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The Impact of Earnings Management Behavior on the Performance of Listed Companies on the Hanoi Stock Exchange (Hnx) in Vietnam

Dinh The Hung[1] ✉
Le Viet Dung[2]
Le Phuong Nhi[3]

[1]*School of Accounting and Auditing, National Economics University 207 Giai Phong Road, Dong Tam ward, Hai Ba Trung District, Hanoi, Vietnam.*
Email: hungdt@neu.edu.vn
[2]*Excellent Auditing 63B, National Economics University 207 Giai Phong Road, Dong Tam ward, Hai Ba Trung District, Hanoi, Vietnam.*
Email: vietdung25112003@gmail.com
[3]*Grant Thornton Vietnam Co., Ltd 18th Floor, Hoa Binh International Office Building, 106 Hoang Quoc Viet Street, Nghia Do Ward, Cau Giay District, Hanoi, Vietnam.*
Email: lephuongnhi0611@gmail.com
(✉ Corresponding Author)

Abstract

This study analyzes the impact of earnings management on the business performance of companies listed on the Hanoi Stock Exchange (HNX) in Vietnam. Data were collected from 247 listed companies on HNX, with 1,235 observations during the period 2019–2023. The research team employed multiple linear regression analysis with the support of Stata software. The research results indicate that earnings management affects corporate performance. Additionally, control variables such as duality, Big Four audit firms, board size, and firm size also influence the performance of companies listed on HNX. The paper also provides several recommendations regarding the relationship between earnings management and the performance of listed companies on HNX.

Keywords: Big4, Corporate performance, Earnings management, HNX.

1. Introduction

In the current economic context, earnings management (EM) has become a topic of great interest to managers, investors, and the academic community. EM refers to the deliberate use of accounting techniques by managers to alter a company's financial results to achieve specific objectives. While EM can provide short-term benefits for firms, excessive use has led to severe financial crises and eroded investor confidence. Notable examples include Enron (2001), which used special-purpose entities and complex transactions to conceal massive debts and inflate profits, causing shareholder losses exceeding $74 billion. Similarly, WorldCom (2002) capitalized expenses that did not qualify for capitalization instead of recording them as expenses in the Income Statement, leading to an overstated asset value of up to $11 billion. More recently, Wirecard (2020), a German online payment company, was found to have fabricated revenues and lacked assets to back its debts.

Apart from EM, corporate performance is another critical factor commonly used to assess a company's profitability and competitive strength in the market. Maintaining high and sustainable performance remains a top priority for businesses in both the global economy and Vietnam's economic landscape.

The relationship between EM and corporate performance has attracted extensive research to better understand how EM behavior impacts a firm's sustainable development. Many studies suggest that EM can directly influence corporate performance by adjusting cash flows or financial results, helping maintain stable profits across business cycles. However, excessive EM can lead to hidden risks, pushing firms toward bankruptcy in times of crisis.

This study aims to clarify the impact of EM on the performance of financial companies listed on the Hanoi Stock Exchange (HNX) from 2019 to 2023. It also seeks to provide deeper insights into how EM behavior affects corporate performance. Based on the findings, the authors will propose recommendations to help managers, investors, and other stakeholders recognize and make informed decisions regarding EM practices.

2. Literature Review and Theoretical Framework

2.1. Earnings Management

EM refers to the deliberate actions of managers who use accounting tools such as estimates and accounting policies to influence a company's financial results in a way that aligns with their objectives. This practice is often aimed at presenting a more favorable financial image than reality, serving specific goals such as attracting investment by portraying stable profits or minimizing tax obligations to the government.

The concept of EM has been widely discussed by researchers. According to Schipper (1989), EM is a deliberate intervention by managers in the financial reporting process to achieve personal objectives. Scott (1997) argued that EM reflects the actions of managers in selecting accounting methods that benefit themselves or increase the firm's market value.

