Advances in Accounting 62 (2023) 100660

Contents lists available at ScienceDirect

Advances in Accounting

journal homepage: www.elsevier.com/locate/adiac

The effect of client gender and negotiation style on auditors' proposed audit adjustments

Jennifer Hamrick[a,*], Jennifer Schafer[b], Todd DeZoort[c]

[a] The University of Alabama at Birmingham, CSB 315, 1720 2nd Avenue South, Birmingham, AL 35294, United States of America
[b] Kennesaw State University, United States of America
[c] The University of Alabama, United States of America

ARTICLE INFO

Editor: Jared Moore

Keywords:
Gender
Negotiation
Source credibility
Judgment and decision-making
Bias

ABSTRACT

This study examines whether client gender affects the efficacy of two common negotiation strategies used by management when disputing a proposed audit adjustment. Eighty-two experienced auditors participated in an experiment in which CFO gender (female or male) and negotiation style (concessionary or contentious) were manipulated randomly between subjects. The results provide evidence of a gender-by-negotiation strategy interaction. Specifically, auditors are less likely to propose an audit adjustment for a male CFO who uses a contentious negotiation strategy as compared to the concessionary strategy. Conversely, auditors are more likely to propose an audit adjustment for a female CFO who uses a contentious negotiation strategy as compared to a male CFO who uses this same strategy. These findings indicate that the use of pressure-related tactics in negotiation is beneficial for male CFOs, but that female CFOs are penalized (as compared to male CFOs) for using contentious tactics.

1. Introduction

Auditors often negotiate with clients during financial statement audits, especially in areas involving accounting estimates and other subjective judgments (Gibbins, McCracken, & Salterio, 2005; Gibbins, Salterio, & Webb, 2001). Negotiations, by nature, have tension with both competitive and collaborative motives for the parties involved, and previous studies provide strong evidence that negotiation strategy influences outcomes (Jones, MacTavish, & Schultz, 2019; Thompson, Mannix, & Bazerman, 1988). For example, prior audit research indicates that client use of either a concessionary or a contentious negotiating strategy can reduce the amount of proposed audit adjustments (e.g., Bergner, Peffer, & Ramsay, 2016; Fu, Tan, & Zhang, 2011; Hatfield, Houston, Stefaniak, & Usrey, 2010; Ng & Tan, 2003).

Negotiations are influenced by several factors, including expected norms, self-interest, and the social environment of the negotiation (Kramer, Pommerenke, & Newton, 1993; Nelson, Bronstein, Shacham, & Ben-Ari, 2015; Raiffa, 1985; Sun, Tan, & Zhang, 2015). One such factor that has yet to be examined in auditor-client negotiations is gender. Although female representation in the C-Suite continues to increase (Huang, Huang, & Lee, 2014), it is unknown whether the negotiation strategies related to audit adjustments that have been successful for male CFOs are equally successful for female CFOs. Stuhlmacher & Walters (1999) conduct a meta-analysis of research involving gender effects in negotiation and find that males generally fare better in negotiations than females. For example, males are typically perceived to have more credibility than females, leading to a greater perceived ability to provide valid information (Propp, 1995). Similarly, males are expected to be more likely to possess qualities necessary for managerial success, and individuals tend to agree more with males than females, particularly in stereotypically male settings, such as competitive or contentious negotiations (Berger & Wagner, 1997; Heilman, Block, Martell, & Simon, 1989).

Auditor judgments have been shown to be influenced by non-diagnostic cues (Hackenbrack, 1992), and in the presence of ambiguous information individuals are more likely to use stereotypes to draw conclusions (Dunning & Sherman, 1997). Prior psychology research (e.g., Dunning & Sherman, 1997; Ridgeway, 2001) provides evidence that gender influences expectations about performance and ability even when evidence to the contrary exists. Further, auditor judgments have been shown to be susceptible to gender stereotypes in non-negotiation settings. For example, in peer performance ratings, auditors assigned lower ratings to female than male peers (e.g., Anderson, Johnson, & Reckers, 1994; Johnson, Kaplan, & Reckers, 1998). However, it is

* Corresponding author.
E-mail addresses: jdhamrick@uab.edu (J. Hamrick), jschafe1@kennesaw.edu (J. Schafer), tdezoort@cba.ua.edu (T. DeZoort).

https://doi.org/10.1016/j.adiac.2023.100660
Received 30 June 2022; Received in revised form 18 January 2023; Accepted 5 April 2023
Available online 29 April 2023
0882-6110/

unknown whether gender stereotypes persist in influencing auditor perceptions of *clients*, and whether these perceptions influence auditor judgments in a negotiation, particularly when clients use negotiation strategies that conflict with expected gender norms.

The objective of this study is to examine whether client gender moderates the effect of client negotiation strategy on auditor assessments of a proposed audit adjustment. Research in management and organizational behavior generally finds significant gender-related differences in negotiation judgments and decision-making (e.g., Bowles, Babcock, & Lai, 2007). However, there is limited research about whether these differences hold in an auditing context where professionals have unique, specific authoritative standards, ethical rules, and regulations (Birnberg, 2011; Jones et al., 2019). We consider gender effects on two common client negotiation strategies in audit settings. While prior audit research (e.g., Bergner et al., 2016; Fu et al., 2011; Hatfield, Jackson, & Vandervelde, 2011; Ng & Tan, 2003) finds that concessionary (reciprocity-based) and contentious (pressure-based) negotiation strategies can both be effective, contentious negotiation tactics tend to be more successful in reducing a proposed audit adjustment (Bergner et al., 2016; Fu et al., 2011). However, these studies do not consider the effects of client gender despite findings suggesting that individuals can experience judgment backlash when they behave outside their gender norms (Amanatullah & Tinsley, 2013a, 2013b; Brett & Thompson, 2016; Rudman & Glick, 2001).[1] Concessionary strategies are consistent with the collaborative female stereotype. Conversely, contentious strategies are more aggressive and consistent with the assertive and dominant stereotypical behavior expected of males. Thus, auditors may unintentionally punish female clients who use more forceful negotiation strategies with higher audit adjustments when compared to audit adjustments for male clients who are expected, based on gender norms, to use more forceful strategies.

We address our research objective in a study that manipulates client gender (male vs. female) and client negotiation style (contentious vs. concessionary) randomly between subjects. A sample of 82 experienced auditors assessed the likelihood that they would propose an audit adjustment after interacting with the CFO, provided the dollar amount of the proposed adjustment, and provided the minimum adjustment required for a clean opinion. The results indicate a significant interaction between client gender and negotiation style, with two important findings. First, auditors are less likely to propose an audit adjustment for male CFOs who use a contentious negotiation style than for males who use a concessionary style. However, in negotiations with female CFOs, negotiation style does not influence the auditors' likelihood of proposing an audit adjustment. This result suggests that prior findings on the effectiveness of contentious negotiation strategies should be interpreted with caution given the rising number of females in C-suite positions (Deloitte, 2020; Ferry, 2019). Second, auditors are more likely to propose an audit adjustment when a female CFO uses a contentious negotiation style as compared to a male CFO who uses the same style. Conversely, there is no difference in the likelihood of an audit adjustment between the genders when CFOs use a concessionary negotiation style. This finding provides evidence of a financial backlash effect for female CFOs, relative to male CFOs, when they act outside of their gender norm.

This study has a number of research and practice implications. For example, this study addresses Hatfield and Mullis's (2015) call for research that evaluates the impact of biases in negotiation settings and the ways that bias influences negotiation outcomes. Our results highlight the importance of considering client gender effects when evaluating how auditors negotiate and resolve proposed audit adjustments. Further, this study provides a potential explanation for recent archival research that finds more conservative financial reporting with female CFOs (Francis, Hasan, Park, & Wu, 2015; Ho, Li, Tam, & Zhang, 2015). Given our finding that auditors are more likely to propose audit adjustments when negotiating with female CFOs who use a contentious negotiation style, it is possible that this translates to more conservative financial statements for female CFOs. Future research should evaluate which negotiation tactics are more likely to be used by male and female executives to better understand this link. Audit firms should consider training to make auditors aware of how these factors can influence client credibility and audit judgments.

