

Challenging the Status Quo: Headhunters and Gender Bias in Executive Recruitment: “Women have been at a Disadvantage, and it is long Overdue to Correct that”

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Abstract: This paper investigates the exclusion of women from the recruitment process for top management positions, focusing on the role of headhunters in Iceland—a country ranked first in the World Economic Forum's Global Gender Gap Report for 15 consecutive years. Despite Iceland's reputation as a leader in gender equality, women remain significantly underrepresented in executive roles. This study addresses this paradox by exploring how headhunters' recruitment practices both perpetuate and challenge gender bias. Through semi-structured interviews with 44 board members (22 men, 22 women) and eight headhunters, this study uncovers structural and behavioral biases limiting women's opportunities in executive roles. Headhunters often rely on established networks and emphasize CEO experience, which favors male candidates. However, the study also highlights the potential of headhunters to act as change agents by expanding candidate pools and rethinking traditional hiring criteria. The theoretical contribution of this research lies in its exploration of how headhunters, positioned as both gatekeepers and agents of change, can influence gender diversity in leadership. This study also uses agency theory to explain the dynamic between headhunters and boards, examining how their conflicting goals shape executive recruitment outcomes.

Keywords: Gender Bias; Executive Recruitment; Headhunters; top Executive; Women in Leadership; Gender Diversity; CEO Selection; Structural Barriers in Leadership; Agency Theory in Recruitment.

1. Introduction

The recruitment of top executives is a critical process often delegated to headhunters, external experts who specialize in identifying and securing candidates for high-level positions (Bonet et al., 2013). Unlike traditional recruitment methods, headhunting relies heavily on subjective assessments, personal networks, and informal recommendations (Coverdill & Finlay, 2017). Headhunters, functioning as consultants, offer professional advice to decision-makers, shaping the hiring landscape in significant ways (Tienari, 2013). Their influence is particularly evident in the executive labor market, where they control access to elite networks and play a decisive role in determining who qualifies for senior roles (Faulconbridge et al., 2009).

Research has shown that headhunters are not neutral actors; they actively shape the labor market and, in doing so, can either hinder or promote gender diversity (Doldor et al., 2016; Peltokorpi, 2023). Their reliance on established networks and personal chemistry between client and candidate often reinforces existing biases, particularly gender-related ones (Yan et al., 2023). Studies have highlighted that headhunters tend to reproduce the status quo, especially when it comes to elite executive positions traditionally dominated by men (Fernandez-Mateo & Fernandez, 2016; Tienari et al., 2013). As gatekeepers, they influence who gets considered for top positions and, by extension, who is excluded (Hovden et al., 2011).

Furthermore research on the experiences of women on corporate boards in Iceland indicates that headhunters' networks are male-dominated, resulting in recruitment practices that are exclusionary for women (Christiansen & Óladóttir, 2022).

Despite progress in gender equality, women remain significantly underrepresented in top leadership roles, even in countries like Iceland, which is often seen as a leader in gender parity (Óladóttir et al., 2024; WEF 2024). This paradox raises important questions about the role headhunters play in either perpetuating or dismantling gendered hiring practices. This study investigates how gender bias manifests in Iceland's executive recruitment through headhunting practices, identifying structural and subjective factors contributing to women's exclusion from top management roles.

This paper focuses on one central question: What role do headhunters play in the underrepresentation of women in executive roles in Iceland? To answer this, we analyze the recruitment practices of headhunters and their interactions with corporate boards, examining how their methods, biases, and networks shape outcomes

in the hiring process. In doing so, we aim to uncover both the barriers to and opportunities for improving gender diversity in executive leadership.

2. Literature Review

2.1 The Agency and Role of Headhunters

Headhunters, functioning on either a retainer or contingency basis, play a pivotal role in executive recruitment, particularly in top-level positions (Finlay & Coverdill, 2000). They shape the labor market by determining which candidates make it to long lists, shortlists, and final interviews, often through subjective processes (Peltokorpi, 2022; Tienari, 2013). Studies reveal that their reliance on networks and personal judgments can limit women's access to senior positions (Dreher et al., 2011; Tienari et al., 2013; Fernandez-Mateo & Fernandez, 2016). Gender biases arise throughout the stages of recruitment, with many consultants tending to favor male candidates due to ingrained expectations of competence and leadership (Coverdill & Finlay, 1998).

