

# Francis Guiton

**Address:**

Department of Economics  
University of Toronto  
150 St. George St.  
Toronto, Ontario  
M5S 3G7, Canada

**Phone:** +1-437-237-2302**Email:** francis.guiton@mail.utoronto.ca**Website:**English: <https://www.francisguiton.com>French: <https://www.francisguiton.com/français>**Citizenship:**

Canadian

**Research Interests:**

Industrial Organization, Business Economics, Applied Econometrics

## EDUCATION

Ph.D. in Economics, University of Toronto 2024 (Expected)

*Committee:* Victor Aguirregabiria (supervisor), Heski Bar-Isaac,  
Avi Goldfarb

M.A in Economics, McGill University 2018

*Committee:* Laura Lasio (supervisor)

B.Com. in Economics, McGill University 2016

## RESEARCH

**Managerial Incentives, Misaligned Objectives, and Within-Firm Competition in Retail Chains** (Job Market Paper)

**Decentralized Decision-Making in Retail Chains: Evidence from Inventory Management** with Victor Aguirregabiria [Under Journal Review]

## AWARDS AND GRANTS

University of Toronto Doctoral Fellowship 2018 - 2024

## PROFESSIONAL EXPERIENCE

Teaching Assistant 2018 - present

- ECO 310, ECO 380: Industrial Organization
- ECO 404: Managerial Economics
- ECO 460: Financial Risk Management
- ECO 374: Forecasting and Time Series
- ECO 220: Applied Econometrics
- ECO 105, ECO 200, ECO 202, ECO 313: Microeconomics and Macroeconomics

Research Assistant

2017 - 2021

- Victor Aguirregabiria (University of Toronto): Advanced programming and numerical analysis
- Jim Goldman (University of Toronto): Data collection and cleaning
- Francesca Carrieri (McGill University): Financial data analysis

## CONFERENCE PRESENTATIONS (\* ATTENDED BY COAUTHOR)

Annual Conference of the European Association for Research in Industrial Economics (Rome)	2023
Annual Conference of the International Association for Applied Econometrics (Oslo)	2023
Annual Conference of the Canadian Economics Association (Winnipeg)	2023
Access to Cash and Financial Services Workshop (Ottawa)	2023
Annual Conference of the Canadian Economics Association (Ottawa)	2022
International Industrial Organization Conference (Boston)*	2022
Conference to Honor John Rust (Washington)*	2022
Annual Conference of the European Association for Research in Industrial Economics (Bergen)	2021

## ACADEMIC SERVICE

Training Coordinator for Teaching Assistants, Department of Economics	2021
Co-President, Graduate Economics Union	2019 - 2020

## LANGUAGES

French (native language), English (bilingual)  
*Programming*: MATLAB, Stata, R

## REFERENCES

Victor Aguirregabiria  
Department of Economics  
University of Toronto  
150 St. George St.  
Toronto, Ontario  
M5S 3G7, Canada  
victor.aguirregabiria@utoronto.ca  
+1-416-978-4358

Heski Bar-Isaac  
Rotman School of Management  
University of Toronto  
105 St. George St.  
Toronto, Ontario  
M5S 3E6, Canada  
heski.bar-isaac@rotman.utoronto.ca  
+1-416-978-3626

Avi Goldfarb  
Rotman School of Management  
University of Toronto  
105 St. George St.  
Toronto, Ontario  
M5S 3E6, Canada  
agoldfarb@rotman.utoronto.ca  
+1-416-946-8604

Matthew Mitchell  
Rotman School of Management  
University of Toronto  
105 St. George St.  
Toronto, Ontario  
M5S 3E6, Canada  
matthew.mitchell@rotman.utoronto.ca  
+1-416-946-3149

## Abstracts

---

### **Managerial Incentives, Misaligned Objectives, and Within-Firm Competition in Retail Chains**

(Job Market Paper)

Managerial incentives designed to reward individual performance can lead to a misalignment of objectives between the organization and its managers. This paper examines this trade-off in the context of a large Canadian retail chain, in which store managers receive performance-based incentives for overseeing the inventory management of their store. Using a revealed preference approach, the estimation of a game of product assortment decisions shows that store managers in the retail chain do not fully internalize the firm's outcomes. Particularly, results indicate that managers in larger stores and in closer proximity to rivals place lower weight on rival-store profits, creating an avenue for within-firm competition. Counterfactual experiments reveal that this misalignment of objectives implies a substantial profit loss for the organization, particularly within denser clusters of stores, but that the impact on consumer surplus is ambiguous. Aligning the goals of store managers with the goals of the firm – for instance, by enhancing the role of district managers – is found to mitigate these cannibalization effects.

### **Decentralized Decision-Making in Retail Chains: Evidence from Inventory Management**

with Victor Aguirregabiria [Under Journal Review]

This paper investigates the impact of decentralizing inventory decision-making in multi-establishment firms using data from a large retail chain. Analyzing two years of daily data, we find significant heterogeneity among the inventory decisions made by 634 store managers. By estimating a dynamic structural model, we reveal substantial heterogeneity in managers' perceived costs. Moreover, we observe a correlation between the variance of these perceptions and managers' education and experience. Counterfactual experiments show that centralized inventory management reduces costs by eliminating the impact of managers' skill heterogeneity. However, these benefits are offset by the negative impact of delayed demand information.