2. Hypothesis development

2.1. Negotiation styles

Auditor-client negotiation outcomes are influenced by the social environment of the negotiation and by numerous factors of the negotiating parties, including norms, expectations, and self-interests (Kramer et al., 1993; Raiffa, 1985). Negotiations have an inherent tension where both parties to an issue can be motivated to cooperate and/or compete to achieve their desired outcome (Jones et al., 2019; Thompson et al., 1988). Strategies employed by both the auditor and client influence the negotiation outcome, auditor-client relationships, and financial statement quality (Sun et al., 2015). A negotiator can use one, or a combination of tactics to try to achieve a desired outcome (Bame-Aldred & Kida, 2007). The auditing literature has primarily focused on client use of concessionary and contentious negotiation tactics, finding that both approaches can be successful in reducing audit adjustments (e.g., Bergner et al., 2016; Fu et al., 2011; Hatfield et al., 2010; Ng & Tan, 2003).

Concessionary negotiation strategies involve problem-solving and/or collaborative efforts that involve negotiating parties working toward a "win-win" solution. Concessionary tactics can positively influence trust and goodwill between the parties (Citera, Beauregard, & Mitsuya, 2005). These strategies are grounded on the expectation of reciprocity, the social norm that one party will reciprocate with a concession when the other party has made a concession (Hatfield, Agoglia, & Sanchez, 2008; Hatfield et al., 2010). Supporting the effectiveness of this strategy, Ng and Tan (2003) find that when the client makes a concession during a negotiation, the auditors' likelihood to concede to the client's preferred accounting treatment is higher than when clients do not fluctuate from their initial offer. Further, Hatfield et al. (2010) find that auditors have a lower initial negotiation position in the presence of a prior client concession. From a client perspective, when *auditors* use a cooperative (vs. contentious) communication style, clients are more likely to make concessions (Perreault & Kida, 2011). However, prior research is not consistent as Bergner et al. (2016) find that auditors are no more likely to waive a *material* audit adjustment when clients use (vs. do not use) concessionary tactics. The results found by Bergner et al. (2016) support the idea that auditors may waive immaterial adjustments with the intention of influencing client acceptance of more material proposed adjustments, which can still be viewed as a reciprocal strategy (see Hatfield et al., 2008).

Although clients prefer more collaborative tactics during audit negotiations, they are often willing to employ contentious strategies to achieve their reporting objectives (Bame-Aldred & Kida, 2007). Contentious tactics involve the negotiator extracting as much of the reward as possible by using threats, rewards, and/or refusal to move from the position (Bame-Aldred & Kida, 2007). This strategy is characterized by a "win-lose" orientation and a more pressure-based approach that can reduce goodwill between the parties (Trotman, Wright, & Wright, 2005). DeZoort and Lord (1997) provide an overview of client pressure effects in auditing and note that such pressure increases the likelihood of auditors accepting aggressive and controversial financial reporting. Although auditors have a professional duty to ensure

[1] Backlash is a negative reaction against women who violate gender norms (Rudman, 1998). Backlash effects can be social (e.g., decreased likeability) or financial (e.g., lower likelihood to issue a refund) (Amanatullah & Tinsley, 2013a, 2013b).

the financials are fairly stated, economic factors and client retention concerns may influence auditors to waive or reduce potential audit adjustments (Wright & Wright, 1997). Supporting this assertion, previous studies (e.g., Hackenbrack & Nelson, 1996; Kadous, Kennedy, & Peecher, 2003) find that auditors tend to exploit ambiguity (i.e., subjective judgments) in favor of a client's preferred reporting position.

In a comparison with concessionary negotiation styles, Fu et al. (2011) find auditors rate the perceived outcome of the negotiation of a writedown to be lower when clients have been contentious in the past and in the current negotiation. Similarly, Bergner et al. (2016) find that during a negotiation, contentious client negotiation tactics result in auditors being more likely to waive an audit adjustment as compared to a control condition. Conversely, auditors were not more likely to waive an audit adjustment when the client used a concessionary tactic (vs. a control condition). Furthermore, Hatfield et al. (2011) find that under high client pressure (manipulated as client importance and client opposition to the adjustment), auditors propose significantly smaller adjustments than auditors in the low-pressure condition. However, contentious tactics can be less effective as auditor negotiation experience increases (Fu et al., 2011).

Similar to prior negotiation research and consistent with client pressure effects found in auditing (e.g., Bergner et al., 2016; Fu et al., 2011; Hatfield et al., 2011), we hypothesize that contentious tactics will be more successful than concessionary tactics at reducing the likelihood of a proposed audit adjustment. Pressure exerted by the client through the use of contentious tactics is expected to increase the likelihood of auditors accepting management's explanations. If the auditor does not agree to the preferential accounting treatment, the client can exert pressure and influence auditor judgment and decision-making by threatening to change auditors (DeZoort & Lord, 1997).

H1. Auditors will be less (more) likely to propose an audit adjustment for a CFO who uses a contentious (concessionary) negotiation style.

2.2. Gender effects

Prior research generally indicates that contentious negotiation tactics are more successful than concessionary tactics when used by clients. However, audit negotiation research has not considered how the characteristics of the negotiator influence the effectiveness of negotiation strategies. The perception of an opponent in a negotiation is one of the most important elements in a bargaining situation (Bergner et al., 2016; Thompson & Hastie, 1990). Opponents who are perceived as more experienced and/or trustworthy are likely to be viewed as more credible (Hovland, Janis, & Kelley, 1953; Maksymov, 2015; McCroskey, 1966). Source credibility has important implications on audit judgments as auditors are required to consider the competence, a component of credibility, of client personnel in assessing the reliability of information provided by the client (Public Company Accounting Oversight Board (PCAOB), 2007).

Salterio (2012) contends that the competence of both the client and auditor significantly influences auditor-client negotiations. Auditors consider management competence when evaluating client-provided information and place more weight on management-provided evidence provided by sources they believe are more competent (Anderson et al., 1994; Bamber, 1983; Rebele, Heintz, & Briden, 1988). Further, when auditors perceive client management to be competent, they tend to lower their professional skepticism and give management the benefit of the doubt when audit issues arise (Maksymov, 2015). Conversely, auditors will assign less weight to evidence that has lower credibility (e.g., Hurtt, Brown-Liburd, Earley, & Krishnamoorthy, 2013; Kizirian, Mayhew, & Sneathen Jr., 2005; Krishnamoorthy & Wright, 1999).

Gender is a social category into which individuals group strangers when forming initial judgments (Dunning & Sherman, 1997; Propp, 1995). Social categories are assigned stereotypes, which are often based on expectations and norms, that lead individuals to make tacit inferences, even when evidence to the contrary exists (Dunning & Sherman, 1997). Ridgeway (2001) argues that gender stereotypes create expectations regarding gender performance and ability. Gender stereotypes rely heavily on what others see on a regular basis; if women are commonly seen in lower status roles, then men are perceived as having higher status and greater authority (Eagly & Steffen, 1984). Individuals of a lower status will have even successful results scrutinized since it is inconsistent with their status, and they will be held to a stricter standard (Foschi, 2000). Furthermore, it takes more evidence to prove competence for a member of a lower-status group than a higher status group (Biernat & Kobrynowicz, 1997). For example, when women are in leadership roles, some attribute it to the need to meet gender diversity targets and not because of ability, which further preserves the stereotype (Perdue, 2017).

Males are often perceived as agentic, achievement-oriented, competent, ambitious, assertive, dominant, analytical, task-focused, and objective (Eagly, Makhijani, & Klonsky, 1992; Heilman, 2012; Rudman & Glick, 2001). On the other hand, females are often seen as communal, kind, caring, considerate, warm, friendly, collaborative, obedient, respective, and understanding (Eagly et al., 1992; Heilman, 2012; Ridgeway, 2001; Rudman & Glick, 2001). Males are more likely to be associated with leadership ability and are expected to possess the qualities necessary for managerial success (Foschi, 2000; Heilman et al., 1989). In addition, males are typically assigned a higher source credibility than females, leading to a greater perceived validity of information introduced by a male (Propp, 1995). Finally, psychology research finds that individuals tend to agree more with men, particularly in stereotypically male settings (Berger & Wagner, 1997; Carli, 1990).

