

# 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:** <https://www.francisguiton.com>

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**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, Within-Firm Competition, and Cannibalization 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): 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

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

## LANGUAGES

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

## REFERENCES

Victor Aguirregabira  
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

## Abstracts

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

(Job Market Paper)

Designing an incentive system that encourages managers to exert effort is a primary concern for organizations. However, providing incentives that reward performance can decrease the degree of common ownership, leading to a misalignment between the objectives of the organization and the objectives of 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 handling the inventory management of their store. Using a revealed preference approach, a structural model shows that the degree of common ownership varies significantly across store managers. In addition to an idiosyncratic manager component, results show that a larger store size and a closer proximity to rival stores are associated with lower degrees of common ownership, creating an avenue for within-firm competition. The resulting misalignment of objectives between the firm and its managers implies a significant loss of profit for the organization, particularly within denser clusters of stores. However, the impact on consumer surplus is ambiguous, as some consumers seem to benefit from within-firm competition. An incentive system that increases the degree of common ownership – for instance, a system that enhances the role of district managers – is explored, and is found to mitigate the cannibalization effects from within-firm competition.

### **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.