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Women Managers in Auditing Sector: The Effect of Firm Characteristics

Denetim Sektöründe Kadın Yöneticiler: Firma Özelliklerinin Etkisi

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Abstract

This study examines the relationship between women managers' presence in audit firms and audit firms' characteristics. With 90 audit companies' data for 2018, it is determined that there are very few female managers in the sector; in fact, 47 of 90 companies do not have a woman partner, board member, or responsible auditor. It is analyzed that in the older audit firms, the audit firms that earn more revenue and big four, the number of female managers is significantly higher than in other firms. The study is crucial in that it is the first study to reveal the characteristics of the company that the glass ceiling is related to in the audit sector. The results indicate that some policies and sanctions are required for women manager employment.

***Keywords**: auditing, gender, women managers.*

Öz

Bu çalışmanın amacı denetim firmalarındaki kadın yöneticilerin varlığı ile denetim firmalarının özellikleri arasındaki ilişkiyi incelemektir. Çalışmada, 90 denetim şirketinin 2018 yılı verileri kullanılarak elde edilen bulgular doğrultusunda, 90 firmadan 47 tanesinde kadın ortak, yönetim kurulu üyesi ya da sorumlu denetçi bulunmamadığı görülmüştür. Yapılan analizlerle, daha fazla gelir elde eden, daha eski denetim firmalarıyla dört büyük denetim şirketinde kadın yöneticilerin anlamlı olarak diğer şirketlerdekilerden fazla olduğu tespit edilmiştir. Çalışma, denetim sektöründeki cam tavanın ilişkili olduğu firma özelliklerini ortaya çıkaran ilk çalışma olması açısından önem arz etmektedir. Sonuçlar, kadın yönetici istihdamı için bazı politika ve yaptırımların gerekli olduğunu göstermektedir.

***Anahtar Kelimeler**: denetim, toplumsal cinsiyet, kadın yöneticiler.*

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Introduction

Gender inequality continues to appear in economic activities despite incremental social sensitivity and awareness. Issues such as the relative scarcity of women's employment, paying less for the same job, restricting promotion opportunities, and dismissals during pregnancy are common problems women face in every sector. In the 2020 Global Gender GAP Report published by the World Economic Forum (WEF), the time required to achieve equality between genders worldwide in participation in economic activities is calculated as 257 years (WEF, 2020: 16), considering the current rates. To determine the causes and consequences of this inequality and create solutions, women's studies in law, economy, politics, and social language play an essential role.

Professions in the accounting field are historically male-dominated and have opened their doors to women over time, but are still in a structure where sexist hierarchies still exist (Haynes, 2017: 116). Although it is a positive indicator that the rates of women and men working in auditing are very close to each other in Europe and America, gender inequality can be clearly seen in wages and managerial positions. For example, only nine of the 100 largest companies in the UK had women auditors in 2019, while 15% of the S&P 500 auditors are women; for the S&P 100, this rate will fall to 11% (Marriage & Gross, 2019). According to the Financial Reporting Council (FRC), as of 2018, the ratio of women in managerial positions in audit firms is 46%, the ratio of senior managers is 31%, and the ratio of women partners is around 17% (FRC, 2018). All these data reveal the existence of a glass ceiling for women in the audit profession.

As the number of women in the sector increases, women and gender literature in accounting and auditing have emerged. In addition to the studies examining the inequalities women are exposed to, women managers' positive effects on business performance, corporate management, sustainability, and social responsibility have been proven many times. According to these studies, the presence of women managers is in audit firms vital in two respects. First, regardless of the industry, women managers increase profitability, ethical approach, institutionalism, and social responsibility (Alonso-Alemedia et al., 2015; Nadeem et al., 2019; Jamali, et al., 2007). Also, women responsible auditors positively affect the audit work variables such as audit quality, audit fees, and audit opinion (Breesch & Branson, 2009; Ittonen & Peni, 2012; Garcia-Blandon et al., 2019). Therefore, women's presence in the audit sector is important not only for the audit firm's management but also for the audit sector's sound functioning.

It is important to know why women are still being discriminated against in the audit sector despite their contributions to the sector. Although there are many potential reasons, the firm's characteristics have been discussed as factors that may affect manager preferences and promotion policies, hence female manager appointments. However, no evaluation has been made for audit firms. Based on this point of view, this study is prepared to reveal whether the audit firm's characteristics are related to the female managers' numbers.