In an auditing context, Anderson et al. (1994) provide evidence that female audit seniors are perceived as less likely to succeed by other male and female auditors. Johnson et al. (1998) find that audit managers who are intolerant of ambiguity rate female auditor performance lower than male auditors and are less supportive of future job assignments for females. These results suggest that gender affects auditors' evaluations of their peers' expertise and future prospects. Furthermore, the historical lack of women in leadership roles further perpetuates these gender stereotypes (Heilman, 2012).

More recently, Egan, Matvos, and Seru (2022) find a "gender punishment gap" for females following misconduct. Overall, female advisors are more likely to lose their jobs and face harsher outcomes than males. They suggest the punishment gap is potentially driven by in-group favoritism (out-of-group bias) as the gap diminishes for women when there is a larger number of female managers. Similarly, Comprix, Lopatta, and Tideman (2022) find an out-of-group bias against females. Their study finds that male analysts are more verbally aggressive than female analysts, and this aggression is more pronounced when the CEO is female.

Financial reporting requires considerable judgment, so auditor-client negotiations often occur in highly subjective and ambiguous situations (Gibbins et al., 2001; Gibbins et al., 2005). Dunning and Sherman (1997) find that if information is ambiguous, stereotypes are more likely to influence how an individual processes information and draws conclusions. In such settings, stereotypes can cause individuals to alter their impressions of others and disregard important information about the situation (Dunning & Sherman, 1997; Kahneman, 2013). However, there is limited research on how gender stereotypes influence audit and accounting judgments (Birnberg, 2011; Jones et al., 2019).

Self-selection bias, which proposes that only women with above-average ability will gain access to leadership positions in male-dominated fields (Khlif & Achek, 2017), should mitigate the typical gender stereotype perceptions documented. However, because auditors are susceptible to nondiagnostic cues and gender bias, we expect male CFOs to be viewed as more competent and credible than female CFOs. As such, auditors are expected to place more weight on evidence provided by male CFOs and be more likely to give male CFOs the benefit of the doubt when an audit issue arises. Therefore, in an auditor-client negotiation related to a proposed audit adjustment, we predict that auditors will be less likely to propose an audit adjustment for male CFOs than female CFOs. Stated formally:

H2. Auditors will be less (more) likely to propose an audit adjustment for a male (female) CFO.

2.3. Client gender and negotiation strategy

Deviations from gender-based behavior expectations can cause individuals to be economically and socially penalized. For example, women employed in traditionally male-dominated fields are rated as less credible than their male counterparts (Brann & Himes, 2010; Mudrick, Burton, & Lin, 2017). In leadership roles, people evaluate female leaders less favorably than males, and this effect is greater when women employ masculine leadership styles, such as autocratic or directive styles (Eagly et al., 1992). The behavior of women can even invoke backlash when they are seen as violating gender norms by engaging in counter-stereotypical behaviors (Amanatullah & Tinsley, 2013a; Brett & Thompson, 2016). For example, directive leadership styles employed by women result in social penalties and decreased likability (Amanatullah & Tinsley, 2013a; Brett & Thompson, 2016). Similarly, women who assume agentic behaviors, such as being forceful, competitive, and directive, are viewed to be in violation of their communal stereotype (Rudman & Glick, 2001). Amanatullah and Tinsley (2013b) posit that backlash can also be financial, finding that, relative to men, women are less likely to receive a full refund, particularly if they have lower job status.

Contentious negotiations are forceful and direct, traits associated with males, while concessionary negotiations are more consistent with the female stereotypes of communal and collaborative characteristics. Organizational behavior research finds that women are less successful at negotiating when the task is linked to masculine traits such as assertiveness (Kray, Galinsky, & Thompson, 2002). For example, women who initiate compensation negotiations, a forceful behavior, are viewed as inappropriately demanding and are met with social resistance (Bowles et al., 2007). When women negotiate, they have been found to adjust their negotiation behavior to avoid social backlash, which results in less favorable outcomes (Brett & Thompson, 2016). Amanatullah and Tinsley (2013a) further hypothesize that women fear being disliked, so they use negotiation strategies that undermine their success. Heilman and Okimoto (2007) findings support that the penalties women experience in male domains are the result of perceived violations of gender stereotypes.

In archival research, Francis et al. (2015) find a significant increase in accounting conservatism when a female CFO replaces a male CFO. Similarly, Ho et al. (2015) report that firms with female CEOs tend to report earnings more conservatively. Krishnan and Parsons (2008) note earnings quality is higher when there is greater female representation in senior management. Furthermore, a diverse board of directors appears to reduce the likelihood and severity of fraud, particularly in male-dominated industries (Cumming, Leung, & Rui, 2015). Even with these findings that demonstrate the risk aversion of females and the positive impacts on financial reporting quality when there is diversity, audit fees are still higher for firms with a female CEO (Huang et al., 2014). One possible explanation for the audit fee discrepancy is that audit firms view a female CEO as riskier than a male CEO. Alternatively, the noted accounting conservatism may be a result of auditors successfully negotiating more conservative audit adjustments with female CEOs compared to male CEOs.

Based on the above discussion, we predict the success of a contentious negotiation strategy over the concessionary strategy will not hold for female CFOs. Specifically, a contentious negotiation strategy is expected to be more successful (result in a lower likelihood of a proposed audit adjustment) than the concessionary strategy when used by a male CFO. Conversely, there is not expected to be a corresponding benefit for female CFOs who use the contentious negotiation strategy as compared to the concessionary strategy. That is, CFO gender is predicted to moderate the effect of negotiation strategy on the likelihood of a proposed audit adjustment. Stated formally:

H3a. Auditors will be less (more) likely to propose an audit adjustment for male CFOs who use the contentious (concessionary) negotiation strategy. Conversely, there will be no effect of negotiation strategy on the likelihood of a proposed audit adjustment for female CFOs.

Further, we predict that females who use a contentious negotiation style will be financially "penalized" with a higher likelihood of a proposed audit adjustment relative to males, for acting outside of their engendered stereotype.

H3b. Auditors will be more likely to propose an audit adjustment for female CFOs who use the contentious negotiation style as compared to male CFOs who use the contentious negotiation strategy.

3. Method

3.1. Participants

The study includes 85 experienced external auditors working in public accounting. A majority of the participants ($n = 74$; 90%) were recruited by Qualtrics Panel Services, with contacts in practice providing the remaining participants. We find no significant judgment differences between the two sample groups for the study's primary measures ($p > 0.05$ in all cases). All auditors had to be at the manager level or higher to participate in the study because higher ranking audit professionals routinely negotiate with client personnel (Fu et al., 2011).

Prior research (e.g., Brandon, Long, Loraas, Mueller-Phillips, & Vansant, 2014; Holt & Loraas, 2019; Leiby, Rennekamp, & Trotman, 2019) suggests that Qualtrics participants provide comparable results to participants accessed using other methods. However, Brandon et al. (2014) suggest that instruments be designed to identify participants who provide poor data quality. Several steps were taken to address potential concerns about participant qualifications and response quality. First, the survey was targeted by Qualtrics to participants who met the qualifications as audit managers and partners. Only participants who met Qualtrics' screening questions were allowed to proceed. Within the survey, participants were also asked questions related to their job sector, title, and profession. The instrument also included one open-response question to mitigate the tendency for participants to rush through the materials, and several questions were included that were similar in nature but reverse-coded. Two participants who met the rank requirements were excluded from the analysis due not taking reasonable care when completing the instrument.[2] One additional participant, who initially passed the Qualtrics screening, was removed for not meeting the experience requirement, leaving 82 participants for the remainder of the analysis.

