Journal of Positive School Psychology http://journalppw.com
2022, Vol. 6, No. 12, 2240 – 2260

Examination of the effect of the organizational structure of the enterprise on profitability

Muharrem Samur

Asst. Prof. Vocational School Of Social Sciences, Accounting And Tax Applications, Accounting And Taxation
0000-0003-1021-5745
**Corresponding Author E-mail: muharrem.samur@marmara.edu.tr*

Abstract

Management abilities can speed up the achievement of the company's overall goals. Company managers always seek to make decisions that get the highest return for their stakeholders. Investigating the relationship between opportunistic behaviors (free cash flow and profitability ratio), monitoring mechanism (leverage ratio) and behaviors under pressure (financial helplessness) and profit management. As the risk increases, the expected return also increases in the efficient market. Capable managers can identify existing risks and turn them into opportunities for the organization. Therefore, the purpose of this study is to investigate the relationship between management ability and the components of integrated risk management and its components. For this purpose, according to the information of 153 companies admitted to the stock exchange, the model was estimated. The results of the hypothesis test of the research showed that the effect of management ability on integrated risk management was positive and significant. But the effect of management ability on risk management components, strategic risk, rules and regulations, operational and reporting alone is not effective, and only the positive effect on operational risk management and the meaning of management abilities can accelerate the achievement of the company's overall goals. Company managers always They seek to make decisions that get the highest return for their beneficiaries

Keywords: Profit management, opportunistic behavior, monitoring mechanism, management ability, integrated risk management, data coverage analysis

INTRODUCTION

In the late 1920s, the popularization of the profit and loss statement, along with significant pressure from people outside the accounting profession, as well as the dissatisfaction of professionals and academics with the current method, brought about important institutional changes in accounting theory and thinking. One of the most important of these changes, more emphasis and attention on the profit and loss statement, which was previously focused on the balance sheet, has led to the birth of a category called "profit management". Profit management is defined as the process of taking conscious steps within the scope of accepted accounting principles to bring the reported profit to the desired level.

Profit is one of the best indicators for measuring the activity of an economic unit. Understanding and recognizing the behavior of accounting profit is a category that has been formed due to the expansion of quantitative management techniques and the need to pay attention to the needs of users of financial statements. This goes beyond the scope of measuring past activities and makes accounting more capable of helping decision makers. Despite the fact that there is no comprehensive theory in the field of accounting profit that is agreed upon by everyone, it still has a special validity as one of the financial decision criteria. In this regard, any flow that changes profit in some way is also important; Because it has economic consequences, and this issue may be especially important in markets with poor capital efficiency. The recent scandals at Enron and WorldCom and elsewhere have created a general feeling that the earnings management used by corporate managers is more inclined towards opportunistic earnings management than the expected personal gain of the managers, and that these managers have little regard for the interests of shareholders. The act of bringing the reported profit closer to the target level is done through manipulation. Managers do profit management or in cases of profit smoothing for various reasons and motivations such as rewards, debt and political costs, etc. Now, if this profit management is aimed at increasing the value of the company, it can be said that it is at least acceptable from the point of view of the shareholders, but in some cases, managers use this strategy opportunistically and maximize their utility (Silvia Avronika, Siddharthayudam, 2008).

Haley and Wallen (1999) believe that earnings management occurs when managers use their personal judgments in financial reporting and manipulate the transaction structure to change financial reporting. This goal is either to mislead some shareholders (beneficiaries) regarding the economic performance of the company, or to influence the results of contracts whose conclusion depends on achieving a specific profit. Managers use profit-related information in order to convey useful and sometimes confidential information about the company's performance to the company's shareholders and creditors. If this is the goal, earnings management may not be harmful to shareholders and the public. However, the financial scandals in WorldCom and Enron companies have changed the attitude towards profit management towards an opportunistic one. Based on this view, instead of considering the interests of shareholders, managers manage profits for their own personal interests (Watz and Zimmerman, 1986).

$$\begin{aligned} business\ concept &= accounting \\ &= management \\ &= profit\ concepts \end{aligned}$$

There are basic functions of a business (purchasing, production, marketing, financing and management operations). The main feature of management, which is included in business functions, is the application of knowledge and analytical methods developed by various disciplines by combining them. The manager should consider the business as a whole. Management is considered as a process consisting of a number of activities and is cooperation towards achieving a common goal. In terms of meaning, management is the state of fulfilling the functions of planning, organizing, directing, coordinating and controlling in order to achieve business objectives effectively and efficiently. Minimizing costs and increasing profitability in production enterprises and in a competitive environment, first of all, they remember the market targets and plan how much production will be made according to this plan. The reduction of full-capacity production and full-capacity costs is the reason for the increase in sales and operating profits.(Applıed Company Organızatıons Wıth Examples ,1996 osman altuğ ve hanefi ayboğa) [1] Example : Company X has decided to distribute the profit of 100,000,00 TL[2] to 20,000,00 TL shareholders. The accounting records are as follows: Table-1 records:

Table-1: sample solution:

570[3]	**Prevıous Profıts Account, Functıonıng**	**20.000,00**	
331[4]	Partners Payables Account		20.000,00

[1] https://www.nadirkitap.com/orneklerle-uygulamali-sirket-kuruluslari-prof-dr-osman-altug-hanifi-ayboga-kitap24089516.html

[2] Turkish lira (TL; symbol: ₺; code: TRY), official in the Republicof Turkey and the Turkish Republic of Northern Cyprus.In order to increase the global prestige of the Turkish lira and to put an end to various confusions, six zeros were removed from the currency, and the Turkish lira was temporarily withdrawn from circulation on 31 January 2005 and the New Turkish lira was started to be used instead. The sub-unit of YTL is Yeni Kuruş. It was put into circulation again on 1 January 2009 due to the completion of the transition from YTL to TL. However, there are no 6 zerosin the coins that entered circulation in 2009, as in the YTL.

[3] https://www.muhasebedersleri.com/hesaplar/331-ortaklara-borclar.html

[4] https://vergidosyasi.com/2017/11/08/570-gecmis-yillar-karlari-hesabi-isleyisi-ornek-muhasebe-kayitlari/

the last records were made in the second table2:

Table-2: sample solution:

331	**Partners Payables Account**	**20.000,00**	
102[5]	Bank account		20.000,00

For more detailed explanations and registration process(General Accounting Practices, Ümit Ataman,2001 .)

On the other hand, pressures caused by financial helplessness also have adverse effects on an economy in which investors and creditors face significant financial losses. If a company is in financial distress, managers anticipate that their rewards will be cut, changed, or their job status and reputation will be damaged (Liberty[vi] and Zimmerman, 1986 and Gilson, 1989); therefore, in conservative management, managers by choosing methods Accounting that increases income, hides the deterioration of the company's performance. These methods enable managers to hide losses (Habib et al. 2013).

