

Gender Diversity on the Board and Asymmetry Information: An Empirical Analysis for Spanish Listed Firms

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Abstract : We examine explicitly the relation between the gender diversity on corporate boards and the levels of information asymmetry in the stock market. Based on prior evidence that suggests that the presence of women on director boards increases the quantity and quality of public disclosure by firms, we expect firms with higher gender diversity on their boards to show lower levels of information asymmetry in the market. Using a Spanish sample for the period 2004-2009, proxies for information asymmetry estimated from high-frequency data, and a system GMM methodology, we find that the gender diversity on boards is negative associated with the level of information asymmetry in the stock market. Our findings support legislative changes implemented to increase the presence of women on boards in several European countries by providing evidence that gender diverse boards have beneficial effects on stock markets.

Keywords : corporate board, female directors, gender diversity, information asymmetry, market microstructure

Conference Title : ICEBMM 2015 : International Conference on Economics, Business and Marketing Management

Conference Location : Berlin, Germany

Conference Dates : May 21-22, 2015