Knowing which characteristics affect attitudes towards women executives is vital in breaking down current prejudices and accelerating the employment of women in the sector, thus eliminating the problem of gender inequality and performing more effective, efficient, quality, and ethical audits.

Conceptual Framework

Many studies in the field of accounting and auditing have been presupposed men and women have different decision-making processes, and men are more likely than women to be sensible and eager to make risk-taking decisions[1]. In contrast, women make more emotional and risk-averse decisions than men. These differences are expected to affect some stages of auditing in different ways. For example, women prepare better for meetings than men (Huse & Solberg, 2006), have higher expectations of their responsibilities (Fondas & Sassalos, 2000), and work more meticulously and in a planned way because they avoid taking risks (Huse & Solberg, 2006). These attitudes and behaviors will likely affect the audit process positively. Accordingly, it has been stated that the gender of the auditor is likely to affect the audit fee, which is a function of the audit risk, the audit quality, the delivery time of the auditor's report, and the audit opinion (Hardies et al., 2015; as cited in Khlif & Achek, 2017: 631).

In addition to women in the audit sector, studies about women managers support that women managers' presence positively affects sustainability, resulting in higher financial performance and shareholder value, less risk of fraud and corruption, increased customer and employee satisfaction, greater investor trust, and improved market knowledge and reputation (IFC, 2019). Besides that, women managers' increase also contributes to social practices that increase gender equality, such as creating a fairer social order, breaking down prejudices against women, and creating equal opportunities in education.

Despite the empirically demonstrated the positive impact of women, the existence of inequality for women in the audit sector can be described as a somewhat irrational situation. A meaningful way to eliminate this irrationality is to identify its causes and examine them. Therefore, this study aims to determine whether women's scarcity in the audit sector is related to audit firms' characteristics. While selecting these variables, inspiration was taken from studies on corporate governance and manager preferences. Because these studies have revealed that factors such as firm size, age, and partnership structure shape the diversity of management positions, manager selection, and promotion opportunities (Nekhili & Gatfaoui, 2012). However, the effect of these variables on female managers in audit firms has not been studied yet. To summarize, this study aims to reveal the relationship between female manager preference and business characteristics in a sense.

Literature Review

Women and gender studies in the field of accounting have been going on for many years. Since 1987, essential journals in the field such as Accounting, Organizations and Society, Accounting, Auditing, and Accountability Journal, Critical Perspectives on Accounting, have made significant contributions to the development of the literature in this field by publishing issues about women and gender in accounting. Besides, following these journals, many studies were published on women in the accountancy and auditing profession, the place of sex and gender in corporate governance, and women's effects on reporting and business performance indicators. When looking specifically at the area of auditing, it is seen that there are fewer studies on gender. Within this study's scope, studies examining the effects of the gender of the auditor on auditing activities and investigating the situation of women auditors will be mentioned. The relationship between the female executives on the demand side and auditing will not be addressed.

Among the studies investigating the effect of auditor gender on the audit process, Hardies et al., (2010) found that female auditors and male auditors differ only in terms of risk aversion; Jones et al. (2019), on the other hand, found that women exhibit a more aggressive attitude in the negotiations with the client for corrections in the audit, as an indicator of the risk aversion of women auditors. Bitbol-Saba & Dambrin (2012) stated that in interactions with the client firm, male supervisors follow a more dominant and empowered attitude towards the client than women and that audit firms follow attitudes towards the commodification of the female body at stages such as obtaining information or signing an audit contract, and this is systematized. Breesch and Branson (2009) found that women auditors discover more potential misstatements than male auditors, though they analyze the misstatements less accurately than male auditors. However, Reheul et al. (2017) determined that experience is essential, not gender, in detecting misstatements.

Studies on audit fees and the gender of the auditor have been concluded that higher fees are generally paid for audits under the responsibility of women auditors (Hardies et al., 2010, Ittonen & Peni, 2012; Kharuddin et al., 2019). This situation is generally attributed to increased audit periods since women auditors follow a more detailed and risk-averse attitude in audit work. Having reached a different conclusion, Huang et al. (2015) determined that women in Taiwan receive fewer audit fees, not because of the audit quality or the audit report's delay, but because of the discriminatory attitudes. Concerning professional ethics, Ballantine & Mccourt (2009) and Haron et al. (2014) could not find a relationship between the supervisor's gender and ethical judgments; Hottegindre (2017) found that men and women tend to display different unethical behaviors.