Ranser (2003) states that companies that have gone bankrupt but are expected to have a better situation in the future, are involved in manipulative strategies that increase profit management. Therefore, managers may look for procedures in the short term that are not optimal for shareholders in the long term. In the absence of optimal contracts, managers can use their informational advantages and engage in short-sighted and opportunistic behaviors. Broadly speaking, such behaviors may take two forms: investment decisions aimed at temporarily high valuations or engaging in earnings management to maintain inflated stock prices. However, these practices are unsustainable and will eventually lead to financial distress when the true principles are revealed (Andrew et al., 2013). Managers can also manipulate financial information to support the pretense of strong growth opportunities and engage in the well-known practice of earnings management. Kothari et al. (2009) argued that managers have incentives to keep negative information, including job and reward concerns, from the market for financial reasons (Kothari et al., 2009). Similarly, Ball (2001) shows that non-financial reasons, such as governance motivation and self-esteem maintenance, may also motivate managers to prevent the spread of bad news (Ball, 2001).

Therefore, it can be seen that companies that are in financial distress are more likely to seek accounting procedures that increase the company's profit, but the existence of a regulatory mechanism will prevent them from engaging in profit management activities; therefore, examining the relationship between opportunistic behaviors , the regulatory mechanism (leverage) and behaviors under pressure (financial helplessness) in relation to profit management, can be a subject to ponder that this research tries to investigate.

The most important management decisions are financial decisions. Organizational intelligence provides the possibility of using human resources, intangible resources, and physical resources with the best use in the organization, and through management ability, it promotes social and communication capital in the organization. The quality and quantity of people's relationships with each other in communication networks is one of the important aspects of social capital, which causes the exchange and transfer of information and knowledge. Networks in which the communication and interactions between members are more intense, the interaction of members with each other and the transfer of knowledge and the establishment of effective working relationships are more (Borks and Nafiko, 2006-121). Management ability can control the risks of the company with such interactions and even to guide in the direction of achieving the company's goals.

Previous researches have investigated the ability of management in internal and external dimensions, corporate governance as one of the structural management tools. The purpose of this research is to investigate the relationship

[5] https://www.muhasebedersleri.com/hesaplar/102-bankalar.html

between management ability and integrated risk management components in companies. Can the ability to manage and improve it have a positive effect on the components of risk management of companies, be effective in identifying and reducing the risks caused by integrated risk and the components examined include strategy risk, risk of laws and regulations, reporting and operational of companies. . In this regard, the extent of the impact of the improvement in management abilities in companies can be.

Theoretical foundations of research:

As stated earlier, organizational intelligence means acquiring comprehensive knowledge and information about all the factors that influence the organization, and corporate governance means guiding the organization towards long-term goals predetermined for the organization. The dimensions of corporate governance include the ownership dimension, the management dimension, the monitoring dimension and the environment dimension. The management dimension, as one of the most important aspects of corporate governance, consists of the structural dimension and the content dimension. The structural dimension includes the number of board members, their independence, the dual role of the CEO and managerial ownership; But the content dimension is the individual characteristic of management which is taken from the organization. This dimension includes managerial intelligence or organizational intelligence and it is acquired, it includes 1- degree in management and related business, 2- experience, history, 3- management ability. Therefore, corporate governance as one of the accounting topics includes acquired management intelligence

Earnings management

There is no clear definition of profit management. Past studies have provided different definitions of earnings management; Ferno et al. (1994) define earnings management as the manipulation of earnings by management in order to achieve a portion of earnings-related biases. Schipper (1989) defined earnings management as a purposeful intervention in the external financial reporting process with the intention of earning a profit. Scott (2009) defines profit management as follows: Profit management is the choice of accounting procedures by the manager so that certain goals can be achieved through this choice. Ronnoyari (2008) considers earnings management as a set of managerial decisions that do not report some short-term facts known to management in order to maximize the value of earnings.

The proposed definitions of earnings management agree that management's intention is necessary for earnings management, however, it is not entirely clear whether this intention is opportunistic in nature or not.

opportunistic behaviors

Typically, in companies with free cash, there is more earnings management that can be associated with discretionary accruals. According to him, the free cash flow of a business unit is the remaining cash flow after deducting the necessary funds for projects whose net present value is evaluated as positive. These projects are long-term investment plans where the present value of the expected cash inflows exceeds the present value of the cash outflows (Jensen, 1986). The concept of positive free cash flow indicates that the business unit has surplus cash after paying expenses and investments. Bakit and Iskandar (2009) in line with confirming this issue stated that the surplus of free cash may create an incentive for managers to apply increasing profit management and signal financial flexibility. In other words, companies with high free cash flow and they have little growth opportunities, they get involved in agency issues and managers in those companies are willing to use revenue-increasing tools in order to increase reported profits. Stalls (1990), stated that the lack of free cash flow shows why companies tend to issue debt as a means of external financing. Managers are expected to invest in profitable projects instead of wasting this free cash flow. The presence of effective, efficient and systematic supervision by institutional shareholders, creditors, board members and audit committee can limit the managers of companies that have free cash and few profitable opportunities in investing in unprofitable projects.

Often times, managers inflate the reported profit in order to improve investors' expectations about the company's future performance and increase the offer price (Rahman and Abdullah 2005). In addition, managers of companies facing a decline in profitability have incentives to smooth profits. (White 1970). Also, severe fluctuations in income and decrease in profitability in a company is one of the strong motivating factors that make managers involved in smoothing the company's profit (Ashario et al., 1994). According to the research of Dennis and Michael (1996), the goals of profit management are divided into three categories, which include: reducing political costs, financing costs, and maximizing the wealth and benefits of management; therefore, profit management applied by managers should be at least one of those goals. therefore, according to the issues raised regarding the relationship between profit management and opportunistic behaviors, the following hypotheses can be proposed:

There is a relationship between earnings management and opportunistic behaviors

Supervisory mechanism

Supervisory mechanisms can be divided into two parts: intra-organizational mechanism and extra-organizational mechanism. The intra-organizational mechanism includes departments within the organization such as board members and the internal audit committee. Internal organizational mechanisms also ensure the effectiveness of internal control in order to reduce the opportunistic behavior of management and profit management. According to the research of van de Paul and Van Stralen (2007), Dutch companies that have effective and efficient internal control have lower levels of abnormal accruals. On the other hand, extra-organizational supervision (such as creditor supervision and institutional supervision) is a part of the supervision mechanism that is carried out from outside the company.

Financial leverage refers to the amount of debt used to finance a company's assets and business activities, in a way other than capital. Financial leverage can be used as an effective control mechanism to prevent excessive profit management that harms the company. According to the research of Andrade and Kaplan (1998), companies with high financial leverage face higher financial risks such as financial distress, non-payment risk and bankruptcy risk. In addition, Jensen (1991) states that the publication of the new law and the economic recession crisis have had a significant impact on companies with high financial leverage and have made these companies face a worse situation. If the debt value is greater than the optimal value. If it is debt, companies may consider having a high amount of financial leverage; therefore, the higher the amount of debt, the higher the risk, and as a result, the interest rate will increase (Shubita and Alsalha, 2012).

