Management Demographic Characteristics, Auditor Choice and Earnings Quality: Empirical Evidence from Iran

Mehdi Safari Gerayli [a], Davood Hassanpour[b], Hasan Valiyan[c]*

[a]Department of Accounting, Bandargaz Branch, Islamic Azad University, Bandargaz, Iran
[b]Department of Accounting, Payame Noor University (PNU), Tehran, Iran
[c]Department of management, Gorgan Branch, Islamic Azad University, Gorgan, Iran

ARTICLE INFO	ABSTRACT
	Recent accounting and management literature shows that demographic characteristics of top management and corporate performance are related. Accordingly, using a two-stage least squares regression model (2SLS), this study examines the relationship between some management demographic characteristics including CEO tenure, gender and level of education with earnings quality and auditor choice. Sample includes the 420 firm-year observations from companies listed on the Tehran Stock Exchange during the years 2013 to 2017 and research hypothesis was tested using multivariate regression models. The results show a significant and positive association between managers education level and higher auditor quality choice. In addition, we find that firms with female directors in the composition of the board of directors and with higher education levels, have higher earnings quality. The current study is almost the first study which has been conducted in Iran, so the findings of the study not only extend the extant theoretical literature in developing countries including emerging capital market of Iran, but also help investors, capital market regulators and accounting standard setters to make informed decisions.

1 Introduction

Although examining the demographic characteristics of management does not have a long history, management theories have endorsed the role of top management in organization's success since a long time ago. Upper echelons theory [21] is the idea that demographic characteristics of managers greatly influence organizational performance. Also, according to the resource-based view held by Barney [5] and Hitt et al [23], human capital is considered as a crucial intangible asset in organizational operations and decision-makings. Following these theories, Cheng et al. [12] and Chan et al. [10] provided evidence on the presence of a significant relation between management demography (education level, age, tenure and gender) and Chinese firms' performance. According to the management and accounting theoretical literature, since managers play a key role in the processes of auditor choice and financial reporting, their demographic characteristics are predicted to influence auditor choice and earnings quality. Therefore, the ongoing research aims to empirically test the relationship

---

* Corresponding author Tel.: *+989395898912*
E-mail address: mehdi.safari83@yahoo.com

between management demography and auditor choice and corporate earnings quality. The primary question raised here is whether the demographic characteristics of managers affect auditor choice and reported earnings quality. One of the innovations implemented in this study is employing a multidimensional and combined index to measure earnings quality. Using such an index for measuring earnings quality not only resolves the shortcomings of the previous studies which have used aone-dimensional measure to empirically evaluate earnings quality, but also present a novel pattern for corporate earnings quality within an Iranian context. Moreover, this study is expected to provide the following scientific value added results:

First, the results of this research can expand the theoretical foundations of previous studies conducted in developing countries, particularly in the capital market of Iran. Second, they also show the extent to which managerial demography can influence auditor choice, and consequently corporate earnings quality. This can provide capital market regulators, accounting standard setters and other stakeholders with fruitful information. Finally, they recommend novel ideas for carrying out further research in the domain of earnings quality.

2 Theoretical Framework

Top management's managerial attitude plays a key role in shaping organizational culture, which in turn exerts significant influence on the implementation of corporate financial and accounting policies. Preliminary literature in management and ecology (Hannan and Freeman, [10]) suggest that organizational outcomes like corporate performance are affected by bureaucratic rules and environmental selection[11]. According to the upper echelons theory, certain demographic characteristics of managers including gender [9,16], education level [6], age and tenure [7] have significant impact on corporate performance. From the resource-based view theory (RVB), human capital is an essential intangible asset for firm operation [22].Cheng and Leung [11] also found that individual attributes of CEO (especially education level and reputation) exert positive influence on corporate performance. Furthermore, Chan et al. [10] provided evidence on the positive association between age and reputation of top managers and Chinese corporate performance. Drawing upon the argument that management demography has a significant role in shaping management styles, Bamber et al. [3] investigated the relation between these characteristics and corporate financial disclosure and then concluded that managers' unique information disclosure style is correlated with his/her finance, accounting and legal career, age and military experience. Francis et al [18] also revealed that firms with more reputed managers show lower earnings quality.Accounting and auditing literature has always discussed the presence of a link between audit quality and corporate earnings quality. Some claim that this relation results from the role of auditors in reducing agency problems, improved reliability and information content of financial reports. Given this argument, improved audit quality expected to get public and market to increase pressure on managers to prevent opportunistic earnings management and thus increase earnings quality. Therefore, this research seeks to examine the relationship between management demography and auditor choice and earnings quality.

