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Accounting and Reward Management

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ABSTRACT

To compensate for creativity and innovation indeveloping and implementing management procedures and methods of work organization are often newer and better manage the rewards. Rewards of the work perform the duties of level higher than done ordinary. Compensation on the plans accounting income numbers, along with other factors such as job security, job level, and the company has a direct relationship with a well-managed, directly or indirectly,Companies associated with high profitability. It is assumed that managers are looking to increase welfare through increased profitability. This descriptive study was conducted library. Objectives of the relationship between activity level managers are rewarded. Results This study demonstrates that there is a direct relationship between level of compensation to which they belonged.

KEYWORD

Accounting, compensation , benefits, investment, management, and managers.

INTRODUCTION

In today's world of venture capital investment decision is perhaps the most important part of the process by which investors in order to maximize the benefits of their wealth in need of making decisions the optimal. The decisions is the most important factor in relation to this. Could Information have a significant impact on the decision making process. Because different causes in different people's decisions(Giver,2012). The exchange of information is also affected investment decisions. Theorists securities markets, financial reporting important information source for investors to know. That's why one of the objectives of accounting and preparation of financial statements is to provide information to facilitate decision making. One of the objectives of financial statements reflect the results of the stewardship or accountability of management for the resources that they have available(Jensen,2009). Users of the financial statements to make economic decisions, often want to evaluate the task of stewardship or accountability of management is. The decisions of the including such sale or to maintain investment and business unit managers are re-elected or replaced(Fama,2010). Tocompensate for creativity and innovation in developing andimplementing management procedures and methods of work organization are often newer and better manage the rewards. Of reward is often the tasks on the than the standard level normal business to take hold. The reward is the accounting profit figures along with other factors such as job security, job level, and the company has a direct relationship with a well-managed, directly or indirectly,Companies associated with high profitability. It is assumed that managers are looking to increase welfare through increased profitability(Core,2002).

In summary it can be said Executive bonus plans and evaluating their performance by stake holders are aware Due to this, there ward will be more inclined to man impolite earnings. If you want to reward the management of low-level Better management of profit coming years will be transferred to the current period and in some cases also listed the purpose of management may benefit future periods to the current period. The most important factor that could fit on the remuneration of directors is cost-effective, future sales expectations and organizational capacity use. Studies have shown once to poor performance and management may not respond the function of the expected may in a relatively short period of time to improve. If this is true, the compensation and benefits committee of directors may protect against loss of income as a result of the cost of normal behavior, or when it is expected that the future sales first four levels in a time period relatively short back. Second, research has shown that the interaction between sales and the cost of land is linked to capacity. When reduced sales, excess capacity may be because part of the capacity range of proven sales activity.

The result of this is that when the sale of fixed costs relative to sales, reduce costs, increase and this will reduce ROA Because the fixed costs of capacity leads to lower sales in the cast. In addition, if there is uncertainty about future demand, companies must incur costs to capacity surplus decreases. Managers may reduce the capacity to

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delay until they are more confident about the permanent nature of demand. This suggests that compensation committees may be different than the decrease ROA React according to how management will respond to extra firm. The effect on the relationship between behavior and the law encouraging use of capacity compared will be activated.

In evaluating the relationship between cost behavior and incentive pay for managers is the fact that any increase or decrease ROA Similarly, the rights and benefits of the study are encouraging. In line with the findings of Jackson et al (2008), our empirical evidence suggests that the increase of salaries and benefits of encouraging managers ROA Greater than the reduction of the outstanding ROA Respectively. In particular, the increase and decrease ROA The absolute magnitude of the reward and punishment are not the same. In fact, it is obvious that for each portion of the absolute value of the change ROA , The absolute value of the change in salary and benefits as an important incentive to increase ROA In contrast to the decrease ROA Higher. In the nonlinear relationship between a manager and a performance incentive pay and benefits because there was an increase in the percentage of managers ROA Are more encouraging than the punishment for a similar percentage reduction ROA Be considered(Dechow,2011).

Description of Study Subject

Almost all trying to help external users of financial information reported profits in future periods to predict. Therefore, the expected return of investors using financial information to estimate. During investors with other performance indicators (such as dividends, cash flow and profits) are in favor of greater reliance on the information reported earnings yield is a measure of the expected hair investors(Fridson,2002).