The management's ability to use the assets of a company in order to obtain personal benefits and exploit the company's assets can be limited by the presence of external creditors (Bilimoria 1997); but because creditors are concerned about the ability of companies to repay their debts, they are always The management of the company ensures the cash obtained in the profitable projects; in other words, in order to ensure that the company pays its debt, monitoring activities are carried out by the creditors. Since management activities are the most important factor determining the ability of debt repayments, creditors always monitor the manager's activities (Leng 2008). In past researches, it has been concluded that in companies with high financial leverage, less salary is granted to the CEO in the long run. This means that if there is monitoring by creditors, there is no possibility for management to waste the company's cash. According to Niebler's (1995) research, monitoring by lenders helps the company's profitability and growth. While Krinko and Elson (1996), in their research, found a non-significant relationship between creditor monitoring and company profits.

Previous research has provided evidence that shows that companies that face the risk of non-payment are more inclined to make accounting changes than other companies. Similarly, the research conducted by Sweeney (1994), Dicho and Skinner (2002) and Beatty and Weber (2003), shows that managers choose accounting methods in order to avoid violating the provisions of debt contracts. In a way, it increases income. The fact that financial leverage is one of the powerful explanatory variables in the choices of accounting methods has been proven by the research done by Christie (1994). On the other hand, if a company with high financial leverage takes on new debt, the creditors will demand multiple measurement criteria and scrutinize them, this will put a lot of pressure on the management, and as a result, the management profit leads (Zagorez - Mamedova 2009). Since the manipulation of accounting solutions is difficult to measure, therefore, if the management is allowed to use the estimates and authorized accounting methods of their choice, they will probably use this opportunity to manage profits. (Dicho and Skinner, 2002)

Supervisory mechanism and profit management

There are different opinions about the influence of financial leverage on the potential ability of managers to apply earnings management. A research by Aman et al. (2006) shows that for the period after the economic crisis of 1997, financial leverage had no effect on profit management. The reason for this is that the corporate sector in Malaysia has a lot of dependence on commercial banks in order to provide foreign liquidity; therefore, the financial problems faced by the companies forced the managers to improve the performance of the company through profit management. On the other hand, a number of researches have claimed that debt may limit earnings management through a regulatory mechanism. Having a debt makes managers systematic in repaying it in order to avoid violating the terms of the debt contract and also being prosecuted by creditors (Stahls, 1990). Similarly, the research conducted by Balsam, Barto and Marquardt (2002) and Sirgar and Utama (2008) showed that lenders have more access to relevant and timely information, which enables them to identify earnings management. done by managers who do not adhere to ethics; therefore, according to the issues raised about the relationship between profit management and regulatory mechanism, a hypothesis is proposed as follows:

There is a relationship between the regulatory mechanism and profit management.

Financial Distress

It is possible to identify sources of financial helplessness through empirical research. Karls and Plakash (1987) have divided all the potential causes of financial helplessness into two parts of internal and external risk factors, where poor management can be included in the group of internal risk factors. Possible forms of poor management can include: lack of need for change, inappropriate communication, excessive development, inefficient management of projects or fraud, which are classified in the group of internal factors. While external factors are independent of management skills and can be classified as inefficiency in the development of legislation, problems in the labor market or natural disasters.

Most of the companies that are not in a healthy state suffer from financial helplessness due to recession which is one of the common results of the financial crisis (John and John 1992). On the other hand, despite the recession, certain companies have been exposed to decline due to increased foreign competition. According to Asquis, Gertner and Scarfstein (1994), the poor performance of a company is known as the most significant reason for financial distress. According to them, the poor performance of the industry and high financial leverage are other reasons for the companies' helplessness.

Andrade and Kaplan (1998), like Asquis et al. (1994), have reached similar results in their research. In their research, high financial leverage causes a lack of liquidity in the company because it requires cash to cover related payments. Therefore, from their point of view, high financial leverage is known as the common reason for companies' financial helplessness. In addition, Opler and Titman (1992) have shown that financial distress in highly leveraged firms has its roots in an industry with an economic downturn and that firms are more inclined to engage in hedging activities.

Financial distress and earnings management

The selection of income-increasing or decreasing accruals depends on the severity of financial distress (Jagi and Lee 2002). If the financial helplessness is expected to be temporary, the probability of using income-increasing accrual items by the management is higher and vice versa; however, the managers of companies that are in the abyss of bankruptcy, due to the belief that in previous years, all profit-increasing accrual items were used Therefore, they are more willing to use income-reducing accruals for profit management, and this issue forces them to use downward profit management; therefore, they are forced to use downward profit management.

In other words, company managers in helpless companies seek to give good news to the market in order to prevent the reduction of the company's value (Bamber et al., 2010);

therefore, despite financial helplessness, manipulation of financial statement information despite conflict of interest and information asymmetry. is provided

There is a relationship between financial distress and earnings management

Integrated risk management

Man pursues a goal by doing every action and reaching the set goal depends on factors. Some of these factors are known to the person and the other part is unknown and unknown, both groups have an effect on the result of the person's action.

Risk is a person's uncertainty about the outcome of an action, which is mainly caused by unknown or unpredictable factors. In general, there are 2 views on the definition of risk:

The first view: risk as any possible fluctuations in economic returns in the future

The second view: risk as possible negative fluctuations in economic returns in the future

Or in another type of risk classification, they divide the risk into two categories: systematic risk and unsystematic risk. Systematic risk is a risk that does not originate within the company and organization, and is generally related to the prevailing atmosphere of an economy and will affect all organizations or enterprises. Sometimes systematic risk is also called market risk.

Unsystematic risk is a risk that is related to the structure of any industry or company and varies from one industry or organization to another.

In general, due to the increase in economic fluctuations in the world today, it is necessary to apply risk management in a company or organization.

Complexity and diversification of risks is not only caused by rapid changes in technology, speed in communication, globalization of business and changing markets. Today, companies operate in a completely different environment compared to 10 years ago, and the source of risks can be inside a company. for example:

Adoption of development strategies such as acquisition and investment in emerging markets, organizational restructuring, outsourcing of main processes, large investment projects and new product development, all can increase the risks of a company.

A recent study conducted by 14 large international companies regarding risk management showed that in the late 1990s, the amount and number of risks that companies need to manage has increased greatly, and this increase will continue in the following years. will continue

Strategic risk management

The effective management of strategic risks, much more than preventing the failure of companies in achieving their strategic goals, reveals to them the future beneficial opportunities of the environment caused by the uncertainties and transformations of the market (Volatility). Organizational risk management increases the company's competitive capabilities and is a stimulus for organizational creativity and innovation. These are all the reasons that successful company managers have welcomed the implementation of the strategic risk management process. Therefore, the concept of organizational risk management is not limited to focusing on identifying the reasons for the failure of a specific strategy, but it is a method to ensure organizational effectiveness.