3 Review of Literature and Research Hypotheses

Current literature provides ample evidence that management demography exert a great bearing on corporate performance. Cheng et al. [12] indicate that manager's education level and reputation influ-

ence corporate performance. Chevalier and Ellison [13] found that younger managers with higher education level are more efficient than others. Malmendier and Tate [26] concluded that the presence of more reputed manager's increases compensation and earnings management. Francis et al. [18] examined the effect of human capital on earnings quality and suggested that firms with more reputed managers have lower earnings quality. Following the efficient contract theory, nevertheless, Gul et al. [20] stated that firms with more reputed managers show higher corporate earnings quality [11]. To investigate the effect of demographic characteristics of managers on earnings quality and audit quality, this study examines the association between manager's tenure, age and education level and audit and earnings quality in terms of six hypotheses as follow:

Management literature maintains that managers' age and tenure are associated with their desirability to take risk and effect new changes. Gul et al. [20] and Hambrick and Mason [21] suggested that increasing CEO tenure can reduce the risk of making changes in corporate strategy [11]. Moreover, older managers, as opposed to their younger counterparts, are more conservative, risk-averse and capable of managing the firm. In accounting literature, the concept of conservatism usually connotes the cautious approach that managers take to choose auditor and present financial statements. In other words, more experienced managers are expected to behave more cautiously, which in turn lead to choosing higher quality auditor and presenting financial reports with greater earnings quality. The results of Cheng and Leung [11] reported a positive relationship between CEO tenure and earnings quality and auditor choice. The empirical findings of Dianatideilami et al. [14] revealed that long CEO tenure is related to information risk and firm value. Accordingly, the first and second hypotheses of the research are put forward as follow:

Hypothesis 1: There is a significant relationship between CEO tenure and choosing high quality auditor.

Hypothesis 2: There is a significant relationship between CEO tenure and corporate earnings quality.

In today's world business, the number of women occupying seniorpositions has increased significantly. Numerous studies examining managers' leadership abilities and competencies suggest that male managers have gain more achievements than their female counterparts [15] in corporate governance literature, on the other hand, Burke and Mattis [7] and Rosener [29] found that firms with women in their board of directors enjoy stronger monitoring mechanisms, more profitability and competitive advantage. Similarly, Hoseini et al. [24] show that female presence on the board of directors reduces the corporate tax avoidance. In addition, Rezaei pitenoei and Mohseni [28] document a significant relationship between board Gender and internal control weaknesses. Gul et al [20] concluded that the presence of women in board of directors results in higher quality auditing services due to their motivation for maintaining their reputation and protecting shareholders' rights. As such, female directors tend to be more sensitive to ethical issues, monitor the process of financial reporting more meticulously and implement lower earnings management. Therefore, the third and fourth hypotheses of the research are formulated as follow:

Hypothesis 3: There is a significant relationship between gender and choice of higher quality auditor.

Hypothesis 4: There is a significant relationship between gender and corporate earnings quality.

According to upper echelon theory, manager's education level is associated with open mindedness and decision-making ability. Hermann and Datta [22] and wally and Baum [33] held that more educated top managers are more conservative in choosing auditor and more motivated to make financial

reporting decisions and behave opportunistically. Namazi and Saeidi [27] concluded that firms with more educated managers in board of directors are more motivated to choose higher quality audit firms. Also, Bahrisales et al [1] documented a significant relationship between financial knowledge of board of directors and aggressive tax strategy. Empirical evidence provided in Cheng et al. [12] revealed that Chinese firms with more educated managers show better corporate performance. In addition, Saeed and Ziaulhaq [30] provide evidence that CEOs' educational level is positively related to firm internationalization. The fifth and sixth hypotheses of the research are designed as follow:

Hypothesis 5: There is a significant association between manager's education level and choosing higher quality auditor.

