Women and Sustainability in Business

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Women and Sustainability in Business

A Global Perspective

Edited by
Kiymet Çaliyurt

Routledge
Taylor & Francis Group
LONDON AND NEW YORK

15031-0197-1pass-r02.indd 3 16-07-2016 21:38:21

First published 2017
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
Names: Çaliyurt, Kiymet Tunca.
Title: Women and sustainability in business: a global perspective / by Kiymet Çaliyurt.
Description: Burlington : Gower, 2016. | Series: Women and sustainable business | Includes bibliographical references and index.
Identifiers: LCCN 2015025553 | ISBN 9781472448910 (hardback)
Subjects: LCSH: Businesswomen. | Leadership in women. | Sex discrimination in employment—Law and legislation—Europe. | Sustainable development.
Classification: LCC HD6053 .C35 2016 | DDC 338.9/27082—dc23

ISBN: 9781472448910 (hbk)
ISBN: 9781315546834 (ebk)

Typeset in NewBaskerville
by Apex CoVantage, LLC

15031-0197-1pass-r02.indd 4 16-07-2016 21:38:21

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Professor Kiymet Tunca Çaliyurt graduated from the Faculty of Business Administration and Economics, Marmara University, Istanbul, Turkey. Her Masters and PhD degrees are in Accounting and Finance from the Social Graduate School, Marmara University. Her research interests are in accounting, auditing, fraud, social responsibility, corporate governance, finance, business ethics with special interest in NGOs and aviation management. She is the founder of the International Group on Governance, Fraud, Ethics and Social Responsibility (IGonGFE&SR) and the president of the National-International-Students' Conference Series on Governance, Fraud, Ethics and Social Responsibility (IConGFE&SR). She has published papers and book chapters both nationally and internationally on fraud, social responsibility, ethics in accounting/finance/aviation disciplines and NGOs. She is founder of Edirne City Branch of Turkish Federation of University Women and lecturer for the Master's degree course 'Women and Entrepreneurship'. She has published with the International Women and Business Group since 2009 discussing women and business issues and organizing conferences.

CV details of Professor Kiymet Çaliyurt can be found following website: http://personel-en.trakya.edu.tr/kiymetcaliyurt/#.Um6kVJXTryk/.

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Milen Baltov (Bulgaria) graduated from the University of National and World Economy, Bulgaria, in 2001 and was made Associate Professor in 2009 by the Higher Attestation Commission to the Council of Ministers, Bulgaria. He was appointed Professor in 2014 at the Burgas Free University, Bulgaria, and Vice Rector Research and International Cooperation and Head Business Administration at the Burgas Free University. He is an Evaluator of project applications under the Bulgarian–Swiss Programme for Scientific Exchange, Expert in the Accreditation procedures of Bulgarian universities, Expert in the Working Group designing the Higher Education Strategy of the Republic of Bulgaria, National Contact Point for coordination and implementation of the activities of the thematic priority 'Small and Medium-sized Enterprises' of the EU Framework Programme for Scientific Research and Innovations 'Horizon 2020' (2014–20), International expert in the Accreditation procedure of universities in the Republic of Kazakhstan. He is a Member of the Regional Development Council and the Regional Coordination Committee of the South East Region (R. of Bulgaria). He is author of more than 70 publications, with two monographs, seven books, 10 manuals and teaching tools.

Professor Abdulrazzak Charbaji (Lebanon), a native of Beirut, Lebanon, was the Dean of College of Business Administration in the Hariri Canadian University. He is a member of the Social Responsibility Research Network and the founder and principal of CHARBAJI Consultants (www.charbaji.com). He received a Bachelor's degree in Economics from the Beirut Arab University, a Master of Science degree in Business from University of Northern Colorado and a PhD in Applied Statistics and Research Methods from University of Northern Colorado.

Dr Charbaji has been teaching part- and full-time at AUB, LAU, Notre Dame University, RHU, Kaslik, King Faisal University and the Lebanese University since 1982. His international publications cover corporate governance, leadership, banking, marketing and finance. Professor Abdulrazzak Charbaji has published more than 20 papers in major international refereed journals including *Journal of Applied Economics*; *Advances in Financial Planning and Forecasting*; *Advances in Quantitative Analysis of Finance and Accounting*; *Social Responsibility Journal*; *Managerial Auditing Journal*; *Corporate Governance*; *International Journal of Commerce and Management*; *Journal of Economic & Administrative Sciences (JEAS)*; *Journal of Managerial Psychology*; *Journal of Environmental Sciences*; and *International Review of Education*. He is the author of five books: one of them is available at Amazon.com entitled *Applied Econometrics using Eviews, SPSS & Excel with Applications in Arab Countries* (2012).

During his academic years, Professor Charbaji has been working as a consultant and/or as a team leader for different consulting firms in Lebanon and Arab countries since 1980. He has constructed the 'Status of Lebanese Woman Index' for ESCWA and conducted a SWOT analysis for the City Development project on behalf of the Ministry of the Interior and Municipality in Lebanon and the World Bank; and conducted for the Ministry of Economy in Lebanon an investigation for the creation of an enabling environment for the Lebanese small and medium enterprises (SMEs). He worked on establishing a Planning, Monitoring and Evaluation Unit at DGVTE, Ministry of Education.

Biljana Chavkoska (Serbia) PhD holds a doctor of law degree from the state university St Kiril and Metodij in Skopje, Republic of Macedonia. She graduated at the Faculty of Law with special *honor sum laude* and won the Frank Maning prize for the best student of the generation. Biljana Chavkoska is Assistant Professor at FON University. She teaches Labour law, Insurance law and European social law. Since 2011 she has been a head of the Business law department at the Faculty of Law. During the past years, she has published important articles in the international and national journals and has participated in many scientific conferences. She is a member of the editorial board of the *Journal Jurist*, published by the Law Association of the Republic of Macedonia. In 2013, she was nominated as the National coordinator of the Republic of Macedonia for the action of the COST programme (European cooperation in science and technology) financed by the European Union.

Nesrin Çobanoğlu (Turkey) graduated from Istanbul University, Cerrahpasa School of Medicine. She completed her graduate studies in Public Administration and the History of Medicine, Deontology and Medical Ethics to become an Associate Professor in 2005 and a Professor in 2011. She is the founder of the Department of History of Medicine and Medical Ethics in Baskent University. She is currently working as the Chair of the Department of Medical Ethics and History of Medicine in Gazi University. She is teaching doctoral courses in the Institute of Social Sciences in Ankara University (Faculty of Political Science). Thus, she continues her scientific career in both areas. She has been the president of Women's Studies Centre in Gazi University. She has many national and international publications and books to her name. She worked on the ethics boards of many national and international scientific organizations. She has been invited to UN, WHO, UNESCO and the EU scientific meetings as the representative of Turkey. She is a member of Health Ministry Scientific Committee.