Healy and Wahlen (1999) defined EM as the managerial use of subjective judgment in financial reporting to alter reported financial information or contractual outcomes that rely on accounting figures. Similarly, Diep (2018) suggested that EM occurs when managers exercise judgment in financial reporting and transaction structures to manipulate financial statements, either to misrepresent the company's performance or to influence contractual outcomes based on accounting figures.

Gunny (2005) categorized EM into two main types: accrual-based earnings management (AEM) and real earnings management (REM). Most contemporary studies measure EM using accrual-based methods, with the Modified Jones Model (1995) being considered the most effective tool for detecting EM. Therefore, this study employs the Modified Jones Model (1995) to measure EM through accrual-based accounting variables.

2.2. Corporate Performance

The concept of performance is a controversial topic in finance due to its broad meaning. Productivity and efficiency are often used interchangeably, but they do not always carry the same meaning.

Productivity was first mentioned in an article by Quesnay in 1776, and since then, various authors have defined it differently. A commonality among most definitions is that productivity is considered a "measure" of output relative to one input, two inputs, or total inputs. This ratio can be easily calculated when a producer uses a single input to generate an output. Even in cases where multiple inputs are used to produce several outputs, the numerator (output) must be aggregated from economically reasonable factors, and the denominator (input) must also be composed of those factors. Therefore, productivity remains a scalar ratio.

However, when multiple inputs are used to produce multiple outputs, researchers tend to infer efficiency (Grosskopf & Lovell, 1994). By definition, efficiency involves comparing the observed actual values with the potential values of inputs and outputs. Efficiency can be examined in several ways: comparing actual output to the potential output for a given input, comparing actual input to the minimum input required to produce a given output, or a combination of both.

Performance is measured in both financial and organizational terms. Financial performance, including profit maximization, return on assets (ROA) maximization, and shareholder value maximization, is a core aspect of corporate efficiency. A broader definition of performance includes revenue growth and market share expansion as key measures.

ROA and return on equity (ROE) are the most commonly used metrics for measuring corporate performance. These accounting-based measures represent financial indicators derived from the balance sheet and income statement and have been widely employed by previous researchers.

2.3. The relationship between Earnings Management and Corporate Performance

According to the research of Healy (1985), the increase or deficit in profits depends on executive bonuses and compensations, which are linked to the company's performance. Degeorge et al. (1999) argued that incentive compensation for executives significantly impacts periodic financial reports of businesses during specific periods.

The study by Dichev (1997) also introduced two thresholds for managerial motivation: when business performance is poor, reported profits should indicate that the company is not making a loss; and when business performance is favorable, reported profits should be maintained at a stable level, avoiding sudden fluctuations. Some studies also highlight theories suggesting that managers conceal actual business results to meet contractual obligations with investors and minimize investor dissatisfaction when the company experiences a series of unfavorable results.

It can be said that EM to mask poor business performance is the most common and widely observed practice among businesses. Dichev (1997) estimated that 30-44% of companies adjust profits from deficits to positive earnings. Dechow et al. (2003) also noted that companies with positive but not high net profits often exhibit abnormally high accumulated accounting values.

Regarding the impact of EM, the study by Graham, Harvey, and Rajgopal (2005) found that this behavior can help companies improve short-term stock values but also increases financial risk and harms long-term shareholder interests. This aligns with Roychowdhury's (2006) research, which shows that businesses tend to engage in EM through real activities such as revenue manipulation or cost-cutting to meet short-term financial targets.

Additionally, Charfeddine et al. (2013) argued that if a company's business performance is poor, it will inevitably lead to a decline in stock prices, affecting corporate value; thus, many managers tend to engage in EM. Cheng and Warfield (2005) provided evidence that managers adjust profits upwards to boost stock prices and receive positive market reactions. Conversely, Fathi (2013) found that companies with high operational efficiency are less likely to engage in EM, as they prioritize maintaining credibility and trust.

