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Impact Ethical perspective on financial management

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ABSTRACT

Ethics are important because finances make people do some strange things. The spreadsheet does not have a conscience, and the goal of working with spreadsheets is to make numbers add up in a way that is pleasing to the organizations and its constituents. 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. So unethical professional practice includes providing financial information poor quality can destroy public confidence in financial management. With increasing global attention to the topic of ethics and quality of information in the accounting profession, 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.

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Introduction

Moral reasoning can be defined in terms of the arguments about how people should actor in terms 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 [1].

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. [2] His ideas have since been applied to analysis of moral development in many areas and disciplines. 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 [3]. 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

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

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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, 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.

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-point 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.

Independent variables examined in this study, "Financial executives of moral vision. Dependent variables of the "Financial Reports", "The usefulness of financial reports", "reliable financial reports" and "fairness of financial reports".

For data analysis, was used descriptive and inferential statistics used in the study of graphs and tables for descriptive statistics and inferential statistics, regression methods (ENTER) using Kruskal Wallis (SPSS).

Results & Discussion

The first sub-hypothesis:

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

Passage through a joint column of anion and cation exchange resins.

Scanning Electron Microscope (SEM)

The investigation of effects of heating temperature on morphological properties of residues after MAE was employed by low voltage scanning electron microscope at 1.7 Kv on an amorphous carbon stage.

Experimental design and data analysis

2-step experimental design was used in this work to increase the yield of carbohydrates [21]. The predictor variables were coded by the following equation:

$$x_i = (X_i - X_{i,0}) / \Delta X_i$$

Where,

x_i → coded value of independent variables

X_i → real value of the independent variable

$X_{i,0}$ → real value of the independent variable at the center point

$\Delta X_i \rightarrow$ step change value.

The qualities of fitted models obtained by experimental data were examined by the coefficient of determination R^2 . The analysis of experimental results was done by using the Least-Square Method (LSM). The regression model was analyzed by using Analysis of Variance (ANOVA).

Fractional factorial design

At a condition far away from the optimum condition, FFD was constructed with eight experimental runs and three replications at the center point of the design.

The following regression equation [18,21] was obtained by the LSM:

$$Y = \beta_0 + \sum_{i=1}^K \beta_i x_i + \sum_{i=2}^K \beta_{ii} x_i^2 + \sum_{i < j} \beta_{ij} x_i x_j$$

Central composite design

Finally, the central composite design (CCD) was performed to determine the optimum condition. CCD was designed with five replications at the center points, with four axial points and four star points ($\pm a$). The following regression equation [21] was fitted to the response resulted from CCD by the LSM:

$$Y = \beta_0 + \sum_{i=1}^K \beta_i x_i + \sum_{i=1}^K \beta_{ii} x_i^2 + \sum_{i < j} \beta_{ij} x_i x_j$$

Where,

- Y \rightarrow Estimated carbohydrates yield,
 x_i \rightarrow Coded value of an independent variables,
 \hat{a} 's \rightarrow Regression coefficients.

Adequacy of this model was confirmed by ANOVA.

Calculation of severity parameter

Without addition of acid catalyst severity parameter of hydrothermal treatment was calculated by following equation

$$\log R = \log \left[\int_0^t \exp \left(\frac{T(t) - T_{ref}}{14.75} \right) (dt) \right]$$

Where,

- t \rightarrow Reaction time (min),
 $T(t)$ \rightarrow Temperature-time function for gradually heated processes ($^{\circ}\text{C}$)
 T_{ref} \rightarrow Reference temperature which was set to 100°C

Materials And Methods

Corn pericarp was supplied from a corn starch manufacture. Preparation of a mixture of xylo-oligosaccharides with the degree of polymerization of 2–10 was done by partial hydrolysis of beech 4-O-methyl-glucuronoxylan with 0.1 N H_2SO_4 for 1 h at 92°C followed by neutralization with barium carbonate and passage through a joint column of Dowex 50×8 (H^+) and Dowex 1×8 (aco).