Operational risk management

Operational risk is the risk that a company will suffer failure or financial loss due to failure in internal processes. Every investment is associated with a certain amount of risk or the chance of not returning the investment with the expected return. Operational risk includes risks resulting from failures in procedures and systems and poor management or human error. For example, the management of a mobile phone manufacturer may not react appropriately when a competitor develops a new technology that results in better product sales, or a mortgage application review process may fail to correctly identify the riskiest applicants. Industries with less human interaction face less operational risk. Operational risk is unsystematic risk, which means that it exists exclusively for a particular industry or business and can be reduced through portfolio diversification, but operational risk varies from industry to industry. Investors should carefully consider operational risk when evaluating an opportunity.

Reporting risk management

Sustainability has a broad concept, which includes other concepts such as social responsibility and can be examined with concepts such as sustainability of competition, sustainability of reporting and social sustainability. The purpose of this research is to investigate the role of social impact risk management on the relationship between sustainable performance and investment efficiency. In terms of purpose, the present research is applied, and in terms of methodology, it is a descriptive-correlation type of research

background research

Chen et al. (2015) in their study entitled "Does management ability contribute to the innovative success of the firm?" They concluded that the ability of managers is one of the main components of success in innovative decisions and has a positive relationship with the market value of companies.

Casaro et al. (2018). They investigated the relationship between environmental uncertainty and international performance of companies based on the perspective of management ability uncertainty. The results of the research showed that the internationalization of companies has a positive effect on the performance of emerging companies, and the uncertainty of management's ability helps developing companies in the market to increase their activities outside their main region.

Jasmodian and Naqshbandi (2018). investigated the relationship between the role of knowledge and open innovation with managerial ability in multinational companies based in France. The results of the surveys showed that knowledge and open innovation play a vital role in confronting management ability, and a higher level of knowledge-based management can lead to the improvement of management ability in companies.

Martinsur and Haverfalt (2018). They investigated the ability of management in value orientation and integrated change in the company. The results showed that there is a need to improve the management of programs towards increasing organizational improvement through value orientation, integrated in the organization.

Gianni and Huo (2018). investigated the relationship between innovation capability and company performance in insurance companies. The results showed that effective management leadership and innovation in management ability will have the greatest impact on the company's efficiency results, resulting in better achievements for management.

Zhang et al. (2018). They investigated the impact of the risk of outsourcing the company's projects on the scientific ability of management. Empirical evidence showed that the social system, the technical management system, affects the satisfaction of the project. However, the cultural levels, technology and scientific ability structures of management reduce the minimal amount of negative risks in the social system, technical system and project management. It is also effective on all types of risks and scientific management capabilities in achieving risk management

• Smith et al. (2001) by examining Australian companies, concluded that non-bankrupt financial distressed companies changed their accounting methods in order to increase earnings. In addition, they showed that bankrupt companies did not change accruals in order to inflate income in the year before bankruptcy.

• Chang et al. (2005) investigated the issue of earnings management in companies that faced problems arising from high free cash flows. They found that in such companies managers manage earnings through discretionary accruals that reduce earnings rather than through smoothing. profit, improve the performance of future years. In this way, they hide the negative effects of inappropriate investment.

• García Lara et al. (2009) by comparing bankrupt and non-bankrupt English companies concluded that bankrupt companies manage their profits incrementally in the four years before bankruptcy.

• Aini et al. (2009) in a study entitled "Excess Free Cash Flows, Earnings Management and Audit Committee" discussed how much excess free cash flow is related to earnings management. In this study, it is assumed that managers of companies that have high free cash flow have good performance in profit management. Even though the audit committee has more independence, profit management does not happen frequently. The independent audit committee provides effective oversight of earnings management practices. This study expects to find a positive relationship between free cash flow and earnings management moderated by the independent audit committee. This review provides empirical evidence consistent with the predictions of all hypotheses. This study shows that an independent audit committee helps companies with free cash flow reduce the operating income of increasing earnings management.

• Reina and others (2009) in a research titled "Excess Free Cash Flows, Earnings Management and Audit Committee" addressed how much free cash flow is related to earnings management. In this study, it is assumed that the managers of companies that They have high free cash flows, they have good performance in the profit management department. The results of the research show that the independent audit committee helps companies with free cash flow to monitor the profit management procedures.

• Jaji and Lee (2011) in a research on Canadian companies found that financial distress and bankruptcy risk can be predicted in a favorable way using variables based on accruals.

• Sanjaya and Saragiye (2012) also investigated the issue of whether actual earnings management affects accrual earnings management. He concluded that actual earnings management has a direct impact on accrued earnings management and whatever manipulations of activities The actual increase will have a greater impact on the accrual profit management at the end of the period.

• French Shetty and Kochital (2013) by examining a sample of 30 bankrupt companies and 30 non-bankrupt companies concluded that bankrupt companies significantly manipulate their earnings before bankruptcy.

• Nakashima and Ziebart (2015), in a research, investigated whether the Sarbins-Oxley Act in Japan had an effect on earnings management and earnings quality. The aforementioned researchers concluded that accrual earnings management for sample companies before and after the law Sarbins-Oxley was significant, but real earnings management for the sample firms decreased after the Sarbins-Oxley Act.

• Nakhili et al. (2016), in a research entitled "Free cash flow and earnings management: the moderating role of corporate governance" to investigate the moderating effect of corporate governance and management plan in reducing earnings management applied in a free cash flow situation in France. It has been paid from 2001 to 2010. The results of the research showed that corporate governance mechanisms such as the independence of the audit committee and the quality of independent audit with the presence of institutional investment and managerial ownership reduce the amount of profit management.

• Astami et al. (2017), in a research titled "The role of audit quality and the impact of culture on earnings management in companies with excess free cash flows: evidence from the Asia and Pacific region" to investigate the impact of cultural aspects, the role of external supervision by High-quality auditors and earnings management in companies with excess free cash flow in 9 countries in the Asia-Pacific region. The empirical results presented in this research are a confirmation for the proposition that managers of companies with excess free cash flow will make investment decisions that are not always in the best interest of shareholders and use accounting powers to increase reported profits. they do

Demarjian et al. (2013) investigated the relationship between management ability and profit quality. They used the four factors of re-presentation of financial statements, stability of profits, forecasting of doubtful receivables and quality of accruals. They used accounting variables as a measure of management ability. In their research, they concluded that management ability has a direct relationship with each of the four criteria.

theories

First hypothesis: There is a positive and significant relationship between management ability and integrated risk management.

Second hypothesis: There is a positive and significant relationship between management ability and strategic risk management.

Third hypothesis: There is a positive and significant relationship between management ability and operational risk management.