Hypothesis 6: There is a significant association between manager's education level and corporate earnings quality.

4 Proposed Methodology and Research Model

As an applied, quasi-experimental and ex-post facto research, this study employs multivariate regression analysis method and econometric models to analyze the collected data. The statistical population of the study consists of all public companies listed in Tehran Stock Exchange. Our study excludes those companies which do not meet the following conditions:

1- Firms should be listed in Tehran Stock Exchange before 2013 and hold their membership until 2017.
2- To increase their comparability, their fiscal year should end in final March.
3- They have remained in the same business since 2013.
4- They should not be an investment company or financial intermediary.
5- They should not have a six-month hiatus.

According to the proposed conditions, a number of 84 firms were selected. The data were collected from statistical and visual CDs achieved in Tehran Stock Exchange, Website of Tehran Stock Exchange and other related websites as well as Tadbirpardaz and Denasahmsoftwares. Finally, the collected data were analyzed using Eviews software.

To investigate the effect of management demography on auditor choice and earnings quality and to control the endogeneity problem between two variables of auditor choice and earnings quality, a two-stage least squared regression model was used. Given that auditor choice is a dummy variable, logistic regression model was used in the first equation while ordinary least squared model was applied to the second equation as follow:

$$ACD_{i,t} = \beta 0 + \beta 1\,Tenure_{i,t} + \beta 2\,Gender_{i,t} + \beta 3\,Edu_{i,t} + \beta 4ROE_{i,t} + \beta 5\,DA_{i,t} + \beta 6MB_{i,t} + \beta 7SIZE_{i,t} + \varepsilon_{it} \quad (1)$$

$$EQ_{i,t} = \beta 0 + \beta 1FVACD_{i,t} + \beta 2\,Tenure_{i,t} + \beta 3\,Gender_{i,t} + \beta 4Edu_{i,t} + \beta 5ROE_{i,t} + \beta 6\,DA_{i,t} + \beta 7MB_{i,t} + \beta 8SIZE_{i,t} + \varepsilon_{i,t} \quad (2)$$

Since using the variable of auditor choice can lead to endogeneity problem, the second model uses the estimated amount of this variable fitted in the first model, otherwise (if endogeneity problem still remains) ordinary least squares estimates are incompatible and biased. Therefore, two-stage least square

regression model is employed first to estimate ACD using the first model, and then the result will be used in the second model.

5 Research Variables

The research variables were measured as follow:

1-Management demography: manager's tenure, gender and education level were used as three proxies of management demography. CEO tenure is the number of years a director CEO has served as such. Gender is a zero-one variable, which takes the value 1 if a woman is in the board of directors, 0otherwise. Manager's education level is also a dummy variable, which takes the value 1 if a member of board of directors has Ph.D. or financial degree, 0otherwise.

2-Auditor choice (ACD): ACD is a dummy variable which is coded1 if firms choose their auditors from big auditing firms, 0 otherwise. Following Banimahd and Jafarimoafi [2] this study chose audit organization and Mofid-e-rahbar Audit firm.

3-Earnings quality(EQ): There is no consensus as to which measure is appropriate to evaluate earnings quality. Regarding the controversy in defining earnings quality, researchers employ various criteria to evaluate it, some of which are presented as follow:

Accruals quality
Accruals quality is defined as the extent to which accruals map onto the future cash flow. In this study, accruals quality is measured consistent with Dechow and Dichev [16] model that is modified by McNichols (2002). This model is:

$$\frac{\Delta WC_{i,t}}{Assets_{i,t}} = \beta 0,i + \beta 1,i\frac{CFO_{i,t-1}}{Assets_{i,t}} + \beta 2,i\frac{CFO_{i,t}}{Assets_{i,t}} + \beta 3,i\frac{CFO_{i,t+1}}{Assets_{i,t}} + \beta 4,i\frac{\Delta Sales_{i,t}}{Assets_{i,t}} + \beta 5,i\frac{PPE_{i,t}}{Assets_{i,t}} + v_{i,t} \tag{3}$$

