Jurnal Akuntansi dan Bisnis
Vol 25, No. 1, Februari 2025: 18-32
https://jab.fe.uns.ac.id/

FEMALE AT THE TOP TIER AND DISCRETIONARY ACCRUALS: DOES LIFE CYCLE MATTER?

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A B S T R A C T

This study seeks to furnish empirical evidence that the inclusion of females on the board of commissioners and directors affects discretionary accrual, and that the firm's life cycle moderates this influence. The sample technique employs purposive sampling. The sample comprised all non-financial companies listed on the Indonesia Stock Exchange from 2016 to 2021, resulting in a total of 2,694 observations. The analytical approach employs panel data regression analysis. The research findings demonstrate that female representation on the board of directors positively and significantly impacts discretionary accrual; conversely, female presence on the board of commissioners negatively affects discretionary accrual, while the firm life cycle moderating variable independently influences discretionary accrual. The firm's life cycle can influence the impact of female representation on the board of commissioners and the board of directors on accruals.
Keywords: *discretionary accruals, female, boards of commissioners, directors, firm life cycle.*

Penelitian ini bertujuan untuk memberikan bukti empiris bahwa keterlibatan perempuan dalam dewan komisaris dan direktur memengaruhi akrual diskresioner, dan bahwa siklus hidup perusahaan memoderasi pengaruh ini. Teknik pengambilan sampel menggunakan purposive sampling. Sampel terdiri dari semua perusahaan nonkeuangan yang terdaftar di Bursa Efek Indonesia dari tahun 2016 hingga 2021, sehingga menghasilkan total 2.694 observasi. Pendekatan analisis menggunakan analisis regresi data panel. Temuan penelitian menunjukkan bahwa representasi perempuan dalam dewan direksi berdampak positif dan signifikan terhadap akrual diskresioner; sebaliknya, kehadiran perempuan dalam dewan komisaris berdampak negatif terhadap akrual diskresioner, sedangkan variabel moderasi siklus hidup perusahaan secara independen memengaruhi akrual diskresioner. Siklus hidup perusahaan dapat memengaruhi dampak representasi perempuan dalam dewan komisaris dan dewan direksi terhadap akrual.
Kata kunci: akrual diskresioner, perempuan, dewan komisaris, direktur, siklus hidup perusahaan.

Received:
11 January 2025
Revised:
3 March 2025
9 April 2025
Accepted:
15 Mei 2025

INTRODUCTION

Indonesia implements a dual structure necessitating enterprises to establish a supervisory board (Board of Commissioners) and a management board (Board of Directors) in accordance with OJK regulation number 33/POJK.04/2014. The board of commissioners performs advocacy and oversight of the board of directors, whereas the board of directors executes the company's management duties (Jouber, 2021). Directors are crucial in managing the company; a specific responsibility of directors is to oversee the financial report (Lara et al., 2022). A study conducted by IBCWE (*Indonesia Business Coalition for Women Empowerment)* revealed that there were only 8 female CEOs in 2021 (4%) in IDX 200 companies, and this figure has not changed since 2019. From the same study, it was also stated that of the 19 new CEOs appointed in 2021, only 2 female were appointed. Although in terms of gender balance in IDX 200 companies, it has been found that 41 of the IDX 200 companies (21%) have achieved gender balance, as many as 94 companies have no female executives at all in their executive teams (IBCWE, 2022). Female directors impact corporate governance functions (Abbott et al., 2012). Organizations with a minimum of 30%

female CEOs have a 6% increase in earnings when females occupy top leadership positions (Franczak & Margolis, 2022). Females in corporate organizations are no longer considered to be a manifestation of natural social evolution. This means that they are no longer restricted by the boundaries of their roles as mothers, wives, and/or housewives; instead, they are regarded as exceptions to leadership interests (Paoloni & Demartini, 2016). Female board members improve the supervisory function on the performance of the board of directors and tend to be better at detecting profit manipulation (Liu *et a*l., 2014). Female directors are responsible for monitoring, maintaining discipline, and decreasing agency concerns (Bzeouich & Dammak, 2019; Mirza et al., 2019; Saleh & Sun, 2022). Female board participation reduces the level of earnings management (Mnif & Cherif, 2020). All the results of the study are in contrast to the reality in the field published in the news regarding the company's financial statement manipulation scandal carried out by PT Envy Technologies Indonesia Tbk (ENVY) regarding the alleged manipulation of the 2019 annual financial statements Interestingly, there were female directors on the board of directors when the financial statements were released (Sandria, 2021).