She has been a member of the administrative board of the Turkish Medical Association and Ankara Medical Association (General Secretary). She is currently a member of the Turkish Medical Association, Biopolitics International Organization (BIOS), BPW (Business and Professional Woman), Sociological Association, AIDS Prevention Society, Hacettepe University AIDS Treatment Centre (HATAM), Public Management Professionals Association, the Philosophical Society of Turkey, Bioethics Association, International Association for Education in Ethics (IAEE), Association of Medical Ethics and Medical Law. She has a son.

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Amber J. Fletcher (Canada) is a Postdoctoral Research Fellow at the Johnson-Shoyama Graduate School of Public Policy, University of Regina, Canada. She is an interdisciplinary scholar with specialization in political sociology, gender studies, public policy and qualitative methodology. Amber Fletcher's research examines the social and gendered effects of major changes in public policy and climate, with particular focus on women in agriculture. She holds an interdisciplinary PhD from the Johnson-Shoyama Graduate School of Public Policy, a Master of Arts in Women's Studies from York University (Toronto) and a Bachelor of Arts (High Honours) in Women's Studies from the University of Regina. She is a laureate of the Governor General of Canada's Award in Commemoration of the Persons Case for her work on gender equality in Canada.

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Professor Zorka Grandov (Bosnia and Herzegovina) graduated from the Faculty of Economics, Belgrade University, Belgrade, Serbia. Her Master's degree is in Monetary Economics from Belgrade University, and her PhD is in Economic Policy and Development from Novi Sad University, Serbia. Her research interests are in international economics, international commerce and management. She was a professor at the Faculty of Economics, Pristina and Faculty of Commerce and Banking, BK University, Belgrade. She is currently a Professor at FIMEK, University Business

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Nevena Jovanović (Serbia) was born in 1985 in Kragujevac. After finishing grammar school – language department, she graduated from Belgrade University – Faculty of Philosophy with a Master's degree in Psychology in 2010. Currently she is pursuing her second Master's degree in Human Resources Management at the Faculty of Management in Belgrade. During her studies she has engaged in various activities such as human resources, marketing, education and research. Her research area is human resources and social and organization psychology. She is currently employed at Dunav Insurance Company, Belgrade, as a psychologist in the Human Resources department, where she is engaged in various strategies and procedures regarding human resources.

Radica Jovanović (Serbia) gained her first work experience and expertise in business and trade after graduation from the High School of Economics. Dr Jovanović has worked in the trade company Mercator and Emona-Agropromet where she was in charge of planning and analysis. In order to further her education, Radica enrolled and graduated from the Faculty of Trade and Banking, Department of Trades, at the University Braca Karić. She also took a Master's degree in the Department of Trade Management in the same faculty. Radica earned the degree of Doctor of Economic Sciences from the University Business Academy in Novi Sad in the Faculty of Economics and Engineering Management. At the University Union-Nikola Tesla where she has worked, she was elected Assistant Professor in Economics and Management. Currently she is working at Belgrade Business School as a Professor of the subjects in the field of commerce (Foreign Trade Management, Foreign Exchange Management, Sales Management). She has participated in several international conferences and seminars at home as well as abroad. Radica is author of several articles published in national magazines and a co-author of the textbook *Foreign Trade*. She also was a mentor of undergraduate and graduate students. The area of her academic interest is international trading.

Verica Jovanović (Bosnia and Herzegovina), PhD, graduated from the Faculty of Economics and industrial management in Novi Sad, Serbia. She received a Master's degree in economics and a PhD in Business Planning, both from Pan European University Apeiron, Banja Luka, Bosnia and Herzegovina. Her research interests are focused on Education, Business planning, Development and Entrepreneurship. She was a professor in R&B College and Elite College in Belgrade. In 2007 she became Vice Principal of the School of Economics and Management, Pancevo, Serbia. She is also a board member of Pancevo Municipality Development Public Agency.

Milena Krumova (Bulgaria) works as Assistant Professor, PhD, at the Technical University, Sofia, Faculty of Management, Department of Economy, Industrial Engineering and Management. She teaches economics, business economics, cost management and business administration projects. Since 2005, when she started work at the TU-Sofia, she has been supervisor of more than 50 Bachelor and Master degree students. For the last three school years she has studied in the College for Fashion and Design (Sofia), and worked part-time at Telebid Ltd. as Cloud Computing Business Analyst.

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Olivera Karić Nedeljković (Serbia) started to gain her rich work experience in 1979, the year when she founded the company Kosovouniverzum in Pec, where she worked until 1987. After that she created two companies, also in Pec: Metalac in 1988 and Inox in 1989. She also founded the company Karić Turist in Belgrade in 1989, where she worked as a director. Olivera gained her work experience and expertise working in the company Saint Nikola Putnik in Belgrade and at the Institute Braca Karić as Social Advisor from 1991 to 1993. Oivera was the vice president of the Fund Braca Karić from 1993 to 1995. From 1995 to 1997 she worked in the Europa International Company and in the Cita-Tel company as a consultant. From 1999 until 2002 she worked as executive director at Astra Tourist in Astra Simit Group. In 2002 she founded the Family Tourist company, where she works as the President. In the field of education, Olivera Nedeljković earned a Bachelor's degree in Economics from the Faculty of Commerce and Banking Janicije and Danica Karić in Belgrade in 2002. In 2008 she earned a Master's degree in Management from the same faculty in Belgrade.

Meltem Onay (Turkey) PhD, graduated from the Faculty of Business and Economics in Adnan Menderes University, Aydın (Turkey). She earned a Master's degree in Business and Management, and a PhD in Management and Organization, in Adnan University. Her research interests are focused on Women Entrepreneurship, Organization Culture, Organization Image, Women leaders. She was a Professor in Celal Bayar University in Turkey. Since 2000, she has worked in the School of Applied Science in Manisa. She gives lessons in entrepreneurship and management in her university.

