INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN ACCOUNTING, FINANCE AND MANAGEMENT SCIENCES

OPEN ACCESS JOURNAL

Vol 15, Issue 1, (2025) E-ISSN: 2225-8329

Insights into Board Characteristics and Earnings Management in China: Conceptual Paper

Mengjia Li
School of economics and management, Gannan Normal University, Jiangxi, China, School of business and economics, Universiti Putra Malaysia, Selangor, Malaysia
Email: gs62480@student.upm.edu.my

Jingxuan Teng
School of business and economics, Universiti Putra Malaysia, Selangor, Malaysia
Email: gs62332@student.upm.edu.my

To Link this Article: http://dx.doi.org/10.6007/IJARAFMS/v15-i1/25032 DOI:10.6007/IJARAFMS/v15-i1/25032

Published Online: 24 March 2025

Abstract

This conceptual paper proposes a comprehensive research framework to explore how board of directors (BOD) characteristics shape earnings management (EM) practices among publicly listed companies in China. The framework addresses a critical gap in the existing literature by systematically integrating various dimensions of BOD characteristics, including board size, board gender diversity, foreign directors, director's financial background, CEO duality and board independence. The framework intends to test balanced panel dataset of 15,560 observations from 3,112 firms listed on the Shanghai and Shenzhen Stock Exchanges during 2018–2022 to evaluate the relationship between BOD characteristics and EM over time. By mapping out the theoretical linkages among these key variables, the proposed framework offers a structured approach for future empirical research to validate and extend the hypothesized relationships. It proposed an outline for examining how board may influence earnings management strategies, thereby informing the design of more effective corporate governance policies. This framework is particularly relevant for regulators, practitioners, and scholars seeking to enhance board oversight and strengthen financial reporting integrity in China's rapidly evolving market environment, ultimately contributing to the development of robust governance mechanisms.

Keywords: Board of Directors, Earnings Management, Accruals

Introduction

Financial reports issued by listed companies serve as an important signal to external stakeholders by providing essential information about a firm's internal operations and overall performance (Roychowdhury, 2006; Shah and Wan, 2024). These reports are fundamental for investors, creditors, regulators, and other market participants to assess a company's financial health and operational efficiency. High financial reporting quality (FRQ) is key to maintaining the efficiency and stability of capital markets because it ensures that the information

disclosed accurately reflects a firm's economic performance, is transparent, and follows prudent accounting practices (Rajgopal and Venkatachalam, 2011). However, due to the flexibility inherent in the accrual-based accounting system, managers have discretion over the timing and recognition of revenues and expenses. This discretion may lead to earnings management (EM), where management adjusts earnings by altering the timing or recognition of revenues and expenses. In this context, discretionary accruals (DA) which defined as the difference between total accruals and normal accruals that are matched to performance, can be used by managers to present earnings that meet their expectations (Dechow and Dichev, 2002; Kothari *et al.*, 2005; Xie *et al.*, 2003). Such practices weaken the reliability of reported earnings and reduce overall FRQ. The main reasons for engaging in EM include the need to meet capital market expectations, secure performance-based executive compensation, and satisfy debt covenants, all of which ultimately lower FRQ (Cutillas Gomariz and Sánchez Ballesta, 2014; Hasan *et al.*, 2022). When earnings are managed, the reported performance deviates from the true economic performance of the firm, leading stakeholders to base decisions on less reliable information and reducing the overall efficiency of the capital market (Shah and Wan, 2024). Therefore, a lower level of EM is generally seen as a sign of higher FRQ, which in turn benefits investor protection and the efficiency of capital markets. This paper develops a comprehensive conceptual framework that integrates multiple dimensions of BOD characteristics to examine their influence on accrual-based EM in Chinese listed companies.

