart people, and by putting heads together the end result will surely be better than the one that would be created only by few people. And although it [the strategy] would end up being just nicely done by four to six people in a vacuum, if you think about that in the long run you have two options. You have an option in which the strategy creation has taken longer time but the personnel has been involved with it versus the situation were a small group of people has done it and tries to get other to understand what and why things are considered the way they are. And to get others to understand what they should do and to motivate them, so that will certainly take more time than initially working together. "

(Interviewee 3) " In my opinion it [participating employees] is the the alpha and omega. If you decide to gather up in a vacuum with three, four, five people you surely will create a strategy even within a week. But the question is how do you implement it and how do you get people engaged with it and how do you get them to feel that together they are executing it. It is not only the five people who are executing the strategy but the whole personnel, so it does not work like that."

In the conversations of strategy creation in case 1, consisting mostly of women, caring of personnel stood out strongly. This participation of employees was also noted with case 1. in both value creation and in strategic workshops. People were also mentioned as one of the key strategic assets as mentioned by interviewee 4 (case 2) and 9 (case 2):

(Interviewee 4) "The thing is that it is about people and about working with people. One of the most important strategic asset is our employees. The thing that we really care is visible in both when we work with our employees but also when we are with our customers Digitalization is a tool for doing your job. I don't mean that our relationship towards our employees would go clinical but we want to differentiate with how we treat our employees."

(Interviewee 9) "In the center of our work is the caring about each other and it is our strategy to act in a way that it is present in all what we do. And it is not just empty words, but it is present in all the monitoring and tracking we do, so the people here are generously well-being and enjoy working. And our challenges are not that we would lose our customers since we also care about them as much as we care about each other, our employees and ourselves. And another aspect to our strategy comes from the parent company, that digitalization, robotization and AI is present, and we want to be forerunners in a sense that we have a robot that accepts certain purchase invoices."

In addition, interviewee 5 (case 1) also pointed out the reasons why personnel were participated in the strategy creation:

(Interviewee 5) "There is no point that we [TMT] are the only ones creating the strategy, to which others aren't able to engage or no one understands the scenarios on which the strategy is built upon. And although you can open it up and explain the strategy to others, it does not replace the situation in which the personnel is involved in creating the strategy. The strategy is useless unless the personnel is able to execute it in their daily activities and unless they adopt it. So basically, every activity that they do during their days at work needs to aim for our vision, and that's actually the purpose of it."

Case 2 consisting mostly of men had a slightly different approach to strategy creation. In case 2, the participation of personnel focused mainly on the value creation and the strategy creation was done by fewer members of the organization, usually by going someplace else and updating the strategy there with focal members of organization.

Interviewee 6 (case 2) points out the participation of personnel in value creation:

(Interviewee 6) "I don't believe that the strategy per se is visible, but our values should be, and they should be part the daily activities. Our values have been printed to boards in every of our location and somehow it would feel difficult that the strategy would be part of the personnel's work. Of course, they should know what we

want to achieve in the market, but more of a like, maybe it should be clarified through values, that's how we've seen it. Of course, we could visualize our strategy and bring it to the office so that it would be visible but got to admit that we haven't done that."

However, although the strategy per se was not mentioned to be visible in everyday life, the role of personnel was noticed important as pointed by interviewee 6 (case 2):

(Interviewee 6) "Of course, our personnel, it's do or die, nothing will be realized unless everyone is doing their job with a full capacity, so we're not like, we do not achieve the results by ourselves, our task is to enable things and clear obstacles off the way and to lead a way. but it's not like we by ourselves would make millions of revenues. Despite our management makes contracts among the others, our personnel are the ones who create the result if they are in order to."

Findings about the participative approach in strategy creations seems to be in line with existing theories. As mentioned by Hambrick et al., (1996) and Pitcher & Smith, (2001) diversity may increase the number of different perspectives in organization. In this context, diversity increased the participation of others, which may have had an influence on creating more diverse ideas since more people are involved. In addition, the findings of participating others are in line with the findings of Krishnan and Park (2005) stating that women leaders have tendency of lead in a possess and participative and empowering ways and to create more intraorganizational relationships. In addition, case 2 consisting mostly of men has a clear process of starting strategic initiatives and planning strategic moves which is also in line with the existing literature stating that the leadership style of men leading with clear structures, systems, and incentives. (Johnson et al. 2017: 491).