In studies examining the status of women auditors in business life, the masculine culture of audit firms and discrimination and sexism in the profession are revealed (Fogarty et al., 1998; Hopwood, 1987; Kirkham & Loft, 1993; Maupin & Lehman, 1994; Lehman, 1992; Anderson-Gough et al., 2005; Kokot, 2015). For example, family responsibility in the auditing sector decreases women's promotion chances while increases that of men (Whitling & Van Vugt, 2006). Besides, women auditors with children who want to manage the maternity and career dilemma, try to find tactics such as specialization or heading to different departments (Dambrin & Lambert, 2008). These obstacles explain the part of the low number of women managers. Childbearing is also an explanatory variable in earnings difference between men and women working in accounting and auditing. However, it is not sufficient to explain the difference in earnings, and women who have never married and have no children earn a lower income than men in the same situation (Schaefer & Zimmer, 1995).

When we look at solutions for gender inequality, women auditors report less gender discrimination when employed in firms with more female partners, a more robust ethical climate, firms that more support alternative business arrangements, and provide higher-level management support for the personal well-being of their employees (Dalton et al., 2014). One of the points emphasized in different studies is that instead of ensuring gender equality, regulations specific to women generally harm women and cause them to be exposed to more discrimination. Dambrin & Lambert (2008) stated that when companies developed human resources policies labeled "for women," they turned women into victims, and Sian et al. (2020) stated that inequality is reinforced in Saudi Arabia, especially by creating women-friendly areas and practices. Tiron Tudor & Faragalla (2019) determined that those audit companies' human resources policies do not differ from the 90s, supporting the glass ceiling or affecting women's career development.

In the context of Turkey, although many studies are dealing with the accounting and gender relationship in terms of members of the accounting profession, the board of directors, or audit committees, few studies have been found investigating the concepts of independent auditing and gender. Keskin et al. (2020) found that the section on key audit matters prepared by women auditors is more challenging to read. Sarıçiçek & Aytekin (2020) found that female auditors are less likely to engage in behavior that reduces audit quality than men. Ocak (2019) determined that the number of female board members and partners in Turkey's audit firms is relatively low. Besides, he emphasized that women's participation in the board of directors and audit firms' partnerships increase audit firms' performance. He also emphasized that women's presence on the board of directors and woman partners increases audit firms' performance. Bozcuk (2018) investigated the effect of gender of senior executives in audit firms on audit firm revenues and found a positive and significant relationship between gender diversity variables and income, especially in member audit firms in the international audit network. Can (2018) found that women carried out between 2005 and 2015, up to 30% of manufacturing sector enterprises' audits, and women auditors gave unqualified opinions more often than men. Ocak and Altuk Özden (2018) determined that female auditors have a more extended report lags in audit firms other than the big four. Uyar & Güngörmüş (2011) found that female auditors attach more importance to their communication skills, ethical awareness, teamwork, and understanding of responsibilities, flexibility, and honesty than their male colleagues. Apart from the mentioned studies, in many empirical studies in audit, gender was used as a control variable, but it generally did not create significant differences.

The studies mentioned above constitute an essential basis for the point that women bring a different perspective to the auditing profession and increase the quality. In addition to this, they prove that women serving in businesses as managers or board members bring many positive results. Nguyen et al. (2020), in a meta-analysis examining studies for female board members, found that women contribute more to corporate, financial, and non-financial performance despite facing gender-based challenges in becoming board members. Apart from this, previous studies have also shown that senior gender diversity increases business returns (Hoobler et al., 2018; Perryman et al., 2016; Jalbert et al., 2013), reducing discrimination among employees and more opportunities for women and minorities (Bilimoria, 2006; Cohen & Huffman, 2007; Stainback & Kwon, 2012; Terjesen & Singh, 2008). It is also known that boards with women are more substantial in communication and negotiation (Bear et al., 2010; Fondas & Sassalos, 2000; Miller & Triana, 2009; Torchia et al., 2011; Melero, 2011). Considering all these, we can say women holding managerial positions in audit firms will bring many advantages both in the business and in eliminating social inequality.

As Mensi-Klarbach (2014) stated, understanding organizational practices and processes are at the center of explaining gender issues. Firm characteristics like age, size, or internationality can be seen as "drivers" to organizational practices like manager selection, human resource policies, and ethical approaches that can shape women's manager numbers. By determining which characteristics are related to the women manager presence, firms and regulatory bodies will be more likely to detect necessary regulations and changes that increase audit firms' effectiveness and efficiency and ensure a healthier, fair, and equitable auditing sector. Hence, the present study proposes contributing to the current debate in the literature and filling the research gap on firm characteristics and women managers in auditing.