Agency theory, introduced by Jensen and Meckling (1976), provides a useful lens to examine the dynamics between headhunters and boards. As agents, headhunters must balance their objectives—often prioritizing efficiency and risk mitigation—against those of the boards (principals), which may emphasize CEO experience over diversity (Doldor et al., 2016; Hamori, 2010). This tension can perpetuate gender imbalances, as boards frequently prefer candidates with established CEO experience, which skews toward men (Peltokorpi, 2023).

2.2 Gendered Recruitment Practices

The gendered nature of executive recruitment presents a significant obstacle for women seeking leadership roles (Ely et al., 2011). Studies suggest that male competencies are often overestimated, while female abilities are undervalued (van den Brink et al., 2016). Headhunters, primarily male themselves, contribute to this bias by drawing on "new boys' networks," limiting access for women and minorities (Faulconbridge, 2009). Moreover, women are perceived as less confident and assertive, further disadvantaging them in competitive selection processes (Siegel et al., 2020).

Some headhunters recognize these issues and work to mitigate bias by broadening the candidate pool and considering non-traditional qualifications. They can pressure and support their clients to improve gender balance, but at the same time, they face the pressure to be responsive to their clients' often exclusionary preferences (Doldor et al., 2016). Thus, biases remain, particularly when clients express a preference for candidates who fit traditional male-dominated profiles (Tienari et al., 2013). Agency theory further explains this dynamic: headhunters may feel compelled to align with their clients' conservative preferences rather than push for diversity, even when acknowledging the benefits of a more inclusive approach (Yan et al., 2023).

2.3 The Emphasis on CEO Experience

One of the most prominent biases in executive recruitment is the overemphasis on CEO experience, which often excludes women. Boards frequently prioritize candidates with extensive leadership backgrounds, perceiving them as a safer choice, despite evidence suggesting no correlation between CEO experience and superior performance (Hamori & Koyuncu, 2014). This preference reflects the risk-averse nature of many boards and their reliance on headhunters to minimize hiring risks by selecting candidates from familiar, male-dominated networks (Steuer et al., 2015).

This conservatism is problematic for advancing gender diversity. Headhunters, by focusing on established credentials, reinforce the dominance of men in executive roles (Bidwell et al., 2023). Studies suggest that candidates without prior CEO experience can be equally effective, and expanding the pool to include women from diverse backgrounds could lead to more innovative leadership (Hamori, 2010).

3. Methods

Data collection was conducted through semi-structured interviews between March and May 2024. This qualitative approach allows flexibility for both the researcher and participants, enabling in-depth exploration (Kallio et al., 2016). Interviews were conducted either in person or via Teams, addressing gender equality and the executive recruitment process. Topics covered decision-making, roles and responsibilities, CEO competencies, advertising practices, and gender-related behaviors. Interview durations ranged from 27 minutes to 1 hour and 44 minutes.

Eight headhunters of both genders participated, with all interviews recorded and transcribed verbatim. Supplementary notes were taken during the sessions. Data analysis followed a grounded theory approach, employing open and axial coding (Strauss & Corbin, 1990; Vollstedt & Rezat, 2019). NVivo 14 software was used for coding and analysis to identify patterns and relationships within the data. Initial open coding yielded 506 codes, which were categorized into five main themes and fourteen subthemes. For this paper, analysis centers on the theme of "Gender differences and lack of women in the recruitment process," focusing on three subthemes: Lack of women, Role and responsibility of headhunters, and Gender bias in the hiring process.

4. Findings

This section explores the perspectives of headhunters on the gender biases and barriers women face in executive recruitment, focusing on key themes such as the lack of women in leadership positions, the role and responsibilities of headhunters, and gender disparity in the hiring process. These findings are discussed considering agency theory, which frames headhunters as both gatekeepers and agents of change.

4.1 Lack of Women

The headhunters explained the basis of gender disparity through the boards' reliance on criteria like prior CEO experience and through women's reluctance to promote themselves or accept invitations to interview for CEO positions.

4.1.1 The Importance of Prior CEO Experience

One of the most critical barriers identified by headhunters was the emphasis placed on prior CEO experience when recruiting for top management roles. Headhunters noted that boards often favor candidates who have previously held CEO positions, viewing them as "safe" choices. One headhunter explained, *"When boards come together and are hiring a CEO, there is an inherent belief that someone who has done this before is more qualified than someone doing it for the first time. You end up with more men than women ... it's just about safety."*

This reliance on prior experience disproportionately affects women, who are less likely to have held CEO positions. Headhunters acknowledged that while this criterion is intended to reduce risk, it reinforces existing gender imbalances. Another headhunter added, *"The safest bet in the end was often to hire a man... It was just statistics, comparing this pool of candidates A versus B."* This reflects the conservative nature of the selection process, where boards prefer to minimize hiring risks by selecting candidates with proven records, which tends to favor men.

