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FACTORS AFFECTING INCOME OF BOARD OF EXECUTIVES: EVIDENCE FROM LISTED COMPANIES ON HO CHI MINH CITY STOCK EXCHANGE

Vu Xuan Thuy

Thuongmai University

Email: vuthuy2607@gmail.com

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This study aims to identify the key factors that have influence on total income (salary, bonus) of the Board of Executives (BoE) or Board of Management (BoM). Literature review from relevant theoretical and empirical frameworks mentioned these following factors: BoD Size, Firm Size, Growth and Performance. By conducting research on 40 companies listed on Ho Chi Minh Stock Exchange (HOSE) with 200 observations during the period from 2009 to 2014 and applying means of random analyses, the study findings show that: Firm Size and BoD Size are two factors that have positive and significant impact on earnings of BoE. On the others hand, Firm Performance has weak impact on BoE earnings and the Company's Growth, which is calculated based on the difference in between market price and bookkeeping value, does not affect BoE income despite initial expectation to be one crucial factor.

Keywords: Board of Executive, Board of Director, compensation policy, joint-stock company, company policy, Viet Nam listed company, earnings, representatives, managers, firm, performance, impact.

1. Introduction

At present, Agency cost has become a common issue and a great challenge in financial management activities with joint-stock companies around the world. Apart from finding out effective incentive policy, avoiding the disagreement about benefits between BoE and shareholders is also a remarkable concern of companies due to its complexity. A poor payment plan would encourage the maximization of current income without paying attention to future income. More seriously, value for future shareholders would be chosen to sacrifice for the generation of high results in short term.

Under another point of view, conflicts between stakeholders are manifested through contradiction. Income of BoE entirely depends on business results;

therefore, executives tend to limit their risk by rejecting high-profit but high-risk projects and focusing on moderately profitable but less risky ones. On the other hand, investors tend to accept higher risks with the desire of earning remarkable returns. As soon as this conflict is solved, company could create more values. Under that circumstance, shareholders could bind BoE incomes with their incomes by arguing that when BoE income depends on the value of the company, BoD members could have working motivation towards the direction of increasing shareholder benefits (Kubo, 2001).

Current situation in Vietnam also shows that the more competitive and professionally oriented the market economy is, the more important this problem could become. A large number of joint-stock companies

including state-owned firms are confused in determining the income distribution (salaries, bonuses) to the members of the BoE. This issue results in negative impacts on company's salaries and bonuses policy. In particular, in the past time, there was a large number of joint-stock companies in Vietnam paid "sky-high" incomes to CEOs that neither reflected the values they brought back to enterprises nor based on any scientific foundation. Therefore, it is necessary for preferential arrangements to be reasonable and meet the appropriate personal interests of BoE members (Kumar & Sivaramakrishnan, 2008). There is recent evidence from Ertugrul and Hegde' study (2008) which points out that the representation problem can be limited through wage tools.

In Vietnam's context, due to some limitations in accessing to reliable sources of data, there are not many researches about this subject, especially empirical studies. Therefore, this article aims to provide scientific and experimental evidence of the factors affecting the earnings of BoD among listed companies in Vietnam during the period from 2009 to 2014.

2. Theoretical framework and research design

According to Jensen and Meckling (1976), Fama and Jensen (1983), the agency problem may exist between the owner (shareholders) and the agencies (BoD and BoE) or even among BoD and BoE. This problem is clearly revealed when the independence and supervisory functions of the BoD turns out to be ineffective. The solution to limit the issue between shareholders and BoD is to increase the supervisory function of the BoD on the one hand and to complete the structure of income package for the BoE on the other hand so that the benefits of both parties could be harmonized.

According to researches about agency costs, the basic principles that companies need to master when developing a reasonable income policy for executives include:

(i) The income payment policy should have the effect of encouraging BoE to work with the utmost effort. In order to do so, the level of income must be proportional to the level of effort of the board;

(ii) The income payment policy should encourage BoE to get balance between the short-term and long-term interests of the business - the benefits of shareholders.

(iii) Ensure risk management at all levels for enterprises.

This study focuses primarily on analyzing internal factors that affect BoE income. Empirical studies acknowledge that internal factors have a significant impact on BoE income. However, the level of impact varies among different factors. Within this study's scale of research, this paper consider the internal factors that were discussed in previous studies include Company Size, BoD Size, Growth and Performance.