Where
$\Delta WC_{i,t}$ stands for changes in working capital for firm i in year t. $CFO_{i,t-1}$ is operating cash flow for firm i in year t-1. CFOis operating cash flow for firm i in year t. CFO refers to operating cash flow for firm i in year t+1. $\Delta Sales$equals changes in corporate sales for firm i in year t as opposed to the previous year PPE The gross amount of property and equipment for firm i in year t. Assets is the average total assets of firm i during the period t-1 to t. $v_{i,t}$is residual error of the model for firm i in year t.

Having estimated the model using a10-year circular regression for each firm-year, 10 residual values between t-9and t were estimated, which in turn plays an important role as the basis for calculating accruals quality. Accruals quality is the negative standard deviation of residuals errors of the above-mentioned model. That is:

$$AQ = -\sigma(v_{i,t}) \tag{4}$$

Earnings sustainability

To calculate the earnings sustainability, as done in Francis et al. [18] and Gaio and Raposo [19], the first-order autoregressive model, in which $X_{i,t}$ indicates earnings per share in firm i in year t, is used:

$$Xi,t = \phi_{0,i} + \phi_{1,i}Xi,t\text{-}1 + v_{i,t} \tag{5}$$

Having estimated this equation, a 10-year circular regression for each firm-year is used to compute the amount of $Xi,t\text{-}1$, i.e. $\phi_{1,i}$, which is a sign of earnings sustainability. That is

$$PERS = \phi_{1,i} \tag{6}$$

In which, the values close to 1(0) point to the higher (lower) sustainability of earnings.

Earnings predictability

Following Francis et al (2008), the negative square root of the variance of the earnings sustainability model errors was used to compute the earnings predictability. That is

$$PRED = -\sqrt{\sigma^2(v_{i,t})} \tag{7}$$

Relevance of earnings

The ability of earnings in explaining stock return is called the relevance of earnings. Following Bushman et al [8] and Francis et al. [18], this study employed time series data of a ten-year period to estimate the model circularly for every firm-year as follow:

$$RETi,t = \beta 0,i + \beta 1,i\ EARNi,t + \beta 2,i\Delta\ EARNi,t + v_{i,t} \tag{8}$$

Where

RETi,t: stock return of firm i in year t

EARNi,t: net income divided by market value of owners' equity for firm i in year t

EARNi,t: changes in net income divided by market value of owner's equity for firm i in year t, as opposed to previous year.

Then, the adjusted determination coefficient obtained from estimating the above model was used as an indicator of relevance of earnings to stock return. That is:

$$RELEV = R^2i,t\ ,eq \tag{9}$$

Earnings timeliness

Earnings timeliness is defined as the explanatory ability of earnings on return regression. In this research, following Bushman et al. [8] and Francis [18], earnings on return regression introduced by Basu[8] is used to measure earnings timeliness. This model is estimated circularly for each firm-year using time series data of ten years:

$$EARNi,t= \alpha_{0,i} + \alpha_{1,i}\ NEGi,t + \beta_{1,i}\ RETi,t + \beta_{2,i}\ NEGi,t*RETi,t + v_{i,t} \tag{10}$$

Where

NEGi,t: negative return index is 1 if RETi,t<0, 0 otherwise. Then, the adjusted determination coefficient obtained from estimating the above model is used as an indicator of earnings timeliness. That is:

$$TIMEL = R^2i,t\ ,eq \tag{11}$$

Earnings conservatism

Earnings timeliness is usually computed together with earnings conservatism. Following Francis et al. [18], this study employed bad news (negative return) to good news (positive return) coefficient ratio obtained in the earnings on return regression to calculate earnings conservatism as follow:

$$\text{CONSER} = \frac{\beta_{1,i} + \beta_{2,i}}{\beta_{1,i}} \tag{12}$$

Since each proxy measures the earnings quality with noise and we are interested in the overall earnings quality, we create a combined measure (EQ) based on the average decile ranking across the six measures. Thus, firms are ranked based on the mentioned proxies for earnings quality. So that firms with the lowest earnings quality are placed first in the decile ranking and those with the highest earnings quality are placed the lowest. Then, the sum of all numbers in each decile for each measure are divided by 6 (number of earnings quality proxies) to obtain a composite measure for financial reporting quality. EQ ranges from 1 to 10, with higher values of EQ indicating earnings quality. The use of the rank measure reduces the potential effect of skewed distributions associated with individual measures and provides a more reliable measure for our tests.

Control variables:

Based on the previous literature [25, 31, 32] , certain variables affecting auditor choice and earnings quality are used as control variables:

Profitability: return on equity is calculated by dividing net income by market value of owner's equity.

Financial leverage: equals total debts to total assets ratio

Growth opportunity: is defined as market to book value ratio of the owner's equity.

Firm size: is computed using the natural logarithm of the firm sales.

6 Findings and Analysis

To consider the general characteristics of the variables, estimate the model and analyze them, the descriptive statistics of the variables are presented in Table 1. As such, these statistics are provided for a sample of 420 firm-year observations during the years 2013-2017. The small difference between the mean and median of the observations points to the normal distribution of the observations.

As illustrated in Table 1, the average of CEO tenure is 3 years. Having analyzed the variable of education level, the study revealed that 73% of the firms have at least one manager with Ph.D degree or a degree in finance. In addition, as indicated in the Table, only 7.1% of board members are women. The earnings quality index falls between 2.214 and 6.812, with the average of 4.118, confirming the relatively low quality of earnings. The net income of the sample firms on average constitutes 22% of the market value of the owner's equity. It is noteworthy that the market value of the owners' equity is

mostly greater than the book value, confirmed by the average value obtained for the variable of growth opportunity (1.273).

Table 1: Descriptive statistics of the research variables

Variable	Observations	Mean	Median	Minimum	Maximum	Std. Dev.
ACD	420	0.381	0.000	0.000	1.000	0.488
TENURE	420	3.326	3.000	1.000	10.00	1.937
GENDER	420	0.071	0.000	0.000	1.000	0.309
EDU	420	0.729	1.000	0.000	1.000	0.846
EQ	420	4.118	4.015	2.214	6.812	1.822
ROE	420	0.216	0.183	0.021	0.651	0.192
DA	420	0.607	0.561	0.019	0.842	0.285
MB	420	1.273	1.194	0.239	4.972	1.449
SIZE	420	11.562	11.422	10.652	13.794	0.735

ACD :auditor choice‹TENURE: CEO tenure‹GENDER: Gender‹EDU :education level‹EQ:combined measure of earnings quality‹ROE:return on equity ratio‹DA :debt-to-asset ratio‹MB :market-to-book value ratio‹SIZE:natural log of sales .

To estimate the research models, the panel data technique is used. In this technique, F-Limer test is used to help us decide whether the collected data are pool or panel. The results indicate that the collected data are pool as the significance level of this statistics is obtained over 0.05 in all models. Before estimating the model, various assumptions of the regression model including homogeneity of variance of the model error terms, lack of autocorrelation in residuals and lack of collinearity between explanatory variables of the model. To remove the heterogeneity of variance, generalized least square method was employed. Durbin-Watson statistics was also used to test the correlation in residuals. Falling within the range of 1.5 to 2.5, the results of this statistics showed no multicollinearity among the error terms of the models.To ensure the lack of multicollinearity among the variables, the collinearityis quantified using variance inflation factor. Generally speaking, collinearity occurs when the variance inflation factor of explanatory variables is greater than 10. Owing to the fact that the value of this statistics is lower than ten for all explanatory variables, one can conclude that collinearity pose no serious threat to the models. The results of estimating the first model is summarized in Table 2:

As can be seen in the above logistic logarithm, the results of LR statistics, which is similar to F statistics in linear regression model, point to the general significance of the regression model at 1% level of significance. The McFadden R-squaredis obtained 0.444, which is an accepTable number for logistic regression. As presented in the above Table, the coefficient of the variable of education level is positive and significant at 0.01level, confirming a significant relationship between manager's education levels and hiring a high-quality auditor. On the other hand, the estimated coefficients of the variables of CEO tenure and gender point to the lack of a significant relationship between CEO tenure and gender and choice of high-quality auditor. Table 3 presents the results of estimating the second model of research.