A company follows certain policies that take into account each stage of its economic life cycle; the financial characteristics of a company are also influenced by the stage of the life cycle where the company begins to grow from start-up (Moshtagh et al., 2014); these policies are reflected in the accounting information of the company. Cycle theory is based on the assumption that a company, like all living things, is born, grows, and eventually dies. There are three stages of a company's life cycle, which are growth, maturity, and stagnation (Anthony & Ramesh, 1992). According to the corporate life cycle theory, the growth and capital capacity of companies change at each stage. This theory divides the stages of the company's life cycle into three sections. Conducting an analysis of a company's life cycle can assist managers, investors, and other stakeholders involved in the company in producing accurate predictions on the company's operational patterns (Khuong et al., 2022). Throughout this stage of a company's existence, managers engage in a variety of manipulative behaviors and pursue a variety of various aims; accrual-based actions are associated with earnings management (Mueller, 1972).

Companies in the introduction, growth, and decline stages are significantly more likely to have misrepresentations in their financial statements compared to companies in the adult stage, overall improving understanding of the role of life cycle stages in causing variations in the quality of financial reporting (Krishnan et al., 2021). The presence of female directors in the corporate life cycle shows that female members before the crisis identified more strongly with financial management monitoring; post-crisis describes a greater identity by providing resources for management roles in their management; this suggests that the composition of directors and life cycle stages may have a greater impact on the company's life cycle (Thoranna Jonsdottir, 2009). Companies in high lifecycle stages have significant incentives and ample opportunities to increase operating income through revenue misclassification or performing eranings management practices (Bansal, 2022).

The correlation between earnings management and the company's life cycle was shown in research that gave results that companies that are in the growth and stagnant stages are more likely to do discretionary accrual, while in the mature, small, and medium companies tend to do earnings management (Prasetio et al., 2016). Research on the presence of female on the board of commissioners and directors on the tendency of earning management carried out by companies, including research that uses females directors as independent variables for earning management, shows that females are not associated with the tendency to earning management or the direction of earning management (Abdullah & Ismail,

2016). Another result using the proportion of female directors on the board revealed that the results of the presence of female directors on the board of directors had a significant negative impact on discretionary accrual (Sial et al., 2019).

The presence of females on the board of directors non-linearly affects the bank's earnings management; the influence of female directors on earnings management changes from positive to negative until there are three or more female directors (Fana et al., 2019). In addition, studies on the company's life cycle and the presence of females show that there is a substantial correlation between the duration of the company's operations and the number of female directors (Bledsoe et al., 2006). The presence of a female board of directors and the company's life cycle are analysed by treating female board members as an independent variable while assessing the critical tenure of female commissioners and bank risk as dependent variables; the findings indicate a negative correlation; however, once the critical period for females is reached, the strength of this relationship diminishes; consequently, when three or more female directors serve on the board, the influence on bank risk diminishes with the increasing number of female directors (Birindelli et al., 2020). This research was conducted to fill the gap in research related to discretionary accrual that has been carried out in previous research, measuring the influence of the presence of females on the board of commissioners and board of directors and the company's life cycle.

LITERATURE REVIEW AND HYPOTESIS DEVELOPMENT

In the upper echelon theory, it is proposed that organisations are a reflection of top management. According to this theory, the outcomes of organisational strategy decisions and the majority of performance levels are anticipated by the features of managerial backgrounds (Hambrick, 2007; Hambrick & Mason, 1984). Other attributes of the board of directors, such as multiple directorial positions, duality positions, the number of board meetings, directors' equity ownership, age and tenure, and the composition of board members, can also influence earnings management behaviour (El Diri, 2017). Power distance, individualism, uncertainty avoidance, professionalism, uniformity, secrecy and conservatism moderate the relationship between female directors and accruals quality (Yousuf & Aldamen, 2022). The characteristics of upper echelon theory towards the company can influence the decision-making of directors regarding company policy because, based on evidence that shows females and men tend to bring different knowledge, experience, and values to the boardroom, the decisions of directors regarding corporate responsibility vary as a function of the gender composition of the board of directors (Byron & Post, 2016); this is because females and men tend to bring distinct knowledge and experience to leadership positions.

The presence of females has a beneficial impact on the governance function; female board members are significantly more likely to be independent, have slightly shorter tenures, hold fewer positions, are less likely to be on audit committees, and are more likely to have a financial background than their male counterparts (Abbott *et al.*, 2012). A high ethical and risk-averse attitude of females generally reduce the discretionary accruals in accounting estimates only when they are full-time workers (Kim & Jeong, 2018). Females tend to strive for interpersonal skills such as inspiring and motivating employees and emphasising communication; these competencies bring a unique diversity of experiences and perspectives to the workplace, as in their founding, female leaders have been shown to increase cohesion and collaboration in large, diverse teams (Franczak & Margolis, 2022). The presence of females in upper echelon positions is associated with increased involvement in the quality and transparency of sustainability disclosures. In addition, the presence of females in upper-echelon positions and the implementation of sustainable activities improve financial performance and value

(Bannò et al., 2021). Female board members have a positive impact on board supervision, which tends to detect earnings manipulation better (Sial et al., 2019). Companies with a higher number of female board members and female board members prefer to engage in earnings management that reduces earnings rather than increases earnings (Arun et al., 2015). The directors of a firm are not directly involved in the process of creating the financial statements; however, they are responsible for determining the tone of the top to ensure that it has an impact on the decisions made by management (Gounopoulos & Pham, 2018).