Agency theory explains the need for strong corporate governance (CG) mechanisms to resolve conflicts between management and shareholders. According to this theory (Fama and Jensen, 1983; Hasan *et al.*, 2022), effective CG helps improve FRQ by reducing the opportunity for managers to manipulate earnings for personal gain. At the core of the CG system is the board of directors (BOD), which plays a central role in monitoring management and ensuring that financial reports accurately reflect the firm's performance (Almarayeh *et al.*, 2024). The BOD is made up of both internal and external directors who come from diverse backgrounds and possess different skills. This diversity means that BOD characteristics such as board size, gender diversity, directors' financial background, the presence of foreign directors, CEO duality, and board independence are critical factors that directly affect the board's ability to monitor and limit EM practices.

Most of the studies on the impact of BOD characteristics on EM have been conducted in developed economies (Damak, 2018; Saona *et al.*, 2020; Xie *et al.*, 2003). However, in emerging economies, agency conflicts tend to be more serious due to weaker legal systems and lower levels of investor protection. In addition, few studies have examined the overall impact of various BOD characteristics on EM in a comprehensive manner, especially in the context of China—the largest emerging market in the world. With this background, our study uses data from 3,112 listed companies in China covering the period from 2018 to 2022 to develop a research framework that addresses the following question:
RQ: Do BOD characteristics influence EM in listed companies of China?

To answer this question, the study adopts the modified Jones model (Dechow *et al.*, 1995) as a means to measure accrual-based earnings management. The research focuses on several key BOD characteristics, including board size (BSIZE), gender diversity (BGD), directors' financial background (BFIN), the presence of foreign directors (BFOR), CEO duality (DUAL),

and board independence (BIND). By incorporating these factors into a single research framework, we aim to clearly outline the potential links between these BOD characteristics and their effect on EM. This framework is designed not only to highlight the importance of each individual BOD characteristic but also to examine how these factors work together to influence the likelihood of earnings manipulation by management.

The significance of this research framework is threefold. First, while previous studies in China have mostly focused on the link between BOD characteristics and overall firm performance, our research shifts the focus to EM. High FRQ, which reflects less EM practice, is important for ensuring that the financial information provided to stakeholders is reliable. Second, our study uses a recent and balanced panel dataset from 2018 to 2022, which helps capture the latest trends and changes in corporate governance practices in China's fast-changing market. Third, the inclusion of foreign directors as a specific variable is particularly new in the Chinese context. Few studies have looked at how the presence of foreign directors might affect corporate governance and EM in China, and our framework provides new insights into this aspect.

Furthermore, the proposed research framework is meant to guide future studies by laying out clear theoretical relationships among the different BOD characteristics and their potential effects on EM. Researchers can use this framework as a basis to conduct empirical studies that validate or refine the hypothesized relationships. For regulators and policymakers, the framework offers practical guidance on how to improve corporate governance practices to enhance the quality of financial reporting. Companies may also benefit from the insights provided by the framework, as it can help guide decisions on BOD composition and selection. To ensure the BOD may help limit EM practices and reduce agency conflicts between management and shareholders.

The framework is based on a balanced panel dataset of 15,560 observations from 3,112 firms listed on the Shanghai and Shenzhen Stock Exchanges between 2018 and 2022 and employs fixed effects regression analysis to control for unobserved factors over time. The research focuses on key BOD characteristics, including board size, gender diversity, directors' financial background, the presence of foreign directors, CEO duality, and board independence, and their relationship to EM which measured by the modified Jones model (Dechow et al., 1995). The insights derived from this framework are expected to provide a structured approach for future empirical work, help regulators design better policies for improving FRQ, and assist companies in selecting board members who can effectively monitor management and reduce EM. This study, therefore, contributes to both the academic literature and practical corporate governance by offering new perspectives on how BOD characteristics affect EM, especially in the dynamic environment of China's largest emerging market.

Literature review and hypotheses development

Board Size and EM

According to the Chinese <Company Law>, listed companies are required to set up a board of directors (BOD) consisting of 5 to 19 members (chapter 4, article 108). Agency theory, as outlined by Jensen and Meckling (1976), suggests that the size of the board plays a significant role in guiding the firm and in carrying out an effective monitoring function. In theory, a larger board can provide a broader range of expertise and better oversight, which in turn should

help reduce EM. However, the empirical evidence on the relationship between board size and EM has produced mixed results.