Reported earnings in order to evaluate the performance and profitability of a company to help consumers and investors relying on the information a profit, to evaluate the expected return on the, of the information should be to evaluate the performance of the looking, possible makes it possible to measure profitability and anticipated future activities to be effective. Therefore, in addition to the reported profit for investors is important and has an impact on their decisions, as well as the characteristics of the profits of information qualitative profitability Specific attention of investors is the case. One of the purposes of the financial statements reflect the results of the stewardship or accountability of management for the resources that are available to them. To the financial statements are economic decisions-duty stewardship or accountability of management often want to evaluate. Decisions includes items such as sales or retain investment and business unit managers are re-elected or replaced.

To compensate for creativity and innovation in developing and implementing management procedures and methods of work organization are often newer and better manage the rewards. Of reward is often the tasks on the than the standard level normal business to take hold. The reward is the accounting profit figures along with other factors such as job security, job level, and the company has a direct relationship with a well-managed, directly or indirectly,Companies associated with high profitability. It is assumed that managers are looking to increase welfare through increased profitability. Haley in an empirical study concluded that while reducing profitability, companies are willing to make more profit. In summary it can be said Executive ebon us plans and evaluating their performance by stake holders are aware Due to this, there ward will be more inclined to man impolite earnings. Coming years will be transferred to the current period and in some cases also listed the purpose of management may benefit future periods to the current period. In Western countries, and the long-term bonus plan managers often take a few years. The profit-based bonus schemes and reward management in less than a year of delays is why Iranian leaders may have an even greater incentive to manipulate the profit(Healy,2012).

Theoretical Framework

Under the law "rare" human and material resources to meet needs, whether at home or in an institution, is limited. Therefore, to enhance the delivery of income or profits to the maximum extent possible, be the most effective use of There needs to be resources. This requires a strong and motivated managers. Deal effectively with reward, motivate managers to maximize firm value.

Contract basis and reward schemes in operation, can be one of the following three options:

1. The accounting profit.
2. Structures such as: return on equity, market value added growth, increasing value share of the market, increased quality and quantity of production and...
3. A combination of the above factors.

According to agency theory, agency or organization has set a series of. The existence of an entity is based on its contracts. These contracts can be written in writing, or by Unwritten. One of the most important of these contracts, agreements or compensation schemes between major shareholders and directors of the company(Kumar,2001). Rob during the agency contract under which the employer or owner's representative or agent on behalf of her appointed Samim and the authority delegating The agency theory, the study of aggression between the client and the agent. The conflict arises from the difference in their goals. The relationship is assumed to be representative of each party are trying to maximize their own interests. Suppose there is a conflict between the interests of the client or the owner or agent or agents makes any attempt to optimize and maximize their own interests. The importance of this research is to clarify the relationship between the features of interest on the accounting and the reward of the Board and consequently, the shareholders of Managers analysts Financial institutions and students can Mvzsy the results of a comparative study and other studies have used the help of an understanding of the importance of financial disclosure and its relation to variable executive remuneration schemes of financial and accounting step can Drjht financial statements of the information load improvement and help managers and other users of financial statements to shareholders.

According to agency theory, managers are in fact representatives of the owners of interests to guide them in the right direction and will eventually increase the wealth of their owners. The team with the responsibility of the information systems proper, and in the course performance and financial condition How to use the funds received to provide its owners. Accounting is an information system that reports financial information in the form of the owners (shareholders), investors and other stakeholders with an entity. The financial center of , the basic financial statements. One of the basic financial statements prepared by management and managers to assess the function of proper planning, response, and economic decisions of great importance, as is income.Managers of the various business units to try different ways to manipulate accounting profits of the accounting period. From an economic perspective, assuming rational behavior of people assuming that all individuals in the first place is to maximize the managers of their interest It is not excepted from managers interested in the maximization of self-interest, social welfare and positioning your career proper picture of the financial position of the business to shareholders and other interest provide warnings(Core,2010).

In recent years, studies related to earnings management, income smoothing and manipulation of accounts, a large amount of literature and research fills the capital markets. In general, the test hypotheses to find the research on the following questions is a pass, of-square,

- What are the incentives for managers to perform earnings management, income smoothing or manipulation of accounts are moved.
- Earnings management, income smoothing and manipulation of accounts and using what DETAILS CALL environment with managerial, organizational, commercial, financial and corporate governance structure than done?
- Tools used by managers for earnings management, income smoothing and manipulation of accounts doing?