The presence of females on the board of commissioners and discretionary accrual

The percentage of female boards of commissioners has a significant and positive impact on company performance as measured by return on sales and return on assets; the number of female boards of commissioners is also important, but the positive impact mainly comes from the executive effect of female directors, not from the monitoring effect of female boards of commissioners (Liu *et al.*, 2014). The female board of commissioners has a positive effect on earnings management practices in companies; this study uses discretionary accrual to measure the effect of earnings management (Razak & Helmy, 2020). Earnings management occurs when managers use judgement in financial reporting and in structuring transactions to change financial statements to mislead some stakeholders about economic performance to influence contractual outcomes that depend on reported accounting figures (El Diri, 2017). The supervisory function of the presence of females on the board of commissioners is expected to have a positive effect on suppressing the company's accrual earnings management practices, because when managers choose accrual earnings management to increase income, the role of female board of commissioners improves corporate governance, streamlines management and reduces inefficient investment decisions (Ullah et al., 2020). As a result, the presence of females on the board of commissioners as a supervisory function on the board of directors can suppress accrual earnings management behaviour by increasing profits so that the following hypothesis is formulated.

H1 : The presence of females on the board of commissioners has a positive effect on discretionary accrual.

The presence of female on the board of directors and discretionary accrual

The presence of females on the board of directors was found to have a significant positive relationship with discretionary accruals, indicating that more female board members can increase discretionary accrual activities; cash flow has a significant effect on discretionary accruals, indicating that companies with lower cash flow tend to use accruals to increase profits (Buniamin *et al.*, 2012). The presence of female board members will have a positive effect on suppressing accrual earnings management practices because when managers choose accrual earnings management to increase income (Ullah et al., 2020). However, different results were presented in other studies that found female board members had a negative and insignificant effect on earnings management practices in companies; this study used discretionary accruals to measure the effect of earnings management (Razak & Helmy, 2020). Based on the differences in the research results that have been presented, it is expected that the presence of females on the board of directors can suppress accrual earnings management behaviour by increasing profits, so the second hypothesis is formulated as follows:

H2 : The presence of female on the board of directors has a positive effect on discretionary accrual.

The influence of females presence on the board of commissioners on discretionary accruals with company's life cycle as moderating variable

The presence of females on the board of commissioners is positively related to earnings management (Arun *et al.*, 2015)

because female commissioners tend to be more conservative in suppressing corporate earnings management than male commissioners. However, different results were conveyed by other studies which stated that female commissioners in the board of commissioners could not have a significant influence on earnings management practices; the presence of females in the company's board of commissioners could not carry out optimal supervision to prevent earnings management practices (Razak & Helmy, 2020). The practice of controlling management of new economic companies or the growth stage, companies have a lot of time to prioritise planning over control (Granlund & Taipaleenmäki, 2005). During the mature phase, companies choose discretionary accruals to boost profits (Hastuti, 2011). With the result that at each phase of the life cycle, it is hoped that the supervisory role of female commissioners can be maximised to suppress corporate earnings management practices. Therefore, the following hypothesis is formulated:

H3 : The company's life cycle strengthens the influence of females presence on the board of commissioners on discretionary accruals.

The nfluence of females presence on the board of directors on discretionary accrual with company's life cycle as moderating variable

The presence of females on the board of directors has no effect on accrual earnings management; another explanation may be that the majority of females sitting on the board of directors may not have the accounting and financial skills needed to detect earnings management because only about 30 percent of female board members in the study sample have an accounting and finance background (Abdullah & Ismail, 2016). This finding is reinforced by research stating that the presence of female board members on the board of directors has a significant negative impact on discretionary accruals (Sial *et al.*, 2019). Accrual earnings management is a way to change reported earnings without impacting cash flow from operations or actual business activities. Managers in start -up and growing companies usually avoid this type of earnings management because they are more focused on investing in their early stages. The study also showed that during the introduction stage, the use of discretionary accruals for earnings management went up (Khuong *et al.*, 2022). Managers in companies that are just starting out or growing often use accrual earnings management to boost their income. The company's accrual earnings management depends on their life cycle, where companies in the growth stage reduce accrual earnings management practices when policy uncertainty increases (Roma *et al.*, 2020). Female board members can fully play their role in helping the board of directors reduce earnings management (Fana *et al.*, 2019). Companies in the mature phase often choose discretionary accruals to increase profits (Hastuti, 2011). Therefore, the presence of females in every phase of the company's life cycle where the company tends to increase cash flow income so that the company remains interested in capital is expected to suppress accrual earnings management behaviour, so the following hypothesis is formulated:

H4 : The company's life cycle strengthens the influence of females presence on the board of directors on discretionary accrual.