Arzu İrge Özyol (Turkey) from 1983 to 2002 worked in the Construction Company as an Environmental Engineer after she had graduated from Middle East Technical University. She received an MBA degree from İstanbul Bilgi University in 2002 and established the International Project and Consulting Company. She has prepared and managed almost 50 EU-funded projects since 2003. In 2006 she accepted the request of BPW International to establish first BPW-Club in Ankara. She was the member of the executive board of the BPWI Environmental Standing Committee between 2006 and 2011, and member of the European Coordination Committee of BPW between 2007 and 2009, furthering the efforts that she has made for the expansion of BPW in Turkey. In 2012, BPW gained Federation status in Turkey. Arzu Özyol is the UN Representative of BPWI; member of the board of the UNESCO Center for Women and Peace in Balkan Countries; and coordinator of the South Eastern Europe Leadership Centre for Women in Business, which was established through the cooperation of BPWI and the UNESCO Center in 2011. She is a member of the African Business Council in the TR Foreign Economic Relations Committee and advisor to the Global Platform of International Trade Centre for action on sourcing from women vendors. Since 2009, she has advocated Women Empowerment Principles, the common initiative of UN Women and the UN Global Compact, at international, regional and national levels. She translated the official booklet of UNWEPs. She is working to provide equal opportunities for women and men throughout the world as a member of the advisory board of the B-MENA Initiative (Broader Initiative for Civil Society in North Africa and Middle East) that was started by the ex-Minister of the US Department of State, Hillary Clinton, and as a member of the work group that was established by the TR Ministry of Family and Social Policies and co-organized by World Economic Forum. Arzu Özyol has completed her PhD study on Bioethics and Environmental Politics.

Vesna Pavlićević (Serbia) was born in 1974 in Belgrade. After finishing grammar school – natural sciences department – she was already determined to pursue science, choosing research studies as her favourite field of work. She gained a Master's degree in psychology at the state University of Belgrade Faculty of philosophy in 2001. Further education was directed by professional opportunities, so she took a two-year course of system family therapy of alcoholism and upgraded her skills in some specific psychological instruments. She participated as co-author in several scientific publications, mostly contributing with statistical analysis and data interpretation within theory. Her research areas are methodology, psychometrics and statistical analysis and their use in scientific research regarding social and medical areas. Vesna Pavlićević has more than decade of experience in psychology and human resources in several companies, including in the most stressful and demanding professions, such as the police and rescue services. She currently employed at Dunav Insurance Company, Belgrade.

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Snežana Videnović (Serbia) was born in 1966 in Belgrade. After graduating from the Faculty of Law at Belgrade University, she completed a Master's degree in Strategic Management at the Faculty of Strategic Management at BK University. In 2013 she defended her doctoral thesis entitled 'Possibility of Applying the Concept of Coaching in Serbia' at the Belgrade Banking Academy at University Union. She has participated as a speaker at numerous conferences in the country and abroad. She is the author of numerous articles published in national and international journals and publications. Her research areas are strategic management and human resources. Snežana Videnović has 20 years of experience in human resources in various positions, and is currently employed at Dunav Insurance Company, Belgrade. She is Assistant Professor at the Faculty of Bijeljina in Bijeljina.

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Mine Yılmazer (Turkey) PhD, graduated from the Faculty of Economics and Administrative Science in Hacettepe University in Ankara, Turkey. She received a Master's degree and PhD in Economics. Her research interests are focused on human development, economic growth and sustainable development and international trade. She is working in the School of Applied Science as an Associate Professor in Celal Bayar University in Manisa, Turkey. In 2014 she became Head of the Department of International Trade at this university.

Introduction

Why Women Are Important for a Sustainable World

Kiymet Tunca Çaliyurt

'Women in business' is an emerging issue among the business world, academicians, NGOs, governments and other parties. Each party takes the issue from a different perspective. However, everyone agrees that women in business have many, many problems. These problems become bigger and bigger every day because of war, economic crises, globalization and bankruptcies. Everyone also agrees that we all have to solve these problems for a better world. Many national and international regulations are being promulgated and solutions are being served every day. For example, according to a draft paper prepared for United Nations Research Institute for Social Development titled 'Beyond the Business Case: A Community Economies Approach to Gender, Development and Social Economy':[1]

> if economy is divorced from capitalism, if development governance is divorced from neoliberalism, and if care and cooperation are divorced from their gender essentialist dimensions, we can begin to imagine a process of development that is directed to the totality of interdependant relationship – in households, firms, communities, commons, in and non-market exchange that allows us a chance of a future worth living in.
>
> (12)

However, women in the world cannot survive against problems by 'if'. Women need radical decisions, strict applications and cooperation in the world. In the first book of this series, group members of International Women and Business have decided to discuss 'women and sustainability' for many reasons:

- An increasing number of studies indicate that gender inequalities are extracting high economic costs and leading to social inequalities and environmental degradation around the world (Stevens, 2010).
- Sustainability is an issue that women workers are an important part of.
- Most of the innovative companies started to send surveys to women customers to ask about their opinion on the company's sustainability, so women customers have more importance than before.
- Publishing sustainability reporting has a positive effect on customers if it includes issues on women workers.
- Many countries support companies' women-oriented social programmes.
- Customers like to shop and invest in women-friendly companies.

In Chapter 1, Diana Sabotinova discusses the invisible work of women in the economy. She complains that the current development model is focused on profit rather than on people. She notes that economic indicators like GDP do not reflect the contribution of women through unpaid work.

In Chapter 2, Zorka Grandov, Radica Jovanović and Olivera Karić Nedeljković discuss that although the equality of women and men in the labour market is regulated by law, more indicators show that Serbia is among the countries with high levels of gender inequality in the labour market when the data are compared with the situation in neighbouring countries, especially the countries of the European Union.

In Chapter 3, Mine Yılmazer and Meltem Onay discuss women's social and employment status in Germany and Turkey. The purpose of their study is to uncover the activities that are carried out to increase women's employment in the spirit of social municipality in Germany and Turkey. In the study, first the importance of the matter and the content of the studies conducted on this subject are emphasized. Then, indicators of gender inequality in Turkey and Germany are compared. Methods, models and hypotheses are discussed after presenting research findings. Finally, after the social benefit-cost analysis is performed, each country's SWOT analysis is made to identify situations, strengths and weakness that will shape their future policies.

In Chapter 4, Zorka Grandov, Verica Jovanović and Maja Đokić state that in university education in the past four decades the number of women has increased 200% more than the number of men. Accordingly, it is logical to expect that since the educational competence is increased, the number of women in high management positions will also increase. However, numerous clues gained by analysing different statistical data and relevant international research undoubtedly indicate that this did not happen, so women must overcome many other barriers in order to increase their participation at high management functions.

In Chapter 5, Abdulrazzak Charbaji has researched Lebanese women's senior professional positions in Lebanon. The aim of his chapter is to make a survey of a large sample of graduate working women undertaken using a questionnaire specifically developed for this study. The study finds that 'empowerment', 'job satisfaction', 'financial barriers' and 'number of children' are the most important discriminating variables. Finally, the study identifies two issues that need to be addressed if change in the status of Lebanese women is to occur: (1) ensuring that women have equal access to training and empowerment opportunities; and (2) removing the cultural stereotype barriers that block the advancement of women.

