Dr. Miriam Schwartz-Ziv
From
Northeastern University

"Does the Gender of Directors Matter?"

يوم שני, 24 בדצמבר 2012, בשעה 14:00
L105, בניין אריסון-לאודר, קמפוס המרכז הבינתחומי

ABSTRACT

How does gender-balance affect the working of boards of directors? I examine boards that have been required for two decades to be relatively gender-balanced: boards of business companies in which the Israeli government holds a substantial equity interest. I construct a novel database based on the detailed minutes of 402 board- and board-committee meetings of eleven such companies. I find that boards that had critical masses of at least three directors of each gender in attendance, and particularly of three women, were approximately twice as likely both to request further information and to take an initiative, compared to boards that did not have such critical masses. A 2SLS model confirms these results. Consistent with these findings, the ROE and net profit margin of these type of companies is significantly larger in companies that have at least three women directors. In addition, boards that included a critical mass of women directors were more likely to experience CEO turnover when firm performance was weak. At the level of the individual directors, both men and women directors were more active when at least three women directors were in attendance.