2.1. Firm Size

Company size is one of the key explanatory variables in determining income for executives. Typically, large-scale companies, in either of book-keeping value or market value, tend to pay higher than small-scale companies because of their favorable conditions regarding to reputation and financial resources. Big companies have competitive advantage in hiring talented senior personnel into business executive position.

When examining listed companies on Sweeden Stock Exchange during the period from 2004 to 2008, Usman Tariq (2010) found out that executive income was a decreasing function in comparison with company's size. According to the researcher, the larger the company was, the higher they pay for the managers. Similarly, after conducting survey and collecting data from 114 listed companies in Pakistan during 2002-2006, Shah et al. (2009) clearly identified multiple factors that influenced pay rate for executives and one of which was firm size. This factor was also considered to have positive impact on the income of BoE.

In addition, Ryan and Wiggins (2004) paper about companies listed on the S & P 500 in 1997 concluded that CEO earnings would increase in larger companies. Results from Linn and Park (2005); Brick et al. (2006) also shared the same opinion after researching multiple companies in the United States.

Thus, the source to pay for management in joint-stock companies is considered to be a part of the business' expenses and could be deducted from the corporate income tax. Large enterprises will have financial power to provide good offers and attractive incentive policy. Since having complex operational models and high diversification, they also pay more for executives to handle complex tasks that require various skills. It can be seen that the majority of the studies suggested that company size has positive and significant impact on the BoE income. Following that stream of thinking, the first research hypothesis is:

H1: Bigger companies pay BoE more

2.2. Board Size

Based on empirical studies, the number of members in BoE is also an important explanatory variable in view of its impact on payment for BoE members. In specific, one important function of BoE is to set up the compensation policy for board's members as well as to supervise all operational activities. However, these functions might be influenced by social factors such as friendship, family relationships and so on. Under that circumstance, a larger board could easily facilitate the manipulation of the board and thus the size of the smaller board would be more effective in controlling the actions of executives (Jensen, 1993). This view is also shared by Lipton and Lorsch (1992) as Yemack (1996).

Large scale to some extent, there will be unfavorable factors such as difficulty in coordinated decision making, dependence in supervision (Jensen, 1993, Eisenberg et al., 1998). These difficulties are also known as barriers to surveillance. The board of directors represents the shareholders and must act for their common good. Various studies have identified the various results surrounding the relationship between BOD members and their financial performance. Dalton et al. (1999) conducted an analysis of 131 US companies but found no evidence of the relationship between management composition and financial results. Another study by Hermalin and Weisbach (1998) found that large boards were related to the company's operations. These studies dealt with the size of the Board of

Directors and the performance of the company, but the author's study referred to the number of Board members and its influence. to the executive compensation. Guest (2009) studied 1880 public companies in the United Kingdom from 1983-2002 and found that as the size of the Board increased, board income also increased. Similarly, Core et al. (1999) conducted a study of 205 listed trading companies and found that larger boards would offer greater compensation to CEOs. Conyon and He (2004) also show a similar correlation between board size and board income.

Contrary to this point of view, the increased authority and decision-making of executives increases the likelihood of supervisory board decline (Hermalin and Weisbach, 1998). To a certain extent, managers use their power to exert pressure on salaries to limit the supervisory ability of the board. That means that, when the number and quality of board members are strong enough, they will oversee and limit the power of the board of directors, thereby cutting the board members' excess income. Evidence for this claim, Ryan and Wiggins (2004); Adams et al. (2009) found that the size of the board affected operating income negatively.

Thus, although there are a number of different results that have been shown to correlate the number of BOD members with board incomes in previous empirical studies, this study also suggests that In Vietnam, the number of members of the Board of Directors has a significant and positive impact on the management's remuneration policy. The second hypothesis of this study is:

H2: A large board of directors implies greater compensation given to the Executives.

2.3. Growth

Criteria are also often used to determine managers' payoffs based on the results of the increase in the value of the firm, expressed in the share price increase. Stock value reflects information about the potential of the business both in the short and long term. Furthermore, the objective of the investor is to maximize the value of the firm, thus associating managers' income with stock prices will help unify the goals of managers and investors, because That cost representation constraints.

However, the mechanism of earnings associated with stock prices also has limitations. Stock value is influenced by many factors beyond the control of managers. For example, the volatility of the economy makes the stock value of the business fluctuate; The imperfection of the stock market makes the stock value inaccurately reflect the value of the business, or the speculative problem of stock prices of a market segment. In other words, stock value is not a perfect metric for the level of effort of the manager.