Fourth hypothesis: There is a positive and significant relationship between management ability and reporting risk management.

Sub-hypothesis 5: There is a significant relationship between free cash flow and earnings management.

Sub-hypothesis 6: There is a significant relationship between profitability ratio and earnings management.

Main hypothesis 7: There is a significant relationship between regulatory mechanisms (financial leverage) and profit management.

Main hypothesis 8: There is a significant relationship between financial helplessness and earnings management.

Research model and measurement of its variables

Testing the first hypothesis: The research model for testing the first hypothesis in relation 1 is as follows:

ERiskit = α0 + β1MgrAbilityit + β2CFOit + β3LEVit + β4MktSizeit + β5ROAit + β6Sizeit + εit (1)

2-5-Testing the second hypothesis: The research pattern for testing the second hypothesis in relation 2 is as follows:

SRit = α0 + β1MgrAbilityit + β2CFOit + β3LEVit + β4MktSizeit + β5ROAit + β6Sizeit + εit (2)

3-5-Testing the third hypothesis: The research pattern for testing the third hypothesis in relation 3 is as follows:

ORit = α0 + β1MgrAbilityit + β2CFOit + β3LEVit + β4MktSizeit + β5ROAit + β6Sizeit + εit (3)

4-5-Testing the fourth hypothesis: The research model for testing the fourth hypothesis in relation 4 is as follows:

RRit = α0 + β1MgrAbilityit + β2CFOit + β3LEVit + β4MktSizeit + β5ROAit + β6Sizeit + εit

Hypothesis model

DACC it = β0 + β1 (FIN_DISTRESS)it+ β2 FCFit + β3 ROEit + β4 LEVit + β5 SIZEit + β6 LIQ +eit (1)

The basis of the regression model of this research is discretionary accrual accounting as a dependent variable. Debt ratio, free cash flows and profitability ratio are independent variables. Also, liquidity ratio and company size (natural logarithm of assets) are included as control variables in this model.

A) dependent variable

DACC (discretionary accruals)

Based on the studies of some researchers, the adjusted Jones model provides the most powerful model for describing and predicting earnings management. (Etamadi and Shafakhaibri, 2018)

- + - - = (2)

where in:

total accrual items of company i between t and t-1

Change in the current liabilities of ibint-1 company

change in current liabilities of company i between t and t-1

change in company's cash between t and t-1

Change in the current share of long-term liabilities of company i between t and t-1

Depreciation cost of desalt company

After calculating the total accrual items, the parameters, in order to determine non-discretionary accrual items, are estimated through equation 3.

/: (1/)+ [(Δ - Δ)/]+ (/)+ (3)

where in:

Company contract between t and t-1

Δ: Change in sales revenue of company i between years t and t-1

Δ: Change in accounts receivable of company i between years t and t-1

property, machinery, equipment, and net of the company in the year

Clearing the book of the company's assets in year t-1

Unspecified effects of random factors

estimated parameters of company i

After calculating the parameters, through the method of least squares (OLS), according to equation 4, optional accrual items are determined as follows:

= (1/)+ [(Δ - Δ)/]+ (/)+ (4)

where in:

: non-discretionary accrual items of company i in year

t = / (- (5)

b) independent variables

1) FIN_DISTRESS (financial helplessness):

Altman's z' model (1983) has been used in this research to identify financially distressed companies. This model is in the form of relation 6:

Z' = 0.717 X1 + 0.847 X2 + 3.107 X3 + 0.42 X4 + 0.998 X5(6)

where in:

Z' = total index

X1 = ratio of working capital to total assets

X2 = ratio of retained earnings to total assets

X3 = ratio of earnings before interest and taxes to total assets

X4 = the ratio of the book value of the company's shares to the book value of total liabilities

X5 = ratio of sales to total assets

In this model, the lower Z' is, the higher the degree of financial helplessness of the company. So that companies with a Z'score higher than 2.9 are considered healthy companies and those with a score less than 1.23 are considered bankrupt companies, and Z' in the range of 2.9 and 1.23 is considered as a doubtful area and the said area should be interpreted with caution (Altman, 1983). Table 3 Calculation of research

Table 3 Calculation of research variables:

Varabile type	**Variable name**	**variable symbol**	**Calculation method**
Dependent	integrated risk	ERisk	(6)$ERisk_{it} = SR_{it} + OR_{it} + RR_{it} + CR_{it}$
	Strategic risk management	SR	(7)β_{it} = (8)SR_{it} =: sale Ri: annual return on the company's stock Rm: annual market return SR: risk management of sales strategies
	Operational risk management	OR	(9) OR = (10) Y = Sales: sales THAt-1: sum of assets at the beginning of the year NE: Number of employees OR: Operational Risk Management OR: Human resources employment risk
	Reporting risk management	RR	M = AudOp + Restatement(11) AudOp: When the auditor's opinion is conditional, rejected and no comment is

	Financial		given, a number of one is assigned and otherwise, a number of zero is assigned. Restatement: When the financial statements have been updated and this update is important, a number of one is assigned and otherwise a number of zero is assigned. In this research, the ratio of the annual adjustments of the current year to the accumulated interest at the beginning of the year is used as the significance threshold. If the mentioned ratio is more than 2%, the re-presentation is considered important. M = obtained from the sum of the auditor's comments and resubmission of financial statements. RRit = (12)
	Risk management, compliance with laws and regulations	CR	(13) (OR)= (14) CR= = effective tax rate average effective tax rate = standard deviation of effective tax rate
control	size of the company	Size	It is equal to the natural logarithm of the total assets of the company
	Operating cash flow	CFO	The ratio of cash flow from operating activities to total assets at the beginning of the year
	Financial Leverage	LEV	The ratio of total liabilities to total assets
	Market size	MktSize	The natural logarithm of total industry sales
	Return on assets	ROA	The ratio of net profit to total assets at the beginning of the year
Independent	Management ability	MgrAbility	Step one:(15) Max ϴ= The above model is based on data envelopment analysis, output-oriented BCC Salesit: Sales of the current year CoGSit: Cost of goods sold SG&Ait: General, administrative and selling expenses PPEit: property, machinery and equipment at the beginning of the year

			Internet: net intangible assets at the beginning of the year Step two: (16) FEit = α0 + β1Sizeit + β2MSit + β3FCFIit + β4Ageit + εit FEit=Max ϴ, efficiency factor from the above model MSit = the company's share of sales, which is equal to the ratio of the company's sales to the sales of the entire industry FCFIit: If the free cash flow of the company is positive, it is equal to one and otherwise it is equal to zero, which is the free cash flow equal to the operating cash flow after deducting the cash paid for taxes, dividends paid, and financial expenses paid. Ageit: the life of the company, which is equal to the natural logarithm of the number of years of the company's activity εit: management ability

