

Financial Distress on Financial Statement Fraud: The Moderate Role of Female CEO

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Abstract

Financial statements otherwise known as financial statements become an important instrument and have a big role in the operations of a company. Every company that publishes financial statements always wants to provide an overview to users of financial statements that the company is in good condition. It is intended that users of financial statements assume that management has good performance. Management will try its best to present and describe the state of the company as well as possible, it is possible that management will manipulate financial statements so that later the information presented in the financial statements will be biased. Biased information can provide invalid and irrelevant information to be used as a basis for decision making by users of financial statements, because later the analysis carried out is not based on information and the actual state of the company. This study aims to investigate the moderating role of female CEOs on the effect of financial distress on corporate financial statement fraud issued from the pefindo25 index of the Indonesian stock exchange for the 2015-2020 period. Sampling in this study using purposive sampling method by limiting the selection of samples based on predetermined criteria. Based on the sample criteria, 216 financial statements were obtained with a research period of six years. This study found that female CEOs have an effect on financial statement fraud. Further findings indicate that female CEOs do not moderate the effect of financial distress on financial statement fraud.

Keywords:

Financial Distress; Female CEO; Financial Statement Fraud

Biographies

Hidayatul Khusnah is a lecturer at the Faculty of Business Economics and Digital Technology, Universitas Nahdlatul Ulama Surabaya. She has published many research articles. Her research interests include (1) management accounting, (2) behavioral accounting, (3) financial accounting, and (4) business management

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Heni Agustina is a lecturer in the Department of Accounting at Universitas Nahdlatul Ulama Surabaya, Indonesia. She received her Bachelor of Accounting and Master of Accounting from Universitas Pembangunan Nasional Veteran Jawa Timur, Surabaya, Indonesia. She has an extensive interest in financial accounting, taxation and sharia accounting. Previously, she worked as Auditor in Riza, Adi, Syahril public accounting firm (KAP RAS) in Surabaya, Indonesia. She was also previously worked as tax accountant in Toyota Indonesia under PT. Liek Motor. Heni has contributed to internationally published and national published. Her research interests include tax, management accounting, behavioral accounting, and financial accounting.

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Ifah Nurdiana is a student at the Departemen Accounting Faculty of Business Economics and Digital Technology, Universitas Nahdlatul Ulama Surabaya.