Table 1 provides demographic results for the study participants. Most of the auditors are male (65%), in the 31–40 age range (50%), and working at the audit manager level (90%). The participants average 10.6 years of audit experience and represent a wide variety of public accounting firms, including Big 4/international (13%), national (23%), regional (28%), and local (35%) firms. The auditors indicated that they are experienced negotiators (untabulated M = 5.30, S.D. = 1.52 on a 7-point scale anchored 1 = "Very inexperienced" and 7 = "Very experienced"), with 72% reporting they negotiate with audit clients "often", "very often", or "on every audit engagement".

[2] Two participants provided the same response on all questions other than the dependent variables, suggesting a lack of reasonable care. Therefore, we exclude these participants from subsequent analysis.

Table 1
Demographics (n = 82).

	n	Percent (%)
Age		
Under 30	19	23.2
31–40	41	50.0
41–49	8	9.8
Over 50	14	17.0
Gender		
Female	29	35.4
Male	53	64.6
Rank		
Audit Partner (mean experience = 17.38 years)	8	9.8
Audit Manager (mean experience = 9.85 years)	74	90.2
Firm Size		
Big 4	9	11.0
Other International Firm	2	2.4
National Firm	19	23.2
Regional Firm	23	28.0
Local Firm	29	35.4

3.2. Design and research materials

We use a 2 × 2 factorial design with CFO gender (male/female) and negotiation style (concessionary/contentious) manipulated randomly between subjects.[3] An online instrument described an inventory obsolescence audit case adapted from Anderson, Jennings, Lowe, and Reckers (1997).[4] The participants first reviewed company background and summary financial results that included information about a potential inventory obsolescence problem that might lead to a proposed audit adjustment. Participants were told they had a pending meeting with the CFO to discuss the issue further. At this point, they were asked to rate the preliminary likelihood they would propose an audit adjustment and if they "had to make a recommendation at this time" to indicate the amount of the adjustment.

Next, the case provided information about the CFO, including the specific justification for the current inventory valuation in question.[5] This approach is consistent with the negotiation process described in Brown-Liburd and Wright (2011), with the auditor and the client implementing their respective negotiation strategies and exchanging information during the negotiation process. CFO gender and negotiation style were manipulated during this portion of the case, but the justification provided by the CFO was consistent between groups.

3.3. Independent variables

We manipulated CFO gender in the case using comparable feminine (Christine) and masculine (Chris) names. We also used gender-specific pronouns multiple times in the case to strengthen the gender manipulation consistent with gender manipulations in prior studies (e.g., Bloomfield, Rennekamp, Steenhoven, & Stewart, 2021; Hull & Umansky, 1997).

The client negotiation style manipulation involved specific descriptions of the client's past and current negotiation style. Including both past and current descriptions in the manipulation is consistent with prior research (e.g., Fu et al., 2011; Hatfield et al., 2008), which finds negotiation style is situational instead of dispositional (Knapp, Putnam, & Davis, 1988). Specifically, auditors in the contentious negotiation group were told that the CFO has been contentious and confrontational in prior interactions, and that discussions regarding proposed audit adjustments in the past have been difficult and drawn out. Participants were also told that the CFO has strong reservations and is opposed to changing the inventory balance in the current year. In contrast, auditors in the concessionary negotiation group were told that the CFO has been collaborative and open to compromise in past interactions, and that prior discussions regarding proposed audit adjustments have been amicable and succinct. Concessionary group participants also were told that while the CFO has reservations about the proposed adjustment, he/she is willing to consider whether some adjustment is reasonable in the current year. "After considering the information provided by the CFO", participants were asked to indicate the final likelihood they would propose an inventory write-down. Participants were also asked to indicate the amount of the inventory write-down they believed would ultimately be recorded, and the minimum audit adjustment that they would be willing to accept before issuing a clean audit opinion.

3.4. Dependent variables

The primary dependent measure is the auditor's final likelihood of proposing an inventory writedown, measured on a 1–7 scale anchored 1 = "Extremely unlikely" and 7 = "Extremely likely." Participants also were asked to indicate the dollar amount of the final writedown they believe would ultimately be recorded in the financial statements on a scale from $0 (no adjustment) to $1,800,000 (maximum adjustment based on the facts of the case). This measure should reflect not only the participants' judgment, but also how successful the participant believes the negotiation will be (the outcome of the negotiation). Consistent with Trotman, Wright, and Wright (2009), we next asked participants to indicate the minimum inventory dollar writedown that they are willing to accept before issuing a clean audit opinion. This measure differs from the expected audit adjustment because it captures whether auditors may be willing to accept a lower writedown than the amount they believe would be ultimately recorded on the financial statements. Finally, participants rated the CFO's credibility.

3.5. Control variables

We use two control variables to refine analysis of the study's primary independent variables. First, the participants were asked to assess the preliminary likelihood they would propose an audit adjustment (with the same 7-point scale used for the final assessment) based only on the information they were given before discussing the issue further with the CFO (prior to the client gender and negotiation manipulations). Prior studies (e.g., McMillan & White, 1993; Trotman et al., 2005; Trotman et al., 2009) have used similar measures to assess and control for differences in individual initial negotiation positions since an individual's pre-negotiation judgment has a large impact on the final negotiation (Brown-Liburd & Wright, 2011). We also use the participants' years of audit experience as a control variable.

4. Results

4.1. Attention and manipulation checks

After responding to the experimental questions, we asked the participants to complete manipulation checks related to CFO gender and

[3] We received Institutional Review Board approval for the study and research instrument prior to data collection.

[4] Several accounting research colleagues reviewed the instrument and provided feedback that led to minor wording changes. We also ran a pretest with 31 Masters of Accountancy students. Overall, the pretest participants found the case to be understandable (M = 5.06 on a 1–7 scale anchored 1 = "Not at all understandable" and 7 = "Very understandable") and the client gender and negotiation style manipulations worked as intended.

[5] Consistent with prior research (e.g., Fu et al., 2011; Trotman et al., 2009), the client contact was the CFO because the CFO is often responsible for resolving financial reporting issues (Gibbins, McCracken, & Salterio, 2007).

Table 2
Impact of negotiation style and CFO gender on the final likelihood of proposing an audit adjustment[a].

Panel A: Analysis of covariance

Source of variation	SS	df	*F*-ratio	*p*-value
Negotiation style (H1)	*0.56*	1	0.53	0.53
CFO gender (H2)	*0.53*	1	0.54	0.54
Negotiation style x CFO gender (H3)	*7.41*	1	5.29	0.02
Initial likelihood	*102.30*	1	72.96	0.00
Audit experience	*1.41*	1	1.00	0.32
Model F: 19.14 ($p < 0.001$) Adj R-sq = 0.53				

Panel B: Descriptive Statistics

		CFO Negotiation Style			
			Contentious	Concessionary	Total
		Mean	4.78	4.34	4.56
	Female	(S.D.)	(1.38)	(2.03)	(1.19)
		n	*21*	*22*	43
CFO Gender		Mean	4.00	4.79	4.40
	Male	(S.D.)	(1.64)	(1.69)	(1.19)
		n	*19*	*18*	37
	Total		4.39	4.57	

Panel C: Simple effects

	t-statistic	*p*-value
Female vs. male CFO within contentious negotiation style	2.06	0.04
Female vs. male CFO within concessionary negotiation style	1.40	0.24
Concessionary vs. contentious for male CFOs	1.98	0.05
Concessionary vs. contentious for female CFOs	1.17	0.24

Variable Definitions.
Negotiation style = Contentious or concessionary CFO negotiating style.
CFO Gender = Male CFO or female CFO.
Initial likelihood = Participants' initial likelihood of proposing an audit adjustment measured on a 7-point scale anchored 1 = "Extremely unlikely" and 7 = "Extremely likely."
Audit experience = Years of audit experience.
[a] Participants' final likelihood audit adjustment measured on a scale from 1 = "Extremely unlikely" to 7 = "Extremely likely."

negotiation style. All 82 final participants correctly identified the CFO gender.[6] We assessed the negotiation style manipulation by asking participants to characterize the CFO's position on a 7-point scale anchored 1 = "Completely inflexible" and 7 = "Completely flexible". Auditors in the concessionary group found the CFO to be significantly more flexible (M = 5.24, S.D. = 1.07) than auditors in the contentious negotiation style group (M = 3.68, S.D. = 1.65) ($p < 0.01$).[7] This finding suggests that the negotiation style manipulation worked as intended.