Research

Answers to "What are the characteristics of audit firms that have more female managers?" are sought in this part of the study. For this purpose, the data of 90 of 135 audit companies published transparency reports in 2018 were used in the study. Since most of the 2019 transparency reports were not published as of the study's period, 2018 reports were preferred. Transparency reports are available on the websites of audit companies. Pursuant to Article 36 of the Independent Audit Regulation published in the Official Gazette dated 26.12.2012 and numbered 28509 by the Public Oversight Accounting and Auditing Standards Authority;

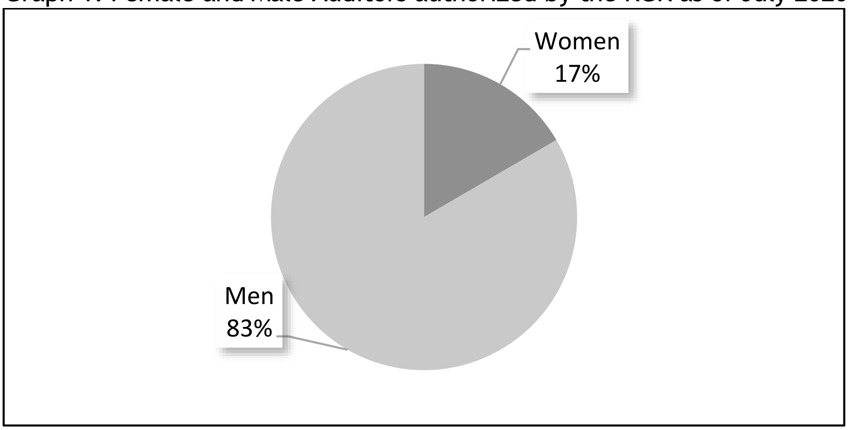
> Audit organizations that have conducted a public interest entities (PIE) audit in one calendar year are obliged to submit their annual transparency report to Public Oversight Accounting and Auditing Standards Authority (hereafter the KGK) and publish them on their websites.

Therefore, almost all of the sampled audit companies have conducted a PIE audit as of 2018. Audit companies that have prepared a transparency report optionally under the company's transparency policies, although the PIE does not perform the audit also exist in the sample.

Statistics for Women Auditors

Before the analysis, it is aimed to reveal the condition of women in the audit sector. For this purpose, the number of women auditors was investigated first. Since most of the transparency reports examined did not contain information about the auditors, the number of female and male auditors in the sampled companies could not be determined. Also, there is no information regarding gender in the KGK's Official Register of the Independent Auditor, so information was requested from the institution within the Law on Obtaining Information. The KGK clarified that 15.751 of the 18.889 independent auditors authorized by the board as of July 2020 are male (83%), and 3.138 are female (17%). Of the 16.759 independent auditors registered and announced, 14078 are men (84%), and 2681 are women (16%). Therefore, unlike the USA and EU examples mentioned above, there is significant inequality in employment rates between genders in the profession.

Graph 1. Female and Male Auditors authorized by the KGK as of July 2020



Source: The KGK (information was obtained from the KGK within the Law on Obtaining Information)

The women managers' statistics included in the 90 audit firms' transparency reports that published transparency reports in 2018 are summarized below. *Woman partners:* According to the Independent Audit Regulation, a partner required to be an independent accountant and financial advisor or certified public accountant; also must not be a partner, key manager, or auditor in another auditing firm or legal entity, or have a negative reputation or situation that does not comply with the honor and dignity required by the auditing profession.

Of the 90 companies examined within the research scope, 50 do not have a female partner (56%), while 24 of them have only one female partner. The number of audit firms in which women constitute the majority as shareholders are 2.

Table 1. Number of Women Partners

Number of Female Partners	0	1	2	3	6	7	11
Number of Audit Firms	50	24	6	6	1	2	1

Woman Board Members: Audit firms are obligated to be capital companies, so they have the status of joint-stock companies, and the board of directors can consist of one or more people (TCC Art. 359/1). Both legal persons and real persons can be members of the board of directors; only full competency is required for real persons.