The results of f statistics indicate the significance of the fitted regression model at 0.99 level. According to the adjusted coefficient of determination of the model, 50% of the changes of earnings quality are expected to be explained by the model variables. As can be seen, the estimated coefficient and t-

statistics of the variables of gender and education level is positive and significant at 1% level, imply-ing that firms with women in their board of directors and those with more educated managers have higher earnings quality. Moreover, the negative and significant coefficient of CEO tenure indicates that earnings quality decreases with increasing CEO tenure.

Table 2: the results of estimating the first model

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	11.921	2.106	5.660	0.000
TENURE	0.304	0.412	0.737	0.537
GENDER	0.172	0.218	0.788	0.438
EDU	1.416	0.227	6.237	0.000
ROE	0.065	0.023	2.826	0.018
DA	1.751	0.926	1.875	0.056
MB	0.676	0.628	1.076	0.258
SIZE	0.115	0.017	6.764	0.000
LR statistic	126.641	Prob(LR statistic)		0.000
McFadden R-squared	0.448			
Hosmer– Lemeshow statistic	9.508	Prob (HL statistic)		0.412

Table 3: The results of estimating the second model of research

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.381	0.421	3.280	0.000
FVACD	0.065	0.021	3.095	0.002
TENURE	-0.087	0.035	-2.468	0.015
GENDER	0.069	0.024	2.835	0.008
EDU	2.417	0.731	3.304	0.000
ROE	0.049	0.043	1.114	0.259
DA	-0.011	0.013	-0.791	0.416
MB	-0.087	0.095	-0.915	0.307
SIZE	0.429	0.159	2.691	0.009
F-statistic	8.924	Prob(F-statistic)		0.000
Adjusted R-squared	0.497			
Hosmer– Lemeshow statistic	8.466	Prob (HL statistic)		0.502

7 Discussion and Results

This research is primarily concerned with investigating the effect of manager demography on auditor choice and earnings quality. To do so, a sample of 84 firms listed in Tehran Stock Exchange during the years 2013-2017 were selected. The results indicate as CEO tenure increases, his position be-comes more stable, and s/he is less motivated to comply with shareholders' requirements, which in turn decreases corporate earnings quality via paving the way for manager's opportunistic behavior. However, according to the theoretical foundations and empirical findings of Cheng and Leun[11], managers are predicted to adhere to shareholders' interests as they predict a long-term tenure for themselves, and thus use fewer accruals for effecting changes in corporate earnings, leading to a rise in the quality of the reported corporate earnings as well as the reliability of financial statements. Nev-

ertheless, no significant relationship was found between CEO tenure and choosing a high-quality auditor. This study also confirms the presence of a positive and significant relationship between gender and earnings quality. Accordingly, increasing number of female board members mitigates managers' opportunistic behavior and thus increases the quality of reported corporate earnings. Regarding the education level, the results suggest that a board with higher financial knowledge presents higher earnings quality since it seeks to play its monitoring role better and thus retain its reputation. Therefore, a high quality audit firm levels up the quality of the information offered by firms, particularly the quality of the reported earnings as these audit firms implement monitoring policies and control managers' behavior in financial reporting efficiently. According to the results, the following points are recommended:, financial analysts and other capital market activists are recommended to pay attention to the variables like gender and education level as well as financial variables while making any investment decisions. Considering the greater monitoring role and higher motivation for retaining reputation among managers with higher financial background, the general assembly of shareholders are suggested to choose more educated board to not only have higher quality auditing but also improve the quality of the reported corporate earnings. Furthermore, regarding the higher commitment and obligation of women to ethical issues during financial reporting, capital market activists are suggested to pave the way for women to join boards of directors in firms. In the following, some of the key issues are suggested for further research:

1- Examining the relationship between other demographic characteristics of managers like reputation and age and earnings quality and auditor choice.