4.2. Hypothesis tests

The ANCOVA results in Table 2, Panel A, indicate that the predicted main effects for negotiation style (H1) or gender (H2) are not significant. However, the interaction between negotiation style and CFO gender predicted by H3a is significant. The results in Table 2 and Fig. 1 show a significant disordinal interaction of negotiation style and CFO gender (F = 5.29, p = 0.02). Specifically, auditors are less likely to propose an audit adjustment for male CFOs who use the contentious (mean = 4.00) vs. the concessionary (mean = 4.79, p = 0.05) negotiation strategy, but there is no significant difference between negotiation strategies for female CFOs (means 4.78 and 4.34, respectively). In support of H3b, the simple effects results in Table 2, Panel C, reveal that auditors are significantly less likely to propose an audit adjustment for a contentious male CFO (M = 4.00) as compared to a contentious female CFO (M = 4.78) (p = 0.04). No significant difference is found between male and female CFOs who use a concessionary negotiation style (p = 0.24). Audit experience was not significant as a covariate in the ANCOVA (p = 0.32).[8,9]

4.3. Supplemental analyses

We conduct several supplemental tests to provide further insight into the study's primary results. In addition to assessing the likelihood of proposing an audit adjustment, we asked participants to report the dollar amount of the final expected inventory adjustment in the case (dollar adjustment possible range was $0–1.8 million). Consistent with the proposed adjustment likelihood measure, the interaction between negotiation style and client gender is significant on the amount of the proposed final audit adjustment (F = 4.92, p = 0.03). The auditors expect a significantly smaller final inventory adjustment with a contentious male CFO (M = $557,383) than a concessionary male CFO (M = $691,394; p = 0.09). Interestingly, auditors expect a smaller inventory adjustment for a concessionary female CFO (M = 541,355) than with a concessionary male CFO (M = 691,394, p = 0.05), providing some support that the concessionary strategy is successful for female CFOs.

We asked participants to assess the perceived strength of the CFO's

[6] Qualtrics automatically removes and replaces participants who do not meet certain manipulation checks. Eighteen participants who did not correctly identify the CFO's gender in the case were removed from the dataset and replaced by auditors who correctly identified CFO gender.

[7] All *p*-values are two-tailed unless otherwise noted.

[8] Auditor age was also examined as a covariate since generational differences may influence gender norms. However, age is not significant and is not included in the remaining analysis.

[9] Including the perceived CFO credibility, auditor gender, audit firm size, and perceived CFO competence as covariates in the model does not statistically alter the results. Credibility, auditor gender and audit firm size are discussed further in the supplemental analyses and conclusions.

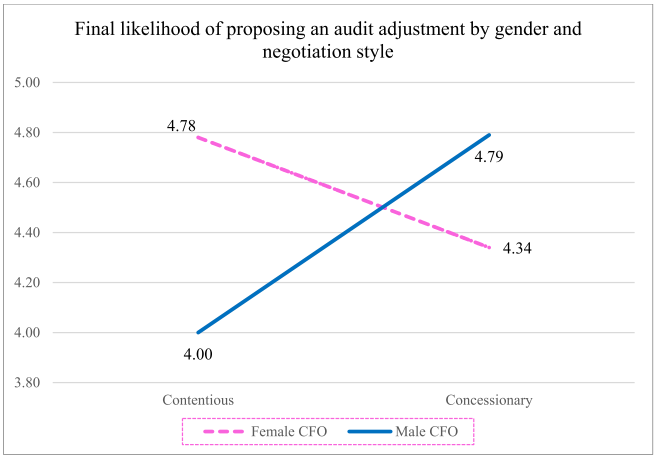

Fig. 1. CFO Gender x negotiation style interaction.

argument to better understand whether gender and negotiation style affect auditor judgments by influencing how auditors view the CFO's argument. Participants ranked the strength of the CFO's argument against writing down the inventory on a 1–7 scale anchored 1 = "very weak" and 7 = "very strong." The results reveal no significant differences in strength of argument among the four treatment groups ($p > 0.10$ for all comparisons). Further, we find an insignificant CFO gender by negotiation style interaction ($p > 0.10$), providing further evidence that the CFO gender and negotiation style do not affect the perceived strength of the client's argument.

The auditors also provided the minimum inventory writedown that they would accept before issuing a clean audit opinion (sliding scale range of $0 to $1,800,000). An ANCOVA indicates that the interaction between CFO gender and negotiation strategy is significant on the minimum amount ($p = 0.01$) and is consistent with the main results reported previously. *t*-tests indicate that the minimum adjustment was significantly lower than the final expected adjustment for contentious males ($p = 0.01$) and concessionary females ($p = 0.03$). These results provide further evidence of the relative effectiveness of a contentious negotiation strategy for males and a concessionary negotiation strategy for females.[10]

Given that source credibility is an important factor in assessing information provided by the client, we assessed whether CFO gender and negotiation style influenced the CFO's credibility, measured on a 7-point scale anchored 1 = "Not at all credible" and 7 = "Very credible". Using a 2×2 ANOVA, we find that neither CFO gender nor the CFO gender x negotiation style interaction significantly influenced the CFO's credibility rating ($p > 0.10$ in both cases). This suggests an encouraging explanation for the insignificant results found for CFO gender (H2). Although prior non-accounting research (e.g., Propp, 1995) finds that males are rated as more credible than females, these findings did not persist in our audit negotiation context. Conversely, negotiation style did significantly influence the CFO's credibility rating. Specifically, CFOs who use a concessionary negotiation style (M = 5.49, S.D. = 1.00) were considered more credible than CFOs who used a contentious style (M = 4.85, S.D. = 1.49; $p = 0.03$). This result is consistent with Perreault and Kida (2011), who find that *auditors* using a contentious negotiation style while negotiating with the client regarding audit adjustments were rated as less credible than auditors utilizing a collaborative (concessionary) style.

To evaluate whether CFO credibility influenced the final likelihood to propose an audit adjustment, participants' CFO credibility rating and initial likelihood judgment were included in a regression on the final likelihood judgment.[11] The regression is significant ($F(2,79) = 48.71$, $p < 0.01$) with CFO credibility significantly and negatively correlated to the final likelihood to propose an audit adjustment ($p < 0.05$). That is, the more credible the CFO is perceived to be, the less likely auditors were to propose a final audit adjustment. Given this finding, a moderated mediation test using PROCESS (Hayes, 2017) was conducted to examine the potential mediation effect of credibility. Consistent with Holt (2019), the confidence interval used was 95% and bootstrapping sample size was 10,000. The indirect effect of negotiation style on the likelihood of proposing an audit adjustment through CFO credibility was not significant (ab = −0.12 CI = (−0.47, 0.07) and ab = −0.16 CI (−0.47, 0.03) for the male CFO and female CFO conditions, respectively).[12] Thus, credibility does not mediate the negotiation and gender effects on the likelihood of an audit adjustment. Interestingly, although concessionary negotiation styles affected the perceived credibility of the CFO, contentious negotiation tactics were still a more successful negotiation tactic for male CFOs. Future research should examine whether the goodwill established through use of concessionary negotiation tactics influences subsequent auditor-client interactions and audit judgments.

Finally, we evaluated whether *auditor* gender interacts with client gender to influence the likelihood of a proposed audit adjustment. Social identity theory states that individuals group themselves with others of the same category (i.e., occupation, organization, and/or gender). Those adopting a social identity internalize their specific group's norms (Bamber & Iyer, 2007), and in the current case, could view individuals of the same gender more favorably than individuals of a different gender. For example, Hull and Umansky (1997) note that male audit managers do not evaluate female leaders as positively as other female audit managers. Similarly, Egan et al. (2022) find a "gender punishment gap" for females following misconduct and note this is potentially driven by in-group favoritism (out-of-group bias) as the gap diminishes for women when there is a larger number of female managers. Conversely, other research (e.g., Ellemers, den Heuvel, de Gilder, Maass, & Bonvini, 2004; Rudman, 1998) indicates that women may be harsher judges of other women. The means for female auditors' likelihood to propose an audit adjustment for male CFOs and female CFOs are 3.91 and 4.73, respectively. Alternatively, the means for male auditors' likelihood to propose an audit adjustment for male and female CFOs are 4.59 and 4.44, respectively. Although the means are directionally consistent with female auditors judging female CFOs more harshly than male CFOs, auditor gender is not significant when included as a covariate in the model ($p > 0.10$). However, the results should be interpreted with caution since there is a relatively small number of female auditors in each condition.