On one hand, several studies have supported a negative association between board size and EM. For instance, Peasnell *et al.* (2005) found that a greater number of directors in the boardroom makes it less likely for dominant shareholders to exert undue control. This, in turn, results in more effective monitoring of accruals, as seen in UK-listed firms. Similar findings were reported by Xie et al. (2003) in a study of US companies, Saona *et al.* (2020) in Spanish data, and Damak (2018) in French firms. In emerging economies, Dobija *et al.* (2022) documented that a larger board size brings more wisdom and experienced directors, which enhances the monitoring of accruals in Polish firms. This negative association has also been confirmed by Aygun *et al.* (2014) in Turkish firms and by Almarayeh *et al.* (2024) in the MENA region, suggesting that larger boards may be better able to restrain managerial discretion in earnings reporting.

On the other hand, some researchers have reported a positive relationship between board size and EM. Sáenz González and García-Meca (2014) found that in listed Latin American firms, smaller boards were able to coordinate and communicate more effectively, which helped to promote higher financial reporting quality (FRQ). In such settings, a smaller board may facilitate quicker decision-making and more direct oversight, which could lead to higher levels of earnings management. This positive relationship was further supported by Hasan et al. (2022) using data from Pakistan and by Sarkar *et al.* (2008) with evidence from Indian samples.

Within the Chinese context, the evidence remains inconclusive. Ye (2014) provided empirical evidence that supports a negative relationship between board size and EM. In contrast, Gulzar and Gulzar and Zongjun (2011) reported no significant relationship between board size and EM among Chinese listed companies. These findings are in line with the results of Le and Nguyen (2023), who observed a similar lack of significant association in Vietnam. Given these mixed empirical findings and the ongoing debate in the literature, we propose the following hypothesis:
H1: Board size has a negative impact on EM.

Board Gender Diversity and EM
Gender diversity on the board of directors brings a unique perspective that can enhance the monitoring of accruals. Numerous studies have found that a higher proportion of female directors is linked to better performance in constraining EM (Damak, 2018; Dobija *et al.*, 2022; Saona *et al.*, 2020; Srinidhi *et al.*, 2011). Female directors are often seen as more sensitive to issues of reputation and tend to adhere to higher ethical standards, while also exhibiting a lower tolerance for risk. These characteristics can lead female directors to adopt more conservative accounting policies, thereby contributing to higher FRQ and reducing the extent of EM (García-Sánchez *et al.*, 2017). In addition, Cumming *et al.* (2015) and Sial *et al.* (2019) have specifically noted that the presence of female directors helps to limit discretionary accruals in Chinese listed companies, highlighting their potential role in improving corporate governance practices.

Conversely, some researchers have argued that the impact of gender diversity on EM depends on the proportion of female directors present on the board. Elstad and Ladegard (2012)

contend that a significant effect in constraining accruals is only achieved when female directors reach a certain threshold, suggesting that a low proportion of women may not be sufficient to make a significant impact. This view is supported by findings from Ye (2014), who reported no significant relationship between gender diversity and EM in Chinese firms. Similar conclusions have been drawn by Le and Nguyen (2023) based on evidence from Vietnamese companies, as well as by Almarayeh et al. (2024) in the MENA region. Furthermore, there is evidence from Turkish firms indicating a positive relationship between gender diversity and EM (Arioglu, 2020). In these cases, the role of female directors may be more symbolic than substantive, limiting their ability to influence monitoring processes and constrain earnings management.

Based on these mixed findings, the overall impact of board gender diversity on earnings management remains a subject of debate. Despite some studies reporting no significant effect or even a positive association, the majority of evidence suggests that increasing gender diversity on the board has the potential to improve monitoring effectiveness and reduce earnings management practices. Thus, drawing on the body of literature cited above, we propose the following hypothesis:
H2: Board gender diversity has a negative impact on EM.