As seen in Table 2, among the 90 companies examined, the number of companies with no female board members is 73 (81%). There are 13 companies with one female board member. Only four companies have two or more female board members. In the company with the most female board members (5 members), the rate of women on the board of directors is 26%. In only three companies, the majority of the boards of directors are women.

Table 2. Number of Female Board Members

Number of Female Board Members	0	1	2	3	5
Number of Audit Firms	73	13	2	1	1

Woman Auditors-in-Charge: Independent auditors who are held responsible for executing specific independent audit activity and authorized to sign the report of this audit on behalf of those undertaking the audit are named auditor-in-charge. According to the Independent Audit Regulation, an independent audit firm must have at least two responsible auditors. In addition to obtaining the approval of the KGK to be an auditor-in-charge (art.28):

- Having 15 years of professional experience for audits to be carried out at PIEs and having performed audits in the areas foreseen in the legislation with the title of the auditor, senior auditor, or chief auditor in at least three years of this period,
- For other audits, having ten years of professional experience and having performed audits with the title of an auditor, senior auditor, or chief auditor for at least two years of this period,
- The auditor-in-charge must be authorized by the audit institutions' management body or the independent auditor undertaking the audit to sign an audit report on behalf of the audit firm or the independent auditor undertaking the audit.

As seen in Table 3, the total number of female auditors-in-charge working in the sampled firms is 63. While there are two companies with the same number of auditor-in-charge as men, there is only one company where women are more than men. No female auditor-in-charge works in 62 companies.

Table 3. Number of Female Auditors-in-Charge

Number of Female Auditors-in-Charge	0	1	2	3	5	7	9
Number of Audit Firms	62	15	5	4	2	1	1

As seen from the above table, there are no female managers at any level in more than half of the firms. Also, there are quite a few women in senior management positions in audit firms, and as the management level rises, the already low percentages decrease.

Analysis

After analyzing female managers' descriptive statistics in audit firms, this study aims to determine what kind of audit firms have more female managers. In this context, the number of female partners, the number of female board members, and the number of female responsible auditors in the audit companies examined above are associated with their different characteristics.
During the analysis process, i developed three models and determined the number of female auditors-in charge, the number of female partners, and the number of female board members as dependent variables. Explanatory variables selected for the models are the company's age, size (income level), being one of the big 4, and being connected to an international auditing network, chosen as indicators of the companies' characteristics. As explained earlier, in the study, the data of 90 of 135 audit companies that published transparency reports in 2018 are used. During the research process, a cross-sectional data set regarding explanatory variables are created. The definitions of the data and the main summary statistics are given in Table 4.

Cross-section analysis is used in the research since only the companies' 2018 data are included in the sample. In this context, firstly, it was examined whether the data used showed a normal distribution, and the logarithmic value of the income level variable was included in the analysis process in order to ensure the normal distribution assumption. Afterward, the correlation coefficient values between variables are examined to determine whether there is a strong correlation between the explanatory variables. Because using two or more variables with strong correlations in the same model may cause multiple linear connection problems and make the estimates deviated. In the research process, VIF (variance inflation factor) values of the explanatory variables are also examined to determine whether each explanatory variable's multiple linear connection problem is encountered. Based on both correlation coefficients and VIF values, it is decided which variables should be included in the models. In the next stage, from the simple model in which only the firm's income level is determined as the independent variable, the models in which other independent variables are added are derived.

Table 4. Summary Statistics on the Variables

	Abbreviation	Average	Minimum	Maximum	Std. Deviation
Firm Age	age	18.28	5.00	39.00	9.07
International Network (National=0, International=1)	Int	0.58	0.00	1.00	0.50
Big 4(No= 0,Yes=1)	Bf	0.04	0.00	1.00	0.21
Income Level	Logincome	6.32	4.90	8.21	0.65
Female Auditor-in-Charge	FAC	0.71	0.00	9.00	1.52
Female Partner	Partner	0.94	0.00	11.00	1.76
Female Board Member	Boardmem	0.27	0.00	5.00	0.74

Findings

In this part of the study, analysis results explain the relationship between independent audit firms' characteristics and female managers' density. In this context, in the first stage, the correlation analysis findings between the variables used are included in Table 5.

Table 5. Correlation between Variables

	age	Int	Bf	Logincome	FAC	Partner	Boardmem
age	1.00						
Int	0.14	1.00					
Bf	0.24*	0.18	1.00				
Logincome	0.26*	0.52*	0.61*	1.00			
FAC	0.20	0.19	0.82*	0.64*	1.00		
Partner	0.25*	0.17	0.84*	0.59*	0.94*	1.00	
Boardmem	-0.03	0.12	0.28*	0.23*	0.48*	0.47*	1.00

*represents the significance level of 10%.