In Chapter 6, Snežana Videnović, Vesna Pavlićević and Nevena Jovanović consider that since the beginning of the twenty-first century men and women, willingly or not, have become accustomed to the fact that employers' expectations are unambiguous – each one of us has to contribute to business goals and has to do their job successfully. On the other hand, traditional understanding of division of labour by gender, based on both biological differences and cultural studies, prejudice and stereotypes has been deeply rooted. The subject matter of their chapter is the analysis of respondents' attitude towards the status of employed women in Serbia. Their chapter aims to depict the profile of a successful woman in Serbia based on the analysis of research results, and determine the current level of prejudice against women in our society.

In Chapter 7, Rute Abreu and Fatima David examine how, world over, the economic success of banks is based on men and women working together. Their research

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investigates women's labour in general, and in the bank sector in particular, and how historical data is improving public awareness and the tendency toward gender equality in the present. These data allow critical examination of several issues affecting women's labour in the Portuguese banking system and show, that despite the progress overall, there are difficulties in obtaining true equality, and this affects professional achievement. The empirical analysis provides important insights into bank disclosure information and stakeholders' perception of the benefits of legal and ethical responsibilities about working women that go beyond maximizing economic gains and, then, banks truly balance their interests.

In Chapter 8, Maria Aluchna discusses women's positions on boards and the situation in Poland. The financial crisis and the economic slowdown which started with the credit crunch on American subprime mortgages led to the sovereign debt crisis and the severe uncertainty on stock markets in the majority of developed economies. Growing economic challenges triggered the formulation and adoption of many codes of best practice and a set of recommendations that are intended to improve the performance of companies and countries. The adoption of more restricted regulations, the discipline of national budgets, and greater supervision of public debt policies and the stock market belong to the most debated recommendations. Maria Aluchna reviews recommendations to increase female participation in business and on corporate boards. Corporate boards are essential bodies for governance and management and their efficiency determines the company performance.

In Chapter 9, Liliane Segura, Henrique Formigoni, Fatima David and Rute Abreu discuss how earnings management brings the problem of smoothing profit and manipulating earnings of the company.

In Chapter 10, Zorka Grandov, Verica Jovanović and Maja Đokić try to find out why there are not many women in high positions in companies.

In Chapter 11, Biljana Chavkoska considers Gender Equality Law in the EU context based on primary and secondary law and the case law of the European Court of Justice. Major improvement was made with the Treaty of Amsterdam by including Article 13, which impairs discrimination with new legal bases apart from gender. Harassment and sexual harassment within the meaning of this directive shall be deemed to be discrimination on the grounds of sex and therefore prohibited. Defining harassment and sexual harassment was necessary because of the increased number of victims of sexual harassment in the workplace in member states. Her chapter analyses the scope of the concepts, the importance of including the definitions of harassment and sexual harassment in the national law of the member states and the best practices.

In Chapter 12, Duygu Türker and Senem Yılmaz mention that women in most developing countries have struggled with numerous problems including poverty, unemployment, crime, illiteracy or various forms of discrimination. Today, most business organizations recognize the existence of women stakeholders and initiate CSR projects towards them. However, the literature provides almost nothing on the nature, structure or, more importantly, effectiveness of such projects. The purpose of their study is to address this issue by analysing how CSR towards women stakeholders are practiced in a developing country, Turkey.

In Chapter 13, Amber Fletcher states that since the late 1800s, family farms have populated the vast agricultural region of the Canadian prairies. Since these early days, farm women have played a crucial but often invisible role in sustaining family farms through economic and environmental challenges. She discusses how a new productivist paradigm has affected rural societies and farming practices, and she suggests the importance of preserving historical forms of social capital to ensure environmentally sustainable farming into the future.

In Chapter 14, Arzu İrge Özyol and Nesrin Çobanoğlu consider that 70 per cent of 1.3 billion people in developing countries living on less than a dollar a day are women, and therefore that it follows that energy poverty is a problem that has a disproportionate effect on women because women are responsible for supplying their families with food, fuel and water, often without the benefit of basic modern infrastructure. They are exposed to harmful levels of gases, particles and dangerous compounds. Indoor air pollution is responsible for more than 1.6 million deaths per year due to pneumonia, asthma, bronchitis, tuberculosis, lung cancer and heart disease. In 2013, research indicates that women continue not to be accounted for in any planned environmental policy actions including legislation and programmes and, moreover, environmental politics haven't been prepared by using gender lenses. However, it is impossible to provide sustainable development if the role of women in environmental decision-making is not taken into consideration.

In Chapter 15, Roshima Said, Syahiza Arsada and Rahayati Ahmad investigate the relationship between boards of directors, ownership structure and women on boards on the extent of CSR reporting in Malaysian public listed companies. This study has demonstrated that, in order to mitigate agency problems between firms and shareholders, society and stakeholders, and particularly environmental impact, the inclusion of corporate governance characteristics may help to decrease the expected costs and the negative impact on firm value, and also show society and stakeholders that individual firms are doing their part to help solve social and environmental problems through additional disclosures.

In Chapter 16, Milena Krumova shows that the Internet has fundamentally changed the practical and economic realities of distributing knowledge. Web 2.0 led to the development and evolution of Web-based communities that allow people to connect, create, collaborate and share knowledge more rapidly, effectively and efficiently through networking. Web 2.0 has the potential to deliver rich interactions among users, enable collaborative value creation across business partners and create new services, business models and vast opportunities for women entrepreneurship. Her chapter discusses the potential of open resources within Web which can be utilized by women when starting up businesses.

In Chapter 17, Milen Baltov examines how company growth is a function of organizational inputs, and gender differences are attributable to individual abilities and decisions. Nevertheless, social feminism asserts the existence of gendered access to resources and differences in values between men and women. Thus, feminist theories stress that women face financial and social barriers when they run a company. Previous research has consequently pointed to underperformance on the part of companies headed by women when compared with companies headed by men. His study pursues three main goals. First, the impact of start-up capital and external financing on growth in companies run by men or by women is studied. Second, the existence or otherwise of the gender impact on these variables is analysed in relation to a selected industry. Third, the performance in terms of growth of companies run by women is

Chapter 9

The Influence of Women on Earnings Management

Public Companies in Brazil

Liliane Segura, Henrique Formigoni, Fatima David and Rute Abreu

Introduction

In recent decades, earnings management has been part of discussions in accounting and financial literature (Niskanen et al., 2011). The disclosure of information and the quality of the information that is disclosed has also received a lot of attention. Investors must be concerned that the quality of information supplied by firms means, according to Healy and Whalen (1999), that the firm can manage their results in such a way as to confuse investors about their performance or to influence their contracts, based on the accounting numbers. Rafik (2002) states that earnings management is a strategy for the management of the firm and, although it is not illegal, it is considered unethical by the users of financial statements (Johari et al., 2008; Rafik, 2002).