Foreign Directors and EM
In many Chinese listed companies, foreign directors are included in the boardroom, and the effect of their presence on EM remains a topic of debate. Several studies have documented a negative relationship between foreign directors and EM. The reasoning behind this negative association is that foreign directors tend to be more independent and less likely to be influenced by local management practices (Putra and Setiawan, 2024). Their independence is often linked to a higher concern for personal career advancement and reputation (Du *et al.*, 2017), which makes them more likely to enforce conservative accounting practices. As a result, they exhibit less tolerance for accrual manipulations, a view supported by Rajgopal and Venkatachalam (2011) and Xie et al. (2003). In this context, the presence of foreign directors can lead to a reduction in discretionary accruals and, consequently, lower levels of earnings management.

Additionally, some studies provide evidence that foreign directors may not always be effective in constraining EM. For instance, Masulis *et al.* (2012) and Kim *et al.* (2014) have argued that foreign directors can be less effective in monitoring accruals due to practical challenges. One key issue is that the geographic distance between foreign directors and the company's headquarters often results in reduced attendance at board meetings. This lower level of participation limits their opportunity to gain a full understanding of the company's operations and local conditions. Moreover, foreign directors may be less familiar with local laws and accounting regulations, which further hinders their ability to monitor financial reporting effectively. The lack of detailed local information can increase the difficulty for these directors to identify and address earnings management practices, ultimately reducing their effectiveness in curbing EM.

As there are mixed results, the overall impact of foreign directors on EM in Chinese listed companies is not yet clear. While some research supports the idea that foreign directors contribute to better oversight and lower EM through increased independence and higher

ethical standards, other studies indicate that practical limitations such as geographic distance and a lack of local knowledge may diminish their monitoring capabilities. In light of these contrasting findings, we propose the following hypothesis:
H3: Foreign directors have a negative impact on EM.

Director's Financial Background and EM
Familiarity with specific business areas allows directors to interpret and process information using a proper perspective and effective methods (Qi and Tian, 2012). Given the nature of accrual accounting, which requires a solid financial accounting background to recognize and monitor accurately, directors with relevant expertise are considered better equipped to handle these challenges. Several studies have demonstrated a negative association between directors' financial expertise and EM. Ran *et al.* (2015) and Xie *et al.* (2003) have shown that directors who possess a strong financial background can detect and correct earnings management practices in a timely manner. These directors are more likely to identify discrepancies in accruals and take prompt actions to ensure that reported earnings are not manipulated by management. In contrast, directors lacking sufficient financial knowledge may be less effective in spotting such manipulations, thus inadvertently allowing EM to persist.

In addition, Qi *et al.* (2018) argue that a stronger financial background can also provide both managers and directors with the flexibility needed to navigate the complex barriers imposed by accounting standards on accruals. This flexibility may, in some cases, lead to a conversion of accrual manipulations in order to meet pre-set earnings targets, a finding that is echoed by Chen *et al.* (2008) in the context of Chinese listed companies. These contrasting views suggest that while financial expertise generally contributes to improved monitoring and reduction of EM, it might under certain circumstances also facilitate more sophisticated manipulation techniques.

Nevertheless, the prevailing evidence supports the view that directors with financial expertise contribute to better oversight and lower levels of EM. Their ability to understand and scrutinize financial reports helps in preventing management from exploiting the discretionary nature of accrual accounting. By detecting any unusual patterns or discrepancies in reported earnings, these directors can play a critical role in maintaining high FRQ. High FRQ is crucial for ensuring that stakeholders receive accurate and reliable information, which in turn supports efficient capital market functioning and protects investor interests.

Given these insights, this study seeks to test the hypothesis that directors with a financial background have a negative impact on earnings management. This hypothesis is based on the assumption that the monitoring advantages provided by financial expertise outweigh any potential benefits that might arise from a flexible interpretation of accounting standards. Thus, we propose the following hypothesis:
H4: Directors with financial background have a negative impact on EM.

