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## Linguistic Gender Marking and Earnings Management: International Evidence

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### Abstract

In this paper, we explore the influence of linguistic gender marking on earnings management and the role that female representation on corporate boards plays in this relationship, across 30 countries. Our findings reveal that in countries with higher gender marking languages, there is a greater propensity for accruals and real earnings management. Notably, this positive correlation is less pronounced when there is higher representation of women on corporate boards, indicating that gender diversity may mitigate the impact of gender marking on earnings management practices. To ensure the validity of our findings, we perform rigorous robustness checks by controlling for various corporate governance factors, accounting for differences in language families, and employing mixed modeling techniques in our analysis. These additional tests consistently support our main results, highlighting the importance of considering the interplay between linguistic gender marking and female board representation in understanding the drivers of earnings management across different countries. Ultimately, our study underscores the potential benefits of promoting gender diversity in corporate leadership as a means of mitigating the adverse effects of cultural and linguistic factors on corporate financial reporting practices.

**Keywords:** Earnings Management, Gender marking, Languages, Sexism

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