Growth or investment opportunities of a company measured in terms of market to book value. Market value is calculated as mentioned before and is the market capitalization of the number of outstanding shares (the stock price at the end of the year multiplied by the number of shares outstanding at the end of the year) while the book value is taken from Total assets in the balance sheet of the companies at the end of the year. The company's ability to grow over the years will also be a condition for the Board of Directors to consider raising salary and bonus for the management board. The third research hypothesis is:

H3: Firms with high growth potential (increase in share price) will pay more for management

2.4. Firm Performance

As discussed above, the representation problem arises when the information state is disproportionate, making it impossible for the investor to observe the level of effort of the executives. When investing capital, shareholders try to motivate managers to maximize shareholder benefits. However, managers may have individual goals and the ability to pursue personal interests in running a company. According to Jensen and Murphy (1990), the main solution to the conflict of interest is to introduce rules on earnings-based management of shareholder returns. If compensation policy is summed up based on company performance, it encourages executives to perform well in management roles to maximize company value and shareholder benefits (Dhaouadi, 2012). While, Some studies have also shown that there is a positive relationship between firm performance and managerial income, as reported by Barontini and Bozzi (2009), Andreas et al. (2010),

Other studies have shown a strong positive correlation between financial results and managerial payoffs in joint stock companies such as Belliveau et al. (1996) with a correlation of 0.41 while Finkelstein and Boyd (1998) had a lower correlation of only 0.13 and Johnson's (1982) as 0.003.

In contrast, Brick et al. (2005) shows a strong negative correlation between management compensation and performance. Writing about the subject, Zhou (2000) also studied companies in Canada and found that the payoff for CEOs was inversely related to the size of the company and the reimbursement was dependent. more on the results of the company.

In addition, Hempel and Fay (1994) conclude that there is no relationship between executive income and company performance. Dogan and Smyth (2002) acknowledge the relationship between executive income and business performance is unclear.

Although there are still many heterogeneous opinions about the effect of company performance on management board earnings, most conclusions from empirical studies have acknowledged the positive effect of company performance on executive board income. Concurrently with most of these studies, this article attempts to show the correlation between executive earnings and the performance of listed companies in Vietnam. The hypothesis is:

H4: The compensation of executive is positively related to firm performance

3. Data and methodology

This study uses quantitative methods to estimate the factors that influence income of BoE. Based on the survey of relevant theories, data collection and regression model, random-access model (REM) and fixed-Fixed Effects Model (FEM).

3.1. Data considerations

Secondary data on financial status, listed stocks, dividends and dividends are available at cophieu68.vn and vietstock.vn.

Research data is manually collected from the prospectuses, financial statements and annual reports of 122 companies listed on the Ho Chi Minh Stock Exchange (excluding banks, finance, insurance and

investment funds). The internal financial indicators of enterprises are calculated with the frequency once a year. However, as secondary data from listed companies in Vietnam's stock market (HOSE) is corporate data from 2005 to 2014, actual data is inconsistent and lack of availability. Over the period of 6 years (2005 - 2009), the income of the Board of Management was not widely publicized among companies, so the sample was reduced to 40 companies listed on the Ho Chi Minh Stock Exchange between 2010 and 2014 and are subdivided into 5 industry, included: mining, construction and real estate, trade and services, agriculture civil and industrial production. With 200 observations during the period from 2009 to 2014 and applying means of random analyses.

The model used to test the hypothesis is as follows:

$$\text{LNTPay}_{it} = \alpha + \beta_1 (\text{Performance})_{it} + \beta_2 (\text{LNFSIZE})_{it} + \beta_3 (\text{Growth})_{it} + \beta_4 (\text{BSize})_{it} + \beta_{it}$$

In which:

- it = The value of company i at time t
- $i = 1, 2, 3, 4, \dots, 40$ and $t = 1, 2, 3, 4, 5$ (2009-2014)
- LNTPay: is the dependent variable - total compensation paid to the board of executives in the Vietnam listed company.
- LNFSIZE, Growth, BSize, Performance are independent variables

Through the review of related studies, the study synthesized and constructed a hypothetical framework with the variables used and the expected correlation hypotheses between observed and observed variables. Stock prices are shown in the table below.