Research on women in power has, on the one hand, gained great importance in recent years: e.g. Adams and Ferreira (2009), Campbell and Minguez-Vera (2008), Carter, Sinkins and Simpson (2003), Farrell and Hersch (2005), Peni and Vähäma (2010) and Rose (2007). All have examined the effect of female executives on the firm's performance. On the other hand, much research about the presence of women on the board still shows no consensus about its relationship with earnings management. Some researchers found a positive relationship (Scapin, Garcia-Lara and Penalval-Zuasti, 2013), others a negative one (Gulzar and Wang, 2011), and others still found no relationship at all between the presence of women on the board and earnings management (Moradi et al., 2012).

The search and review of the literature has defined the theoretical and conceptual framework of this research and suggested the question to investigate, which is:

Does the Presence of Women on the Board of the Firm Influence Earnings Management?

In parallel, the methodological aspects justify the most appropriate processes for the treatment of the non-probability sample (Balakrishnan and Penno, 2013). Thus the longitudinal exploratory analysis relies on an analysis of variables that the literature indicates have a relationship with earnings management: firm size, industry and leverage. Additionally, the literature shows that some variables should have a relationship with earnings management and these will be tested: the number of independent directors, level of transparency of accounting information and the size of the board.

The aim of this research is to identify whether the presence of women on the board tends to lead to lower earnings management than occurs in a firm where there are only men on the board. This chapter is divided into five parts. Besides this introduction, the authors study the theoretical framework, followed by the methodology, results and, finally, the conclusion.

Participation of Women on the Board and Earnings Management

The participation of women on the board and their effect has motivated several studies in the social sciences. Adams and Ferreira (2009), Campbell and Minguez-Vera (2008), Carter, Simkins and Simpson (2003), Farrell and Hersch (2005), Peni and Vähäma (2010) and Rose (2007) have examined the effects of female executive directors on financial performance and the market value of firms. However, although there have been several studies, there is no unanimity in the findings on women's participation as board members and its impact on firm performance and the reduction of earnings management. Cohn (2013) argues that several recent studies suggest that women are more qualified than men to assess a firm's finances, although the results of their board membership are not yet clear.

Moradi et al. (2012) underscore the inconclusiveness of the research into the participation of women on the board and its effect on firm performance, based on the results of surveys. Bathula (2008) and Carter, Simkins and Simpson (2003) conclude from their research that there is a positive relationship between gender diversity and firm performance. However, Ding and Charoenwong (2004) and Farrell and Hersch (2005) affirm that there is still no conclusive evidence of a significant relationship between the presence of women on the board and shareholder return.

In relation to this, Shukeri, Shin and Shaari (2012) analysed the relationship between the characteristics of board members and the performance of listed firms in Malaysia, and found no significant relationship between gender diversity and firm performance. According to Gulzar and Wang (2011), some studies suggest that there is no significant relationship between performance and the gender of the board members. Watson (2002) found no significant differences between businesses controlled by men and those controlled by women. Rose (2007) showed that there was no statistically significant association between female representation on the board and firm performance. Another study indicated a negative effect between the presence of women on the board and firm performance (Adams and Ferreira, 2009). Peni and Vähäma (2010) found no significant differences between earnings management and the gender of the chief executive officer.

Earnings management is defined as a purposeful intervention in the preparation of reports in the accounting process, arising from the judgement of the directors on the financial and/or operational activities in structuring the firm's choices, in order to influence the analysis of the business's performance by external users, and hence to get a particular benefit (Healy and Whalen, 1999; Schipper, 1989).

McNichols and Wilson (1988) claim that revenue and expenditure in net income have some components that are discretionary and some that are non-discretionary in terms of disclosure, so that administrators can exercise their judgement by choosing the accounting methods of the firm. Jones (1991) corroborates this understanding and states that earnings management can be carried out in several ways, using such things as accruals, changes in accounting methods and changes in capital structure.

In obedience to the accrual basis, the accounting recognition of economic events and transactions that do not generate cash inflows or outflows (i.e. that do not generate cash flows) uses accruals. These can be classified into non-discretionary accruals, which are those inherent to the activities of the firm, and discretionary accruals, which are artificial accruals and are aimed only at manipulating the accounting results (Dechow, Sloan and Sweeney, 1995; Martinez, 2001).

Xiong (2006) explains that the management of financial results cannot be measured directly; the literature therefore provides several operational models for the detection of this practice. In relation to this, Dechow, Sloan and Sweeney (1995) claim that the analysis of management accounting results is usually done by the measurement of the non-discretionary and discretionary accruals. Operational models for detecting earnings management consider discretionary accruals to be proxies of earnings management.

Mohamad et al. (2010) studied the relationship between various aspects of corporate governance and earnings management using panel data for Malaysian firms in the period 2005–2007, and found no important effect of the presence of women on the board on the management accounting results. Gulzar and Wang (2011) investigated the efficiency of the characteristics of corporate governance in reducing earnings management in Chinese firms listed on the Shanghai and Shenzhen stock exchanges. These authors identified abnormal working capital accruals as a proxy for management, and used the results to calculate the modified Jones discretionary accruals. They found a positive and significant relationship between earnings management and the presence of women on the board. They argue, therefore, that women tend to assist in the reduction of discretionary accruals, because they are less involved in corruption and fraud.

Wei and Xie (2011) studied the relationship between the gender of the chief financial officer (CFO) and earnings management in China's listed firms from 1999 to 2006. They found that firms whose CFO is a woman have a low value of discretionary accruals, and a low total cost of abnormal production. Moradi et al. (2012) developed a survey of firms listed on the Tehran stock market between 2006 and 2009, and analysed the relationship between the characteristics of the board of directors and earnings management in Iranian accounts. One of the variables relating to the characteristics of the board was the presence of women on the board. Thus they tried to identify whether there was a correlation between the presence of women on the board and the management of results, but this relationship proved to be insignificant.

Additionally, Moradi et al. (2012) noted that the presence of women is still very small in firms: their survey was based on 636 observations and in only 24 cases (approximately 4 per cent) was there were a woman on the board. This study also shows that an increasing number of male directors results in their opinions prevailing over those of the women, even if the female members of the board have different opinions about earnings management.