The participation of different individuals was also noticed in the strategy work. While having fewer people involving in the strategy creation and strategy work than in cases 1 and 3, interviewee 8 from case 2 emphasized the importance of trust while having fewer people involved:

(Interviewee 8) "If we think about a specific industry, so there is no point on asking about it from representatives from different industry. So one part of the agility is that there is not too much people, and actually it is very important, so things get

very slow if many people are involved. And in this context, the trust is emphasized, so if people are suspicious, they want to be involved with and informed about everything. So, it's a difficult balance."

To sum, in cases that included women, collective participation stood out as important factor in strategy creation and in strategy practices. In case 2, the trust among different individuals was emphasized and it enabled fewer people to be involved with different strategic issues at the same time. Findings are also consistent with Eagly and Johannesen-Schmidt (2001) stating that both women and men have equal tendency to have a task-oriented leading approach, but in addition, women have higher tendency towards interpersonally oriented approach on business to tendency to develop and mentor their followers and attend to their personal needs.

Strategic decision-making

On the other hand, as mentioned by Hambrick et al., (1996) diversity may decrease the ability to make fast decisions. This stood out in the strategic decision-making. While cases 1 and 2, which compositions were more homogeneous compared to case 3, described their decision-making process, they stood out more agile compared to case 3. Case 3 had relatively the most formal process of making decisions, while cases 1 and 2 stood out with their relatively informal and ways of making decisions. Out of these two homogeneous cases, case 2 consisting mostly of men stood out the most agile in decision-making. Several initiatives were on-going, and the type of the business strategy involved a lot of making fast decisions. These statements were also supported by the use of administrative practices such as using WhatsApp as one tool of fast communication or making decisions out of the TMT meetings which were pointed out in cases 1 and 2. In case 3, decisions were presented to be mostly done in TMT meetings.

The effectivity was noted by interviewee 8 from case 2 which consisted mostly of men:

(Interviewee 8)"There are things that are beneficial but on the other hand, they can be disadvantage for us. Some sort of formality could be in place. Of course, it

would slower the decision-making but on the other hand it would improve the preparation. And while the organization grows, it is a constant challenge that are the right directions represented there that is the next area of improvement. - And this is a thing I constantly deal with that how it is, since I believe that in regard to agile TMT work, TMT needs to be compact. It is evitable that in larger TMT, you need to have more formal processes, so that everyone gets to represent their opinions to each matter. So this is an issue a constantly I fight with."

The agility was also pointed out in the personnel's ability to cope with change, being an important factor of the corporate culture:

(Interviewee 8) "Our personnel have used to rapid changes. Changes regarding the business and personnel, they are rapid and a part of our daily activities, so neither sudden environmental changes don't feel that rare. So, the fact that our organization has used to fast changes, they consider is as a normal stage, that has been our benefit"

Compared to case 3, the effectiveness was already noticed and pointed out by interviewee 2 (case 3):

(Interviewee 2) "Maybe the ways of working could be even more structured, there are some things that that could be left out from the TMT, that are not specifically TMT related things. But that's one thing we've already started working on last year and will continue. So maybe there could be more precise that what things are expected from each sector and what not."

Considering the base of different decisions, case 2 consisting mostly of men emphasized the financial factors as a base of each decision, including some value-based decisions also. Goals were clear and aiming to specific position in the market. As pointed by interviewee 6 (case2), financial factors were in the core of decision-making.

In addition to financials, that directed decisions in all cases, also feelings were pointed out as one factor supporting decisions in case 1 consisting mostly of women as pointed by interviewee 7 (case 1):

(Interviewee 7) "Decisions are based on several things. They base strongly on the feeling that what do we want. - If I start why is this company crated, it is started

off from what do we want, what inspires and motivates us, what do we and my colleagues want from life and from work. So, things what we want to achieve direct us. And of course, we analyze a lot where is this industry going to. – And of course, we calculate a lot of different scenarios and different possibilities and so on. So, the decision-making is based on a lot of things.”

To sum, the advantage of having a more homogeneous TMT was seen in the ability to make fast decisions compared to diverse group. However, what comes to the consensus of making decisions, each group pointed out as being relatively collective in their decision-making.

4.3 Synthesis

The initial research question *How top management team gender diversity appears in strategy work was examined* through three objectives:

O1 : “What similarities or differences exist in homogeneous groups and in heterogenous TMTs when creating a strategy?”

Q2: “Does TMT gender diversity affect on strategic practices and if yes, how?”