Table 1: Summary of variables

Variables	Variables	Conten	Expected Correlation
Independent variables			
ROE	Firm performance	Percentage of operating profit to equity	(+)
LNFSIZE	Firm Size	Natural log of total assets	(+)
BSize	Board Size	Natural log of the total number of directions on BoD	(+)
GROWTH	Growth	in terms of market to book value	(+)
Dependent variable			
LNTPAY	Executives Pay	Natural log of total income (cash)	

3.2. Research model

Based on empirical studies (Usman Tariq, 2010) and Collins G. Ntim et al. (2015), this study proceeds to construct a regression model that determines the factors of Executive compensation in the context of Vietnam. This study examine the correlation between the total level of Executive compensation and firm performance of the listed company. In addition, based on the previous models reviewed, the study used regression models for panel data. This regression analysis aims to find the impact of variables: company size, board size, growth and financial performance of the firm to the total operating income of the company. Listed companies on Ho Chi Minh Stock Exchange.

4. Empirical Results

After studying the relevant theoretical basics, proceeding to build the research model, then studying the implementation of necessary tests and model regression with the appropriate method.

4.1. Descriptive Statistics

The basic criteria used in the statistics table described in Table 2 and Table 3 are: mean value, standard deviation, maximum value and minimum value.

The table above summarizes the results of the total income paid to managers (board of directors / board of management or board of management) of listed companies on Hochiminh Stock Exchange:

Table 2: Descriptive Statistics

Descriptive Statistic	TPAY	LN_TPAY
Mean	2171.161665	7.3085
Maximum	12891.6	9.46
Minimum	194	5.27
Standard Deviation	2373.575	0.817183
Skewness	2.769738	0.459998
Kurtosis	11.13464	3.214642
Jarque-Bera	807.1514	7.437213
Total	433248.3	1461.7
Number of observations	200	200

Source: researcher's calculation from research data

From there, we see that the average value of total management income (TPAY) is about 2171.16 million and the income ranges from a minimum value of 194 million to 12891.6 million. The Kurtosis coefficient of 11.13 shows that the total operating income of the companies is not the standard distribution, leading to many deviations and affecting the accuracy of the study. The asymptotic coefficient of skewness is 2.77, indicating that the probability of board income falling into the lower mean value is higher (left deviation).

However, for the LNTPAY variable (natural logarithm of TPAY) the variation is from the minimum value of 5.27% to the maximum value of 9.46%, with the average rate of 7.31%, the distribution of the variable This is the standard deviation (Kurtosis by 3.22 and skewness by 0.46) and positive impact on the research process. Thus, the study of the TPAY dependent variable logarithmic analysis is perfectly reasonable.

In addition, statistics describing the data related to the independent variables have been processed by the following table:

Table 3: Descriptive Statistics

Variable	Mean	Standard Deviation	Maximum	Minimum
BSIZE	5.75	1.366321	14	4
LNFSIZE	12.696%	1.247373	16.57	8.34
GROWTH	93.3127	47.54451	286.43	1.91
ROE	13.5%	12.36224	54%	-52%

Source: researcher's calculation from research data

From Table 3 above, we see:

- The BSIZE of the companies in the research category is 5.75 on average, with nearly 6 members, of which the most are 14 companies with at least 4 members in the board. Governance.

- The average size of the companies in the research area is 851,512.8 million VND, of which the largest company is 15,770,000 million VND, the smallest company is 4,200 million VND. This indicates that the research companies are of unequal size, with relatively large scale differences.

- The average growth rate of enterprises is 93.3127%. This ratio is less than 100%, which indicates that the difference between the market average value and the book value of the researched enterprises in the years tending to decrease. According to the statistics, the growth rate of enterprises in the study area has a strong variation. Specifically, the difference between the market value and the highest book value was 286.43% (high growth), while the business index is only 1.91% (strong downturn), which shows that companies are judged on the market is not equal.

- Based on the results of statistical analysis described above, the financial results of companies in the ROE study also have a strong variation between companies in different years. In particular, Return on Equity (ROE) average of 13.5% and range from the minimum value from -52% to the maximum value of up to 54%. This indicates a large degree of volatility in the ROE among companies in the study area over the study period.

The ROE depends on the business season, size and risk of the company. The results show that the average ROE in the study was 13.5% greater than the ROA (12%), suggesting that the use of financial leverage by companies had a positive effect, ie, In determining the return on equity, the return on equity is higher than the return on total assets.