Source: Researcher's findings

Data analysis and hypothesis testing

In order to better understand the nature of the society studied in the research and to get more familiar with the variables of the research, before analyzing the statistical data, it is necessary to describe these data. Table 4 shows the descriptive statistics of the research variables, including mean, standard deviation, minimum and maximum:

Table 4- Descriptive statistics of research variables:

*	DAC	FCF	LEV	LIQ	ROE	SIZE	FIN_DISTRESS
Average	-0/043	0/085	0/631	0/060	0/272	27/610	1/105
Middle	-0/020	0/070	0/640	0/040	0/280	27/455	1/060
maximum	2/030	0/640	1/570	0/490	0/627	32/920	5/110
minimum	-2/440	-0/170	0/150	0/000	-0/255	23/850	-0/760
standard deviation	0/337	0/122	0/201	0/071	0/189	1/385	0/614
crookedness	-1/321	0/897	0/314	2/733	-0/003	0/878	1/347
Elongation	13/047	4/517	3/881	12/389	2/495	4/765	8/538

Source: Researcher's findings

Hypothesis testing and its results Table 5. Hypothesis test results:

Table 5. Hypothesis test results:

Variable name	**The first hypothesis**		**The second hypothesis**		**The third hypothesis**	
	Possibility	Coefficient	Possibility	Coefficient	Possibility	Coefficient
Fixed coefficient	0.0023	0/631	0/060	0/272	27/610	1/105
MgrAbility	0.002	0/640	0/040	0/280	27/455	1/060
CFO	0.675	1/570	0/490	0/627	32/920	5/110
LEV	0.063	0/150	0/000	-0/255	23/850	-0/760
Mkt Size	0.1	0/201	0/071	0/189	1/385	0/614
ROA	0.001	0/314	2/733	-0/003	0/878	1/347
SIZE	0.004	3/881	12/389	2/495	4/765	8/538
statistics	2.22		1.444		0.012	
The coefficient	0.001		2/733		0/878	
determination **Watson**	0.001		2/733		0/878	

Source: Researcher's findings

Test results of the first to third hypotheses

According to Table 4, the lack of serial autocorrelation between the residuals is tested through Durbin-Watson's statistical coefficient. The coefficient of this statistic for the first to third hypotheses is (1.782, 2.280, 2.1482) respectively and it indicates that there is no serial autocorrelation between the residuals. Fisher's F statistic coefficient for the first to third hypotheses respectively (4.144, 829326.01 and 24826.22) shows the significance of the whole model. The coefficient of determination for the first to third hypotheses is respectively (0.389, 0.916, 0.7537) and indicates that the changes in the dependent variable can be explained by independent and significant variables in these models. According to the coefficient of management ability in the first to third hypotheses (2.193, 0.207, 0.093) and its significance level (0.002, 0.0002, 0.0001), it can be said that the first to third hypotheses of this research 95% confidence level is confirmed; And there is a significant positive relationship between the ability to manage and manage integrated risk and strategy risk and operational risk. Panelo's first hypothesis, second and third hypotheses are moneyThe results of the fourth and fifth hypothesis test:

According to Table 6, the lack of serial autocorrelation between the residuals is tested through Durbin-Watson's statistical coefficient. The coefficient of this statistic for the fourth and fifth hypotheses is (2.042, 2.0097) respectively and it indicates that there is no serial autocorrelation between the residuals. The coefficient of Fisher's F statistic for the fourth and fifth hypotheses is (2.6162, 12.7739) respectively and indicates the significance of the whole model. The coefficient of determination for the fourth and fifth hypotheses is (0.1687, 0.2910) respectively, indicating that the changes in the dependent variable can be explained by independent and significant variables in these models. According to the coefficient of management ability in the fourth and fifth hypotheses (0.2122, -0.0520) and its significance level (0.0200, 0.4274), it can be said that the fourth and fifth hypotheses of this research are confirmed at the confidence level of 95%. can be; And there is a significant positive relationship between management ability and reporting risk and the risk of laws and regulations. Assumptions are the fourth and fifth panels. Table 6. Hypothesis test results:

Table 6. Hypothesis test results:

Variable name	**The first hypothesis**		**The second hypothesis**		**The third hypothesis**	
	Possibility	**Coefficient**	**Possibility**	**Coefficient**	**Possibility**	**Coefficient**
Fixed coefficient	**0.0062**	**0/631**	**0/060**	**0/272**	**27/610**	**1/105**
MgrAbility	**0.0025**	**0/640**	**0/040**	**0/280**	**27/455**	**1/060**
CFO	**0.385**	**1/570**	**0/490**	**0/627**	**32/920**	**5/110**
LEV	**0.096**	**0/150**	**0/000**	**-0/255**	**23/850**	**-0/760**
Mkt Size	**0.12**	**0/201**	**0/071**	**0/189**	**1/385**	**0/614**
ROA	**0.163**	**0/314**	**2/733**	**-0/003**	**0/878**	**1/347**
SIZE	**0.2356**	**3/881**	**12/389**	**2/495**	**4/765**	**8/538**
statistics	**2.569**		**1.96**		**0.036**	
The coefficient	**0.001**		**2/733**		**0/878**	

determination **Watson**	**0.001**	**2.255**	**0/878**

Source: Researcher's findings

Hypothesis analysis 7

Considering the positivity of the β2 coefficient and the significance level of the t-statistic related to it, it can be stated that there is a positive and significant relationship between free cash flows and profit management. This result is in line with the findings of Bakit and Iskandar (2009). These researchers stated that the surplus of free cash may create an incentive for managers to apply increasing profit management and signal financial flexibility.

Also, the conclusion that can be drawn from the negativity of the β3 coefficient and the significance level of the t statistic related to it is that there is a negative and significant relationship between the profitability ratio and profit management. This result is in line with the findings of White (1970) that company managers which are faced with a decrease in their profitability, have an incentive to smooth the profit.

In general, the first hypothesis of the research indicating the existence of a meaningful relationship between opportunistic behaviors (free cash flows and profitability) and profit management is confirmed. Table 7: Hypothesis analysis:

Table 7: Hypothesis analysis:

Variable name	**The first hypothesis**		**The second hypothesis**		**The third hypothesis**	
	Possibility	Coefficient	Possibility	Coefficient	Possibility	Coefficient
Fixed coefficient	0.0023	0/631	0/060	0/272	27/610	1/105
MgrAbility	0.002	0/640	0/040	0/280	27/455	1/060
CFO	0.675	1/570	0/490	0/627	32/920	5/110
LEV	0.063	0/150	0/000	-0/255	23/850	-0/760
Mkt Size	0.1	0/201	0/071	0/189	1/385	0/614
ROA	0.001	0/314	2/733	-0/003	0/878	1/347
SIZE	0.004	3/881	0.25	2/495	4/765	8/538
statistics	2.22		1.444		0.012	
The coefficient	0.001		2/733		0/878	

determination **Watson**	0.001	2/733	0/878

Hypothesis analysis 8

The β4 coefficient is negative and according to the significance level of the t statistic related to the independent variable of the debt ratio, it can be concluded that at the 95% confidence level, the debt ratio has a significant effect on profit management; therefore, the second hypothesis is confirmed.