CEO Duality and EM
CEO duality refers to the situation in which the same individual serves as both the chairman of the board and the chief executive officer of the company. From the perspective of agency theory (Fama and Jensen, 1983), this dual role may increase the risk of information

asymmetry. When one person holds both positions, the CEO might have greater opportunity to withhold adverse information from other board members, thereby weakening their monitoring function (Almarayeh et al., 2024). In other words, CEO duality can lead to a reduction in effective oversight, as the separation of roles is lost, which in turn can create conditions favorable for earnings manipulation. Dechow et al. (1995) argued that separating the roles of CEO and chairman is an effective way to reduce the risk of accrual-based EM. Supporting this view, several studies have found a positive relationship between CEO duality and EM. For example, Sial et al. (2019) observed that in Chinese listed companies, CEO duality is associated with higher levels of EM. Similar results were found by Damak (2018) in a study of French firms and by Saona et al. (2020) using Spanish data, suggesting that when the same individual controls both roles, the likelihood of earnings manipulation increases.

However, not all empirical studies support this relationship. Many studies conducted in developed markets such as the US and the UK have failed to find a significant association between CEO duality and EM (Harakeh *et al.*, 2019; Xie *et al.*, 2003). Likewise, research in emerging markets, including studies from Malaysia and Vietnam, also reported no significant relationship between CEO duality and EM (Bradbury *et al.*, 2006; Le and Nguyen, 2023). These findings imply that the effect of CEO duality on EM may be context-specific and could be influenced by various institutional and market factors.

In contrast to these studies, Bao and Lewellyn (2017) provided evidence of a negative relationship between CEO duality and EM using data from 24 emerging economies. They argued that in some cases, CEO duality may provide a counterbalance to the influence of controlling shareholders who might otherwise push for aggressive EM through accruals.

Despite these contrasting findings, the predominant theoretical expectation based on agency theory is that CEO duality, by concentrating power in one individual, will likely result in less effective monitoring and higher levels of EM. Therefore, we propose the following hypothesis:
H5: CEO duality has a positive impact on EM.

Board Independence and EM
As required by the China Securities Regulatory Commission (CSRC), all listed companies in China are mandated to appoint at least one independent director from outside the company. This requirement is designed to provide unbiased judgment and ensure the protection of investors' interests. Independent directors are generally seen as diligent gatekeepers who contribute to securing FRQ. As argued by Fama and Jensen (1983) and Hasan et al. (2022), independent directors play a key role in monitoring management decisions and safeguarding the interests of shareholders. Empirical studies further support this view by demonstrating a negative relationship between board independence and EM. For example, research conducted by Damak (2018), Peasnell et al. (2005), Saona et al. (2020), and Xie et al. (2003) shows that a higher presence of independent directors is associated with lower levels of EM. These studies suggest that independent directors can effectively detect and correct potential earnings manipulation, thereby enhancing FRQ.

However, findings in emerging economies have not been entirely consistent. In some studies, such as those by Bradbury et al. (2006), Le and Nguyen (2023), Sarkar et al. (2008), and Ye (2014), no significant relationship between board independence and EM was observed.

Moreover, Bao and Lewellyn (2017) even found a positive association between board independence and EM. González and García-Meca (2014) have argued that independent directors may not always be truly independent; they might have familial or social connections with the appointing company, reducing their effectiveness in monitoring management. In such cases, independent directors could be seen as symbolic figures rather than active monitors who challenge managerial decisions. This mixed evidence points to the possibility that the true impact of board independence on EM depend on the quality of independence rather than merely the presence of independent directors.

Given the theoretical expectations from agency theory and the majority of empirical findings that suggest a negative relationship between board independence and EM, we propose that effective board independence plays a crucial role in reducing EM. In other words, when independent directors act in a truly unbiased manner, they are better positioned to limit managerial discretion and mitigate earnings manipulation. Therefore, based on the literature cited above, we propose the following hypothesis:
H6: Board independence has a negative impact on EM.