O3 : “Does gender diversity affects on group cohesion, discussions and decision making and if yes, how?”

First objective was to explore how the TMT creates the strategy of a firm and how does is differ depending on the TMT gender diversity. Based on the findings, many similarities existed in strategy creation regarding strategy practices, such as using similar tools in strategy creation. Typical administrative practice tools such as MS Office and white boards were used broadly in each case when creating a strategy. The role on TMT also stood out relatively similar, as TMTs in each case represented themselves are operative actor in directing firm to a desired direction. The biggest difference in strategy creation

existed in strategy praxis how the TMT participated others in strategy creation. Based on the findings, in TMTs that included women 50% or more, the participative approach on strategy creation was in bigger role. This included using external consultants, mentors and coached as well as engaging personnel in all organizational levels to strategy creation. Caring of employees was noted as important factor in case 1 which consisted mostly of women. In case 2 which consisted mostly of men, the participation of personnel in strategy creation was in a smaller role but was also noted, mostly in the value creation of a firm as part of firm's strategy. Cases that included personnel to the strategy creation noted that the strategy creation per se could take longer time, which is in line with the findings about diversity in previous literature. Hence, case 2 that did not involve that many people on the strategy creation stood out more agile. Furthermore, trust among different people was emphasized to success in involving smaller number of people.

When considering the strategy practices, each case's TMT met regularly, and the strategy practices stood out both informal and formal. In case 1 consisting mostly of women, strategy work was described informally without specific plans or periods. Strategy work was also seen person oriented depending on the people behind the work. In case 2, strategy practices included clear processes how to start different initiatives and new operations with selected people to maintain the agility in practices. In case 3, strategy work included a lot of planning and was also described as informal and formal. Different organizational levels were involved broadly in different initiatives.

Lastly, when considering objective three and how does the gender diversity affect to the group cohesion, decision-making, discussion and if yes, how. Group cohesion seemed to be unique in each case which is also supported by the UET. Common in each case was emphasizing trust, openness, and different point of views within the group. When describing TMTs, cases 1 and 3 included more subtle words describing their team compared to case 2. As case 2 consisting mostly of women pointed adjectives such as "positive, caring, humorous, approachable, open for change, efficient, trustworthy", while adjectives from case 2 consisting mostly of men included "goal-oriented, agile, rapid, efficient,

future-optimistic. As pointed above, the decision-making in cases that included more of women, feelings were emphasized as one factor supporting decision making, in addition to financial parameters which were pointed in each case. As mentioned in objective 2, strategy practices consisted of informal and formal processes. Informality was seen as advantage especially in homogeneous cases 1 and 2, making decision-making more agile than in TMT that consisted half men and half women. Administrative practice such as using WhatsApp as one communication channel enabled fast decision making even outside of the TMT meetings. Case 2 consisting mostly of men stood out as the most agile when it comes to making strategic decisions with clear steps how to proceed with different strategic initiatives.

5 Discussion

Based on the findings this chapter will go through the theoretical implications gained from this study. Second, managerial implications are presented continuing to provide suggestions for future research. Last, limitations of this study are represented.

5.1 Theoretical implications

This thesis focused on the exploring strategy creation and strategy work among different TMT compositions based on the TMT gender ratio using SAP approach. The study was exploratory, examining the role of gender diversity in such context.

The existing literature stated that although some differences may exist, since individuals are chosen to their positions based on their competencies, differences should exist only a little. (Eagly and Johnson, 1990). This was noticed in the study, while many similarities existed among the cases. However, some differences were explored. These included the participative approach in strategy creation, decisive or subtle way of describing a team, ability to make fast decisions and factors that were used as basis of decisions. These findings were in line with existing literature from diversity or gender diversity in organizations. However, this study was not able to explore other variables that connected to increased diversity such as increased amount of innovation and effectiveness, increased number of conflicts, or increased amount of turnover among teams. (Knight *et al.*, 1999; Perola *et al.*, 2015; Hambrick *et al.*, 1996).