RESEARCH METHODS

Our investigation makes use of information pertaining to non-financial companies that were listed on the Indonesia Stock Exchange between the years 2016 and 2021. There are a total of 722 companies from which 2,694 observations are generated. In our research, the independent factors that we looked at were the percentage of females serving on the Board of Directors and the percentage of females serving on the Board of Commissioners. Our research determines an individual's gender based on their first name; if this method is inconclusive, then we use internet-based sources to classify gender based on each individual's first name; when we are still unable to identify gender from

the list of names found on the website, we use LinkedIn and Google to conduct additional research and determine whether a particular name is appropriate for a male or female (Faccio et al., 2016). By using the dummy technique, the presence of females on the board of commissioners and directors is evaluated. If the company includes female directors, the dummy method assigns a value of 1 to the board, and if there are no female directors, it assigns a value of 0. According to (Datta et al., 2017), this is the common interpretation of a big discretionary accrual value, which is a signal of earning management. Non-discretionary accrual is the opposite of discretionary accrual, which is the recognition of reasonable profit accrual subject to a generally accepted accounting standard or principle (El Diri, 2017). Discretionary accrual is the recognition of the accrual of profit or expense that is freely unregulated and is a choice of management policy. It is also an accrual that arises from management discretion or under management policy. For the cash flow statement technique with the (Jones, 1991) model, the following is the computation that is used to determine the value of the entire accrual:

$TA_{i,t} = Ni_{it} — CFO_{it}$ …….(1)

After obtaining the next accrual value, calculate equation (1) to get the value of the regression coefficient.

$$\frac{\mathrm{TA}i,t}{\mathrm{A}t-1} = \alpha + \alpha 1\frac{1}{\mathrm{A}t-1} + \beta 1\frac{\Delta \mathrm{R}it}{\mathrm{A}t-1} + \beta 2\frac{\mathrm{PPE}it}{\mathrm{A}t-1} + \varepsilon it \ (2)$$

Based on the coefficient obtained from regression in equation (1), calculations are made to calculate the value of non-discretionary accrual in equation (2).

$$NAit = \hat{\alpha} + \hat{\alpha} 1\frac{1}{\mathrm{A}t-1} + \hat{\beta} 1\frac{\Delta \mathrm{R}it}{\mathrm{A}t-1} + \hat{\beta} 2\frac{\mathrm{PPE}it}{\mathrm{A}t-1} + \varepsilon it \ (3)$$

After obtaining a non-discretionary accrual value based on the calculation in equation (2), a calculation is made in equation (3) to get the discretionary accrual value.

$$DAit = \frac{\mathrm{TA}it}{\mathrm{A}t-1} + NAit \ (4)$$

The total accruals of Company i in year t are represented by the expression (TAi,t), which stands for total accruals measured using either the balance sheet approach or the cash flow statement approach. Income after taxes (Ni i,t) Company i, the year t, and the year t The total assets between year t and company i, (Ri,t) revenue between year t and company i, (PPEi,t) and total assets combined Gross value of assets that are fixed (NA i,t) stands for normal accrual, (DA i,t) stands for discretionary accrual, and (CFO i,t) stands for gross value of fixed assets in year t for firm i. Flow of cash generated by operations During the year t, the cash flow from activities for business i.

The positive and negative value of eranings management can be captured by discretionary accruals, which can be either positive (when the company inflates profits) or negative (when entering good years, managers hide profits for future use). According to (Datta et al., 2017), we favor variables by 1 percent and a rate of 99 percent in order to reduce the influence of outliers.

FLC, which stands for "Firm's Life Cycle," is the moderation variable. Measurement of the life cycle of the firm with the approach of retained earnings, adopting research (Al-Hadi et al., 2016; Hasan et al., 2015). By using these proxies, one can determine the degree to which a corporation is self-financed or dependent on money from outside sources. It is possible to use retained profits as a proportion of total assets (RE/TA) as a proxy for the life cycle of a firm. A high RE/TA indicates that the company is more mature or older, whereas companies with a low RE/TA tend to be young and expanding. Size of the company, leverage, return on assets, age of ownership, and ownership type are the control variables. The significance of company size and leverage as control variables lies in the fact that they allow for interference with the findings of the investigation (Arifin & Kusuma, 2011). The amount of a company's natural total assets is used to determine the size of the firm, which is one of the features of the company (Setiawan et al., 2019)

Leverage is a ratio that evaluates the capacity of a company's assets to be financed by both long-term and short-term debt (Fahrani et al., 2018). The calculation of leverage involves total debt divided by the total assets (Alhadab & Nguyen, 2016).