The study by Nguyen Do Quyen and Tran Quoc Hoang (2018) analyzed the relationship between EM behavior and operational efficiency in non-financial enterprises listed on the Vietnamese stock market from 2010 to 2015. The findings showed that business performance positively correlates with EM behavior. Essentially, EM directly impacts corporate performance by affecting actual cash flows. This practice, whether through "advancing future cash flows" or "retaining a portion of current profits," exposes businesses to potential risks, as maintaining high profitability over multiple periods can become a burden during economic crises, pushing companies toward bankruptcy. The study also highlighted that managers use EM to influence reported business performance based on several key motivations.

The research by Tran Van An (2018) focused on analyzing the factors affecting EM in publicly listed manufacturing enterprises on the HOSE stock exchange. The author used financial indicators to measure the extent of EM and evaluate the impact of factors such as company size, financial structure, and liquidity. The study revealed a strong correlation between EM and these factors, particularly company size and liquidity, emphasizing the importance of optimizing these elements to enhance EM effectiveness.

Nguyen Thi Hong Minh (2019) focused on EM in Vietnamese service enterprises, particularly those in the tourism and hospitality sectors. This research clarified how EM strategies affect business performance in the service industry. The study concluded that EM not only helps businesses optimize profits but also enables them to maintain sustainable customer relationships through flexible pricing strategies and effective cost management.

The study by Pham Thi Lan and Nguyen Duc Dung (2021) was conducted in the context of the COVID-19 pandemic, aiming to assess the economic crisis's impact on EM in Vietnamese small and medium-sized enterprises. The findings indicated that the pandemic caused major disruptions in business activities, forcing companies to adjust their EM strategies to adapt to new conditions. Cash flow management and cost optimization were identified as key factors in helping businesses navigate the crisis and maintain profitability during difficult times.

In the context of COVID-19, recent studies have begun to focus on the challenges businesses face and their EM behaviors during this period. Chen et al. (2022) examined the impact of the pandemic on EM, showing that companies often intensify EM efforts to maintain financial performance and investor confidence amid uncertainty. However, the study also warned that excessive reliance on EM could damage corporate reputation and increase financial crisis risks in the long run.

These studies highlight that maintaining strong business performance over an extended period is a top corporate objective, and statistical data indicate significant pressure on managers to engage in EM to produce business results aligned with operational targets at different stages.

Most studies on the relationship between business performance and EM suggest that the extent of EM increases as business performance improves. However, once a company achieves a stable and high level of performance, the degree of EM gradually declines.

3. Foundational Theories

3.1. Agency Theory

Agency theory, developed in 1967, focuses on studying organizational behavior and the impact of situational factors on businesses. According to this theory, when the principal delegates authority to the agent to perform tasks or make decisions on their behalf, conflicts of interest may arise due to misaligned objectives between the two parties. This leads to a conflictual relationship. Agency theory also emphasizes that agency costs, including monitoring costs and incentive mechanism costs, result from conflicts between the principal and the agent, aiming to ensure that the agent acts in the principal's best interest.

Michael Jensen and William Meckling expanded this theory in 1976, arguing that when owners do not directly manage the business, managers may use their power to pursue personal benefits.

3.2. Stewardship Theory

Stewardship theory offers a different perspective from agency theory, in which managers are viewed as capable administrators who act in the best interests of shareholders (Donaldson & Davis, 1991). The foundation of this theory is based on social psychology, emphasizing managerial behavior. Unlike economic theories, stewardship theory focuses on the relationship between managers and shareholders from a non-economic perspective. According to this theory, corporate directors act as stewards of the company, prioritizing organizational interests over personal gains. The ultimate goal of managers within an organization is to enhance corporate benefits (Sundaramurthy & Lewis, 2003). Therefore, they are expected to act with integrity to protect their personal honor and reputation (Stout, 2013).

According to this theory, directors should be granted autonomy based on trust, reducing monitoring and control costs from the Board of Directors (Muth & Donaldson, 1998). Business performance, from this perspective, is significantly influenced by executive directors on the board, as they possess a deep understanding of company operations and can make more accurate decisions than external directors (Donaldson & Davis, 1991). To optimize decision-making processes, the Board of Directors should be small and consist primarily of executive directors. Finally, this theory suggests that the Chairman of the Board should also serve as the CEO (duality) to ensure swift and effective decision-making (Hillman et al., 2000).