As the SAP perspective was chosen as a point of view through which the strategy work was approached, different praxis and practices were noticed among each case. The SAP perspective also enabled to approach strategy creation through “how” specific strategy is created instead of “what” decisions are made. (Mantere, 2005). Furthermore, the approach enabled to focus on the strategy work as a social practice that is created upon social constructivism. (Vaara, Whittington, 2012). In addition, as the tradition of SAP focuses on how people work with strategy and to the importance that people have

accurate tools and skills, the approach enabled to study the research question through practical activities that were also to be examined through qualitative research methods. The findings also support the statement of Vaara & Whittington (2012) that strategy is created by complex social activities rather than by linear strategy processes. Results also support the UET by Hambrick & Mason (1984), pointing that each organization is unique and the TMT characteristics influence on firm's strategic activities.

To sum up, this study provided an exploratory outlook on different TMTs creating a strategy through the lenses of SAP. The study succeeded in exploring strategy creation and strategy work by using the SAP perspective, UET and comparing TMT gender diversity in this context.

5.2 Managerial implications

Diversity has been put on the frame recently and the positive factors of having a diverse TMT has gained a lot of publicity. Although it has many positive effects, the benefits of non-diverse teams should not be left outside. Furthermore, noticing the possible limitations and enhancing advantages will bring the best out of different teams.

According to Kohtamäki *et al.*, (2011), participating personnel to strategic planning increases the personnel's participation in strategy implementation. Noticing the possible positive outcomes, participative approach should be used in organizations. However, notable also is that participation may decrease organizational agility since more people are involved in strategy creation. This however, may decrease the time used in strategy implementation. As the agility may decrease while the participation of other increase, noteworthy is to create a trustworthy environment where personnel feels that they have ability to participate and to influence on things although the final decision comes from the TMT.

Second, as strategy may be left behind all the operational work TMT is involved with, strategy should be planned proactively and supported by daily activities. This in turn may

enhance the agility of decision-making and putting things into action. Furthermore, planning which issues are considered in which meetings to increase the effectivity would help TMTs in their issues regarding efficiency and more agile decision-making.

Third, the diversity of TMTs within the selected industry remained high which was noted in the case selection process. This said, the industry stood out as a forerunner considering TMT gender diversity. This might be explained by the ongoing work with personnel and the increased knowledge about diversity related issues since firms operate closely with recruitments and employee related topics. Thus, other industries could learn from the Personnel Service Sector to increase the diversity within other industries' TMTs.

5.3 Suggestions for future research

This thesis focused broadly on the role of TMT gender diversity in strategy creation and strategy work without a focus on specific issues linked with diversity. The future research could also broaden up the theme by wider case analysis in which multiple organizations and different industries would be included in the study. While TMTs are becoming more diverse, the possibilities to study gender diversity in TMTs also increases. In addition, studies focusing only on female dominated TMTs could also offer more insight on the differences between diverse and non-diverse TMTs.

This study focused broadly on the strategy work among different TMT compositions. Future studies could focus on specific factors that may stand out in different teams and furthermore, focus on these aspects by using ethnographic research design.

As this study provided an exploratory insight on the issues through multiple-case study research design, the results remained qualitative. For future analysis, quantitative approach could be considered to fulfill the findings presented in this study and to connect the strategy work and performance effects among firms with different TMTs. Furthermore, studying different industries with more cases would increase the generalizability of aforementioned findings.

5.4 Limitations

Every study faces limitations that can be observed in retrospect. The first limitation of this study is based on the research design which was selected. More observative results would have emerged from ethnographic research design, which focuses on observing different events in their real-life context. In this sense, possible differences would have stood out even better as the researcher would have had an equal stage to observe different cases. Second, limitations in the case selection existed as cases has unbalanced ratio on interviewees. More balanced amount of data would have been collected if cases had similar number of interviewees. In this case, case 1 consisted of four, case 2 of two and case 3 of three interviews. In addition, as totally gender homogeneous groups were challenging to find within the same industry, compromises had to be made between the compositions of TMT or taking cases from different industry. This led to having cases in which women or men represented the majority of selected TMT rather than representing the whole TMT. However, comparison was possible to make since majority represented the observable gender and the cases represented the same industry.

Last, as this case study included four companies in the study, limitations of wider generalization based on the study exist. Hence, this study may be considered as explorative with limited possibilities of broad generalization. Furthermore, it presents a sample of multiple cases and a starting point for future research.

