

“CEO Gender and Firm-to-Firm Transactions”

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Abstract: CEOs, especially entrepreneurs, are the driving force of economic innovation and economic growth. While it is well-known that female CEOs are under-represented, there are relatively few studies about the barriers they face in the business environment. In this paper, we focus on an unexplored channel: business network---whether female CEOs face a harder time building a business network than male CEOs. Using panel data of nearly 1 million Japanese firms from 2008-2020, which contain the gender of the CEO and detailed supplier-to-buyer relationships, we find that CEOs are more likely to trade with CEOs led by the same gender (“homophily”). Such an effect is more pronounced among small-sized firms. Because most CEOs are male, the same-gender bias reduces the trading opportunities for female relative to male CEOs, potentially supporting affirmative action to increase female CEO.