However, stewardship theory has a drawback in that it overlooks the element of "opportunism" in human behavior, relying solely on trust. It is most applicable in corporate models where the owner is also the director, such as single-member limited liability companies.

3.3. Stakeholder Theory

Stakeholder theory was first introduced by Freeman (1984) in his research on organizational management and business ethics. According to this theory, a stakeholder is defined as any entity that can affect or be affected by mission-driven organizations (i.e., those established to achieve specific objectives). Freeman argued that companies should consider the interests of all stakeholders rather than focusing solely on shareholders to create value for all participants and achieve long-term success. When stakeholder interests conflict, the management team must find ways to rethink issues so that the needs of a diverse group of stakeholders are met. To the extent that this is accomplished, it may even generate more value for each stakeholder (Harrison, Bosse, & Phillips, 2010).

Clarkson (1995) suggested that a company's existence and success depend on the ability of its managers to deliver benefits and satisfy the needs of stakeholders, including employees, shareholders, customers, suppliers, the community, and the environment. Balancing interests and maintaining positive relationships with stakeholders within a company can enhance overall performance across the entire project or organization.

4. Model Development and Research Hypothesis

4.1. Research Hypothesis

In addition to the direct impact of EM, a company's operational performance is also influenced by several other factors, such as CEO duality, Board size, and Big 4 audit firms. Therefore, the research team proposes the following hypotheses:

4.1.1. Earnings Management (EM)

When evaluating a company, investors rely on accounting information such as stock prices or financial reports disclosed in the stock market. According to Charfeddine et al. (2013), if a company's operational performance is poor, its stock price will decline, which negatively affects the firm's value. Therefore, managers are incentivized to engage in EM to influence stock prices (Degeorge et al., 1999). When a company performs poorly, there is a tendency to inflate profits to maintain credibility. Charfeddine et al. (2013) and Cheng & Warfield (2005) provided evidence that managers increase profits to boost stock prices.

To receive positive market reactions, EM is implemented to meet market expectations (Chen et al., 2015; Charfeddine et al., 2013). Additionally, Chen et al. (2006) demonstrated that underperforming firms are more likely to engage in EM. At the same time, managers also employ EM to achieve stable growth (Charfeddine et al., 2013). Based on prior research, the research team proposes the first hypothesis:

Hypothesis H1: Earnings management has a positive impact on a company's operational performance.

4.1.2. Chairman of the Board of Directors Concurrently Holding the position of CEO (DUAL)

The monopolistic management and control of decisions by an individual can negatively impact a company's operational efficiency and weaken the supervisory role of the Board of Directors (Fama & Jensen, 1983). Furthermore, firms with CEOs who concurrently serve as chairpersons of the Board of Directors tend to face a higher risk of bankruptcy and exhibit poorer performance (Coles et al., 2008). From an agency perspective, separating the roles of CEO and chairperson of the Board is necessary. However, there is no clear conclusion that companies with non-dual CEOs perform better, as Donaldson and Davis (1991) argue that CEOs need a high degree of autonomy to manage the company effectively. On the other hand, research by Phan Bui Gia Thuy et al. (2017) in Vietnam indicates that companies with CEOs also serving as chairpersons of the Board of Directors achieve better performance. This leads to the following hypothesis:

Hypothesis H2: Companies where the chairperson of the Board of Directors concurrently serves as the CEO negatively impact performance.

4.1.3. Audited by BIG4 Firms (AUDIT)

Research by Lindberg (2001) indicates that due to greater credibility associated with large auditing firms, these firms are often considered to provide more accurate and reliable audit reports. Investors also tend to invest in companies with high-quality audit reports, leading to an upward trend in stock prices. According to Hoa Hong et al. (2021), the use of audit services from BIG4 firms is highly valued by investors and the market for the quality of financial reports, as the reputation and quality of BIG4 audit firms are superior to other auditing firms. This, in turn, contributes to enhancing business performance.