6 List of references

- Aaltio-Marjosola, I. (2001). *Naiset, miehet ja johtajuus*. Helsinki: WSOY.
- Adams, R. B. & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of financial economics*, 94(2), pp. 291-309. doi:10.1016/j.jfineco.2008.10.007
- Alexiev, A. S., Jansen, J. J. P., Van Den Bosch, F. A. J. & Volberda, H. W. (2010). Top Management Team Advice Seeking and Exploratory Innovation: The Moderating Role of TMT Heterogeneity. *Journal of Management Studies*, 47(7), pp. 1343-1364. doi:10.1111/j.1467-6486.2010.00919.x
- Anicich, E. M., & Hirsh, J. B. (2017). The psychology of middle power: Vertical code-switching, role conflict, and behavioral inhibition. *The Academy of Management Review*, 42(4), 659–682. Available online: <https://doi.org/10.5465/amr.2016.0002>
- Bantel, K. & Jackson, S. (1989). Top Management and Innovations in Banking: Does the Composition of the Top Team Make a Difference? *Strategic Management Journal*, 10, p. 107
- Carter, N. M., Williams, M. & Reynolds, P. D. (1997). Discontinuance among new firms in retail: The influence of initial resources, strategy, and gender. *Journal of business venturing*, 12(2), pp. 125-145. doi:10.1016/S0883-9026(96)00033-X
- Chia, R. & Mackay, B. (2007). Post-processual challenges for the emerging strategy-as-practice perspective: Discovering strategy in the logic of practice. *Human Relations*, 60(1), pp. 217-242. doi:10.1177/0018726707075291

- De Anca, C., Aragón, S., (2018). The 3 Types of Diversity That Shape Our Identities. (Online). Article. Harvard Business Review. (Cited 11.9.2020). Retrieved online: <https://hbr.org/2018/05/the-3-types-of-diversity-that-shape-our-identities>
- Dezsö, C. L. & Ross, D. G. (2012). Does female representation in top management improve firm performance? A panel data investigation. *Strategic Management Journal*, 33(9), pp. 1072-1089. doi:10.1002/smj.1955
- Dixon-Fowler, H., Ellstrand, A. & Johnson, J. (2013). Strength in numbers or guilt by association? Intragroup effects of female chief executive announcements. *Strategic Management Journal*, 34(12). doi:10.1002/smj.2076
- Eagly, A. H. & Johnson, B. T. (1990). Gender and Leadership Style: A Meta-Analysis. *Psychological Bulletin*, 108(2), pp. 233-256.
- Eagly, A. H. & Johannesen - Schmidt, M. C. (2001). The Leadership Styles of Women and Men. *Journal of Social Issues*, 57(4), pp. 781-797. doi:10.1111/0022-4537.00241
- Eisenhardt, K. M. (1989). Building theories from case study research. (Special Forum on Theory Building). *Academy of Management Review*, 14(4), p. 532. doi:10.2307/258557
- Eisenhardt, K. & Graebner, M. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), pp. 25-32. doi:10.5465/AMJ.2007.24160888
- Eriksson, P. & Kovalainen, A. (2008). *Qualitative methods in business research*. London: Sage

- Finkelstein, S., Hambrick, D. C. & Cannella, A. A. (2009). *Strategic leadership: Theory and research on executives, top management teams and boards*. Oxford: Oxford University Press
- Frink, D. D., Robinson, R. K., Reithel, B., Arthur, M. M., Ammeter, A. P., Ferris, G. R., Ferris, G.R., Kaplan, D. M., Morrisette, H. S. (2003). Gender Demography and Organization Performance: A Two-Study Investigation With Convergence. *Group & organization management*, 28(1), pp. 127-147. doi:10.1177/1059601102250025
- Gibbert, M., Ruigrok, W. & Wicki, B. (2008). What passes as a rigorous case study? *Strategic Management Journal*, 29(13), pp. 1465-1474. doi:10.1002/smj.722
- Golsorkhi, D., Rouleau, L., Seidl, D. & Vaara, E. (2010). *Cambridge handbook of strategy as practice*. Cambridge: Cambridge University Press.
- Hambrick, D. C. (2007). Upper Echelons Theory: An Update. *The Academy of Management Review*, 32(2), pp. 334-343. doi:10.5465/AMR.2007.24345254
- Hambrick, D. C., Cho, T. S. & Chen, M. (1996). The Influence of Top Management Team Heterogeneity on Firms' Competitive Moves. *Administrative Science Quarterly*, 41(4), pp. 659-684. doi:10.2307/2393871
- Hambrick, D. C. & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. *The Academy of Management Review*, 9(2), pp. 193-206. doi:10.5465/AMBPP.1982.4976402

