# The role of gender in accountability and competition


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### Abstract

A growing literature explores gender differences in economics behavior and their implications for organizations and labor markets. My dissertation contributes to this literature by investigating on the role of gender as well as gender interactions using lab experiments and empirical data. In the first chapter, we conduct an experiment to investigate how the gender of a decision-maker interacts with the gender composition of an audience that calls for an explanation of the decision-maker's choices. In particular, we look at how this gender interaction shapes the decision-maker's level of cognitive effort in an accountable setting. Together with the measure of accountability based on decision theory, we employ two physiological measures, blood pressure and heart rate variability, which allow us to disentangle the effects of stress and accountability. Our results show that men are more sensitive to changes in the gender composition of the audience. By contrast, women provide a level of cognitive effort that does not change depending on the gender of the audience. Finally, we find that the variation in blood pressure has a significant but small effect only on men's behavior. In the second chapter, we extend the previous experiment introducing two new elements, namely that participants make incentivized decisions and that share the payoffs with the audience members. Thus, we study how a decision-maker's cognitive effort is influenced by (1) the interaction of his own gender with the one of an audience; (2) the compensation scheme adopted. The main results show that the combination of incentives and payoff sharing has a positive effect on female's cognitive effort provision; in particular, women increase their effort level when paired with an audience of the opposite gender. By contrast, male's cognitive effort is influenced when the compensation scheme includes only incentives; men decrease their effort provision when paired with an audience of the opposite gender. In the third chapter, using a data set of family-controlled firms in Italy we analyze whether gender interactions at the top of the corporate hierarchy affect corporate performance. Our findings show that female directors significantly improve the operating profitability of female-led companies. To mitigate endogeneity concerns, we assess executive transitions using a triple-difference approach complemented by propensity score matching and instrumental variables. Finally, we show that the positive effect of female interactions on profitability is reduced when the firm is located in geographic areas characterized by gender prejudices and when the firm is large. In the last chapter, we test whether female and male executives react differently to an increase in competitive pressure. Our identification is based on the staggered change of barriers interstate branching, which varied the exposure to competitive pressure in the US banking sector during the mid 1990s-early 2000s. Our results indicate that when competition increases, female-led banks experience worse accounting and market-based performance. However, we find that despite lower profitability, female leadership mitigates the potential exacerbating effect of competition on risk-taking.