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Exploring the Relationship Financial management and Ethical perspective

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ABSTRACT
In today's heightened ethical awareness and increased competitive pressure, the implications of ethical behavior for financial institutions have become a vital determinant of customer loyalty. Ethics and management have long been viewed, if not as being incompatible, at least as being at odds with each other. This has often translated in the field of environmental policy and Management into radical opposition between supporters of economic performance and Environmental lists. It has seemed that the ethics of economics and that of environmental Preservation was themselves at odds. Ethical decisions are not made in isolation and situational factors such as job context, organizational culture, and characteristics of the work itself have been shown to impact the ethical decision making process Ethical behavior is an important aspect for the success of a company, as it influences its relations with various stakeholders. Financial managers are responsible for the difficulty in interpreting sensitive and Exchanges presenting them in the form of financial reports that can be used to evaluate corporate performance is Month interest groups are responsible. Whatever the financial impact (positive or negative) which may be involved by applying a particular ethical policy, it would be possible to reduce those effects by weakening the ethical criteria used or applying them in different ways. For example, by allowing companies into the portfolio which derive only small amounts of turnover from an activity of concern, or by achieving a market sector weighting for the portfolio by applying a best of sector approach? In this paper an attempt has been made to the research vacuum in the corner of the financial manager explained the moral perspective on the quality of financial reporting to be filled. Field research companies in Tehran Stock Exchange are accepted. In this study, the ethical perspective of financial management as the independent variable is the moral status was assessed with a questionnaire. Quality and usefulness of financial reporting used to be correct financial reporting as dependent variables were examined. The aims of the present study include applied research, in terms of how to collect the required data from the standpoint of descriptive and correlation research is considered. For data analysis software (SPSS) was used. Based on the results obtained from the ethical perspective of financial management and financial reporting, there is a significant relationship; It is recommended that companies choose their money managers not only scientific and practical aspects of management should be considered But the ethical aspect of the study is important for managers should pay special attention to ethics and corporate managers have a choice.

Introduction

Many accounting decisions involve uncertainty and tradeoffs between potentially correct alternatives. For example, some managers may be more conservative when estimating GAAP revenue using the percentage of completion method, while others may be less conservative. When presented with such decisions, accounting managers will often seek guidance. At times, guidance may come from organizational factors such as executive management or the internal audit function These two internal organizational factors along with two external organizational factors (i.e., external auditors and the audit committee) comprise the four cornerstones of corporate governance that help ensure effective internal control and reliable financial reporting[1].

Business in its modern sense, and business ethics with it, is a product of the industrial revolution of the 18th and 19th centuries in Europe and America. The use of the concept for periods before that time is therefore not quite appropriate. Nevertheless, there certainly had been, in practice, an implicit business Ethics in commercial affairs, where certain values were upheld at least in times of peace. The Egyptians, The Phoenicians, the Greeks and, in the later middle Ages, the Italian and Dutch merchants, as well as the Tradesmen of the Hanseatic League, all followed specific deontologist. Because of the locally integrated and sometimes tribal nature of trade, business also included many social concerns, mainly through the Distribution of income and support of members throughout the community, the clan, or the family. Environmental concerns seem, however, to have been the exclusive concern of the public authorities. In Ancient Rome, and in the Paris and London of the middle Ages, it was by the town councils, or by Imperial or Royal decree, that tanneries had to relocate because of the pollution they created. This may be attributed to the fact that, although pollution could be locally severe, it was not perceived as a general Social problem. Moral reasoning can be defined in terms of the arguments about how people should actor in terms

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of providing reasons to justify or criticize behavioral branch of normative ethics and philosophy of science as part given the importance of ethics for human interaction throughout history has Philosophers have always thought of it in the center. Financial management ethics are also important because of history. Just say "Enron" and people either laugh or get very serious [2].

Past scholars have suggested that corporate ethical identity has an important impact on stakeholder satisfaction[1].From stakeholder theory, corporate ethical identity is considered a strategic resource and a tool for satisfying the needs of the firm's stakeholders [3].Ethics training and corporate-responsibility practices are highly relevant to corporate ethical-identity activities among the primary stakeholders—that is, the employees. Ethics has always had a profound influence on many fields such as management, quality management, human resource management, change management, marketing management, financial management has. The importance of ethical managers, most of the power and resources to provide for them more than others, so if the deterrent is called "evil" than the others would not risk their diversion. Ethical significance of directors after everyone else is that much power and influence in the community plays a role. Lawrence Kohlberg (1969) developed a theory of moral development with roots in the work of Swiss psychologist Jean Piaget which he intended to be applied to moral education [3]. His ideas have since been applied to analysis of moral development in many areas anddisciplines.Financial managers are responsible for the difficulty in interpreting sensitive and Exchanges providing financial reports that can be used to form to evaluate the performance of the group companies have benefited. So unethical professional practice includes the representation of financial information quality can be poor financial managers to destroy the public's trust [1]. With increasing global attention to the topic of ethics and quality of information in the accounting profession [4]. This study is an attempt to corner the research gaps in the explanation of moral views on the quality of financial reporting and financial management to be filled. A survey of ethical issues among executives of companies listed on the Stock Exchange's main objective research. The main question is whether the author's perspective on ethical financial management financial reports of listed companies is affected?