- Hutzschenreuter, T. & Kleindienst, I. (2006). Strategy-Process Research: What Have We Learned and What Is Still to Be Explored. *Journal of management*, 32(5), pp. 673-720. doi:10.1177/0149206306291485
- Jackson, S., (1992) Consequences of group composition for the interpersonal dynamics of strategic issue processing. *Advances in Strategic Management*, 8:345-382
- Jarzabkowski, P. & Wilson, D. C. (2002). Top Teams and Strategy in a UK University. *Journal of Management Studies*, 39(3), pp. 355-381. doi:10.1111/1467-6486.00296
- Jarzabkowski, P. (2003). Strategic Practices: An Activity Theory Perspective on Continuity and Change. *Journal of Management Studies*, 40(1), pp. 23-55. doi:10.1111/1467-6486.t01-1-00003
- Jarzabkowski, P. (2004). Strategy as Practice: Recursiveness, Adaptation, and Practices-in-Use. *Organization Studies*, 25(4), pp. 529-560. doi:10.1177/0170840604040675
- Jarzabkowski, P. (2005). *Strategy as practice: An activity-based approach*. London: Sage.
- Jarzabkowski, P., Balogun, J. & Seidl, D. (2007). Strategizing: The challenges of a practice perspective. *Human relations (New York)*, 60(1), pp. 5-27. doi:10.1177/001872670707570
- Jarzabkowski, P. & Paul Spee, A. (2009). Strategy-as-practice: A review and future directions for the field. *International Journal of Management Reviews*, 11(1), pp. 69-95. doi:10.1111/j.1468-2370.2008.00250.x

- Jizi, M. I. & Nehme, R. (2017). Board gender diversity and firms' equity risk. *Equality, Diversity and Inclusion: An International Journal*, 36(7), pp. 590-606. doi:10.1108/EDI-02-2017-0044
- Johnson, G., Whittington, R., Scholes, K., Angwin, D., Regnér, P., (2017). *Exploring strategy*. (Eleventh edition.). Harlow, England: Pearson.
- Juuti, P. & Aaltio, I. (2006). *Johtaminen eilen, tänään, huomenna*. Helsingissä: Otava.
- Kiehne, J., Ceausu, I., Arp, A., Schüler, T., (2017). Middle management's role in strategy implementation projects: A behavioral analysis. *Proceedings of the International Conference on Business Excellence*, 11(1), pp. 539-549. doi:10.1515/picbe-2017-0058
- Kilduff, M., Angelmar, R., Mehra, A., (2000). Top Management-Team Diversity and Firm Performance: Examining the Role of Cognitions. *Organization Science*, 11(1), pp. 21-34. doi:10.1287/orsc.11.1.21.12569
- Knight, D., Pearce, C. L., Smith, K. G., Olian, J. D., Sims, H. P., Smith, K. A. & Flood, P. (1999). Top management team diversity, group process, and strategic consensus. *Strategic Management Journal*, 20(5), pp. 445-465.
- Kohtamäki, M., Kraus, S., Mäkelä, M. & Rönkkö, M. (2012). The role of personnel commitment to strategy implementation and organisational learning within the relationship between strategic planning and company performance. *International Journal of Entrepreneurial Behaviour & Research*, 18(2), pp. 159-178. doi:10.1108/13552551211204201

- Krishnan, H. A. & Park, D. (2005). A few good women—on top management teams. *Journal of Business Research*, 58(12), pp. 1712-1720
- Landaw, J., (2020). How Diverse Is Your Board, Really? (Online). *Harvard Business Review*. (Cited 15.9.2020). Retrieved online: <https://hbr.org/2020/06/how-diverse-is-your-board-really>
- Machado, C., & Davim, J. P. (2018). *Organizational Behaviour and Human Resource Management: A Guide to a Specialized MBA Course*. Springer.
- Mantere, S. (2005). Strategic practices as enablers and disablers of championing activity. *Strategic Organization*, 3(2), pp. 157-184. doi:10.1177/1476127005052208
- Maylor, H. & Blackmon, K. (2005). *Researching business and management*. New York: Palgrave Macmillan.
- Menz, M. (2012). Functional Top Management Team Members: A Review, Synthesis, and Research Agenda. *Journal of Management*, 38(1), pp. 45-80. doi:10.1177/0149206311421830
- Mintzberg, H. & Waters, J. A. (1985). Of strategies, deliberate and emergent. *Strategic Management Journal*, 6(3), pp. 257-272. doi:10.1002/smj.4250060306
- Mohan, N. J. & Chen, C. R. (2004). Are IPOs Priced Differently Based Upon Gender? *Journal of Behavioral Finance*, 5(1), pp. 57-65. doi:10.1207/s15427579jpfm0501_6
- Nag, R., Corley, K. G. & Gioia, D. A. (2007). The intersection of organizational identity, knowledge, and practice: Attempting strategic change via knowledge grafting.