4.2. Correlation matrix

Table 4 below describes the correlation matrix between the variables in the sample that addresses the limitation of analyzing each variable by showing a more detailed view through the correlation between the variables with dependent variables. Correlation coefficients are lower than 0.8 (maximum 0.6), so it is possible to identify hyperbolic phenomena as negligible.

After running eview we have results of analysis of the correlation between the variables in the research model is shown in the following table:

Table 4: Correlation Matrix

	LNTPAY	BSIZE	LNFSIZE	GROWTH	ROE
LNTPAY	1.0000				
BSIZE	0.3152	1.0000			
LNFSIZE	0.5363	0.2213	1.0000		
GROWTH	0.3854	0.2354	0.6112	1.0000	
ROE	0.3728	0.1913	0.3899	0.6064	1.000

Source: researcher's caculation from research data

The table above can be clearly seen:

The Roe, Bsize, LNFSIZE, Growth variables have a positive correlation coefficient (+) with LnTpay, in accordance with the hypotheses H1, H2, H3, H4. In

which LNFSIZE is the variable with the highest positive correlation with LnTpay, implying that the market capitalization factor is the most significant factor affecting the income of the board.

4.3. Heteroskedasticity Test and Serial Correlation LM Test

In Table 5, the results in Table A show the White test and Table B presents the Breusch-Godfrey test (self-correlation test of the residual). Prob. Chi-square in both Table A and Table B are greater than 5%. This result shows that the model does not have the variance of the change error and the autocorrelation of the error.

Thus, the least-squares POOL model is usually appropriate to explain the regression result because there are no variance phenomena of change error and self-correlation of error.

4.4. Result of Regression Executive Cash Compensation

This test result indicates that the POOL OLS model is appropriate and the study will use this model to explain the regression results. To further examine the random and fixed effects of time and space factors, the

Table 5: Heteroskedasticity Test and Serial Correlation LM Test

Table A: White Test

F-statistic	0.637543	Prob(F-statistic)	0.808356
Obs*R-squared	7.8608	Prob.Chi-Square	1

Table B: Breush-Godfrey Test

F-statistic	16.73494	Prob(F-statistic)	0
Obs*R-squared	109.3432	Prob.Chi-Square	1

Source: researcher's caculation from research data

study continued to run two FEM and REM models on the same research model.

After running the Panel data model in the form of Pool OLS, Fixed Effect Model (FEM) and Random Effect Model (REM) with view 8.1, we have the following results:

Table 6: Result of regression

Independent Variable	POOL	REM	FEM
C	2.8207 ***	4.226 ***	5.18101 ***
BFSIZE	0.114036 ***	0.050436 *	0.037408
GROWTH	-0.000877	-0.000437	2.37E-05
LNFSIZE	0.294892 ***	0.220887 ***	0.150513 **
ROE	0.012652 ***	0.002217	9.28E-05
Number of obs	200	200	200
Adjusted R-squared	0.340297	0.11276	0.791458
Durbin-Watson stat	0.891954	1.534946	1.730028

Source: researcher's calculation from research data

Notes: *, **, *** denote significance at the 1%, 5% and 10% levels, respectively.

5. Results Discussion

Before discussing the results, the study will summarize the expectations for the relationship between the independent variable and the dependent variable and the results of the study after estimating the regression model of the factors influencing the income. operating. The summary results are presented in Table 7 below:

Table 7: Result regression

Variable	Expected Corelation	Result Regression	Note
BFSIZE	+	+	Perfect results as a bias
GROWTH	+	o	No meaning
LNFSIZE	+	+	Perfect results as a bias
ROE	+	+	Perfect results as a bias

Source: researcher's calculation from research data

The main purpose of this study is to examine the impact of internal factors on the earnings of executives of joint stock companies listed on the central securities market of Vietnam. Ho Chi Minh City, especially the elements of corporate financial results such as ROE, thereby considering the use of financial indicators in the design of salary and bonus policies for managers.

(ie board of directors or executive board) of the listed company.

A balance sheet data has been established based on the observations of financial situation and board income of 40 companies listed on the HOSE with the frequency of observation for 5 years, A total of 200

continuous observations are made each year at the end of each of the companies in the period from 2010 to 2014.

The research focused on establishing a relationship between executive board income and four observational variables, including board size, firm size size, Growth and

Performance (ROE).