Hili and Affes (2012) tested the impact of gender diversity on boards of directors on earnings equality. They used a sample of 70 French firms listed on the Société des Bourses Françaises (SBF) 120 index, and they found that the persistent enhancement of earnings could not be attributed to gender diversity. The results do not show significant differences between firms with female and firms with male directors. The researchers also concluded that these results may be traced back to the sociopsychological attitude adopted by female directors, and to the existence of barriers that tried to put them in a hierarchical progression. Man, Seng and Wong (2013) conducted a survey of the literature on corporate governance, and found that female directors can develop leadership based on trust, which requires information, and that they are generally more averse to the risk of fraud and/or the management of opportunistic results.

Methodology

The set of firms in the sample was obtained from those who were active in 2008 on the list of the Brazilian Stock Exchange (hereafter BM&FBovespa). The companies without accounting that presented missing data, those missing information, or peculiar characteristics, were excluded. After the depuration process, the final sample was 81 firms for the years 2008–11, with a total of 324 observations. The information about the board of directors and supervision were taken from the External Disclosure of the Securities Commission (DIVEXT report). A further process of confirmation was made for the data collected and the verification of consistency during the years 2008–11. It was possible to corroborate that some firms did not have data for all the years observed, then the authors used an unbalanced panel.

Definitions of Variables in the Study

Dependent Variable

Earnings Management (Ger_Res) is the numeric variable which is determined by Equation 1:

$$TA_{it} = \frac{\left\{ \begin{array}{l} \left[\left(AC_{it} - AC_{it-1} \right) - \left(Disp_{it} - Disp_{it-1} \right) \right] - \\ \left[\left(PC_{it} - PC_{it-1} \right) - \left(FinPC_{it} - FinPC_{it-1} \right) \right] - Depr_{it} \end{array} \right\}}{AT_{it-1}} \qquad \text{(Equation 1)}$$

$$\delta_3 = D_{it-1} / FA_{it-1}$$

$$\delta_1 = CR_{it-1} / R_{it-1}$$

$$TA_{it} = \varnothing_0 + \varnothing_1 \left(\delta_1 \frac{R_{it}}{AT_{t-1}} \right) + \varnothing_2 \left(\delta_2 \frac{D_{it}}{AT_{t-1}} \right) + \varnothing_3 \left(\delta_3 \frac{FA_{it}}{AT_{t-1}} \right) + \varepsilon_{it}$$

Equation 1 applies the regression method with R that is equal to net operating income of the period t, weighted by total assets from the previous year (t – 1) and excluding the tax on turnover; D is the value of costs and expenses of the period t, excluding depreciation and amortization, weighted by total assets of the previous year (t – 1); and FA is the total of fixed assets and deferred assets (gross) of the period t, weighted by total assets from the previous year (t – 1) and ε_{it} as the error of the regression equation. Another step of mathematical treatment is determination of the total accruals according to Equation 2:

$$TA_{it} = \varnothing_0 + \varnothing_1\left(\delta_1 \frac{R_{it}}{AT_{t-1}}\right) + \varnothing_2\left(\delta_2 \frac{D_{it}}{AT_{t-1}}\right) + \varnothing_3\left(\delta_3 \frac{FA_{it}}{AT_{t-1}}\right) + \varepsilon_{it} \qquad \text{(Equation 2)}$$

Knowing that δ were calculated from the Kang and Sivaramakrishnan (1995) model using CR: Receivables of firm i from the previous period (t – 1); INV: Inventories of firm i from the previous period (t – 1); DespAntec: Prepaid Expenses of firm i from the previous period (t – 1); CP: Current Payables of firm i from the previous period (t – 1), in period; and FA: Fixed assets and deferred assets (gross) of firm i from the previous period (t – 1) that are represented in Equations 3, 4 and 5:

$$\delta_1 = CR_{it-1} \,/\, R_{it-1} \qquad \text{(Equation 3)}$$

$$\delta_2 = \left(INV_{it-1} + DespAntec_{it-1} + CP_{it-1}\right) / \, D_{it-1} \qquad \text{(Equation 4)}$$

$$\delta_3 = D_{it-1} \,/\, FA_{it-1} \qquad \text{(Equation 5)}$$

Total accruals (TA) are determined by the equation 6 and knowing that:

$$TA_{it} = \frac{\left\{\begin{matrix}\left[\left(AC_{it} - AC_{it-1}\right) - \left(Disp_{it} - Disp_{it-1}\right)\right] - \\ \left[\left(PC_{it} - PC_{it-1}\right) - \left(FinPC_{it} - FinPC_{it-1}\right)\right] - Depr_{it}\end{matrix}\right\}}{AT_{it-1}} \qquad \text{(Equation 6)}$$

Knowing AC_{it}: Current assets of firm i on period t; AC_{it}–1: Current assets of firm i from the previous period (t – 1); $Disp_{it}$: Cash and cash equivalents of firm i on period t; $Disp_{it}$–1: Cash and cash equivalents from the previous period (t – 1); PC_{it}: Current liabilities of firm i on period t; PC_{it}–1: Current liabilities of firm i from the previous period (t – 1); $FinCP_{it}$: Short-term liabilities of firm i on period t; $FinCP_{it}$: Short-term liabilities of firm i from the previous period (t – 1); and $Depr_{it}$: Depreciation of firm i on period t and AT_{it}: Total of assets of firm i on period t. The error generated in the regression by the total of accruals in the Kang and Sivaramakrishnan (KS) (1995) model was saved with the name *Ger_Res*.

Independent and Control Variables

The research by Barako and Brown (2008), Frías-Aceituno et al. (2012), Ibrahim and Angelidis (1991) and Prado-Lorenzo and García-Sánchez (2010) indicates that women tend to provide greater transparency and higher ethical standards to a business. The authors used WOMAN as a categorical variable representing as a dummy variable indicating if there is a woman on the board (WOMAN = 1) or not (WOMAN = 0). It is the percentage of women on the board of directors of all firms of the sample, which is the same as the percentage of women in the total BD. WOMAN was used to represent the diversity of the board of directors and it is an independent variable of this study.

