

Jobs for the Boys?

The Glass Ceiling and the Market for Corporate Control

Ruth Mateos de Cabo,^{a,*} Jens Hagendorff,^b Ricardo Gimeno^{c,d}

^a *University CEU San Pablo, Spain*

^b *Cardiff University, UK*

^c *Banco de España, Spain*

^d *New York University in Madrid*

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Abstract

Women and ethnic minority groups hold few boardroom positions. In this paper, we adopt a novel empirical strategy to test whether this is caused by a lack of suitable candidates for director positions or, alternatively, by discriminatory barriers that prevent these groups from progressing up the corporate hierarchy. We study the determinants of director appointments following completed mergers and acquisitions. As directors at the acquisition target will be considered for an appointment at the newly merged firm, our approach allows us to observe the characteristics of successfully appointed target directors jointly with the characteristics of directors who have not been appointed to the board of the merged firm. Our results show empirical evidence consistent with biases in the recruitment of female directors. These findings cannot be explained by director or by merger/firm characteristics. We find no evidence that ethnic minority directors are less likely to be appointed to the board of the merged firm.

Keywords: Mergers and acquisitions; Director retention; Board diversity.

JEL codes: G34, J62, J63

* Corresponding author. Universidad San Pablo CEU, Julián Romea 23, 28003, Madrid (Spain), +34 91 456 63 00. E-mail addresses: matcab@ceu.es (Mateos de Cabo), HagendorffJ@cardiff.ac.uk (Hagendorff), ricardo.gimeno@bde.es (Gimeno).

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