In correlation analysis, it can be decided whether the relationship is strong or weak depending on the level of correlation between variables. In general, if the coefficient is between 0.00 and 0.19, the correlation is very weak; if it is between 0.20 - 0.39 moderate; if it is between 0.40 - 0.59; strong if it is between 0.60-0 and it is accepted that there is a powerful correlation if the coefficient is between 0.80 - 1.00. According to the results of the correlation analysis, there is a weak relationship between the firm age and the income level and between firm age and big 4; a moderate relationship between being a member of an international network and income level; and a strong correlation between being a Big 4 firm and income level.

In the models constructed by considering the correlation analysis findings, multiple linear connections are evaluated with VIF values. According to the Multiple Linear Connection Test results in Table 6, the VIF values of all models built according to the three versions of the dependent variable and different independent variables are below the threshold value of 10, so there are no multiple linear connections in the models.

Table 6. Results of Multiple Linear Connection Test between Independent Variables

		Model 1	Model 2	Model 3	Model 4
FAC	logincome	1.00	1.09	1.45	2.18
	age	-	1.09	1.09	1.12
	int	-	-	1.36	1.41
	bf	-	-	-	1.69
Partner	logincome	1.00	1.11	1.52	2.82
	age	-	1.02	1.09	1.22
	int	-	-	1.63	1.14
	bf	-	-	-	1.69
Boardmem	logincome	1.00	1.22	1.45	2.18
	age	-	1.15	1.29	1.35
	int	-	-	1.68	1.23
	bf	-	-	-	1.99

In determining the relationship between firm characteristics and the number of female managers, four models were developed by including four independent variables in the analysis step by step. The models were also reconstructed according to three different dependent variables: female responsible auditor, female partner, and female board member.

The first model is in the form of a simple regression model, and the independent variable is the firm's income level. In the second model, the firm age is added as an independent variable. In the third model, the international network dummy variable is also included in the analysis process. In the fourth model, in addition to the three independent variables, big four dummy variables are added.

Table 4. Results: Model 1 and Model 2

	Model 1			Model 2		
	FAC	Partner	Board mem	FAC	Partner	Board mem
Constant	-0.456***	0.393***	-0.378*	-0.447***	-0.382***	-0.390*
	(0.134)	(0.118)	(0.206)	(0.134)	(0.118)	(0.207)
Log income	0.085***	0.076***	0.072**	0.080***	0.069***	0.079**
	(0.021)	(0.019)	(0.032)	(0.022)	(0.019)	(0.034)
	[0.396]	[0.400]	[0.231]	[0.370]	[0.365]	[0.254]
age	-	-	-	0.001**	0.002**	-0.002
	-	-	-	(0.002)	(0.001)	(0.002)
	-	-	-	[0.189]	[0.185]	[-0.079]
R^2	0.56***	0.160***	0.053**	0.164***	0.175***	0.059*
F value	16.32***	16.78***	4.97**	8.51***	9.20***	2.74*

*** ** shows the 10%, 5% and 1% significance level, ( ) shows standard errors, [] shows standardized coefficients, respectively.

According to the results of Model 1, where only firm income is considered as an independent variable, there is a significant and positive relationship between firm income and the number of female auditors-in-charge ($p < 0.01$), the number of female partners ($p < 0.01$) and the number of female board members ($p < 0.05$). It should be noted here that the R^2 value of models in which the number of auditors-in-charge and partners are determined as the dependent variable is higher than the model in which the board member is the dependent variable.

According to Model 2, which considers the firm age as an independent variable in addition to the income level, there is a statistically significant and positive relationship between female auditors-in-charge and income level and firm age, also between the number of women partners and income level and firm age.

In Model 3, apart from the first two variables, a dummy variable that indicates whether the firm is a member of an international network is added to the estimation process. According to the analysis results, there is no statistically significant relationship between the firm's membership in an international network and the female managers' number. Model 4 also includes a dummy variable that indicates whether the firm is one of the big four firms in addition to income level, firm age, and international network membership. According to the sub-models in Model 4, the effect of variables such as income level and firm age on dependent variables becomes statistically insignificant. On the other hand, it is observed that there is a positive relationship between the big four dummy variables and the dependent variables in all three models. Therefore, it can be argued that in big four companies, women auditors, women partners, or women board members are more involved. However, a strong correlation between the big four dummy variables and income level variables in Model 4 prevents this model from deriving reliable and consistent results.