2- Explaining the association between manager demography and corporate information asymmetry.

3- Investigating the effect of manager demography on the cost of owner's equity.

References

[1] Bahrisales, J., Yaghoob, B., Madadizadeh, E., *Board's characteristics and aggressive tax strategy*, Management Accounting Quarterly, 2014, **22**(7), P.53-67, (in Persian).

[2] Banimahd, B., Jafarima'afi, R., *Accruals quality and auditor choice*, Empirical studies in Financial Accounting Quarterly, 2013, **37**(10), P.81-98, (in Persian). Doi:10.22054/qjma.2016.6716

[3] Bamber, L.S., Jiang, J.X., Wang, I.Y., *What's my style? The influence of top managers on voluntary corporate financial disclosure*, Accounting Review, 2010, **85**(4), P.1131-1162. Doi:10.2308/accr.2010.85.4.1131

[4] Barker, V.L III., Mueller, G.C., *CEO characteristics and firm R&D spending,* Management Science, 2002, **48**(6), P.782-801. Doi: 10.1287/mnsc.48.6.782.187

[5] Barney, J.B., *Firm resources and sustained competitive advantage*, Journal of Management, 1991, **17**(1), P.99-120. Doi: 10.1177/014920639101700108

[6] Boyatzis, R.E., *Self-directed learning: Develop your emotional intelligence*, Executive Excellence, 2004,

21(2), P.11-12.

[7] Burke, R.J., Mattis, M.C., *Women on Corporate Boards of Directors: International Challenges and Opportunities*, Dordrecht the Netherlands, Kluwer Academic Publishers, 2000. Doi:10.1007/978-90-481-3401-4

[8] Bushman, R., Chen, Q., Engel, E., Smith, A., *Financial Accounting Information, Organizational Complexity and Corporate Governance Systems,* Journal of Accounting and Economics, 2004, **37**(2), P.167-201. Doi:10.1016/j.jacceco.2003.09.005

[9] Carter, D.A., Simkins, B.J., Simpson, WG., *Corporate governance, board diversity and firm value*, Financial Review, 2003, **38**, P.33-53. Doi: doi.org/10.1111/1540-6288.00034

[10] Chan, R.Y.K., Cheng, L.T.W., Leung, T.Y., *Corporate performance implications of relational demographic differences: On age and titles of chairpersons versus general managers of listed Chinese companies*, British Journal of Management, 2011, **22**(1), P.96-113. Doi: 10.1111/j.1467-8551.2010.00710.x

[11] Cheng, L.T.W., Leung, T.Y., *The Effects of Management Demography on Auditor Choice and Earnings Quality: Evidence from China*, Review of Pacifc Basin Financial Markets and Policies, 2012, **15**(2), P.1-37. Doi: 10.1142/S0219091511500093

[12] Cheng, L.T.W., R.Y.K., Chan., Leung, TY., *Management demography and corporate performance: Evidence from China*, International Business Review, 2010, **19**, P.261-275. Doi: 10.1016/j.ibusrev.2009.12.007

[13] Chevalier, J., Ellison, G., *Are some mutual fund managers better than others? Cross-sectional patterns in behavior and performance*, Journal of Finance, 1999, **54**, P.875-900. Doi: 10.1111/0022-1082.00130

[14] Dianatideilami, Z., Moradzadeh, M,. Mazaheri, A., *The effect of CEO tenure on firm value, agency costs and information risk*, Empirical Research in Accounting Quarterly, 2013, **9**(3), P.21-39, (in Persian). Doi:10.22051/jera.2013.587

[15] Day, D.R., Stogdill, R.M., *Leader behavior of male and female supervisors: A comparative study*, Personnel Psychology, 1972, **25**, P.353-360. Doi: 10.1111/j.1744-6570.1972.tb01110.x