Academy of Management Journal, 50(4), p. 821.
doi:10.5465/AMJ.2007.26279173

Parola, H. R., Ellis, K. M. & Golden, P. (2015). Performance effects of top management team gender diversity during the merger and acquisition process. *Management Decision*, 53(1), pp. 57-74. doi:10.1108/MD-03-2014-0141

Pietiläinen, M., Keski-Petäjä, M., Katainen, A. (2015). Naisten ja Miesten edustus yritysten ylimmässä johdossa. (Online). Valtioneuvosto. (Cited. 1.9.2020). Retrieved from the internet: http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/74702/STM_Naisten%20ja%20miesten%20edustus%20yritysten%20ylimm%C3%A4ss%C3%A4%20johdossa_TIIVISTELM%C3%84_fi_net2.pdf

Pitcher, P., Smith, A. D., (2001). Top Management Team Heterogeneity: Personality, Power, and Proxies. *Organization Science*, 12(1), pp. 1-18. doi:10.1287/orsc.12.1.1.10120

Porter, M.E. (1996): "What is Strategy", *Harvard Business Review*, November-December, 74 (6), 61-78.

Richard, O. C., Barnett, T., Dwyer, S., & Chadwick, K. (2004). Cultural Diversity in Management, Firm Performance, and the Moderating Role of Entrepreneurial Orientation Dimensions. *Academy of Management Journal*, 47(2), 255–266. doi:10.2307/20159576

Saldana, J. (2011). *Fundamentals of qualitative research*. ProQuest Ebook Central

Saunders, M., Lewis, P. & Thornhill, A. 2007. *Research methods for business students*. 4th Edition. Harlow. Pearson Education Ltd.

Simons, S. M. & Rowland, K. N. (2011). Diversity and its Impact on Organizational Performance: The Influence of Diversity Constructions on Expectations and Outcomes. *Journal of technology management & innovation*, 6(3), pp. 171-183. doi:10.4067/S0718-27242011000300013

Slack, (2020). (Online). Website. (Cited 21.12.2020). Available online: <https://slack.com/intl/en-fi/why/slack-vs-email>

Sminia, H. (2009). Process research in strategy formation: Theory, methodology and relevance. *International Journal of Management Reviews*, 11(1), pp. 97-125.

Smith, N., Smith, V. & Verner, M. (2005). Do Women in Top Management Affect Firm Performance? A Panel Study of 2500 Danish Firms. IDEAS Working Paper Series from RePEc.

Sue, V. M., & Ritter, L. A. (2012). *Conducting online surveys* (2nd ed.). SAGE Publications, Inc. <https://www.doi.org/10.4135/9781506335186>

Talke, K., Salomo, S. & Rost, K. (2010). How top management team diversity affects innovativeness and performance via the strategic choice to focus on innovation fields. *Research policy*, 39(7), pp. 907-918. doi:10.1016/j.respol.2010.04.001

THL (2020). Sukupuolten tasa-arvo yritysjohtossa [Online]. Article. Finnish Institute for Health and Welfare. [Cited 1.9.2020]. Retrieved from the internet: <https://thl.fi/fi/web/sukupuolten-tasa-arvo/tasa-arvon-tila/valta-ja-paatoksenteko/sukupuolten-tasa-arvo-yritysjohtossa>

Knippenberg, D. V. & Schippers, M. C. (2007). Work group diversity. *Annual Review of Psychology*, 58, p. 515.