Conclusion
This conceptual paper presents a comprehensive research framework that examines the relationship between BOD characteristics and EM in Chinese listed companies. Drawing on agency theory (Fama and Jensen, 1983; Hasan et al., 2022) and prior empirical studies (Peasnell et al., 2005; Xie et al., 2003; Saona et al., 2020; Damak, 2018; Dobija et al., 2022; Aygun et al., 2014; Almarayeh et al., 2024), the framework integrates key dimensions of board size, gender diversity, directors' financial background, the presence of foreign directors, CEO duality, and board independence. The framework is designed to guide future empirical research by clearly outlining the theoretical linkages among these factors. This framework also considers the particular challenges faced in emerging markets, where weaker legal systems and lower investor protection may intensify agency conflicts. By synthesizing findings from various contexts, the framework offers a structured approach that not only contributes to academic debates on corporate governance but also provides practical insights for policymakers and company managers. Regulators can use this framework to develop policies that promote stronger board oversight and improved financial reporting quality, while companies may benefit by selecting directors with the appropriate mix of expertise, independence, and diversity to curb earnings manipulation. This paper lays a solid foundation for future empirical research by identifying key BOD characteristics and highlighting areas where further investigation is needed, including the use of quantitative methods to test panel data set of 3112 Chinese listed companies from 2018-2022 to better assess director effectiveness in constraining EM.

References

Almarayeh, T., Aibar-Guzman, B. and Suárez-Fernández, Ó. (2024), "Does the board of directors play a role in mitigating real and accrual-based earnings management in the MENA context?", *Corporate Governance: The International Journal of Business in Society*, doi: 10.1108/CG-04-2022-0192.

Arioglu, E. (2020), "The affiliations and characteristics of female directors and earnings management: evidence from Turkey", *Managerial Auditing Journal*, Vol. 35 No. 7, pp. 927–953, doi: 10.1108/MAJ-07-2019-2364.

Aygun, M., Ic, S. and Sayim, M. (2014), "The Effects of Corporate Ownership Structure and Board Size on Earnings Management: Evidence from Turkey", *International Journal of Business and Management*, Vol. 9 No. 12, p. p123, doi: 10.5539/ijbm.v9n12p123.

Bao, S. R., and Lewellyn, K. B. (2017), "Ownership structure and earnings management in emerging markets—An institutionalized agency perspective", *International Business Review*, Vol. 26 No. 5, pp. 828–838, doi: 10.1016/j.ibusrev.2017.02.002.

Bradbury, M., Mak, Y. T., and Tan, S. M. (2006), "Board Characteristics, Audit Committee Characteristics and Abnormal Accruals", *Pacific Accounting Review*, Emerald Group Publishing Limited, Vol. 18 No. 2, pp. 47–68, doi: 10.1108/01140580610732813.

Chen, X., Lee, C.-W.J. and Li, J. (2008), "Government assisted earnings management in China", *Journal of Accounting and Public Policy*, Vol. 27 No. 3, pp. 262–274, doi: 10.1016/j.jaccpubpol.2008.02.005.

Cumming, D., Leung, T. Y., and Rui, O. (2015), "Gender Diversity and Securities Fraud", *Academy of Management Journal*, Vol. 58 No. 5, pp. 1572–1593, doi: 10.5465/amj.2013.0750.

Cutillas Gomariz, M. F., and Sánchez Ballesta, J. P. (2014), "Financial reporting quality, debt maturity and investment efficiency", *Journal of Banking & Finance*, Vol. 40, pp. 494–506, doi: 10.1016/j.jbankfin.2013.07.013.

Damak, S. (2018), "Gender diverse board and earnings management: evidence from French listed companies", *Sustainability Accounting, Management and Policy Journal*, Emerald Publishing Limited, Vol. 9 No. 3, pp. 289–312, doi: 10.1108/SAMPJ-08-2017-0088.

