THE EFFECT OF FEMALE EXECUTIVES ON EARNINGS MANAGEMENT:
EVIDENCE FROM INDONESIA

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Abstract
The purpose of this paper is to investigate whether the gender of the firm’s executives (chief executive officers and/or chief financial officers) has a significant impact on the firm's earnings management. Modified Dechow and Dichev model is used to measure discretionary accruals as the proxy of earnings management. This paper uses multiple regressions to test the relationship between female executive and earnings management. The paper represents evidence that there is no significant relationship between female executives (chief executive officers and/or chief financial officers) and discretionary accruals as the proxy of earnings management. Furthermore, the paper's evidence has implications for investors and firms. Since there is no significant relationship between female executive and earnings management, investors should not be hesitant of making investment in companies with female executive.

Keywords: Gender, Female executives, Earnings management, Discretionary accruals.
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I. Introduction
Gender equality and globalization are the issues that make women can also enjoy the world of work. Previously women’s roles are limited to taking care of the household as well as supporting their husband's career, but now the reality has shifted into a figure in which women have more roles as they can pursue a higher career in many fields. According to Albeda (1997) in Irianto (2007), the number of women workers increased where they are also able to penetrate the managerial positions that had been dominated by men. Irianto (2007) explains that the involvement of women in an organization is not only occurs in the countries of the Americas and Europe but also in countries of the Asian continent.

In Indonesia, women’s career has emerged in the presence of female emancipation attempts by RA Kartini – one of Indonesian national heroines. She fought for women emancipation. She believed that men and women should have the equal rights, obtain their freedom,