Based on the above results, after running the regression models with 4 explanatory variables, there are 3 factors that influence the income of executives of joint stock companies listed on the stock exchange. Ho Chi Minh City and statistically significant (p-value <5%) including: Board Size, Company Size and Company Effectiveness. The level of explanation is

not really high among the three factor groups at about 35%. This is also understandable because the impact on the level of executive income has many other factors that the study does not mention as well as other qualitative factors that can not

be quantified.

- Board size (Bsize): The research results show that board size has a positive effect on board income and this result is consistent with initial expectations and is consistent with the theory of representation costs. As the size of the board increases, there are more and

more agency problem such as dependency in supervision, consensus limitation and decision-making capacity (Jensen, 1993; Eisenberg, 1998). As the size of the board increases, the larger number of members may be more involved in corporate governance, leading to increased executive pay. In order to minimize the problem of the agency between the board and the board, the management board's income is an effective tool for engaging the interests of shareholders and managers, as well as raising the higher the liability of the manager when the treatment is high.

- Company size (LNFSIZE): Correlation (+) with operating income and statistically significant. The results show that the size of the company has a positive and significant effect on the board's earnings, and this result is in line with the initial expectation, higher management board earnings in larger companies. It is also understandable that large capitalization companies often pay for management more than smaller companies. This result is consistent with Baker's (1988) and Darmadi (2011) authors' arguments that large companies have more financial resources to invite senior staff to management and pay-back positions. higher reimbursement. In addition, large companies have complex business models and high diversification, so they pay a lot of compensation and executive compensation to handle complex tasks that require a lot of work. skill. Although large-scale companies pay very high incomes to executive management, this amount is negligible compared to the size of these firms (Firth et al., 1999). And by studying the data in the research table, we found that when using cross section weights to look at the individual conditions of each company, it was found that when managers increased the size of the market Financial institutions seem to have a tendency to increase but not clear, nor does any company in the research area do so.

- Firm Performance (ROE): According to Kubo (2001), shareholders do not have enough information and insight to monitor executives. Therefore, in order to increase the effectiveness of monitoring, shareholders representing the Board of Directors and the Board of Supervisors will supervise the Board's activities and at the same time associate benefits between the Company (performance) and profit Management benefits (income paid). In addition, the "efficiency-based" payment model is the focus of the agency theory, thereby forming

the same relationship between firm efficiency and income level to adjust benefits between shareholders and Executive Board (Jensen, 1993). The results of the study were supported by agency theory and studies by Barontini and Bozzi (2009), Darmadi (2011).

The results of empirical research in Vietnam also show that although the company's performance has a positive effect on the management's income, the correlation is rather weak and uneven among the companies in the sample.

6. Recommendation

Based on the results of empirical analysis, the data collected on HOSE during the period from 2009 to 2014 for 40 listed companies. This research serves as a guideline for companies (stockholders - shareholders or the board of directors), Focus on what factors above when implementing compensation policies for managers (executives).

This study was conducted to provide empirical evidence to determine the factors that influence the income of BoE. The results from this study are very useful when providing scientific evidence and reference materials for the following subjects:

6.1. For listed companies

The results of the study show that the income management model developed by the Board is designed to enhance the effective oversight function of the Board in order to maximize shareholder benefits. This implies that listed companies, when confronted with the decision to choose the structure and manner of payment for the management, should review, evaluate and reconcile the "costs and benefits" of Company characteristics such as company size, company growth and performance, and management tools of the BOD.

To overcome the shortcomings, the above mentioned joint stock companies in Vietnam should soon build their own way of paying for the managers. The following are some suggestions that will be used to make joint stock companies in Vietnam develop policies that pay for managers in an appropriate and scientific way:

- *Firstly*, the results of the above analysis indicate that the management's income depends on the results and the performance of the company. Hence, listed companies need to have a strong and accurate rating system for the efficiency and value added that managers create.

- *Secondly*, although the research results show that the growth factor is not statistically significant in affecting the management board income of listed companies in the study area. However, the experience of listed companies in the world shows that efforts to increase stock prices in the market also increase the value of wealth to shareholders, companies listed in Vietnam should also use this factor as an important indicator in developing managerial payment policies.

- *Thirdly*, listed companies should be excluded from the income payment policy based on such factors as rank, seniority, etc., as these are "grading" factors. It does not encourage the management to increase the value of the company. This leads to the consequences such as: competitiveness decreases; declining jobs; risk of falling.

