Leadership Excellence and Gender in Organizations

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Do source or host contry practices dominate in female executive hiring?

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Multinational firms play an increasingly important role in the global economy. Yet their ability to influence social norms is little understood. How do firms originating in source countries with one set of social norms operate in host countries with relatively different social norms? In this study I ask whether firms from source countries with relatively higher female labor force participation are more likely than local firms to hire females when entering host countries with low female labor force participation. Furthermore, are foreign firms or local firms more likely to place female executives into supervisory roles? I use regression analysis of 139,550 firms and 227,405 executives in the Gulf Cooperation Council (GCC) countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates to test whether foreign or local firms are more likely to hire female executives and place them into supervisory roles. Perhaps surprising given the difference in social norms around women's employment, I find that foreign firms are, on average, not more likely than local firms to hire female executives. In addition, I find that foreign firms are significantly *less* likely to place women into supervisory roles. These findings show that an increase in multinational production alone will not lead to increases in female executive management abroad. One possible explanation of these findings is that foreign firms may have less social networks and resources, which I term *firm social capital*, than local firms, in order to recruit females into executive positions.