However, some headhunters emphasized the need to challenge this traditional thinking. *"You don't need to have all this experience to be the most qualified one,"* said one headhunter, pointing to the need for more innovative approaches to recruitment that consider a candidate's potential, rather than just their past titles. Another headhunter explained, *"It's about opening the minds of boards to see beyond just the number of years in the job."* This sentiment suggests that there is room for headhunters to influence the process by broadening the criteria for what constitutes a qualified candidate.

4.1.2 Fewer Women Apply

Another key theme that emerged was the reluctance of women to apply for executive positions. Several headhunters noted women's hesitation to pursue CEO roles unless they fully meet the qualifications. One remarked, *"Women are less likely to seek CEO positions... In some cases, we've had as few as two or three women apply for big jobs."* This cautious approach contrasts with men, who are more likely to apply for positions even if they do not fully meet the criteria.

One headhunter explained, *"It seems women are more likely to think it over and apply only when they're really sure they want the job, while men apply more often and to more positions."* This pattern has important implications for gender diversity in leadership, as it means that fewer women are being considered for top positions simply because they are not putting themselves forward.

Efforts to reach out to women and encourage them to apply for roles have been met with varying success. One headhunter noted, *"Sometimes we have to really pursue women, calling them multiple times to get them to consider a role. It can take weeks just to get them to the table."* This highlights the need for headhunters to take a more proactive approach in identifying and engaging female candidates.

4.1.3 Reluctance Toward New Opportunities

The interviews also revealed that women are often more reluctant than men to engage in discussions about new job opportunities. One headhunter explained, *"Men are much more willing to have the conversation, while women need more encouragement."* Another added, *"Women often take longer to say yes, and when they do, it's because they genuinely believe they can do the job."*

This hesitation may be linked to factors such as loyalty to their current employer, conscientiousness, or a perceived lack of readiness. As one headhunter put it, *"Women are more likely to be loyal to their current job and say it's not the right time for a change."* This reluctance can make it more challenging for headhunters to present a diverse range of candidates to boards.

4.2 Role and Responsibility of Headhunters

The headhunters viewed their roles both as proactive and reactive. Some of them felt that their responsibility was to coach women and help them overcome the barriers, as well as change the minds of board members. Others focused more on always maintaining gender balance in their candidate lists.

4.2.1 Supporting Women and Offering New Perspectives

Headhunters saw their role as critical in shaping the gender balance in executive recruitment. Many emphasized the importance of offering new perspectives and supporting women throughout the recruitment process. One headhunter explained, *"It's our responsibility to look outside the box, not just move people from one company to another. There's so much talent out there that isn't being tapped."*

Several headhunters also discussed the importance of actively encouraging and coaching women to put themselves forward for leadership roles. One remarked, *"We need to help women sell themselves better, and that means being more present, coaching them, and encouraging them to showcase their strengths."* This proactive approach can help counteract the self-doubt and hesitation that some women experience when considering executive positions.

Headhunters also noted that their influence extends beyond the recruitment process itself. One headhunter said, *"It's about changing mindsets. We can help boards see that a lack of experience doesn't mean a lack of potential."* This sentiment underscores the dual role of headhunters as both gatekeepers and advocates for change.

4.2.2 Gender Ratios and Balanced Recruitment

Several headhunters discussed the importance of maintaining a balanced gender ratio in the recruitment process. One explained, *"We've started tracking the gender balance at every stage of the process. Our aim is to have a 30/70 ratio at a minimum."* This data-driven approach helps to ensure that both men and women are being considered fairly throughout the selection process.

Others emphasized that gender balance is not just a matter of numbers but also a strategic decision. One headhunter remarked, *"If you have two equally qualified candidates, one male and one female, and there's a gender imbalance, the decision to hire a woman is not complicated. It's simply a decision."* This perspective aligns with agency theory, which highlights the role of headhunters as intermediaries who can influence recruitment outcomes by aligning their practices with broader diversity goals.

4.3 Gender Bias in the Hiring Process

The gender disparity in the hiring process has roots both in the differences in behavior between men and women, and in how the boards evaluate men and women differently.

4.3.1 Gendered Behaviors in the Recruitment Process

The headhunters observed notable differences in how men and women behave throughout the recruitment process. One headhunter shared, *"Men often come across with much more confidence, even if they're not fully qualified, while women tend to undersell themselves."* This disparity in self-presentation can affect how candidates are perceived and evaluated by boards.