Dechow, P. M., and Dichev, I. D. (2002), "The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors", *The Accounting Review*, p. 25.

Dechow, P. M., Sloan, R. G., and Sweeney, A. P. (1995), "Detecting Earnings Management", *The Accounting Review*, American Accounting Association, Vol. 70 No. 2, pp. 193–225.

Dobija, D., Hryckiewicz, A., Zaman, M., and Puławska, K. (2022), "Critical mass and voice: Board gender diversity and financial reporting quality", *European Management Journal*, Elsevier, Vol. 40 No. 1, pp. 29–44.

Du, X., Jian, W. and Lai, S. (2017), "Do Foreign Directors Mitigate Earnings Management? Evidence From China", *The International Journal of Accounting*, Vol. 52 No. 2, pp. 142–177, doi: 10.1016/j.intacc.2017.04.002.

Elstad, B. and Ladegard, G. (2012), "Women on corporate boards: key influencers or tokens?", *Journal of Management & Governance*, Vol. 16 No. 4, pp. 595–615, doi: 10.1007/s10997-010-9165-y.

Fama, E.F. and Jensen, M.C. (1983), "Agency Problems and Residual Claims", *The Journal of Law and Economics*, Vol. 26 No. 2, pp. 327–349, doi: 10.1086/467038.

García-Sánchez, I.-M., Martínez-Ferrero, J. and García-Meca, E. (2017), "Gender diversity, financial expertise and its effects on accounting quality", *Management Decision*, Vol. 55 No. 2, pp. 347–382, doi: 10.1108/MD-02-2016-0090.

Gulzar, M.A. and Zongjun, W. (2011), "Corporate Governance Characteristics and Earnings Management: Empirical Evidence from Chinese Listed Firms", *International Journal of Accounting and Financial Reporting*, Vol. 1 No. 1, p. 133, doi: 10.5296/ijafr.v1i1.854.

Harakeh, M., El-Gammal, W. and Matar, G. (2019), "Female directors, earnings management, and CEO incentive compensation: UK evidence", *Research in International Business and Finance*, Vol. 50, pp. 153–170, doi: 10.1016/j.ribaf.2019.05.001.

Hasan, A., Aly, D. and Hussainey, K. (2022), "Corporate governance and financial reporting quality: a comparative study", *Corporate Governance: The International Journal of Business in Society*, Vol. 22 No. 6, pp. 1308–1326, doi: 10.1108/CG-08-2021-0298.

Jensen, M.C. and Meckling, W.H. (1976), "Theory of the firm: Managerial behavior, agency costs and ownership structure", *Journal of Financial Economics*, Vol. 3 No. 4, pp. 305–360, doi: 10.1016/0304-405X(76)90026-X.

Kim, K., Mauldin, E. and Patro, S. (2014), "Outside directors and board advising and monitoring performance", *Journal of Accounting and Economics*, Vol. 57 No. 2, pp. 110–131, doi: 10.1016/j.jacceco.2014.02.001.

Kothari, S.P., Leone, A.J. and Wasley, C.E. (2005), "Performance matched discretionary accrual measures", *Journal of Accounting and Economics*, Vol. 39 No. 1, pp. 163–197, doi: 10.1016/j.jacceco.2004.11.002.

Le, Q. L., and Nguyen, H.A. (2023), "The impact of board characteristics and ownership structure on earnings management: Evidence from a frontier market", *Cogent Business & Management*, Vol. 10 No. 1, p. 2159748, doi: 10.1080/23311975.2022.2159748.

Masulis, R.W., Wang, C. and Xie, F. (2012), "Globalizing the boardroom—The effects of foreign directors on corporate governance and firm performance", *Journal of Accounting and Economics*, Vol. 53 No. 3, pp. 527–554, doi: 10.1016/j.jacceco.2011.12.003.