Composition analysis

The following method which is given in the table 1 was used to analyse the powdered corn pericarp and their component.

Extraction and separation of hemicelluloses

Hot water extraction (prehydrolysis) for one hour at 180°C has been applied for selective removal of hemicellulose [1] from corn pericarp before chemical pulping processes. [5] There is a complete removal of the hemicelluloses from biomass and herbaceous materials without high degradation by using around 15 minutes hot liquid water extraction at $200\text{--}230^{\circ}\text{C}$ [6,9]. Partial depolymerization and solubilization of the lignin can take place during this extraction. However, utilization of hot water alone cannot satisfy complete delignification. The dissolution of cellulose can only be achieved at higher water temperatures. The maximum solubilization of the cellulose (recovered as glucan) at $200\text{--}230^{\circ}\text{C}$ from biomass was around 22 %. The biomass

fractionation is only possible by water steam at this temperature range. The water steam can dissolve the hemicelluloses but it cannot satisfy complete removal of lignin.

Higher hemicelluloses recovery and greater lignin removal could be obtained by passing hot water continuously through a stationary biomass. Generally, significant increase of hot water flow rate enhances the hemicelluloses removal. Pretreatment using hot liquid water can be a promising process to improve cellulose digestibility, sugar extraction, and pentosan recovery. In this type of pretreatment, the hemi-acetal linkages of hemicellulose are cleaved, O-acetyl and other acids are liberated from hemicelluloses. This allows to form and release acetic and uronic acids [2]. However, these acids are useful to catalyze removal of oligosaccharides from hemicellulose. The optimization of pre-treatment processes is usually based on highest overall sugar yield with minimum degradation of the carbohydrate component.

Pretreatment method

Extraction of hemicelluloses can be carried out in neutral or alkaline solutions. Hence, hemicelluloses are divided into two fractions: water-soluble and water-insoluble. Problems in carrying out water extraction of cereal bran xylans may occur due to hemicelluloses is bound to lignin or cellulose through ferulic acid bridges and also because of hydrogen bonding between the non-substituted xylose residues and the cellulose chains [20].

Several processes have been introduced for hemicellulose isolation from grain crops and from cereal brans, involving water and alkali extraction as well as other combinations such as alkali and hydrogen peroxide, alkali and chlorite solutions or dimethyl sulfoxide. In addition, pilot-scale isolation of cereal xylans has been demonstrated, indicating the feasibility of scaling up to an industrial level.

Only 20–40% (w/w) of cereal grain hemicelluloses is typically water-extractable. Water extraction allows the isolation of high molar mass hemicelluloses and helps preserve the hemicellulose structure although the resulting yields are relatively low. Yields can be highly improved by extraction with other solvents, most commonly applied under alkaline conditions. Such treatments can cause deacetylation in the case of certain hemicelluloses so the original structure will not then be preserved. Selective arabinoxylan extraction, avoiding the co-isolation of β -glucan, can be performed with barium hydroxide solution contrary to sodium or potassium hydroxide solutions. The flow sheet for extraction process was given in figure 1.

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 2/5 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 0/234 unit change in financial reporting is reliable.

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	

Table3. Summary of regression models

Standard error	Meaningful level - significant	F	Camera Watson	Adjusted coefficient of determination	Coefficient of determination	Correlation coefficient	Mode
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	

Table 7. Summary of regression models

Standard error	Meaningful level - significant	F	Camera Watson	Adjusted coefficient of determination	Coefficient of determination	Correlation coefficient	Model
0/375	0/000	20/108	1/667	0/110	0/116	0/341	1

Table 8. Regression coefficients

Meaningful level - significant	t	Beta coefficient	Non beta coefficient	Independent variable	Dependent variable
0/000	6/041		1/818	Constant	Correct reporting
0/000	4/484	0/341	0/327	Ethical perspective	

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 1/5 and 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 1/5 and 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

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.

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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