However, according to Ho Xuan Thuy et al. (2024), firms audited by BIG4 have an inverse impact on EM, meaning that companies audited by BIG4 are less likely to engage in earnings manipulation. Therefore, based on previous studies, this research expects a positive correlation between BIG4 auditing and corporate performance:

Hypothesis H3: Companies audited by BIG4 firms have a positive impact on company performance.

4.1.4. Board Size (BOARD)

Currently, there are two perspectives on the relationship between board size and corporate performance. The first viewpoint suggests that larger boards are less efficient due to coordination, control, and decision-making flexibility issues, as well as excessive empowerment of CEOs (Jensen, 1993). However, the second perspective argues that larger boards can enhance company performance by improving managerial oversight and providing more human resources for managerial advice. The research team expects that a board with a larger number of members will help a company manage its situation more effectively. The proposed hypothesis is:

Hypothesis H4: Board size has a negative impact on corporate performance.

4.1.5. Firm Size (SIZE)

Although many studies have examined the relationship between firm size and performance, they have reached different conclusions. Prasetyantoko and Parmono (2009) found that, when firm characteristics and macroeconomic indicators remain stable, there is a significant positive relationship between firm size (measured by total assets) and ROA during both crisis and post-crisis periods. Mule et al. (2015) found that firm size has a positive and statistically significant impact on ROE but does not affect ROA or Tobin's Q. Similarly, Aytürk and Yanık (2015) found that firm size has a statistically significant impact on financial performance.

Conversely, Goddard et al. (2005) found that firm size negatively and significantly affects ROA. Lee (2009) demonstrated an inverted U-shaped relationship between firm size and financial performance. Shehata et al. (2017) found that firm size has a statistically significant negative correlation with ROA.

Hypothesis H5: Firm size has a negative impact on corporate performance.

4.2. Research Model

Based on the above hypotheses, this study proposes the following general research model:

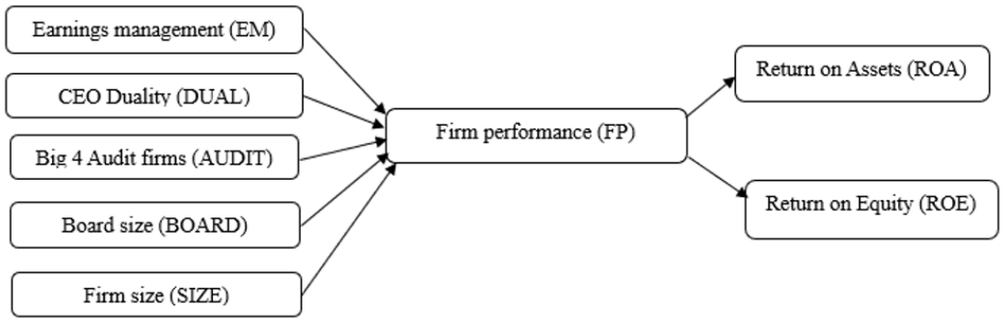

Figure 1. Research model.

Table 1 below describes the variables used in the model and their measurement methods as follows:

Table 1. Description of Variables in the Model.

Variable Name	Variable	Measurement	Expected Sign
Dependent Variable			
Firm Performance (FP)	ROA ROE	$ROA = \frac{Net\ profit\ attributable\ to\ shareholders}{Total\ assets} \times 100\%$ $ROE = \frac{Net\ profit\ attributable\ to\ shareholders}{Shareholders'\ equity} \times 100\%$	
Independent Variables			
Earnings Management	EM	$EM = \frac{DA_{it}}{A_{it-1}}$	(+)
CEO Duality	DUAL	Dummy variable = 1: CEO is also Board Chairman Dummy variable = 0: CEO is not Board Chairman	(-)
Big4 Audit	AUDIT	Dummy variable = 1: Audited by a Big4 firm Dummy variable = 0: Not audited by a Big4 firm	(+)
Board Size	BOARD	BOARD = Number of board members	(-)
Firm Size	SIZE	SIZE= Ln (Total Assets)	(-)

