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EMPOWERING CHANGEMAKERS FOR A BETTER SOCIETY

‘GENDER, COMPETITION, AND PERFORMANCE: INTERNATIONAL EVIDENCE’

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ABSTRACT

This paper is one of the first in the literature to study whether and how gender differences in performance under competition vary across countries using field evidence. Our main measure of country-level differences is the individualism dimension in Hofstede’s (1980, 2001) national cultural framework. Individualistic societies emphasize independence, equality, and the importance of “speaking one’s mind” (Hofstede 2011), whereas collectivistic societies emphasize in-groups’ interests and harmony (Trompenaars 1993; Hofstede 2001, 2011). We expect that individualism mitigates the negative association between competition and women’s on-the-job performance through its effects on women’s entry into competition as well as on formal institutions (e.g., lifetime employment and accounting disclosure practices). Using a hand-collected sample of 18,269 equity analysts from 42 countries over the period 2003-2019 and firm times year fixed effects to account for time-varying unobservables that could potentially drive female analysts’ coverage decision and their performance, we first show that female analysts exhibit worse forecast accuracy than their male counterparts. However, in highly individualistic countries, we show that there is no significant difference in forecast accuracy between the genders. We further show that female analysts produce more alternative forecasts and make more frequent EPS forecasts in highly individualistic countries compared to their peers in less individualistic countries, and that female analysts are more likely to be promoted in highly individualistic countries compared to their peers in less individualistic countries. In additional analysis, we show that in Nordic countries or in countries with the Communist ideology, there is no significant difference in forecast accuracy between the genders. We conclude that there are important cross-country variations in gender differences in performance under competition – gender differences in performance under competition are attenuated by national culture and social norms.

Keywords: gender; competition; equity analysts; forecast error; individualism; international evidence

JEL classification: G14; G15; G24



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