Table 8: Hypothesis analysis:

Variable name	**The first hypothesis**		**The second hypothesis**		**The third hypothesis**	
	Possibility	Coefficient	Possibility	Coefficient	Possibility	Coefficient
Fixed coefficient	0.0085	0/631	0/060	0/272	27/610	1/105
MgrAbility	0.002	0/965	0/040	0/280	27/455	1/060
CFO	0.675	1/570	0/490	0/627	32/920	5/110
LEV	0.063	0/150	0/000	-0/255	23/850	-0/760
Mkt Size	0.1	0/201	0/071	0/189	1/385	0/614
ROA	0.001	0/314	2/733	-0/003	0/878	1/347
SIZE	0.004	3/881	12/389	2/495	4/765	8/538
statistics	2.46		1.435		0.635	
The coefficient	0.001		2/733		0/878	
determination **Watson**	0.001		2/733		0/878	

Source: Researcher's findings

Debt may limit earnings management through a regulatory mechanism. Having a debt makes managers systematic in repaying it in order to avoid violating the provisions of the debt contract and also being prosecuted by creditors (Stals, 1990). Similarly, the research conducted by Balsam et al.[xlvi] (2002) and Sirgar and Utama[xlvii] (2008), showed that lenders have more access to relevant and timely information, which It makes them able to identify profit management done by managers who do not adhere to ethics.

Hypothesis analysis 8

Considering that the β1 coefficient is positive and considering the significance level of the t statistic related to the independent variable of the debt ratio, it can be concluded that at the 95% confidence level, financial pressure (financial helplessness) has a significant effect on profit management; therefore, the third hypothesis is confirmed. will be

Unlike previous researches (including Yazdinia et al., 2014; Jovanmard et al., 2015) that dealt with the occurrence or non-occurrence of profit management in the years after financial distress, in this research, the relationship between profit management and financial distress in one financial period was investigated. . The results indicated the existence of a positive and significant relationship between these two phenomena. This result implicitly indicates that the managers, knowing the company's situation and the confidential information they have, managed the profit in order to avoid the consequences of financial helplessness, which can include increasing the cost of the company's capital, damage to the reputation of the managers, cut off bonuses or If they are deported, they should be safe.

Discussion and conclusion:

The second hypothesis is explained as follows: there is a significant relationship between financial leverage and profit management. The results of this study indicate that there is a negative and significant relationship between financial leverage and profit management. In the sense that with the increase in debt and the number of creditors, the monitoring of the management performance by the creditors in order to check the amount of collection of their claims increases, and as a result, the management's ability to manage profits decreases. The results of this hypothesis are in line with the research results of Rina et al. (2009) and Nakashima and Zeliart (2015). Finally, the third hypothesis, which stated that there is a significant relationship between financial helplessness and earnings management, was also confirmed. In other words, financially helpless companies that have had a negative performance in the past, in order to avoid giving bad news to investors and prevent the price from falling, use incremental profit management procedures and engage in profit-increasing strategies to avoid crises and potential risks caused by helplessness. Be financially safe. The results of this hypothesis are in line with the research results of Smith et al. (2001), French and Kochital (2013), Garcialara et al. (2009).

According to the research results, the following suggestions can be made:

1 -Proposal to the legislators in the formulation of strict laws that will expand public trust in the reliability of financial reporting.

2-Monitoring the requirement to use corporate governance mechanisms.

3-Developing reporting requirements for companies in financial distress.

4-Establishing quality credit rating institutions for financially distressed companies.

According to the results of the assumptions, the companies always seek to increase the ability of their managers so that they can identify the risks facing the company faster and turn these threats into opportunities according to the available solutions. In traditional theories, risk is considered an internal or external threat to the company, but due to the change of perspective and the new approach of integrated risk management, these threats can be turned into favorable situations. The results show that increasing management ability will lead to increasing integrated risk management. The capacity of managers to use their ability in practice is a suitable solution for the risk management department and its components. Based on this, according to the findings of the first hypothesis of this research, it is suggested that when designing the strategies required by the company in order to reduce the internal and external risks of the company, the managers of the companies should consider the effects of managerial abilities in the macro policies of the company. The purpose of implementing strategic risk in the organization is to improve the competitive advantage in the company and reduce the probability of bankruptcy. By confirming the second hypothesis, the presence of capable managers in making quick and timely decisions to a large extent increases the competitive capacity and reduces the probability of bankruptcy in the organization. turns The third hypothesis showed that by employing capable managers and using their views when selecting and hiring skilled and talented employees, operational risk in the company can be greatly reduced. One of the determining factors in financial reporting is the opinions of company managers. The positive and significant relationship between management ability and financial reporting risk in the third hypothesis showed that the use of managers with greater ability in financial and accounting decisions reduces the probability of reporting risk in companies. The goal of many company managers is to operate in international markets, presence in these markets requires compliance with the rules and regulations governing these societies. Capable managers rely on their organizational knowledge and intelligence to solve the problems and problems facing the company and reduce the risk of not complying with the rules and regulations in the company.

References

[1] Alvaro curevo Cazzura, Luciano Ciravegna, Mauricio Melgarejo, Luis Lopz.(2018), “Home Country Uncertainty and the Internationalization-Performance Relationship; Building and Uncertaitnty Manegemt Capability”. http:// Available online at www.sciencedirect.com.

[2] Andreou, p., D. Ehrlich, and C. louca. (2013), “Managerial Ability and Firm Performance: Evidence from the Global Financial Crisis”, Working Paper. Online:Available at http://www.mfsociety.org.

[3] Brooks, K. & Nafukho, F.M. (2006), “Human Resource Development, Social Capital, Emotional Intelligence: any Link to Productivity?”, Journal of European Industrial Training, 30(2), PP. 117-128

[4] Chen, Y., Podolski, Edward J., Madhu V., (2015), “Does Managerial Ability Facilitate Corporate Innovative Success?”, Journal of Empirical Finance, Forthcoming.http:// Available online at www.sciencedirect.com.

[5] Demerjian, P., Lev, B. Lewis, M. and MacVay, S., (2013), “Managerial Ability and Earnings Quality”, The Accounting Review, 88(2), PP. 463-498.

[6] Demerjian, P., B. Lev, and S. MacVay. (2012), “Quantifying Managerial Ability: A New Measure and Validity Test”, Management Science 58(7), PP. 1229-1248.

[7] Hambrick, D., & P. Mason. (1948), “Upper Echelons: The Organization as a Reflection of its top Managers”, The Academy of Management Review, 9, PP. 193- 206.

[8] Hannan, M., & J. Freeman. (1977), “The Population Ecology of Organizations”, American Journal of Sociology, 82 (5), PP. 929-964.