To examine the impact levels between the dependent and independent variables, as well as the control variables, the research team employs a multivariate regression model as the primary model for this study:

ROA= β1 EM + β2 DUAL + β3 AUDIT + β4 BOARD + β5 SIZE+ ε

ROE= β1 EM + β2 DUAL + β3 AUDIT + β4 BOARD + β5 SIZE + ε

5. Research Results and Discussion

5.1. Research Data

The dataset used in this study was collected from 247 non-financial companies listed on the Hanoi Stock Exchange (HNX), Vietnam. These companies provided complete data, including financial statements, annual reports, and governance reports, during the research period from 2019 to 2023, resulting in 1,235 observations.

All banking enterprises were excluded from the dataset due to their distinct financial structure, accounting methods, and capital asset characteristics. The financial data of these companies were analyzed from 2019 to 2023 to clarify the changes and fluctuations in EM and the relationship between EM and business performance during the pandemic period.

Table 1. Correlation between variables.

	ROA	ROE	EM	SIZE	DUAL	AUDIT	BOARD
ROA	1,000						
ROE	0,8422	1,000					
EM	-0,3176	-0,2887	1,000				
SIZE	-0,0820	-0,0820	-0,2682	1,000			
DUAL	0,0367	0,0188	0,0040	-0,2061	1,000		
AUDIT	0,0268	0,0734	-0,4837	0,1357	-0,0766	1,000	
BOARD	-0,0399	-0,0765	-0,2144	0,0898	0,0373	-0,0131	1,000

5.2. Model Results

5.2.1. Correlation Matrix

The correlation matrix analysis (Table 1) reveals notable trends in the relationships between variables in the model. The variable EM has a negative correlation with both dependent variables, ROA and ROE. The variable SIZE also exhibits a negative correlation with ROA and ROE.

In contrast, the variable DUAL shows a positive correlation with ROA and ROE. The variable AUDIT demonstrates a positive correlation with both dependent variables. Lastly, the variable BOARD has a negative correlation with ROA and ROE.

Table 2. Results of F-Test and Hausman Test.

ROA				ROE			
	OLS	**FEM**	**REM**		**OLS**	**FEM**	**REM**
EM	-.065265***	-0.027742***	-0.028956***	EM	-0.084221 ***	-0.034722 **	-0.045608 ***
SIZE	0.005464	0.006431***	0.001315	SIZE	-0.003969	-0.002113	-0.005748
DUAL	0.002533	0.016466	0.011492 **	DUAL	0.007694	-0.003914	-0.001557
AUDIT	-0.037508**	0.011458	0.006769	AUDIT	-0.022449	0.037186	0.024702
BOARD	-0.042141	-0.015222	-0.021856	BOARD	-0.048299	0.017695	0.001795
Cons	0.060382	-0.116384	0.030861	Cons	0.268887	0.236012	0 .212135
N	1235			N	1235		

Note:
(*): Significant at the 10% level (p < 0,1)
(**): Significant at the 5% level (p < 0,05)
(***): Significant at the 1% level (p < 0,01)

5.2.2. Test Results

Conducting the F-test with Prob > F = 0.0000 indicates that the FEM model is more appropriate than the OLS model. Continuing with the Breusch-Pagan Lagrangian test, the results show Prob > chi2 = 0.0000, suggesting that the REM model is better than OLS.

To determine the most suitable model, the research team conducted the Hausman test to compare FEM and REM. For the dependent variable ROA, Prob > chi2 = 0.0122, leading to the conclusion that FEM is more appropriate. Conversely, for the dependent variable ROE, Prob > chi2 = 0.0933, indicating that REM is the best model among the three proposed models.

However, when further testing for model deficiencies, both models exhibited heteroscedasticity and autocorrelation issues. To address these problems, the research team proposes using the FGLS method for correction.

Table 3. FGLS Results.