The type of company ownership is seen from the proportion of company ownership, which is classified into two types, namely SOEs (state-owned enterprises) and private companies. Measurement of ownership type using dummy variables, provided that if it is a state-owned company, it is given a code of 1 and non-SOEs are given a code of 0 (Trinugroho et al., 2020). When calculating the age of the company, the number of years that have passed since the company was first listed on the IDX is taken into consideration. Return on Assets (ROA) is a metric that is used to evaluate the profitability of a company.

Empirical Model

With the use of the multiple linear regression model, the hypothesis was put to the test.

$$DAi,t = \alpha 0 + \beta_1 FBCi,t + \beta_2 FBDi,t + \beta_3 FLCi,t + (\beta_5 FBCi,t*FLCi,t) + (\beta_6 FBDi,t*FLCi,t) + \beta_7 Sizei,t + \beta_8 Levi,t + \beta_9 ROAi,t + \beta_{10} SOEsi,t + eit$$

DAi,t: Discretionary Accruals, FBCi,t: Female on Board of Commissioners, FBDi,t: Female on Board of Directors, FLCi,t: company Life Cycle, Sizei,t: company size, Levi,t: Leverage, ROAi,t: Return on Assets, AGEi,t: Age of corporate businesses, and SOEsi,t: State-owned enterprises.

ANALYSIS AND DISCUSSION

The characteristics of the sample are presented in Table 1, which is based on 2.694 observations made over the course of a calendar year. For the purpose of mitigating the potentially biassed inference that was brought about by the outliers, we winsorized the variables at the 1% level in both tails (Arifin et al., to be specific).

The dependent variable is discretionary accrual, which shows an average value of 0.08, which means that

Tabel 1.
Descriptive Statistics

Variable	Obs	Mean	Std. dev.	Min	Max
DA	2.694	0,08	0,083	0,001	0,492
FBC	2.694	0,344	0,475	0	1
FBD	2.694	0,439	0,496	0	1
FLCRETA	2.694	0,084	0,366	-1.996	0,733
SIZE	2.694	20,09	3,467	11,044	25,223
LEV	2.694	0,443	0,219	0,02	0,948
ROA	2.694	0,023	0,86	-0,297	0,343
SOE	2.694	0,038	0,191	0	1
AGE	2.694	8,041	1,288	3,584	9,55

Tabel 2
Pairwse correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) DA	1.000								
(2) FBC	-0.060***	1.000							
(3) FBD	0.007	0.083***	1.000						
(4) FLCRETA	-0.100***	0.054***	0.011	1.000					
(5) SIZE	-0.073***	0.108***	0.068***	0.188***	1.000				
(6) LEV	0.067***	0.012	-0.031*	-0.241***	-0.009	1.000			
(7) ROA	-0.056***	0.045**	0.017	0.231***	0.101***	-0.264***	1.000		
(8) SOE	-0.025	-0.017	-0.054***	0.048**	0.139***	0.135***	0.012	1.000	
(9) AGE	-0.186***	-0.010	0.020	0.047**	0.045**	0.126***	-0.004	0.045***	1.000

*** p<0.01, ** p<0.05, * p<0.1

the level of accrual earnings management practices of the sample company is 8%; this value is still considered low because it has a value below its standard deviation of 0.083. The maximum DA value is 0.492, which indicates that the greater the value of earnings management carried out by the company, the higher the level of company earnings management without paying attention to the direction of management to maximise or minimise company profits. In the DA variable, the highest value of 0.492 indicates a high level of earnings management through accrual activities (49.2%).

An analysis of the correlations between all of the variables is presented in Table 2. We discovered that there was an inverse relationship between FBC and DA. Additionally, there was a negative correlation between FLCRETA and DA, which indicated that companies that had females on their board of commissioners and a more mature company age were connected with lower earnings management. CSIZE was found to have a positive correlation with FLCRETA, as was anticipated. According to the correlation matrix, it is clear that our econometric model does not have any problems with multicollinearity. The entire set of variables has values that are less than 0.75.

It is necessary for us to satisfy the classical assumption in order to obtain our baseline result employing OLS regression. The first assumption is that there is multicollinearity; the correlation matrix demonstrates that our econometric model is not even close to having problems with multicollinearity. Following are the outcomes of the normality test that was performed with the Shapiro-Francia Test. The second assumption is the assumption of normalcy.