Peasnell, K. V., Pope, P. f. and Young, S. (2005), "Board Monitoring and Earnings Management: Do Outside Directors Influence Abnormal Accruals?", *Journal of Business Finance & Accounting*, Vol. 32 No. 7–8, pp. 1311–1346, doi: 10.1111/j.0306-686X.2005.00630.x.

Putra, A. A., and Setiawan, D. (2024), "Do CEO characteristics affect earnings management?", *Corporate Governance: The International Journal of Business in Society*, doi: 10.1108/CG-02-2023-0078.

Qi, B., Lin, J. W., Tian, G. and Lewis, H. C. X. (2018), "The Impact of Top Management Team Characteristics on the Choice of Earnings Management Strategies: Evidence from China", *Accounting Horizons*, Vol. 32 No. 1, pp. 143–164, doi: 10.2308/acch-51938.

Qi, B., and Tian, G. (2012), "The Impact Of Audit Committees Personal Characteristics On Earnings Management: Evidence From China", *Journal of Applied Business Research (JABR)*, Vol. 28 No. 6, pp. 1331–1344, doi: 10.19030/jabr.v28i6.7347.

Rajgopal, S., and Venkatachalam, M. (2011), "Financial reporting quality and idiosyncratic return volatility", *Journal of Accounting and Economics*, Vol. 51 No. 1, pp. 1–20, doi: 10.1016/j.jacceco.2010.06.001.

Ran, G., Fang, Q., Luo, S. and Chan, K.C. (2015), "Supervisory board characteristics and accounting information quality: Evidence from China", *International Review of Economics & Finance*, Vol. 37, pp. 18–32, doi: 10.1016/j.iref.2014.10.011.

Roychowdhury, S. (2006), "Earnings management through real activities manipulation", *Journal of Accounting and Economics*, Vol. 42 No. 3, pp. 335–370, doi: 10.1016/j.jacceco.2006.01.002.

Sáenz González, J. and García-Meca, E. (2014), "Does Corporate Governance Influence Earnings Management in Latin American Markets?", *Journal of Business Ethics*, Vol. 121 No. 3, pp. 419–440, doi: 10.1007/s10551-013-1700-8.

Saona, P., Muro, L. and Alvarado, M. (2020), "How do the ownership structure and board of directors' features impact earnings management? The Spanish case", *Journal of International Financial Management & Accounting*, Vol. 31 No. 1, pp. 98–133, doi: 10.1111/jifm.12114.

Sarkar, J., Sarkar, S. and Sen, K. (2008), "Board of Directors and Opportunistic Earnings Management: Evidence from India", *Journal of Accounting, Auditing & Finance*, Vol. 23 No. 4, pp. 517–551, doi: 10.1177/0148558X0802300405.

Shah, S.Z.A. and Wan, F. (2024), "Financial integration and earnings management: evidence from emerging markets", *Journal of Applied Accounting Research*, Vol. 25 No. 2, pp. 197–220, doi: 10.1108/JAAR-11-2022-0288.

Sial, M. S., Vo, X. V., Al-Haddad, L., and Trang, T. N. (2019), "Impact of female directors on the board and foreign institutional investors on earning manipulation of Chinese listed companies", *Asia-Pacific Journal of Business Administration*, Emerald Publishing Limited, Vol. 11 No. 3, pp. 288–300.

Srinidhi, B., Gul, F. A., and Tsui, J. (2011), "Female Directors and Earnings Quality*", *Contemporary Accounting Research*, Vol. 28 No. 5, pp. 1610–1644, doi: 10.1111/j.1911-3846.2011.01071.x.

Xie, B., Davidson, W. N., and DaDalt, P. J. (2003), "Earnings management and corporate governance: the role of the board and the audit committee", *Journal of Corporate Finance*, Vol. 9 No. 3, pp. 295–316, doi: 10.1016/S0929-1199(02)00006-8.

Ye, K. (2014), "Independent director cash compensation and earnings management", *Journal of Accounting and Public Policy*, Elsevier, Vol. 33 No. 4, pp. 391–400.