Table 5. Results: Model 3 and Model 4

	Model 3			Model 4		
	FAC	Partner	Board mem	FAC	Partner	Board mem
Constant	-0.533*** (0.147)	-0.445*** (0.129)	-0.389* (0.229)	-0.325* (0.181)	-0.196 (0.156)	-0.069 (0.283)
Log income	0.097*** (0.025) [0.453]	0.082*** (0.022) [0.433]	0.079** (0.039) [0.253]	0.063** (0.030) [0.295]	0.042 (0.026) [0.221]	0.027 (0.048) [0.087]
age	0.001** (0.002) [0.188]	0.002** (0.001) [0.185]	-0.002 (0.002) [-0.079]	0.001 (0.002) [0.057]	0.001 (0.001) [0.083]	-0.003 (0.002) [-0.112]
int	-0.045 (0.032 [-0.159]	-0.033 (0.028) [-0.133]	0.001 (0.050) [0.002]	-0.033 (0.032) [-0.118]	-0.019 (0.028) [-0.077]	0.019 (0.050) [0.045]
bf	- - -	- - -	- - -	0.160* (0.084) [0.238]	0.191*** (0.072) [0.323]	0.246* (0.131) [0.251]
R^2	0.182***	0.187***	0.059	0.216***	0.249***	0.097*
F value	6.39***	6.61***	1.80	5.86***	7.06***	2.28*

* ** *** shows the 10%, 5% and 1% significance level, ( ) shows standard errors, [] shows standardized coefficients, respectively.

Conclusion

Gender inequality manifests itself in many different ways in accounting and auditing, as in all professions. Although there is equality in employment rates in some countries, discrimination in salary, promotion opportunities, maternity leave, and other discriminatory policies against women exist in almost every geography. This situation brings many problems, both socially and economically, due to the underemployment of qualified women. Identifying the causes of this inequality is important to see which steps will produce more beneficial results. Thus, this study examines the relationship between female managers' presence in audit firms and audit firms' characteristics.

In the study, the number and ratio of female board members, female partners, and female responsible auditors in 90 audit companies that published transparency reports in 2018 were determined. Later, it is investigated which audit firms have more women managers. According to the regression analysis results there is a statistically significant and positive relationship between company income and the number of women responsible auditors, women partners, and women board members.

- There is also a statistically significant and positive relationship between the firm's age and the number of women responsible auditors and women partners.
- The big four audit companies have a statistically significant difference in women employees compared to other audit companies.
- Operating under an international audit network is not significantly related to women managers' ratios.

The results of the study are in line with the findings on women's employment in the literature. It is crucial to find more women managers in large and old audit firms and big four, which we can define as more corporate. As in almost every sector, corporate governance emerges to increase diversity, prevent discrimination, and look out for all stakeholders.

Imposing a mandatory female manager quota for companies exceeding a specific size, making recruitment and promotion policies into written regulations to ensure gender equality, compulsory disclosure of gender equality policies in transparency reports, and the KGK's training and guidance activities on the subject are the regulations that can be made in this field.

For the small and relatively new audit firms identified in the study to have fewer female managers, incentives in women managers' appointment or female trainee auditor/assistant auditor employment can facilitate breaking the prejudices. Informing audit firms about the benefits of women in terms of management and auditing mentioned in the literature will make them understand that the issue has positive outputs in terms of firms' performance.

Also, increasing women's employment in the sector will increase the women managers' ratio, especially in new and small companies, in the coming years. From this point of view, elucidating and training women university students will affect in the long run to break the prejudices of women towards the profession and encourage them to turn to this field.

Studies on women or gender in auditing play an essential role in revealing and reducing gender inequality, which is a crucial problem. In this context, examining the effects of women's presence in the audit sector will help break the glass ceiling and prejudices and strengthen the sector.

Notes

[1] Studies conducted today reveal that these differences in thoughts and behaviors between men and women are caused by the social structuring of the ideas that define the expectations, values, images, behaviors, belief systems and roles of women and men called gender. Studies claiming that these differences are caused by neurological or psychological factors have been disproved many times and have lost their scientific validity. For detailed information, see: Cordelia Fine (2011) Delusions of Gender: How Our Minds, Society, and Neurosexism Create Difference.

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