5. Conclusions, limitations, and future research

This study examines the influence of CFO gender and negotiation style on auditor likelihood to propose an audit adjustment. The extant auditing literature suggests that client use of contentious and concessionary negotiation styles can reduce the size of proposed audit adjustments, with the contentious style being comparatively more effective than the concessionary style. However, the literature has not considered the influence of CFO gender on proposed audit adjustments. We predicted that CFO gender would interact with CFO negotiation style, such

[10] A MANCOVA containing all three dependent variables (final likelihood adjustment, final adjustment dollar amount, and minimum dollar amount) also results in a significant interaction between negotiation style and CFO gender ($p = 0.03$).

[11] The R^2 for the model was 55.2% with an adjusted R^2 of 54.1%. Multiple regression assumptions were tested and all assumptions were met.

[12] Results are statistically similar when a multi-item measure of credibility is used instead of the single-item measure (ab = −0.08 CI = (−0.31, 0.18) and ab = −0.11 CI (−0.46, 0.21) for the male CFO and female CFO conditions, respectively).

that females using a contentious negotiation strategy (vs. the concessionary strategy) would not experience the same success as males who use this strategy.

Although neither negotiation strategy nor gender alone significantly influences the likelihood of proposing an audit adjustment, we found a significant interaction between CFO negotiation style and gender. Specifically, a contentious negotiation style was only successful at reducing the likelihood of auditors proposing an audit adjustment when the CFO was male. This finding provides evidence that while pressure tactics are successful for male CFOs, they do not have the same success for female CFOs. Further, although participants were more likely to propose an audit adjustment for female (vs. male) CFOs who use the contentious negotiation strategy, they did not view the contentious male as having a *stronger* argument than the contentious female. That is, the CFO's evidence was viewed as equally persuasive for both CFO genders. The results suggest that the more conservative financial reporting found in prior archival research (Francis et al., 2015; Ho, et al. 2015) by female leadership could be partially explained by audit negotiation outcomes. Future research should explore which negotiation styles are more likely to be utilized by both male and female CFOs to provide further insight into the financial statement reporting conservatism noted.

This study's findings have several important implications. From a practice standpoint, the results add gender to the complex set of factors that can impact auditor-client negotiations. Specifically, our findings highlight the importance of carefully considering both the messenger and message during critical negotiations that affect both audit quality and financial reporting quality. Firms should consider training that would make auditors aware of the negotiating strategies they can expect from clients, how these strategies may be perceived as more or less effective depending upon the client's gender, and how to effectively negotiate in response to these strategies so they do not lead to suboptimal decisions.

From a research perspective, this study extends the audit negotiation literature by highlighting the importance of the personal attributes that impact auditor-client negotiations. Prior studies have noted that contentious tactics are successful at reducing proposed audit adjustments. However, these studies did not consider personal attributes, such as client gender, in their experiment. Future research should consider how personal attributes of both the client and auditor influence negotiation outcomes of proposed audit adjustments.

Future research should examine possible ways to reduce the influence of client negotiation style by exploring solutions such as remotely conducted negotiations or priming the negotiating auditor. For example, future studies could examine whether negotiations conducted through email exchanges are susceptible to the same gender effects as face-to-face negotiations.

This study is subject to several limitations. For example, the participants worked at a variety of audit firm sizes (Big 4 to local). Including firm size as a covariate did not statistically change our results. However, firm size was significantly related to the likelihood of a proposed audit adjustment. Auditors at larger firms (Big 4, International and National) were less likely, overall, to propose an audit adjustment compared to the smaller firms (Regional and Local).[13] However, this study was not designed to examine the effect of audit firm size on auditor judgments, and we suggest that future research consider how firm size may influence these types of judgments. Further, our client was described as a publicly traded company. It is possible that auditor gender expectations could differ for smaller clients. Future research could examine if there is a difference in auditor expectations or stereotypes of females in large Fortune 500 companies (likely clients of Big 4 firms) versus female CFOs of smaller companies.[14]

Additionally, there are inherent differences in the realism in artificial and natural negotiation settings, as real-world pressures would be more intense than in the experimental setting. In addition, the auditors in our study were not accountable and did not interact directly with the client. The audit negotiation literature (e.g., Hatfield & Saiewitz, 2021) highlights the need for caution when evaluating negotiating outcomes based on artificial and summarized communications that lack direct person-to-person interaction. This study also does not consider the audit review process, which could mitigate unfavorable judgments. Future studies incorporating multiple client personnel and the review environment would complement the current study. Finally, although our means provide some directional evidence that auditor gender and client gender may interact to influence negotiation outcomes, the number of female auditors in the study limits the ability to draw meaningful inferences in a multivariate analysis that includes considers both gender effects and negotiation style. Prior research provides evidence that women can be harsher judges of other women, especially when women speak aggressively and assertively (Rudman, 1998). Accordingly, future research is needed to examine how auditor gender and client gender interact in complex negotiations and affect audit and financial reporting quality.

Declaration of Competing Interest

None.

Data availability

Data will be made available on request.

Acknowledgments

This paper is based on the first author's dissertation. We thank Jared Moore (editor), Alisa Brink (associate editor), Jillian Alderman (discussant), two anonymous reviewers, and 2022 Advances in Accounting Conference participants for their helpful suggestions and comments. We also thank Velina Popova, Divesh Sharma, and workshop participants at the University of Alabama at Birmingham and Kennesaw State University for their helpful comments and support.

References

Amanatullah, E. T., & Tinsley, C. H. (2013a). Punishing female negotiators for asserting too much…or not enough: Exploring why advocacy moderates backlash against assertive female negotiators. *Organizational Behavior and Human Decision Processes, 120*(1), 110–122.

Amanatullah, E. T., & Tinsley, C. H. (2013b). Ask and ye shall receive? How gender and status moderate negotiation success. *Negotiation and Conflict Management Research, 6*(4), 253–272.

Anderson, J. C., Jennings, M. M., Lowe, D. J., & Reckers, P. M. J. (1997). The mitigation of hindsight bias in judges' evaluation of auditor decisions. *Auditing: A Journal of Practice & Theory, 16*(2), 20–39.

Anderson, J. C., Johnson, E. N., & Reckers, P. M. (1994). Perceived effects of gender, family structure, and physical appearance on career progression in public accounting: A research note. *Accounting, Organizations and Society, 19*(6), 483–491.

Bamber, E. M. (1983). Expert judgment in the audit team: A source reliability approach. *Journal of Accounting Research, 21*(2), 396–412.

Bamber, E. M., & Iyer, V. M. (2007). Auditors' identification with their clients and its effect on auditors' objectivity. *Auditing: A Journal of Practice & Theory, 26*(2), 1–24.

Bame-Aldred, C. W., & Kida, T. (2007). A comparison of auditor and client initial negotiation positions and tactics. *Accounting, Organizations and Society, 32*(6), 497–511.

[13] The pattern of means for each firm size group remains consistent with our findings. That is, auditors were least likely to propose an adjustment for the contentious male, and auditors were more likely to propose an audit adjustment for female CFOs than male CFOs who used a contentious strategy.

[14] Women Business Collaborative (2022) reports that female CEO representation in Fortune 500 firms versus Russell 3000 firms is similar, 8.8% versus 6.2%, respectively. Further, their 2022 report shows an increase in the number of female CEOs over the number reported in 2021 for every size company except Private Companies over $1 billion, although females still make up 5.4% of the CEOs in this category.