Research variable	ROA	ROE
EM	-0.007723 **	-0.012575
SIZE	-0.005882	-0.013835
DUAL	0.029138	-.0143114 **
AUDIT	0.015429 ***	0.028088 ***
BOARD	0.017232	0.042688
Cons	0.269549	0.489175
Panel data model type	FGLS	FGLS
Number of observation	1235	1235

5.3. Discussion of Results

After conducting the tests, the research team concludes that all five hypotheses H1, H2, H3, H4, H5 are accepted. EM has a negative impact on ROA and ROE. In general, financial performance is adversely affected by accrual-based EM. Through these transactions, managers may artificially inflate revenues by manipulating financial reports, making revenue and profit appear higher than they actually are. Over time, investors may become disappointed as past adjustments reduce future financial performance, even if further adjustments are made. These findings align with Agency Theory by Jensen & Meckling (1976) and reaffirm the results of prior studies by Dechow et al. (1995), Subramanyam (1996), and Healy & Wahlen (1999). In Vietnam, these findings are consistent with the research of Duong Thi Chi (2021) and address the limitations of previous studies by Nguyen Do Quyen & Tran Quoc Hoang (2017), and Nguyen Vinh Khuong et al. (2019), as this study establishes the relationship between EM and future financial performance.

6. Conclusion and Recommendations

6.1. Conclusion

The study focuses on analyzing the relationship between EM behavior and the performance of enterprises listed on the Hanoi Stock Exchange (HNX), Vietnam, during the period 2019–2023. The results show that:

There is a negative impact of EM on long-term financial performance. Financial indicators such as ROA and ROE are adversely affected by EM behavior. This indicates that while EM may create short-term benefits, it ultimately reduces the efficiency of asset and capital utilization in the long run. EM is often strategically employed to achieve profit targets or maintain a company's image, but it diminishes transparency and increases financial risk.

During the COVID-19 pandemic (2019–2023), EM was used as a crisis management tool to maintain financial stability and mitigate the negative impacts of global economic fluctuations. Factors such as firm size (SIZE), dual leadership roles (DUAL), Big 4 audit firms (AUDIT), and board size (BOARD) significantly influence business performance. This highlights the role of corporate governance in maintaining stability and business efficiency.

6.2. Recommendations

Based on the research findings, the authors propose several policy recommendations to enhance business performance and mitigate risks associated with EM behavior:

For regulatory authorities: Strengthen supervision and control of EM behavior by establishing specific legal frameworks, particularly during economic crises when EM-related risks increase. Enhance sanctions for financial reporting fraud and promote ethical training programs in accounting and auditing. Encourage the adoption of international accounting standards by urging businesses to implement IFRS, thereby improving transparency and reducing negative EM practices. This not only enhances the credibility of businesses in international markets but also improves financial information quality for investors. Develop an early warning system: Regulatory agencies

should establish monitoring and early warning systems to detect abnormalities in financial reports, thereby minimizing systemic financial risks. Strengthen the capacity of independent auditing by closely monitoring the quality of independent audit firms to ensure they effectively fulfill their role in detecting and controlling financial report fraud.

For investors: Conduct long-term evaluations and use information from multiple sources. Investors should carefully assess businesses, not just based on short-term financial indicators but also by focusing on sustainable long-term growth potential. Combining financial data with non-financial reports provides a more comprehensive view of a company's performance.

For businesses: Enhance financial transparency by applying International Financial Reporting Standards (IFRS) to minimize manipulative EM behavior. Companies should shift from pursuing short-term profit goals to strategic financial management, including effective cost management, cash flow optimization, and investment in long-term value projects. Strengthen crisis management capabilities: Especially in the post-pandemic era, businesses need to develop crisis response strategies to ensure stability in uncertain economic conditions. This includes maintaining financial reserves, restructuring supply chains, and integrating digital technology into business management.

The study focuses on enterprises listed on the Hanoi Stock Exchange (HNX), Vietnam, without considering non-financial factors such as corporate culture or governance quality. Future research should expand to include firms listed on both the Hanoi Stock Exchange (HNX) and the Ho Chi Minh Stock Exchange (HOSE) and incorporate non-financial factors into the research model to gain a deeper understanding of the determinants of business performance.

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