- *Fourth*, listed companies need to set up a compensation committee as a risk control measure. The Board is responsible for determining the final level of income for managers, based on the assessment of a number of qualitative criteria (leadership, initiative, etc.), and reviewing the criteria. Quantitative measures to ensure that income levels are fair and equitable. In case if the council determines that the company does not meet the plan but due to objective reasons and not the fault of the manager, the manager can still be rewarded for his efforts.

6.2. For government agencies

During the data collection process, the study found that the management of listed companies was a matter of concern. Listed companies must operate in a transparent stock market and there is no abnormal fluctuations that affect investors' psychology. In particular, the information of many companies is not fully disclosed, seriously affecting existing shareholders and investors because they lack the information to make reasonable decisions. In addition, transparency of information disclosure is also an increase in the external monitoring mechanism. The study therefore recommends that policymakers increase the sanctions required for companies that do not fully disclose information and show signs of lack of transparency. .

7. Limitations and conclusions

Although the results of the study reveal many findings, the research models show acceptable levels of explanation, but the results of the study have some basic limitations:

First of all, the model of the new study is limited to analyzing the impact of a fundamental endogenous variable on the operating income of listed companies such as the size of the company, the size of the board , corporate performance and growth without mentioning other endogenous variables are also important roles such as the ownership ratio of the management board, characteristics of the management board ... in addition, the longer There may be interference from other exogenous variables that the study does not mention.

Second, although the study used panel data during data analysis, it also used models of random-effects analysis (REM) or fixed-effects (FEM) to examine the differences between companies in the research area. However, mining tools have not identified the differences in terms of size, capacity, and development potential of individual companies in different economic sectors.

By analyzing the above basic contents, we can see that the high level of operating income does not mean that the performance of the enterprise is reduced. Maintaining reasonable management income is the basis for developing corporations and improving the competitiveness of companies.

In Viet Nam, although it is gradually moving to a market economy, the system encourages the managers in the enterprises are very formal, not only create incentives for managers. It is also the cause of many negative phenomena in the management of enterprises, especially state-owned enterprises (SOEs). The SOEs have mentioned the policies of recruiting talented people, high-level personnel ... but the policy of paying salary and bonus as now is tying enterprises can not recruit talented people great. Therefore, the study of policy experience of payment models of joint stock companies in countries around the world in encouraging managers is very necessary for our current enterprises to one It affirms the important role of managers in the existence and development of enterprises, on the other hand, builds a system of reimbursement of the nature of the market economy.

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Summary

Nghiên cứu này được thực hiện nhằm xác định các nhóm yếu tố cơ bản tác động đến tổng thu nhập (lương, thưởng) Ban điều hành hay Ban giám đốc (BOE). Trên cơ sở khảo sát các khung lý thuyết và nghiên cứu thực nghiệm liên quan, các yếu tố này bao gồm: Quy mô hội đồng quản trị (HĐQT), Quy mô doanh nghiệp, Tăng trưởng, Hiệu quả hoạt động. Mô hình nghiên cứu được thực hiện thông qua việc phân tích khảo sát 40 công ty niêm yết trên Sở giao dịch chứng khoán TP.HCM (HOSE) với 200 quan sát giai đoạn 2009 - 2014. Bằng phương pháp ảnh hưởng ngẫu nhiên, kết quả thực nghiệm cho thấy: Quy mô công ty và quy mô HĐQT là hai yếu tố có tác động tích cực và đáng kể đến thu nhập ban điều hành của các công ty niêm yết trong diện nghiên cứu. Trong khi đó, hiệu quả công ty có tác động yếu đến thu nhập ban điều hành, còn yếu tố tăng trưởng công ty dựa trên sự chênh lệch giá trị thị trường và giá trị sổ sách mặc dù được kỳ vọng là yếu tố quan trọng tác động tới thu nhập ban điều hành thì lại không có ý nghĩa thống kê.

VU XUAN THUY

1. Personal Profile:

- Name: Vu Xuan Thuy
- Date of birth: 26th July 1984
- Title: Mater
- Workplace: Faculty of Finance and Banking, Thuongmai University
- Position: lecturer

2. Major research directions:

- Models and empirical work about financial management
- Public Finance: Tax management, Public Investment.
- Models Valuation: Corporate, Assets.

3. Publications the author has published his works:

- Trade Science Review
- International Conference