Berger, J., & Wagner, D. (1997). Gender and interpersonal task behaviors: Status expectation accounts. *Sociological Perspectives, 40*(1).

Bergner, J. M., Peffer, S. A., & Ramsay, R. J. (2016). Concession, contention, and accountability in auditor-client negotiations. *Behavioral Research in Accounting, 28*(1), 15–25.

Biernat, M., & Kobrynowicz, D. (1997). Gender- and race-based standards of competence: Lower minimum standards but higher ability standards for devalued groups. *Journal of Personality and Social Psychology, 72*(3), 544–557.

Birnberg, J. G. (2011). A proposed framework for behavioral accounting research. *Behavioral Research in Accounting, 23*(1), 1–43. https://doi.org/10.2308/bria.2011.23.1.1

Bloomfield, R. J., Rennekamp, K., Steenhoven, B., & Stewart, S. (2021). Penalties for unexpected behavior: Double standards for women in finance. *The Accounting Review, 96*(2), 107–125. https://doi.org/10.2308/tar-2018-0715

Bowles, H. R., Babcock, L., & Lai, L. (2007). Social incentives for gender differences in the propensity to initiate negotiations: Sometimes it does hurt to ask. *Organizational Behavior and Human Decision Processes, 103*(1), 84–103.

Brandon, D. M., Long, J. H., Loraas, T. M., Mueller-Phillips, J., & Vansant, B. (2014). Online instrument delivery and participant recruitment services: Emerging opportunities for behavioral accounting research. *Behavioral Research in Accounting, 26*(1), 1–23. https://doi.org/10.2308/bria-50651

Brann, M., & Himes, K. L. (2010). Perceived credibility of male versus female television newscasters. *Communication Research Reports, 27*(3), 243–252.

Brett, J., & Thompson, L. (2016). Negotiation. *Organizational Behavior and Human Decision Processes, 136*, 68–79.

Brown-Liburd, H. L., & Wright, A. M. (2011). The effect of past client relationship and strength of the audit committee on auditor negotiations. *Auditing: A Journal of Practice & Theory, 30*(4), 51–69. https://doi.org/10.2308/ajpt-10143

Carli, L. L. (1990). Gender, language, and influence. *Journal of Personality and Social Psychology, 5*, 941.

Citera, M., Beauregard, R., & Mitsuya, T. (2005). An experimental study of credibility in E-negotiations. *Psychology & Marketing, 22*(2), 163–179.

Comprix, J., Lopatta, K., & Tideman, S. (2022). The role of gender in the aggressive questioning of CEOs during earnings conference calls. *The Accounting Review, 97*(7), 79–107. https://doi.org/10.2308/TAR-2019-1029

Cumming, D., Leung, T. Y., & Rui, O. (2015). Gender diversity and securities fraud. *Academy of Management Journal, 58*(5), 1572–1593.

Deloitte. (2020). Women in the C-suite – Within Reach series | Deloitte Insights. https://www2.deloitte.com/us/en/insights/industry/financial-services/women-in-the-c-suite.html.

DeZoort, F. T., & Lord, A. T. (1997). A review and synthesis of pressure effects research in accounting. *Journal of Accounting Literature, 16*, 28–85.

Dunning, D., & Sherman, D. A. (1997). Stereotypes and tacit inference. *Journal of Personality and Social Psychology, 73*(3), 459–471.

Eagly, A. H., Makhijani, M. G., & Klonsky, B. G. (1992). Gender and the evaluation of leaders: A meta-analysis. *Psychological Bulletin, 111*(1), 3–22.

Eagly, A. H., & Steffen, V. J. (1984). Gender stereotypes stem from the distribution of women and men into social roles. *Journal of Personality and Social Psychology, 46*(4), 735–754.

Egan, M., Matvos, G., & Seru, A. (2022). When harry fired sally: The double standard in punishing misconduct. *Journal of Political Economy, 130*(5), 1184–1248. https://doi.org/10.1086/718964

Ellemers, N., den Heuvel, H. V., de Gilder, D., Maass, A., & Bonvini, A. (2004). The underrepresentation of women in science: Differential commitment or the queen bee syndrome? *British Journal of Social Psychology, 43*(3), 315–338. https://doi.org/10.1348/0144666042037999

Ferry, K. (2019). Women C-suite ranks nudge up—A tad. https://www.kornferry.com/insights/articles/women-in-leadership-2019-statistics.

Foschi, M. (2000). Double standards for competence: Theory and research. *Annual Review of Sociology*, 21–42.

Francis, B., Hasan, I., Park, J. C., & Wu, Q. (2015). Gender differences in financial reporting decision making: Evidence from accounting conservatism. *Contemporary Accounting Research, 32*(3), 1285–1318.

Fu, H., Tan, H.-T., & Zhang, J. (2011). Effect of auditor negotiation experience and client negotiating style on auditors' judgments in an auditor-client negotiation context. *Auditing: A Journal of Practice & Theory, 30*(3), 225–237.

Gibbins, M., McCracken, S. A., & Salterio, S. E. (2005). Negotiations over accounting issues: The congruency of audit partner and chief financial officer recalls. *Auditing: A Journal of Practice & Theory, 24*, 171–193.

Gibbins, M., McCracken, S. A., & Salterio, S. E. (2007). The chief financial officer's perspective on auditor-client negotiations*. *Contemporary Accounting Research, 24*(2), 387–422. https://doi.org/10.1506/9208-G324-1R15-4U3H

Gibbins, M., Salterio, S., & Webb, A. (2001). Evidence about auditor-client management negotiation concerning client's financial reporting. *Journal of Accounting Research, 39*(3), 535–563.

Hackenbrack, K. (1992). Implications of seemingly irrelevant evidence in audit judgment. *Journal of Accounting Research, 30*(1), 126–136.

Hackenbrack, K., & Nelson, M. W. (1996). Auditors' incentives and their application of financial accounting standards. *The Accounting Review, 1*, 43.

Hatfield, R. C., Agoglia, C. P., & Sanchez, M. H. (2008). Client characteristics and the negotiation tactics of auditors: Implications for financial reporting. *Journal of Accounting Research, 46*(5), 1183–1207.

Hatfield, R. C., Houston, R. W., Stefaniak, C. M., & Usrey, S. (2010). The effect of magnitude of audit difference and prior client concessions on negotiations of proposed adjustments. *Accounting Review, 85*(5), 1647–1668.

Hatfield, R. C., Jackson, S. B., & Vandervelde, S. D. (2011). The effects of prior auditor involvement and client pressure on proposed audit adjustments. *Behavioral Research in Accounting, 23*(2), 117–130.

Hatfield, R. C., & Mullis, C. (2015). Negotiations between auditors and their clients regarding adjustments to the financial statements. *Business Horizons, 58*(2), 203–208. https://doi.org/10.1016/j.bushor.2014.11.008

Hatfield, R. C., & Saiewitz, A. (2021). *Experimental design for auditor-client communication research: Theory, best practices, and pitfalls* (SSRN scholarly paper ID 3830838). *Social Science Research Network*. https://doi.org/10.2139/ssrn.3830838

Hayes, A. F. (2017). *Introduction to mediation, moderation, and conditional process analysis, second edition: A regression-based approach (2nd edition)*. The Guilford Press.

Heilman, M. E. (2012). Gender stereotypes and workplace bias. *Research in Organizational Behavior, 32*, 113–135.

Heilman, M. E., Block, C. J., Martell, R. F., & Simon, M. C. (1989). Has anything changed? Current characterizations of men, women, and managers. *Journal of Applied Psychology, 74*(6), 935–942. https://doi.org/10.1037/0021-9010.74.6.935

Heilman, M. E., & Okimoto, T. G. (2007). Why are women penalized for success at male tasks?: The implied communality deficit. *Journal of Applied Psychology, 92*(1), 81–92. https://doi.org/10.1037/0021-9010.92.1.81 (PMID: 17227153).

Ho, S., Li, A., Tam, K., & Zhang, F. (2015). CEO Gender, Ethical Leadership, and Accounting Conservatism. *Journal of Business Ethics, 127*(2), 351–370.

