

Gender Differences in Communication Styles: An Analysis of the Language of Earnings Conference Calls

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Abstract : In this study, we analyze the language employed by Chief Executive Officers (CEOs) and Chief Financial Officers (CFOs) during earnings conference calls from a gender perspective. We find evidences that conference calls held by female CEOs and/or CFOs exhibit a higher level of optimism compared to conference calls held by male CEOs and/or CFOs. Moreover, female managers tend to present and discuss firm performances with less vagueness as compared to their male colleagues. We then observe the market reaction around each earnings conference call: while manager optimism is perceived as a good signal by investors, manager vagueness significantly dampens the market reaction around the call. Whether the gender of the CEO and/or the CFO delivering the conference call affects investors' perceptions about the firm performance is still an open question. Some evidences show that the language employed by female managers conveys more valuable information for market participants as compared to the language employed by their male counterparts. This study contributes to a growing literature in finance and accounting that uses textual analysis to assess the informativeness of corporate disclosure. To our knowledge, this is the first paper that aims at answering the question whether the gender of firm's top managers does matter when it comes to assess the informativeness of corporate spoken communication. We believe that our results will be of relevance for future research in the field. Moreover, our evidence may be used in support of the debate if a larger participation by women in the management of companies should be encouraged or not.

Keywords : conference calls, even study, gender, market reaction, textual analysis

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