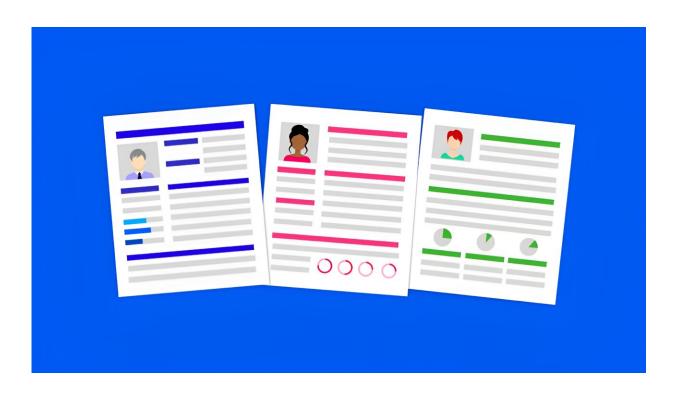


Authentic or ethical? Study shows best leadership style for inclusive hiring depends on manager's racial identity

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When supervisors demonstrate their leadership styles during the hiring process, they offer candidates an idea of how a future employee will be treated in daily interactions. Credit: Pixabay

As many companies aim to build diverse workforces, candidates from historically marginalized communities <u>continue to report</u> unfair



recruitment practices and limited opportunities. Building an equitable organization starts during the hiring process, with potential supervisors playing a major role in making applicants feel comfortable.

New research from the University of Washington and other institutions examines the impact of leadership style on prospective Black employees who apply for jobs in less-diverse companies. During selection, these applicants often experience stereotype threat, or a fear of being mistreated due to <u>negative stereotypes</u> about their racial group. This can cause candidates to withdraw from the hiring process.

The researchers studied the effects of two moral leadership styles—ethical and authentic—on candidates. Authentic leadership follows an internal compass, drawing on <u>personal experiences</u> and values. Ethical leadership complies with community norms: Ethical leaders provide candidates with an outline of group values and accepted behaviors, emphasize universal ethical principles and establish a clear reward and punishment system. When supervisors demonstrate their leadership styles during the hiring process, they offer candidates an idea of how a future employee will be treated in daily interactions.

The study, forthcoming in the *Journal of Applied Psychology*, shows that when a white manager is interviewing a Black candidate, ethical leadership is more helpful in reducing threat and increasing willingness to apply for a job.

"Our data aligned with the idea that, if I'm a Black person and my wouldbe manager is white and showing authentic leadership, it's going to be hard for me to predict what that's going to mean," said Andrew Hafenbrack, co-author and associate professor of management and organization in the UW Foster School of Business. "And if I do predict it, racism is so common that I might predict something that wouldn't help me.



"It's better in this case if my would-be manager is using an ethical style, therefore following community norms, so I can learn those norms. In other words: If there are rules to the game, and they're going to follow them, then I can figure out the rules and we can work together well."

Authentic leadership, which emphasizes individual experiences and beliefs, makes applicants feel more comfortable when the supervisor is from the same <u>racial group</u>. In this case, applicants are likely to identify with someone from a similar background. Since candidates in this situation are typically no longer concerned about <u>unfair treatment</u>, they are more likely to view authentic leadership as an opportunity to develop their own individuality in the workplace.

To reach these conclusions, the researchers conducted five experiments with nearly 500 Black residents of Brazilian favelas, or impoverished neighborhoods. Two of the studies included real-world job recruitment processes and physiological measures of stress: salivary cortisol and <u>blood pressure</u>. The results suggest that interactions with potential direct supervisors can reduce stereotype threat, which boosts Black applicants' desire to join an organization. However, the leader's identity determines whether these interactions feel positive or not.

"During recruitment, people from marginalized groups can experience this unpleasant feeling that they will be negatively stereotyped and face discrimination in their future job," said Urszula Lagowska, corresponding author and assistant professor at Neoma Business School in France. "Because of that, they decide to either avoid these threatening companies or withdraw their application from the <u>hiring process</u>."

Past research shows that job interviews and site visits are likely to trigger stereotype threat due to <u>high pressure</u> and the fact that most managers at many organizations are white. While organizational strategies—such as diversity-oriented policies—have benefits, they can also create the



perception that marginalized groups are being singled out.

"Our research provides an answer for what a recruiting manager can do in their own capacity regardless of company policies," Lagowska said.

Since a behavioral adjustment from leadership can make candidates from marginalized groups feel more comfortable, there is reason to reevaluate the increasing use of automated recruitment tools. Companies often use such tools to optimize searches and avoid bias, but these results suggest that increasing interactions with managers could help attract more diverse talent.

"If you're really trying to get leadership styles right, it has to go beyond the policies themselves," Hafenbrack said. "You can't mandate something like this. This is about intuition and the understanding of the situation. Assuming a manager cares about inclusion and wants to reduce stereotype threat, it's a nuanced process for them to make this shift. If you're using an ethical <u>leadership</u> style, it must feel real."

More information: Urszula Lagowska et al, <u>Following Community</u> <u>Norms or an Internal Compass?</u> The Role of Prospective Leaders' Social Category Membership in the Differential Effects of Authentic and Ethical Leadership on Stereotype Threat, *Journal of Applied Psychology* (2023). <u>DOI: 10.1037/apl0001156</u>.

Provided by University of Washington

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