Holt, T. (2019). An examination of nonprofessional investor perceptions of internal and external auditor assurance. *Behavioral Research in Accounting, 31*(1), 65–80.

Holt, T., & Loraas, T. M. (2019). Using Qualtrics panels to source external auditors: A replication study. *Journal of Information Systems, 33*(1), 29–41. https://doi.org/10.2308/isys-51986

Hovland, C., Janis, I., & Kelley, H. (1953). *Communication and persuasion: Psychological studies of opinion change*. Yale University Press.

Huang, T., Huang, H., & Lee, C. (2014). Corporate executive's gender and audit fees. *Managerial Auditing Journal, 29*(6), 547–527.

Hull, R. P., & Umansky, P. H. (1997). An examination of gender stereotyping as an explanation for vertical job segregation in public accounting. *Accounting, Organizations and Society, 22*(6), 507–528. https://doi.org/10.1016/S0361-3682(96)00028-1

Hurtt, R. K., Brown-Liburd, H., Earley, C. E., & Krishnamoorthy, G. (2013). Research on auditor professional skepticism: Literature synthesis and opportunities for future research. *Auditing: A Journal of Practice & Theory, 32*(Supplement 1), 45–97.

Johnson, E., Kaplan, S., & Reckers, P. (1998). An examination of potential gender-based differences in audit managers' performance evaluation judgments. *Behavioral Research in Accounting, 10*, 47–75.

Jones, J., MacTavish, C., & Schultz, W. (2019). The effect of gender and firm identification on auditor pre-negotiation judgments. *Advances in Accounting, 44*, 49–57. https://doi.org/10.1016/j.adiac.2018.12.003

Kadous, K., Kennedy, S. J., & Peecher, M. E. (2003). The effect of quality assessment and directional goal commitment on auditors' acceptance of client-preferred accounting methods. *Accounting Review, 78*(3), 759–778.

Kahneman, D. (2013). *Thinking, fast and slow* (1st ed.). Straus and Giroux: Farrar.

Khlif, H., & Achek, I. (2017). Gender in accounting research: A review. *Managerial Auditing Journal, 32*(6), 627–655. https://doi.org/10.1108/MAJ-02-2016-1319

Kizirian, T., Mayhew, B., & Sneathen, L., Jr. (2005). The impact of management integrity on audit planning and evidence. *Auditing: A Journal of Practice & Theory, 24*(2), 49–67.

Knapp, M. L., Putnam, L. L., & Davis, L. J. (1988). Measuring interpersonal conflict in organizations: Where do we go from here? *Management Communication Quarterly, 1*(3), 414–429.

Kramer, R. M., Pommerenke, P., & Newton, E. (1993). The social context of negotiation: Effects of social identity and interpersonal accountability on negotiator decision making. *Journal of Conflict Resolution, 37*(4), 633–654.

Kray, L. J., Galinsky, A. D., & Thompson, L. (2002). Reversing the gender gap in negotiations: An exploration of stereotype regeneration. *Organizational Behavior and Human Decision Processes, 87*(2), 386–409.

Krishnamoorthy, G., & Wright, A. (1999). A framework for assessing the value of management inquiry. *International Journal of Auditing, 3*(1), 5–20. https://doi.org/10.1111/1099-1123.00045

Krishnan, G., & Parsons, L. (2008). Getting to the bottom line: An exploration of gender and earnings quality. *Journal of Business Ethics, 78*, 65–76.

Leiby, J., Rennekamp, K. M., & Trotman, K. (2019). Challenges in experimental accounting research, and the role of online platforms. https://papers.ssrn.com/abstract=3350692.

Maksymov, E. (2015). Auditor evaluation of others' credibility: A review of experimental studies on determinants and consequences. *Journal of Accounting Literature, 35*, 104–124.

McCroskey, J. C. (1966). Scales for the measurement of ethos. *Speech Monographs, 33*(1), 65–72.

McMillan, J. J., & White, R. (1993). Auditors' belief revisions and evidence search: The effect of hypothesis frame, confirmation bias, and professional skepticism. *The Accounting Review, 68*(3), 443–465.

Mudrick, M., Burton, L., & Lin, C. A. (2017). Pervasively offside: An examination of sexism, stereotypes, and sportscaster credibility. *Communication & Sport, 5*(6), 669–688.

Nelson, N., Bronstein, I., Shacham, R., & Ben-Ari, R. (2015). The power to oblige: Power, gender, negotiation behaviors, and their consequences. *Negotiation and Conflict Management Research, 8*(1), 1–24. https://doi.org/10.1111/ncmr.12045

Ng, T. B.-P., & Tan, H.-T. (2003). Effects of authoritative guidance availability and audit committee effectiveness on auditors' judgments in an auditor-client negotiation context. *The Accounting Review, 78*(3), 801–818.

Perdue, A. (2017). Man up or go home: Exploring perceptions of women in leadership. *Marquette Law Review, 100*(4), 1233–1308.

Perreault, S., & Kida, T. (2011). The relative effectiveness of persuasion tactics in auditor–client negotiations. *Accounting, Organizations and Society, 36*(8), 534–547.

Propp, K. M. (1995). An experimental examination of biological sex as a status cue in decision-making groups and its influence on information use. *Small Group Research, 26*(4), 451–474.

Public Company Accounting Oversight Board (PCAOB). (2007). *An audit of internal control over financial reporting that is integrated with an audit of financial statements, Auditing Standard No. 5. Release 2007–2005*. Washington, D.C.: PCAOB.

Raiffa, H. (1985). *The art and science of negotiation (reprint edition)*. Belknap Press.

Rebele, J. E., Heintz, J. A., & Briden, G. E. (1988). Independent auditor sensitivity to evidence reliability. *Auditing: A Journal of Practice & Theory, 8*(1), 43–52.

Ridgeway, C. L. (2001). Gender, status, and leadership. *Journal of Social Issues, 57*(4), 637–655.

Rudman, L. A. (1998). Self-promotion as a risk factor for women: The costs and benefits of counterstereotypical impression management. *Journal of Personality and Social Psychology, 74*(3), 629–645.

Rudman, L. A., & Glick, P. (2001). Prescriptive gender stereotypes and backlash toward agentic women. *Journal of Social Issues, 57*(4), 743–762.

Salterio, S. E. (2012). Fifteen years in the trenches: Auditor-client negotiations exposed and explored. *Accounting and Finance, 52*, 233–286. https://doi.org/10.1111/j.1467-629X.2012.00499.x

Stuhlmacher, A. F., & Walters, A. E. (1999). Gender Differences in Negotiation Outcome: A Meta-Analysis. *Personnel Psychology, 52*(3), 653–677.

Sun, Y., Tan, H.-T., & Zhang, J. (2015). Effect of concession-timing strategies in auditor-client negotiations: It matters who is using them. *Contemporary Accounting Research, 32*(4), 1489–1506.

Thompson, L., & Hastie, R. (1990). Social perception in negotiation. *Organizational Behavior and Human Decision Processes, 47*(1), 98–123.

Thompson, L. L., Mannix, E. A., & Bazerman, M. H. (1988). Group negotiation: Effects of decision rule, agenda, and aspiration. *Journal of Personality and Social Psychology, 54*(1), 86–95. https://doi.org/10.1037/0022-3514.54.1.86

Trotman, K. T., Wright, A. M., & Wright, S. (2005). Auditor negotiations: An examination of the efficacy of intervention methods. *The Accounting Review, 80*(1), 349–367.

Trotman, K. T., Wright, A. M., & Wright, S. (2009). An examination of the effects of auditor rank on pre-negotiation judgments. *Auditing: A Journal of Practice & Theory, 28*(1), 191–203.

Women Business Collaborative. (2022). Women CEOs in America 2022 report. https://www.wbcollaborative.org/wp-content/uploads/2022/09/Women-CEOS-in-America_2022-0920221847.pdf.

Wright, A., & Wright, S. (1997). An examination of factors affecting the decision to waive audit adjustments. *Journal of Accounting, Auditing and Finance, 12*(1), 15–36.