In addition, the control variables used to avoid bias in the analysis of the relationship between earnings management and the representation of women on the board were:

- GRI is a numeric variable that represents transparency taking the Global Reporting Initiative (GRI) guidelines as the reference. With this variable, the authors represent the standard of the disclosed information about sustainability practices published by the firm. The GRI reports were obtained from the firms' websites. The level of usefulness and comparability of corporate social responsibility information is determined according to the level of the indicators and the supplementary information included in the sustainability report. Concretely, there are three levels of application of the GRI guidelines: C, B and A (from low to high level of usefulness and comparability). The authors have transformed the levels into 3, 2 and 1, respectively, from level C with number 3 and level A with number 1.
- BSIZE is a numeric variable that represents the size of the board as the total number of directors on the board. In general, research shows that a large board can bring agency problems (Gallego-Álvarez, García-Sánchez and Rodríguez-Domínguez, 2009) and thus disrupt the management outcome. The authors expect to find a relationship between BSIZE and earnings management.
- INDEPENDENCE is a numeric variable that represents the percentage of the number of board members who are external to the firm and are therefore non-executive, which is a proxy for the level of independence of the board as in other studies of the literature (Andres, Azofra and López, 2005).
- SIZE is a numeric variable that represents the firm size and is measured by the logarithm of total assets. According to agency theory, larger firms have greater visibility in the market and society and tend to be more compliant in the production of information (Bonsón and Escobar, 2004; Craven and Marston, 1999; Giner Inchausti et al., 2003; Gul and Leung, 2004; Marston and Polei, 2004; Oyelere, Laswad and Fisher, 2003; Prencipe, 2004). This variable relates to earnings management, because managers of larger firms tend to use earnings management to make the results appear better to the market. Therefore a positive relationship between this variable and earnings management is expected.
- ROA is a numeric variable that represents the annual return on assets. Some studies show a positive relationship between return on assets and disclosure of information, while others find no significant relationship between these variables (Giner et al., 2003; Larrán and Giner, 2002; Marston and Polei, 2004; Oyelere, Laswad and Fisher, 2003; Prencipe, 2004).
- LEVERAGE is a numeric variable that represents the leverage of the firm through the ratio of debt to total assets. It is a major cause of earnings management, because of the need to comply with the covenants imposed by the firm's creditors. Therefore, it is expected that there is a positive relationship between this variable and earnings management.
- SECTOR is a categorical variable that represents the major economic sector activity. It takes values between 1 and 6, and has often been used in studies to eliminate from the expected results the effect of the economic sector activity in which the firm operates.

Model and Analysis Techniques

The relationship between earnings management and the presence of women on the board was evaluated using a panel data regression with a random effects analysis and fixed effects analysis. To decide on the best regression method to apply to the panel data, the authors used the Hausman test. This test is used to check which of the two models (random and fixed effects) is appropriate to the sample. This test gives the result for Prob > $\chi 2$ of 0.8391, which means that there are no differences between the two estimation tests applied. So, the authors choose the random effects model.

The authors used the Arellano and Bond (1991) and Arellano and Bover (1995) method called the *Generalized Method of Moments* (GMM). The GMM is indicated for cases in which the time variable ('T') is small and the number of variables ('N') is great. This method is also suitable when there are independent variables that are not strictly exogenous and are possibly also correlated with the error. This panel uses fixed effects and assumes that there is heteroskedasticity and autocorrelation among individuals.

Hypothesis

The literature shows, in many respects, that the presence of women in the firm should be of benefit to its shareholders. Thus, the first research hypothesis of this article is:

> H_1: The presence of women on the board has a negative influence on earnings management by the firm.

The presence of women on the board was studied by Erhardt, Werbel and Shrader (2003). These authors identified a positive relationship between the presence of women and profitability for American firms. Women can also influence the quality of disclosures by the firm; according to the studies of Ruegger and King (1992), women may have higher ethical standards, and they may make the firm more transparent (Barako and Brown, 2008; Frías-Aceituno et al., 2012; Prado-Lorenzo and García-Sánchez, 2010).

According to Scapin et al. (2013), the presence of women on the board in response to quotas that have been imposed in Europe can be seen to result in an increase in firms' accruals. They suggest this may have occurred because of the inexperience of the newly inducted women on the board and thus the greater manoeuvrability of the existing members. Brazil is still very conservative regarding the presence of women as executives. In line with the study of Scapin et al. (2013), the second research hypothesis is:

> H_2: The reduced presence of women on the board has a positive influence *on earnings management by the firm.*

The search by Bruschini and Puppin (2004) shows that the corporate culture still influences the presence of women in firms, and that more traditional firms do not usually accept women on their boards. Madalozzo's (2011) research describes how difficult it is for a woman to take a position on the board of a Brazilian firm. This difficulty may influence decisions made by women who are on the board of directors of these firms.

Results

Univariate Analysis

Table 9.1 presents the univariate statistics of variables: earnings management (Ger_Res), the presence of women on the board (WOMAN), transparency (GRI), size of the board (BSIZE), independence of the board (INDEPENDENCE), firm size (SIZE), return on assets (ROA), leverage (LEVERAGE), economic sector activity (SECTOR), and earnings management winsorized by 2.5 per cent (WGer).

Table 9.1 shows that in the sample of this research, the board of the firm has on average five members and that they may have up to seven members. The percentage of independent members is 18 per cent. The percentage of board members who are women is 9 per cent across all the firms in the sample. The results of earnings management variable has a mean of 0.034, i.e. has a positive accrual on the analysed firms, and if it is winsorized by 2.5 per cent near 0.03. The level of the GRI is close to 27 per cent, meaning that there is little or no transparency in relation to corporate social responsibility practices. Table 9.2 contains a comparison of means for firms that do

Table 9.1 Univariate statistics of the study

Variable	*Mean*	*SD*
Ger_RES	0.034	0.351
WOMAN	0.085	0.121
GRI	0.268	0.737
BSIZE	4.660	2.840
INDEPENDENCE	0.182	0.272
SIZE	6.050	1.070
ROA	–10.900	359.000
LEVERAGE	9.180	226.000
SECTOR	2.660	1.850
WGer	0.03	0.14

Table 9.2 Univariate statistics of the study with sample comparison: firms that do and do not have women on the board

Variable	*Woman = 0*		*Woman = 1*		*Total*	
	Mean	*SD*	*Mean*	*SD*	*Mean*	*SD*
Ger_Res	0.03	0.53	–0.02	0.44	0.01	0.49
WOMAN	0.00	0.00	0.21	0.1	0.08	0.12
GRI	0.33	0.79	0.35	0.81	0.34	0.8
BSIZE	5.37	2.84	6.02	2.92	5.64	2.89
INDEPENDENCE	0.18	0.27	0.14	0.22	0.17	0.25
SIZE	6.34	0.79	6.46	0.78	6.39	0.79
ROA	0.03	0.31	0.05	0.12	0.04	0.25
LEVERAGE	0.82	1.74	0.62	0.54	0.74	1.38
SECTOR	2.66	1.80	2.68	1.88	2.67	1.83
WGer	0.03	0.13	0.02	0.16	0.02	0.14

not have presence of women on the board (Woman = 0) and with presence of women on the board (Woman = 1).