[16] Dechow, P., Dichev, I., *The quality of accruals and earnings: the role of accrual estimation errors*, The Accounting Review, 2002, **77**(1), P.35-59. Doi:10.2308/accr.2002.77.s-1.35

[17] Farrell, K.A, Hersch, P.L., *Additions to corporate board: The effect of gender*, Journal of Corporate Finance, 2005, **11**, P.85-106. Doi: 10.1016/j.jcorpfin.2003.12.001

[18] Francis, J., A.H, Huang., S, Rajgopal., Zang, A.Y., *CEO reputation and earnings quality*, Contemporary Accounting Research, 2008, **25**, P.109-147. Doi:10.1506/car.25.1.4

[19] Gaio,C., Raposo, C., *Earnings quality and firm valuation: internationalevidence*, Accounting and Finance, 2011, **51**, P.467-499. Doi: 10.1111/j.1467-629X.2010.00362.x

[20] Gul, A.F., Srinidhi, B., Tsui, J., *Board diversity and the demand for higher audit effort*, Working paper, 2008. Doi: 10.2139/ssrn.1359450

[21] Hambrick, D.C., Mason, P., *Upper echelons: The organization as a reflection of its top managers*, Academy of Management Review, 1984, **9**, P.193-206. Doi: 10.2307/258434

[22] Herrmann, P., Datta, D.K., *CEO successor characteristics and the choice of foreign market entry mode: An empirical study*, Journal of International Business Studies, 2002, **33**, P.551-569. Doi:10.1057/palgrave.jibs.8491031

[23] Hitt, M.A., L, Bierman., K, Shimizu., Kochhar, R., *Direct and moderating effects of human capital on strategy and performance in professional service firms: A resource-based perspective*, Academy of Management Journal, 2001, **44**(1), P.13-28. Doi:10.5465/3069334

[24] Hoseini, M., Safari Gerayli, M., Valiyan, H., *Demographic characteristics of the board of directors' structure and tax avoidance: Evidence from Tehran Stock Exchange*, International Journal of Social Economics, 2019, **46**(2), P.199-212. Doi: 10.1108/IJSE-11-2017-0507

[25] Khabazkar Foomani, M., Sarlak, A, *Investigating the relationship among information asymmetry, dividend policy and ownership structure*. Advances in Mathematical Finance and Applications, 2018, **3**(2), P. 69-80. Doi: 10.22034/amfa.2018.540832

[26] Malmendier, U., Tate, G., *Superstar CEOs*, The Quarterly Journal of Economics, 2009, 124, p1593-1638.

[27] Namazi, M., Saeidi, M., *The association between board's characteristics and auditor choice*, Journal of financial accounting and auditing, 2014, P.1-27, (in Persian).

[28] Rezaei pitenoei, Y., Mohseni, K., *The relationship between Board Gender Diversity and Internal Control Weaknesses*, Women in Development & Politics, 2018, **16** (3), P. 439-456. Doi: 10.22059/jwdp.2018.259908.1007441

[29] Rosener, J.B., *Women on corporate boards make good business sense*, Directorship, 2003, **29**(5), P.7-11.

[30] Saeed, A., Ziaulhaq, H., *The Impact of CEO Characteristics on the Internationalization of SMEs: Evidence from the UK*, Canadian Journal of Administrative Sciences, 2018, P.25-53. Doi: 10.1002/cjas.1497.

[31] Salehi, A., Baharipour, A., Mohammadi, S., *The Impact of Institutional Ownership on the Relationship between Tax and Capital Structure*, Advances in Mathematical Finance and Applications, 2016, **1**(2), P.57-67. Doi: 10.22034/amfa.2016.527820

[32] Tehrani, R., Ardakani, R, *Effect of Business Groups Affiliation on Cash Holdings and Return on Equity*, Advances in Mathematical Finance and Applications, 2017, **2**(4), P. 1-9. Doi: 10.22034/amfa.2017.536262

[33] Wally, S.,Baum, J., *Personal and structural determinants of the pace of strategic decision making*, Academy of Management Journal, 1994, **37**, P.932-956.