Literature Review

Organizations face various and many stakeholder interests. With limited resources, organizations must achieve and maintain a balance between their own and their stakeholders' interests and demands, maintain their joint operations, and achieve optimal levels of satisfaction for all parties. Stakeholders provide organizations with vital resources, and organizations therefore adopt practices to satisfy their expectations (Hill & Jones, 1992). The more important the stakeholder, the more the organization wishes to provide services to maximize that stakeholder's interests. In recent years, issues pertaining to the relationship between corporate social responsibility and stakeholders have received ever greater emphasis. The ethical behavior of companies follows their behavior while interacting with the information users, the environment and the society they operate within. A large number of companies tried to elaborate ethical codes, in order to guide their corporate strategies and ensure market visibility and image.

The ethics codes are corporate statements incorporating principles, rules of conduct, and codes of practice or the company's philosophy concerning responsibility to stakeholders, environment or the society external to the company. It is referring also to the company's responsibilities, principles, values and norms, demonstrating the degree of ethical issues acknowledgement and indicating the approach taken for these aspects and is meant to capture the company's key values and send these values to stakeholders .

Rest (1983) Defining Issues Test method provides a tool for evaluating test showed levels of moral development in individuals. The scale is small and easy to use due to the large number of accounting ethics research were used. However, tests showed that the definition of research topics, the credit is not great [6]. Thornton (2006) study to assess the validity of model assumptions triple Kleberg on ethics in financial management, the theoretical basis defined test topics are addressed. The first assumption is that justice is the only moral principle. The second assumption is that the independent reasoning of metaphorical reasoning is preferred. The third assumption is that the arrangement view, more morally preferable view is Trader sandy [7].

The results of this study showed the validity of these assumptions is that the question of ethics in accounting research should be repeated, Because of the linear relationship between lower test scores and behavior of professional accountants define the issues raised in previous research, and is not valid [8]. Bok (1995) argues that a Hiram their values based on reciprocity, honesty, kindness and loyalty are Maser shah. Morality is a fact of life that must be done to reach it. Watson (1996) states that Management actions emanating from a set of beliefs and practices that Combines the principles of business ethics. According to Watson, managers sometimes act contrary to what they claim [9]. Sometimes managers have discovered something which not only does not work but not in the same act, it is founded. Thus, research on what managers do appear but not enough after many years of research in this field was done strong confirmation of the importance and represents a great value that has been recognized for its academics. These results indicate that the quality of information provided by a number of factors can influence corporate information systems, Such as the role of senior managers, policies imposed standards for data quality, financial, educational, organizational structures, relationships between staff, policy evaluation and remuneration based on the quality of the information provided, change management, audit, internal control, continuous improvement, customer focus, corporate culture and corporate social culture[10].

Research Hypotheses

Like other employees, professional accountant, have a moral responsibility and should addition, the principles apply to your job. This confirms the sensitivity of the standards of professional ethics. The question paper is whether the moral perspective of financial management financial reports of companies listed on the Tehran Stock Exchange is effective? Therefore, to investigate this question a basic premise and three sub-hypotheses are proposed as follows:

Main hypothesis:

Ethical perspectives are impressive on financial reporting of corporate finance executives listed.

Sub-hypothesis (1):

Ethical views are impressive on the usefulness on financial reporting of financial executives listed companies.

Sub-hypothesis (2):

Financial manager's ethical perspectives are impressive on reliable financial reports of listed companies.