Table 9.2 shows that in the sample of this research, the firm with women on the board is a larger size with six members whereas other firms that have five members (on average). Also, the higher firm size (6.46 vs. 6.34), and the result for Ger_Res was negative (–0.02), while for firms without a presence of woman on the board has 0.03. The earnings management winsorized variable was included because it was winsorized, taking into account the effects of a possible distortion by numbers that were not within the normal distribution. When using the winsorization, it was noted that the earnings management variable was positive for both the group with a female presence and the group without women on the board.

Multivariate Analysis

The authors performed a regression with the data and random effects analysis, which is presented in Table 9.3, with the variable measuring the presence of women on the board (WOMAN) and the variables that represent the transparency (GRI), size of the board (BSIZE), independence of the board (INDEPENDENCE), firm size (SIZE), leverage (LEVERAGE), economic sector activity (SECTOR) and the year (2008, 2009 or 2010).

Table 9.3 shows that in the sample of this research, it is not possible to identify a significant relationship (R^2 = 47.16) between the presence of women on the board (WOMAN) and the earnings management (WGer) of the firm. However, there was a negative relationship between firm size (SIZE), economic sector activity (SECTOR), the year 2010 (year 2010) and earnings management for the firm. Additionally, the regression was calculated by the GMM method and the results are presented in Table 9.4, with the variable measuring the presence of women on the board (WOMAN) and the variables that represent transparency (GRI), independence of

Table 9.3 Model from the regression analysis with random effects method

Variables	*Coefficient*	*Standard Error*	*P>z*
WOMAN	–0.06	0.06	0.30
GRI	0.00	0.01	0.72
BSIZE	0.00	0.00	0.38
INDEPENDENCE	0.04	0.03	0.28
SIZE	–0.07***	0.01	0.00
LEVERAGE	0.00	0.02	0.97
SECTOR	–0.01**	0.00	0.04
Year 2008	0.02	0.02	0.37
Year 2009	–0.01	0.02	0.68
Year 2010	–0.08***	0.02	0.00
Constant	0.55	0.07	0.00
Wald $chi^2(10)$	97.79		
Prob > chi^2	0.0000		

* Statistically significant at the level of 1%; ** Statistically significant at the level of 5%; *** Statistically significant at the level of 10%.

Table 9.4 Model from the regression analysis with GMM method

Variables	*Coefficient*	*Std. Err.*	*Sig.*
WOMAN	7.758**	3.581	0.032
GRI	–0.013	0.024	0.590
INDEPENDENCE	0.006	0.351	0.986
SIZE	1.106**	0.415	0.008
ROA	–0.060	0.132	0.651
LEVERAGE	–0.049	0.063	0.438
Year 2008	0.289**	0.060	0.000
Year 2009	0.190**	0.047	0.000
Year 2011	0.030	0.032	0.345
Wald chi^2(10)	43.32		
Prob > chi^2	0.0000		

*Statistically significant at the level of 1%; **Statistically significant at the level of 5%; ***Statistically significant at the level of 10%.

the board (INDEPENDENCE), firm size (SIZE), return on assets (ROA), leverage (LEVERAGE) and the years 2008, 2009 and 2011.

Table 9.4 shows that in the sample of this research, there is a positive and significant relationship at the 5 per cent level of significance between the presence of women on the board and earnings management of the firm in the sample. This result leads us to reject hypothesis H1, that the presence of women on the board would bring a more transparent approach to the firm's bottom line, which is what many authors have stated: Erhardt, Werbel and Shrader (2003), who identify a positive relationship between the presence of women and profitability for US firms, Ruegger and King (1992), who argue that women may be more ethical, and Barako and Brown (2008), Frías-Aceituno et al. (2012) and Prado-Lorenzo and García-Sánchez (2010), who indicate that women have a more transparent attitude than men.

However, the study confirms hypothesis H2, following the research of Scapin et al. (2013), that the presence of women on the board of the firm is not used to have women in power that can make the manipulation of results greater. The authors also found a positive and significant relationship with the years 2008 and 2009 and firm size (SIZE), indicating that larger firms tend to engage in greater manipulation of their results, because of their need to be accountable to the financial market. However, the authors did not find a relationship between earnings management (Ger_Res) and the variables that represent transparency (GRI), return on assets (ROA), leverage (LEVERAGE) and independence of the board (INDEPENDENCE).

Conclusions

The presence of women on the board of a firm has already been investigated in the accounting and financial literature. It is known from some studies detailed that gender diversity can make a good contribution towards performance, transparency and ethics, and thereby increase the value of a firm's shares (Barako and Brown, 2008; Frías-Aceituno et al., 2012; Gulzar and Wang, 2011; Prado-Lorenzo and García-Sánchez, 2010; Ruegger and King, 1992).

On the issue of earnings management, the authors could not find very much in the way of literature about the presence of women. The results, however, are still unclear. Some authors claim that the presence of women on the board makes discretionary accruals decrease, and thus decreases the firm's results (Gulzar and Wang, 2011; Wei and Xie, 2011). Other authors, such as Mohamad et al. (2010), argue that this relationship is insignificant. And still other results have shown that the presence of women on the board can increase earnings management in firms where their presence is still small or recent (Scapin et al., 2013).

This longitudinal exploratory study observed 81 firms using Brazilian accounting data available for the years 2008 to 2011, with a total of 324 observations. This showed the small participation of women on the board of the firm, with only 9 per cent of the total number of directors being women. To assess the data, the authors used two different analytical techniques for panel data: random effects and GMM. First, the random effects analysis showed no significant relationship between earnings management and the presence of women on the board. Second, the GMM analysis, which is more appropriate for capturing the relationship between variables when observing over a small time period and many firms, showed a significant positive relationship between earnings management and the presence of women on the board, confirming Hypothesis H2 and rejecting Hypothesis H1. These results are consistent with the study of Scapin et al. (2013) and they suggest that even a small number of women on the board can increase the possibility of earnings management by firms.

The limitation of this research was that it used data available from reports for the years of the observations (2008–11). Future research should use a base with a greater temporal range and include all publicly traded Brazilian firms. Also, the authors considered the presence of women on the board, rather than in the firm: their presence in the business may have another theoretical contribution, but such studies are not found in the Brazilian literature. The contribution of this work to the study of women is very important because it brings new information about a Latin American country, and even though there are few women in the administration of public firms, there are great possibilities for this in the market.

Acknowledgements

L. Segura and H. Formigoni wish to thank the MackPesquisa for their support for the project and research presented in this paper. R. Abreu and F. David wish to acknowledge the support of the Project PEst-OE/EGE/UI4056/2014a UDI/IPG, financed by the Fundação para a Ciência e Tecnologia.

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