Based on the results of the normality test in Tabel 3, it can be observed that the OLS equation model encounters issues related to the assumption of normality. Nevertheless, the sample size in this study is quite large, amounting to 2694, allowing us to overlook the concerns regarding the assumption of normality, which is based on the Central Limit Theorem (Gujarati, 2003). The third assumption is the assumption of heteroskedasticity. We used the Breusch-Pagan test to examine the assumption of heteroskedasticity in the regression equation. Table 4 shows the results of the Breusch-Pagan test.

The conclusion that can be drawn from the findings of the Breusch-Pagan test is that the regression equation model that was used in this investigation experience problems that are associated with the assumption of heteroskedasticity. This is evident from the Chi-square probability values for all models, which are below 0.05. Therefore, to address the issue of heteroskedasticity assumption, in the OLS regression equation of this study, we applied standard errors adjustment at the firm-level clustering. Furthermore, in this study we included Year-Fixed Effects and Industry-Fixed Effects as control variables. The following are the results of the OLS regression equation in this study.

In the beginning, we utilized both OLS regression and GLS random effects in

Tabel 3.
Shapiro-Francia Test

Variable	Obs	W'	V'	z	Prob>z
Model 1	2,694	0.823	291.421	13.840	0.000
Model 2	2,694	0.819	298.687	13.900	0.000
Model 3	2,694	0.818	300.262	13.913	0.000
Model 4	2,694	0.814	306.738	13.965	0.000

Tabel 4.
Breusch-Pagan/ Cook-Weisberg test for heteroskedasticity

Variabel	Obs	Chi2	Prob> Chi2
Model 1	2,694	844.62	0.000
Model 2	2,694	785.26	0.000
Model 3	2,694	759.75	0.000
Model 4	2,694	660.26	0.000

order to conduct an empirical test of our hypothesis. Due to the fact that our primary independent variables (FBC and FBD) are less likely to change over time, we make use of OLS fixed effects. As a result, GLS random effects can provide a more efficient estimation than pooled OLS estimation.

This study uses accrual discretionary to determine the influence of the presence of females in the board of commissioners as formulated in the first hypothesis, from table 5 it is known that FBC has a significant negative effect (-0.011) this result rejects the opinion of the board of commissioners that females have a positive effect on discretionary accruals (Razak & Helmy, 2020) and this can be due to the existence of females in the board of commissioners only as supervisors of the performance of the board of directors and are not directly involved in the company's operations, the existence of females in the board of commissioners has not been able to carry out optimal supervision to prevent eranings management (Razak & Helmy, 2020).

We also use GLS regression as a robustness test in this study; the results obtained from the test show FBC has a significant negative effect on discretionary accrual, FBD shows the results have a significant positive effect on discretionary accrual, and FLC independently has a significant effect on discretionary accrual; the results of the interaction of FBC and FLC variables show significant positive results, and significant positive results are also shown by FBD and FLC variables. These results are in line with the results of OLS regression. The following are the results of the GLS regression equation in this study. This Table presents a GLS random effects regression result. We also included Year-Fixed Effects and Industry-Fixed Effects as control variables.

To overcome the problem of heteroscedasticity assumption in the OLS

.Tabel 5.
Dependent DA - OLS regression

Variabel	Model 1		Model 2		Model 3		Model 4	
	Coef.	Prob.	Coef.	Prob.	Coef.	Prob.	Coef.	Prob.
FBC	(-2.717)	-0.011***	(-2.336)	-0.009**			(-2.439)	-0.010**
FBD	(0.171)	0.001	(0.658)	0.003			(0.661)	0.003
FLCRETA	(-2.428)	-0.025**	(-1.818)	-0.012*	(-1.911)	-0.013*		
X1Z	(2.064)	0.018**						
X2Z	(1.936)	0.021*						
SIZE	(-1.286)	-0.001	(-1.053)	-0.001	(-1.094)	-0.001	(-1.388)	-0.001
LEV	(2.291)	0.024**	(2.241)	0.024**	(2.098)	0.022**	(2.792)	0.028***
ROA	(-0.393)	-0.015	(-0.397)	-0.015	(-0.459)	-0.017	(-0.613)	-0.023
SOE	(-0.706)	-0.008	(-0.855)	-0.009	(-0.823)	-0.009	(-0.970)	-0.010
AGE	(-6.095)	-0.011***	(-6.076)	-0.011***	(-5.997)	-0.011***	(-6.195)	-0.011***
_cons	(9.400)	0.179***	(9.221)	0.175***	(9.245)	0.175***	(9.312)	0.177***
Observations	2694		2694		2694		2694	
R-squared	0.086		0.083		0.081		0.081	
Adj R^2	0.078		0.076		0.074		0.074	
F-stat	6.244		6.759		6.956		6.822	
Year Fixed Efect	Yes		Yes		Yes		Yes	
Industry Fixed Efect	Yes		Yes		Yes		Yes	