Table 1. Summary of regression models

Standard error	Meaningful level - significant	F	Camera Watson	Adjusted coefficient of determination	Coefficient of determination	Correlation coefficient	Model
0/448	0/000	32/821	1/812	0/171	0/177	0/420	1

Table 2. Regression coefficients

Meaningful level - significant	t	Beta coefficient	Non beta coefficient	Independent variable	Dependent variable
0/001	3/291		1/182	Constant	Reported to be useful
0/000	5/729	0/420	0/498	Ethical perspective	

Table 3. Summary of regression models

Standard error	Meaningful level - significant	F	Camera Watson	Adjusted coefficient of determination	Coefficient of determination	Correlation coefficient	Model
0/468	0/001	6/626	1/560	0/035	0/042	0/204	1

Table 4. Regression coefficients

Meaningful level - significant	t	Beta coefficient	Non beta coefficient	Independent variable	Dependent variable
0/000	6/065		2/275	Constant	Reliable reporting
0/001	2/574	0/204	0/234	Ethical perspective	

Table 5. Summary of regression models

Standard error	Meaningful level - significant	F	Camera Watson	Adjusted coefficient of determination	Coefficient of determination	Correlation coefficient	Model
0/578	0/029	4/882	2/048	0/025	0/031	0/176	1

Table 6. Regression coefficients

Meaningful level - significant	t	Beta coefficient	Non beta coefficient	Independent variable	Dependent variable
0/000	4/303		1/997	Constant	Correct reporting
0/029	2/210	0/176	0/248	Ethical perspective	

Sub-hypothesis(3):

Ethical views are impressive on the fairness of financial management financial reports of listed companies.

Methodology

The study of the nature and purposes of the application and how to collect the required data is the descriptive method. To test the hypotheses, correlation analysis will be used. Statistical Society of Listed Companies in Tehran Stock Exchange, which is a continuous activity during the period under study, are in stock. Chose to sample only those companies that meet the requirements are as follows:

• The period of March to the end of their financial year and the change during the financial year have not been addressed.
• During the study period, with shares trading interval is not more than six months.
• The nature of the investment company industry has not invested.
• Variables in the model were calculated.

Of 445 companies listed in the top 230 companies were eligible. Period 2011 to 2012 study period encompasses the years. According to the statistical community of this research are corporate finance executives the population size is the number of companies considered Cochran formula that helps basis of the sample size was 136 people. Therefore the sample size calculations are number 167 company. The number of 167 questionnaires was distributed among the members.

Research and theoretical discussions about the literature of library resources such as books and periodicals in English and Persian, and Internet sites, Information relating to the financial statements of companies listed in Tehran Stock Exchange were collected. The instruments used for data collection, including questionnaires, statistical analysis, databases, and software (Excel).

This information was collected using a questionnaire. Measure used in the study, Responses for all variables were measured using 5-pointb Likert scale (5) strongly Agree (4) Agree (3) neither Agree nor Disagree (2) Disagree (1) Strongly Disagree. The data were analyzed using SPSS 20th version., the range was further agreed more points were given questionnaires to determine the reliability of Bach Crown’s alpha coefficient (the coefficient obtained with 0/79), and for the validity of this test method, questionnaires were used.

Results & Discussion

The first sub-hypothesis:

Ethical views are impressive on the usefulness of financial reporting and financial executives listed companies.

As can be seen in the table above, the camera earned Watson 1/81 because this value is between 1/5 and 2/5 is the assumption of independence of errors is accepted.

The above table variable with one unit change in the moral perspective of administrators to 0/498

Of the usefulness of financial reports will change.

The second sub-hypothesis:

Financial manager’s ethical perspectives are impressive on reliable financial reports of listed companies.

As can be seen in the table above, the camera earned Watson 1/56 because this value is between 1/5 and 2/5can be accepted for errors is the assumption of independence.

The above table variable with one unit change in the moral perspective of administrators to 0/234unit change in financial reporting is reliable.

The third sub-hypothesis:

Ethical views are impressive on the fairness of financial management financial reports of listed companies.

As can be seen in the table above, the value of the camera to Watson 2/048 are the amount between 1/5and 2/5 will be admitted to the assumption of independence of errors.

The above table variable with one unit change in the moral perspective of administrators to 248/0 unit change in financial reporting is correct.

The basic hypothesis:

Ethical perspectives are impressive on financial reporting and corporate finance executives listed.

As can be seen in the table above, the camera earned Watson 1/67 because this value is between 1/5and 2/5 can be accepted for errors is the assumption of independence.

The above table variable with one unit change in the moral perspective of administrators to 0/327 unit is a change in financial reporting.

Conclusion

According to the argument of Ferrell, Fredric, and Ferrell (2000)(Ferrell, Fredrick, & Ferrell, 2000), a specific required behavior is right or wrong, ethical or unethical, and is often determined by stakeholders, particularly employees who work in organizations. Because employees are engaged in constructing ethical behaviors for organizations, a stakeholder approach appears to be the appropriate framework to connect ethics with employee satisfaction. The main thesis of stakeholder theory is that the firm is responsible for managing and coordinating the constellation of competitive and cooperative interests of various constituencies or stakeholders [4].