- Vaara, E. & Whittington, R. (2012). Strategy-as-Practice: Taking Social Practices Seriously. *The Academy of Management Annals*, 6(1), p. 285. doi:10.1080/19416520.2012.672039
- Welbourne, T. M., Cychota, C. S. & Ferrante, C. J. (2007). Wall Street Reaction to Women in IPOs: An Examination of Gender Diversity in Top Management Teams. *Group & Organization Management*, 32(5), pp. 524-547.
- Westley, F. R. (1990). Middle managers and strategy: Microdynamics of inclusion. *Strategic Management Journal*, 11(5), pp. 337-351. doi:10.1002/smj.425011050
- Wiersema, M. F. & Bantel, K. A. (1992). Top management team demography and corporate strategic change. *Academy of Management Journal*, 35(1), p. 91
- Whatsapp, (2020). (Online). Website. (Cited 21.12.2020). Available online: <https://www.whatsapp.com/?lang=en>
- Whittington, R. (1996). Strategy as practice. *Long range planning*, 29(5), pp. 731-735. doi:10.1016/0024-6301(96)00068-4
- Whittington, R. (2001). *What is strategy: And does it matter?* (2nd ed.). London: Thomson Learning.
- Whittington, R. (2006). Completing the Practice Turn in Strategy Research. *Organization studies*, 27(5), pp. 613-634. doi:10.1177/0170840606064101
- Whittington, R. (2007). Strategy Practice and Strategy Process: Family Differences and the Sociological Eye. *Organization studies*, 28(10), pp. 1575-1586. doi:10.1177/0170840607081557

- Wolf, C. & Floyd, S. W. (2017). Strategic Planning Research: Toward a Theory-Driven Agenda. *Journal of Management*, 43(6), pp. 1754-1788.
- Wooldridge, B., Schmid, T. & Floyd, S. W. (2008). The Middle Management Perspective on Strategy Process: Contributions, Synthesis, and Future Research. *Journal of Management*, 34(6), pp. 1190-1221. doi:10.1177/0149206308324326
- Xu, J., Yun, K., Yan, F., Jang, P., Kim, J. & Pang, C. (2019). A study on the effect of TMT characteristics and vertical dyad similarity on enterprise achievements. *Sustainability (Switzerland)*, 11(10). doi:10.3390/su11102913
- Yin, R. K. (2009). *Case study research: Design and methods*. London: SAGE Ltd.

Appendices

Appendix 1. Interview template

Practitioners:

- Miten kuvailisit johtoryhmää?
- Millaisia rooleja johtoryhmässä on?
- Kolmella adjektiivilla, millainen johtoryhmän jäsen olet, mitä sanoisit?
- Mikä on johtoryhmän vahvuus?
- Millaisia riskinottajia olette?
- Mikä vie eniten aikaa johtoryhmätyöskentelyssä?
- Miten päätökset tehdään?
- Mitä kehittäisitte johtoryhmä työskentelyssä?
- Mikä on tärkein osa strategiatyötä?
- Millainen ilmapiiri on?
- Onko joku vallitseva kulttuuri, joka ohjaa strategiaa?
- Miksi te teette niin kuin teette?

Praxis:

Millainen teidän strategia prosessi on?

- Miten strategia on syntynyt? Missä foorumeissa? Miten olette päätyneet tähän strategiaan?
- Miten tapaatte, kuinka usein?
- Keitä on osallisena strategian syntymisessä?
- Miten strategia implementoidaan?
- Miten strategiset päätökset tehdään? Mihin ne pohjautuvat?
- Millainen päätöksentekoprosessi on? (Tunteet/Järki, formaali/informaali)
- Missä kaikkialla strategia syntyy? Viralliset keskustelut, epäviralliset juttelut?
- Miten strategiaa muutetaan?
- Miten strategisia päätöksiä tehdään?

Practices:

- Millaisia välineitä käytätte?
- Millaisia KPI lukuja on? Tools, managerial tools
- Keitä kaikkia on osallistettu?
- Millaista kieltä käytätte?
- Millainen ilmapiiri kokouksissa on?

Appendix 2. Interview proposal

Hi,

I am studying strategic business development at the University of Vaasa. In my master's thesis I am focusing on the role of top management team gender diversity in strategy process. The aim is to examine the strategy process of a firm, strategic focus, decision making and the dynamics within a TMT. The thesis is executed by using multiple case study research method. This means that each case is analyzed as an own entity and compared among other selected cases.

Interviews of the case study are scheduled to be arranged during October-November 2020. Each interview will take approximately an hour and are held in face-to-face or in Zoom/Teams. Each interview will be recorded for the qualitative content analysis. The data will only be used in the study and the data will remain anonymous throughout the study. Furthermore, neither the company name nor the industry will be disclosed in the study.

I would appreciate your effort assisting my thesis and participate on my study. Interviews are done in Finnish or in English. I remain at your disposal should you have any questions.