Female board representation and corporate acquisition intensity

GUOLI CHEN, INSEAD, Singapore
CRAIG CROSSLAND, University of Notre Dame
STERLING HUANG, Singapore Management University

Abstract
This study examines the impact of female board representation on firm-level strategic behavior within the domain of mergers and acquisitions (M&A). We build on social identity theory to predict that greater female representation on a firm’s board will be negatively associated with both the number of acquisitions the firm engages in and, conditional on doing a deal, acquisition size. Using a comprehensive, multiyear sample of U.S. public firms, we find strong support for our hypotheses. We demonstrate the robustness of our findings through the use of a difference-in-differences analysis on a subsample of firms that experienced exogenous changes in board gender composition as a result of director deaths.