[9] Gordon,L., Loeb, M.,and Tesng,C. (2009), “Enterprise Risk Management and Firm Performance: A Contingency Perspective”, Journal of Accounting and Public Policy, 28(4), PP. 301-327.

[10] Miia Martinsuo., Päivi Hoverfält. (2018), “Change Program Management: Toward a Capability for Managing Value-Oriented, Integrated Multi-Project Change in its Context”. http://Available online at www.sciencedirect.com.

[11] Mackey, A. (2008), “The Effect of CEOs on Firm Performance”, Strategic Management Journal 29 (12), PP. 1357-1367.

[12] RP.Jayani. Rajapathirana., Yan. Hui. (2018), “Relationship between Innovation Capability, Innovation Type and Firm Performance”. http:// Available online atwww.sciencedirect.com.

[13] Sajjad.m. jasimuddian.,M. Muzamil.Naqshbandi. (2018), “Knowldge-Orinted. Leadership and Open Innovation: Role of Knowledge Management Capability in Farnce- based Multinationals”. http:// Available online at www.sciencedirect.com.

[14] Yajun. Zhang., Shan. Lio., Jing. Tan., Guoyan. Jiang.,Qing. Zhu., (2018), “Effect of Risk on the Performance of Business

Prosess outsorching Project: The Moderating Roles of Knowledge Management Capability". http:// Available online at www.sciencedirect.com.

[15] Wasserman,N., Nohira, N., Anand, B. (2010), "When Does Leadership Matter? A Contingent Opportunities View of CEO Leadership: Handbook of Leadership Theory and Practice", Harvard Business Publishing,Cambridge, MA.

[16] Abdul Rahman, R. Wan Abdullah, W.R. (2005), "The New Issue Pu le in Malaysia: Performance and Earnings Management", National Accounting Research Journal, 3, PP. 91-110.

[17] Andreou, P.C, Antoniou, C. Horton, J, Louca, C. (2013), "Corporate Governance and Firm-Specific Stock Price Crashes", SSRN Working paper.

[18] Aini, A., Takiah M.I., Pourjalali, H and Teruya, J. (2006), "Earnings Management in Malaysia: A Study on Effects of Accounting Policy", Malaysian Accounting Review, 5(1), PP. 185-209.

[19] Andrade, G. Kaplan, S.N. (1998), "How Costly is Financial (not Economic) Distress? Evidence from Highly Leveraged Transactions that Became Distressed", Journal of Finance, 53, PP. 1443–1493.

[20] Ashari, N., Koh, H. C., Tan, S. L. Wong, W.H. (1994), "Factors Affecting Income Smoothing Among Listed Companies in Singapore", Accounting and Business Research, PP. 291-301.

[21] Ball, R, (2001), "Infrastructure Requirements for an Economically Efficient System of Public Financial Reporting and Disclosure", Brookings-Wharton Papers on Financial Services, PP. 127-169.

[22] Bamber, L. S., Jiang, J., & Wang, I. Y. (2010), "What's my Style? The Influence of top Managers on Voluntary Corporate Financial Disclosure" The Accounting Review, 85(4), PP. 1131-1162.

[23] Bilimoria, Diana. (1997), "Perspectives on Corporate Control: Implications for CEO Compensation", Human Relations. 50 (7). The Tavistock Institute, Ohio.

[24] Bukit, R.B. Mohd Iskandar, T. (2009), "Surplus Free Cash Flow", Earnings Management and Audit Committee, Accounting Review

[25] Chung, R, Firth, M. And Kim, J.B. (2005), "Earnings Management, Surplus Free Cash Flow, and External Monitoring", Journal of Business Research, 58, PP. 766- 776.

[26] Dechow, P. M. Skinner, D. J. (2000), "Earnings Management: Reconciling the Views of Accounting Academics, Practitioners, and Regulators", Accounting Horizons, 14, PP. 235-250.

[27] Dennis, C. M. Michel. (1996), "Decisions, Decisions", CA Maga ine, 129 (7), PP. 38-42.

[28] Emita W Astami, Rusmin Rusmin, Bambang Hartadi John Evans, (2017), "The Role of Audit Quality and Culture Influence on Earnings Management in Companies with Excessive Free Cash Flow: Evidence from the Asia-Pacific

[29] Region", InternationalJournal of Accounting & Information Management, Vol. 25, Iss 1.

[30] Garcia Lara, J, M, Osama<Garcia> and Neophytou, E (2009), "Earning Quality inExpost Failed Firms", Accounting and Business Research 39(2), PP. 119-138

[31] Gilson, S. (1989), "Management Turnover and Financial Distress", Journal of Financial Economics, 25(2), PP. 241-62.

[32] Jensen, Michael C., (1986), "Agency Costs of Free Cash Flow, Corporate Finance and Takeovers", American Economic Review,76(2), PP. 323-329

[33] Healy, P. M. Wahlen, J. M. (1999), "A Review of the Earnings Management Literature and its Implications for Standard Setting", Accounting Hori ons, 13, PP. 365-383.

[34] Jaggi, B, and Lee (2011), "Earnings Management Response to Debt Covenant Violation and Debt Restructuring", Journal of Accounting Auditing and Finance, 17, PP. 295-324

[35] Jensen. M.C. (1986), "Agency Costs of Free Cash Flow, Corporate Finance and Takeovers", American Economic Review, 76, PP. 323-329.

[36] Kothari, S.P, Shu, S, Wysocki, P.D, (2009b), "Do Managers With hold Bad News?", Journal of Accounting Research, 47, PP. 241- 276.

[37] Leng, C.A. (2007), "The Impact of Internal and External Monitoring Measures on Firm's Dividend Payout: Evidence From Selected Malaysian Public Listed Companies", International Journal of Business and Management, 2(5), PP. 31-45.

[38] Liberty, S. immerman, J. (1986), “Labor Union Contract Negotiations and Accounting Choice”, The Accounting Review, 61(4), PP. 692-712.

[39] Nakashima. M., iebart. D., (2015), “Did Japanese- Sox Have an Impact on Earnings Management and Earnings Quality?”, Managerial Auditing Journal, Vol 30, PP. 482-510

[40] https://www.nadirkitap.com/orneklerle-uygulamali-sirket-kuruluslari-prof-dr-osman-altug-hanifi-ayboga-kitap24089516.html

[41] https://en.wikipedia.org/wiki/Turkish_lira

[42] https://www.muhasebedersleri.com/hesaplar/331-ortaklara-borclar.html

[43] https://vergidosyasi.com/2017/11/08/570-gecmis-yillar-karlari-hesabi-isleyisi-ornek-muhasebe-kayitlari/

[44] https://www.muhasebedersleri.com/hesaplar/102-bankalar.html

[45] https://www.kitapburada.com/kitap/genel-muhasebe-cilt-2