The industrial revolution had an ambiguous effect on business, ethics and the environment. On The one hand, it emphasized profit as a key economic goal and greatly aggravated environmental impacts, especially in a coal-driven economy. On the other hand, far more subtly, it generated the first inklings of Environmental ethics, in relation with human health and living conditions. According to Max Weber, the 19th century German sociologist, modern business ethics as early as the 17th century was influenced by the Protestant ethic, mainly from countries around the North Sea. It has been argued that the Biblical heritage is one of domination of Nature by Man, though this assertion is open to interpretation: “Grow and multiply, and submit the creatures of the earth”. The heritage of pre-Christian religions amongst the Celtic and Germanic peoples, strongly revering primitive forces of nature, may have somewhat distorted the biblical heritage, but if so, in two opposing directions: increased economist and nascent environmentalism.

3. The relationship was heavily blurred by social discrimination, as mentioned earlier, so that the environmentalist potential of the North Sea heritage had to wait for the social and economic progress, as well as excesses, of the 20th century. At least, this is one possible interpretation of its voicing in the 1960s and its appearance as a social force in the 1970s.

The ethical behavior of companies, determined by strategies for ensuring, maintaining and re-establishing such conformity, consist in informing and educating the public and environmental reporting is considered part of these strategies. The companies use sustainable reporting in order to express their ethical behavior before users.

Companies' ethical behavior is also assimilated to terms like transparency of information. Stakeholder theory supports the idea that a company’s success depends on the management of the company’s relationships with the stakeholders, because of the continuous pressure exerted from stakeholders to the company.

As a result, ethical behavior or ethical aspects are the ones determining companies to respond to the users' requests for information with regard to environmental performance. Therefore, the ethical behavior is a Constraint for the company's strategy. In the same regard, the legitimacy theory advocates that a company is legal / legitimate when its system of values is in accordance with the social system it belongs to, and wherever there is non-conformity, the company's legitimacy becomes threatened.

Ethics is defined as a system of values that determined the advantages and disadvantages of organization and good and bad action. In fact, based on ethics, the directors are able to recognize the difference between right and wrong actions that it also depends on understanding of ethics among managers. From financial perspective, the accounting profession, is structured and disciplined and because of type and nature of the services provided, must obtained the credibility and confidence of community. Achieving to credit, and trust and strengthen it, depends upon its member's intellectual and practical adherence to professional standards. Therefore, accounting ethics for professional accountants and those who rely on accounting services is too important, and members in this profession must be required to follow ethical principles until get to a level of restraint that go beyond the legal requirements and regulations. Managerial ethic has a significant impact on business success. Values system is a reference factor that affects managers on ethical principles that improve their relationships with employees, customers, suppliers, shareholders, labor unions, and foreign investors and etc. Most of managers tend to condone or ignore the effects of behavior, ethics and social responsibility in critical situations [3]. This study examines the ethical perspective on the subject of whether financial managers financial reports of companies listed on the Tehran Stock Exchange are effective or not. This research revealed several findings which are set out below the results were summarized as follows between financial management and financial reporting ethical perspective, there is a significant relationship. The result is that the future of the accounting profession and the leaders of the profession on ethical leadership by professional accountants and financial reports for Good managers must comply with the Code of Conduct. They also need to explain the importance of high ethical standards and training necessary personal integrity, current and future accountants to do the honorable lead. The future of the accounting profession in its historical role in the development of a fair and prosperous economy and success will continue. According to a contemporary lifestyle and virtual spaces and extension organizations and cultural issues, social and economic societies The only solution to get rid of the problem of providing information and manipulation of adverse financial reports, according to the human spirit in the community, then the moral virtues that the two are linked and complementary. One of the causes of many problems in administrative systems, such as embezzlement, bribery and other organizational problems stem from neglecting to agency managers are People will not pay attention to the material and spiritual needs. To solve many problems of human societies, Inspired by the moral teachings of religious leaders can or inspired by successful managers in organizations, Paving the way forward for the community and country; The idealistic view of the positive effect on the quality of financial management, It seems essential that the professional institutions and bodies responsible for promoting idealism managers and thus to improve the quality of financial reporting and planning. According to the main hypothesis of this study was approved and confirmed Ethical perspectives on the financial reports of the directors. It is recommended that companies choose their money manager's not only scientific and practical aspects of management should be considered but the ethical aspect of the study is important for managers Managers should pay special attention to ethics and corporate managers have a choice.

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