Answer the questions above the beginning of a great research interest in the field of management. On the other hand, a group of researchers to financial profitability of capital structure management is not known. Many decisions are based performance measurement. Evaluate the performance of data to the emergence of document the decision the during managers the.The methods used to measure performance is return on assets(Dechow,2011).

QUALITY OF EARNINGS

Third, it is necessary to discuss the definition of the concept of quality of earnings and components of earnings quality, and provide theory and others.

THE CONCEPT OF PROFIT ACCOUNTING PERSPECTIVE

Earningone of the basic elements of financial statements (Income Statement), which has always been of interest to all stakeholders and use it as a benchmark to evaluate the ongoing performance of the business, profitability and predictive measure of used for future business. The net profit of a business unit, always with a wide range because investors, creditors, accounting professionals, financial managers, analysts and the stock market.... used and evaluated measurable benefits for businesses in the form of periodic accounting process is perhaps the prime target. The term non-profit is one of the most established concepts in the world of business. Interest Accrual basis accounting assumptions and measured under generally accepted accounting principles.

Profit: The excess of revenues over expenses in a specified accounting period, which represents a net increase in shareholders' equity and profit from continuing operations of the business and operations of the subsidiary, events, and other operations random events affecting entity and the is recognized and measured in accordance with generally accepted accounting principles. In general, the purpose of measurement is to determine the status of an entity's interest in the results of operations performed during a period of improved Data how.

THE BONUS PLAN

The bonus plan hypothesis, the choice of accounting in management compensation plans are discussed. The managers, in addition to your statutory rights, continually extra Rewardy amusing are based on performance .The net profit for the financial statements to the often used to measure the performance of managers(Fama,2010).The managers the authority to select and apply accounting methods accounting estimates that are motivated to improve their compensation and benefits. This to the interpretation of the have the previous researchers executives whose compensation is determined based on the profit for the selection of accounting methods that increase their profit motive. He concluded that managers, floor or roof when determining incentive plans, reducing benefit accruals are more likely to choose and when the incentive plans, the floor or the roof specified, accruals choose to increase profits. In recent cases in which evidence of earnings management can be seen in January.

CONCLUSIONS

To compensate for creativity and innovation in developing and implementing management procedures and methods of work organization are often newer and better manage the rewards. Of reward is often the tasks on the than the standard level normal business to take hold. The reward is the accounting profit figures along with other factors such as job security, job level, and the company has a direct relationship with a well-managed, directly or indirectly,Companies associated with high profitability. It is assumed that managers are looking to increase welfare through increased profitability(Healy,2005). In short, the directors of the compensation plan and how to evaluate their performance by stakeholders are aware of and attention to this issue order Get rewarded for manipulating earnings are more amenable. If management remuneration is less than the desired level of earnings management in the coming years will be transferred to the current period and in some cases may also manages the purpose mentioned the current

period's profit the future periods. In Western countries, and the long-term bonus plan administrators often takes several years. The bonus plan based on profits and remuneration management in less than a year's delay, managers Iran may have a greater incentive to manipulate earnings. In general, the short-term bonus plans reward managers for less than one year remains outstanding.The managers of these projects according to the annual performance bonus to be paid motivation of managers to reward than the value of the company pending a year. For sizethese parameters are measured and evaluated the performance of managers of accounting figures used in the commission of Directors shall be determined according to accounting numbers. In the performance of these schemes is usually in the use of the bonus based issues revenues usually that managers are motivated to manipulate profits by different methods. The major limitation of this method. In order to increase the short term, and raising the plans reward MANAGERS appropriate share of Try annual income for the Company's efforts as well allocated. Thus, managers share in the profits arising from the activities of their own. And their interests are aligned with shareholders' interests. In relation to short-term bonus schemes and their impact on the motivation of managers have been carried out investigation concluded, in 1985 Haley experimentally demonstrated that short-term bonus plans cause that managers are rewarded for your actions and change, in a good company run was observed that the bonus schemes announcements approved by the change in the stock market and ten months ago revenues unexpected relationship. Larkr observed that reward short-term management plans that must be approved by the directors in their efforts to align the goals of shareholders. In most of these studies, short-term bonus was the dependent variable and independent variables to test research assumptions based on accounting measures of firm performance such as profit before tax, earnings per share, return on assets and return on equity and residual income so included were based on the market.

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