regression equation of this study, we apply the generalized least-square (GLS) estimation method (Gujarati & Porter, 2012). The results of the GLS random effect regression test in table 6 show the overall R^2 value of each model: 0.084, 0.082, 0.079, and 0.079. This shows that the highest significance value is 84%, 82%, 79%, and 79%, while the remaining 16%, 18%, 21%, and 21% are influenced by variables outside the model. The results of the OLS regression are also consistent with the results of the GLS regression shown in table 6, finding that the FBC variable has a significant negative effect on discretionary accrual. It can be concluded that the presence of females on the board of commissioners in greater or lesser numbers who carry out the supervisory function of the performance of the directors does not have a significant effect on discretionary accrual. The results of this study are in line with research (Razak & Helmy, 2020) that female commissioners on the board of commissioners cannot have a significant influence on discretionary accrual; the presence of females on the company's board of commissioners has not been able to carry out optimal supervision to prevent discretionary accrual. FBD shows results that have a significant positive effect on discretionary accrual; this confirms that a higher number of female board members can increase discretionary accrual activities. These results are in line with research by Ullah (2020) that the presence of female board members will have a positive effect on suppressing earnings management.

Furthermore, FLC independently has a significant effect on discretionary accrual, the company's life cycle has a significant positive effect, and as a quasi moderator, in addition to providing evidence that the company's life cycle

Tabel 6.
GLS Random Effect Dependent DA

	Dependent DA							
Variabel	**Model 1**		**Model 2**		**Model 3**		**Model 4**	
	Coef.	**Prob.**	**Coef.**	**Prob.**	**Coef.**	**Prob.**	**Coef.**	**Prob.**
FBC	(-2.024)	-0.009**	(-1.524)	-0.006			(-1.575)	-0.007
FBD	(0.089)	0.000	(0.673)	0.003			(0.664)	0.003
FLCRETA	(-3.284)	-0.028***	(-1.609)	-0.010	(-1.655)	-0.011*		
X1Z	(1.671)	0.020*						
X2Z	(2.782)	0.030***						
SIZE	(-1.232)	-0.001	(-1.016)	-0.001	(-1.029)	-0.001	(-1.240)	-0.001
LEV	(2.611)	0.029***	(2.621)	0.029***	(2.561)	0.028**	(2.975)	0.032***
ROA	(0.438)	0.010	(0.469)	0.010	(0.390)	0.009	(0.516)	0.011
SOE	(-0.423)	-0.006	(-0.565)	-0.009	(-0.558)	-0.008	(-0.630)	-0.010
AGE	(-7.754)	-0.013***	(-7.725)	-0.013***	(-7.690)	-0.013***	(-7.760)	-0.013***
_cons	(9.484)	0.198***	(9.263)	0.193***	(9.252)	0.193***	(9.346)	0.195***
Observations	2694		2694		2694		2694	
Overall R^2	0.084		0.082		0.079		0.079	
Chi^2	158.662		148.389		145.647		145.480	
Year Fixed Efect	Yes		Yes		Yes		Yes	
Industry Fixed Efect	Yes		Yes		Yes		Yes	

independently has a significant positive effect on discretionary accrual, the company's life cycle can also moderate or strengthen the relationship between the presence of females on the board of commissioners and discretionary accrual. These results agree with (Arun et al., 2015), who stated that the presence of females on the board of commissioners is positively related to earnings management because female commissioners tend to be more conservative in suppressing the company's earnings management than male commissioners. The presence of females on the board of commissioners in the supervisory function of the performance of the board of directors on discretionary accrual is influenced by the life cycle phase that the company goes through, starting from the growth, mature, and stagnant stages; in the mature phase, choosing discretionary accrual that increases profits. This phenomenon is inseparable from the theory of the company's life cycle. Managers have different goals and manipulative behavior during the company's life phase (Mueller, 1972). Economic policy uncertainty does have a heterogeneous effect on discretionary accruals depending on their life cycle; companies in the initial, growth, and decline stages reduce earnings management when policy uncertainty increases (Roma *et al.*, 2020). Furthermore, the results of the interaction of the FBC and FLC variables as well as FBD and FLC show significant positive results as quasi moderators, so that in addition to providing empirical evidence that the company's life cycle independently has a significant positive effect on discretionary accruals, it also moderates or strengthens the relationship between the presence of females on the board of directors and discretionary accruals. These results validate the upper echelon theory, which posits that a company's performance is significantly influenced by the characteristics of its directors. This is because their prior knowledge, experience, and values shape strategic decision-making, which ultimately shapes the company's strategy. Despite not being directly involved in the preparation of financial statements, the directors set the tone for management decisions.