One headhunter recounted instances where male candidates, despite lacking qualifications, were insistent on securing interviews, while women hesitated to accept their invitations to interview. *"I sometimes get emails from men who really want the job, and they have no qualifications for it,"* one headhunter noted. In contrast, women were more likely to express doubts about their abilities or qualifications, even when they were more than capable.

4.3.2 Differences in Evaluation

The headhunters also discussed how gender influences the evaluation of candidates. One headhunter explained the existence of a double standard, *"The same level of confidence in a man is seen as driven and impressive, but in a woman, it's often viewed as off-putting."* This bias can lead to women being evaluated more harshly for exhibiting the same traits that are celebrated in men.

Another headhunter observed, *"Women sometimes don't get to be fully themselves in these roles—they're expected to behave like men in order to succeed."* This reflects the broader structural barriers that women face in executive recruitment, where gendered expectations continue to shape both behavior and evaluation in ways that disadvantage women.

5. Discussion and Conclusion

This study delves into the complex role headhunters play in perpetuating or challenging gender disparities in the executive recruitment process in Iceland. Through the lens of agency theory, the findings reveal that headhunters often align with the conservative expectations of boards, reinforcing structural biases and prioritizing candidates with prior CEO experience, as previously discussed in the literature (Hamori & Koyuncu, 2014; Steur et al., 2015). The preference for established male candidates reflects the ingrained patterns identified by Tienari et al. (2013), where clients tend to choose the safer, more familiar option. This reliance on familiar networks, as noted by Faulconbridge et al. (2009), limits diversity and systematically excludes women from top executive roles.

However, as some headhunters revealed during the interviews, they also act as agents of change who challenge these biases by advocating for more inclusive hiring criteria. This aligns with Yan et al. (2023), who suggest that headhunters, when aware of gender biases, can push for transparency and broader candidate pools. This potential for headhunters to shift their roles from gatekeepers to advocates for diversity adds a significant dimension to the understanding of their influence in executive recruitment.

The headhunters' role in perpetuating gender biases by favoring candidates with CEO experience, as evidenced in this study, mirrors the findings from previous research, such as the work of Hamori and Koyuncu (2014), which highlights how past CEO experience is often misinterpreted as a predictor of future success. This reliance on prior experience, coupled with the hesitancy to consider female candidates who lack this experience, aligns with the "new boys' network" concept described by Faulconbridge et al. (2009), which further limits women's access to leadership roles.

Yet, the findings also suggest that when headhunters actively seek to support and mentor female candidates, they can challenge these long-standing patterns. As identified in the interviews, headhunters can broaden the pool of candidates by identifying talent beyond traditional CEO roles and emphasizing potential rather than experience. This reflects the recommendations of Ely et al. (2011), who argue that organizations should value diverse capabilities over fitting candidates into a pre-existing mold of leadership.

The theoretical contribution of this research lies in its extension of agency theory to the recruitment process, offering a dual perspective of headhunters as both enforcers of gender norms and potential advocates for change. By positioning headhunters as key agents who influence recruitment outcomes based on their alignment with either board expectations or broader diversity goals, this study provides a nuanced understanding of how the recruitment process can be both a barrier and an opportunity for promoting gender diversity in leadership.

Future research should explore further how headhunters can balance these dual roles, ensuring that their contribution to executive recruitment actively promotes gender equality rather than perpetuating existing disparities. Understanding the mechanisms by which headhunters can challenge the status quo and advocate for diverse leadership will be crucial for advancing gender equity in executive roles.

Building on these theoretical insights, it is essential to consider the practical implications of the findings for key stakeholders, including headhunters, corporate boards, and policymakers, as they play a crucial role in shaping more equitable recruitment practices.

5.1 Practical Implications

Headhunters must take an active role in diversifying candidate pools, prioritizing skills and potential over traditional metrics like CEO experience. By broadening their networks and considering non-traditional candidates, headhunters can significantly reduce gender bias in executive recruitment.

Boards should reassess the criteria for executive positions, moving beyond traditional CEO experience and seeking leaders with diverse skill sets. Implementing clear guidelines that prioritize gender diversity in shortlists can further enhance equitable recruitment practices.

Finally, policymakers can promote diversity by introducing regulatory frameworks encouraging transparency in executive recruitment. Gender quotas and reporting obligations can serve as important tools to accelerate gender equity at the highest organizational levels.

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