

Director Characteristics, Gender Balance and Insolvency Risk: An Empirical Study

ABSTRACT

This study examines the characteristics of the directors and owners of private companies in relation to insolvency risk, with a specific focus on the incidence and impact of female directors. We analyse data on over 900,000 limited companies in 2007-8 including over 17,000 that ceased trading due to insolvency. In the context of a failure prediction model, which controls for a wide range of company and industry characteristics, we isolate the effects of having female directors on the likelihood of insolvency. The results provide compelling evidence of a relationship between the gender composition of directorships and insolvency risk.

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Nick Wilson¹ and Ali Altanlar²

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Credit Management Research Centre
Leeds University Business School
Leeds, LS2 9JT
UK

E: nw@lubs.leeds.ac.uk

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Comments are most welcome**

¹ Professor of Credit Management at Leeds University Business School

² Research Fellow, CMRC, Leeds University Business School