This study adds variables of company size, leverage, profitability, ownership type, and company age as control variables. We found that discretionary accrual has a negative effect on company size; this shows that discretionary accrual will be more likely to occur in small companies. While the level of company leverage has a significant positive effect on discretionary accrual, this means that the higher the company's leverage ratio, the higher the risk of discretionary accrual being carried out, and the better the company manages the procurement of assets using debt, both long-term debt and short-term debt, the lower the risk of discretionary accrual. The ROA, or company profitability variable, has a negative but not significant effect on discretionary accrual; the higher the leverage ratio value, the higher the risk of company default, but the high leverage ratio value can provide a positive value for the survival of the company if supported by high performance and profitability. The same results are shown in the government and non-government ownership-type variables; discretionary accrual will still occur; this result seems biased considering that the sample size of state-owned companies is only 3.79% of the entire sample, thus rejecting the opinion that companies with a high proportion of state-owned companies increase accrual discretionary behavior in the study (Khuong et al., 2022). The age of the company shows a significant negative effect, which means that discretionary accrual will occur more often in younger companies than in older companies. The results of the addition of AGE are in line with the results of testing the company life cycle variables, which independently have a significant negative effect on discretionary accrual. The management of a company's accrual profit depends on their life cycle where the company in the *growth* stage reduces discretionary accrual when policy uncertainty increases (Roma *et al.*, 2020).

CONCLUSION

This study aims to prove the influence of the presence of females on the board of commissioners and directors on discretionary accrual. Based on the results of the study conducted, the presence of females on the board of commissioners has been proven to have a significant negative influence on discretionary accrual. The results suggest that the more females on the board of commissioners, the more the company engages in discretionary accrual, possibly because the board is not directly involved in the company's operations. The board of commissioners, who carry out monitoring functions, carry out advocacy and supervision roles for the directors, while the directors carry out direct management activities on company management.

The presence of females on the board of directors has a significant positive influence on discretionary accrual. The more females on the board, the more they influence company governance and implementation, reducing discretionary accrual. This is inseparable from the function of the board of directors, who have the authority and are fully responsible for managing the management of the company.

Female directors are more likely to have higher levels of accountability, female board members tend to ensure more effective communication, and female directors tend to strive for interpersonal skills such as inspiring and motivating employees and emphasizing communication. These competencies bring a unique diversity of experiences and perspectives to the workplace because, in their founding, female leaders have been shown to improve cohesion and collaboration in large and diverse teams.

The company's life cycle is independently considered to be able to influence discretionary accruals, meaning that earnings management behavior differs at each phase of its life cycle. In the younger growth company life cycle, accrual earnings management practices occur higher and lower in the older, mature, and stagnant life phases.

The interaction of the company's life cycle with the presence of females on the board of commissioners and directors has a positive and significant effect on discretionary accrual, this means that the company's life cycle strengthens the influence of the presence of females on the board of commissioners and directors on discretionary accrual, so that the presence of females on the board of commissioners with a supervisory function is affected by different life cycle phases in each company's life cycle, and the presence of females on the board of directors as a company management function is also affected by different life cycle phases of the company at each stage of its life cycle, younger companies or growth phases discretionary accrual occurs higher and lower in older mature and stagnant life phases.

Not only to meet the target of females occupying 25 percent of board seats in state-owned companies or to meet the quota of females' existence, but also to provide more opportunities and confidence in females to be in board positions as well as commissioners, as well as other strategic positions, the findings of this study can have positive implications for being able to continue to increase the number of females on the board of commissioners and directors in companies, as well as the presence of females in the government in Indonesia. This means that the results of this study can have positive implications for the ability to continue to increase the number of females in positions of authority within the government in Indonesia. The purpose of this is to ensure that boys and females have equal access to opportunities. It is important for regulators to provide guidance to connected parties who are responsible for formulating regulations concerning the provision of chances for females to hold top management positions. This research can be utilized as consideration material to demonstrate that there are still vulnerabilities that can be exploited by firm management in order to acquire personal interests

LIMITATIONS AND SUGGESTIONS

This research includes a number of limitations, which are anticipated to be improved upon in subsequent studies. These limitations include the measurement of the presence of females on the board of directors and the board of commissioners, as well as the measurement of the firm's life cycle using various methods. Due to the fact that Indonesia operates according to a two-tier system, it is possible to receive different results from a sample of one-tier enterprises. For the purpose of this study, the variable that is used to measure the age of the company is the time of the company's initial public offering (IPO), not the time the company was established. The findings of the study may be different if the age of the company that is used is calculated from the beginning of the company's establishment. It is possible that the incorporation of features of the board of commissioners and directors, such as educational background, age, and other measurement indicators, could potentially enrich the findings of additional study and provide more measurement possibilities for the life cycle of the organization.

ACKNOWLEDGEMENTS

This research was supported by LPPM Universitas Sebelas Maret under Grant No. 195.1/UN27.22/PT.01.03/2024

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