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Abstract

A number of studies have found little economic impact of board gender diversity on firm performance. We return to this issue in the context of large European firms. Our contribution is twofold. First, using information on the gender of CEOs children as a source of exogenous variation in female director appointments, we demonstrate a robust positive effect of female board representation on firm performance. Second, while previous work has considered female representation broadly, we focus on membership of board committees as a proxy for active involvement in corporate governance. We demonstrate economically meaningful positive effects on performance of female representation on board committees. Our evidence is supportive of an economic rationale for increased female representation on corporate boards.

Key Words: Gender, Diversity, Firm Performance, Board Committees

JEL Codes: G30, G34, J16

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