Research on Perspective of financial Management Objectives from Corporate Governance Structure

Liyun Yang

School of Management, LangFang Normal University; Hebei, Langfang, 065000, China

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Abstract: With the rapid development of China's market economy, the focus of corporate management has gradually moved to financial management activities. Based on the status quo, the paper first analyzes the relevant content of corporate governance structure, and then introduces the significance of the company's financial management objectives and the role of different corporate governance structure management objectives, and then expounds the factors affecting the company's financial management objectives. It puts forward corresponding suggestions for the company's financial management objectives, and hopes to create new conditions for the smooth implementation of the financial management of our company.

1. Introduction

As our country's economic construction continues to develop, there are more and more types of industries in our country. As the company goes on the market more and more, the market competition is becoming fierce. The same survival of the fittest and the discomfort is eliminated. Therefore, in the process of development, each company must pay attention to the financial management of the company. Financial management is an important part of the company's development. We must take effective measures to improve the effectiveness of financial management and provide sufficient development funds to enable the company to Increase the speed of its own development, actively promote the development of a variety of projects, and increase the income of benefits. This paper mainly looks at financial management from another angle, understands financial management, understands the importance of financial management, grasps the changes in financial management objectives, and fundamentally solves development problems [1].

2. Introduction to Corporate Governance Structure

Corporate governance structure is the direction of a company's strategy. Although the trajectories of development in different countries are different, the cultural differences are also very large, but in terms of corporate governance structure, he plays an extremely important role in the development of a company. Therefore, it is necessary to improve the effectiveness of corporate governance structure governance. The effective application of structural governance can clearly see the objectives of financial management. Only by understanding the goals of the company's development can we guarantee that the company can fully develop in the fierce competition and improve the economy. Benefit income. The establishment of the goals mentioned here is actually the establishment of financial management objectives. Corporate governance structure has very important practical significance, but the correlation between current corporate governance structure and financial management objectives has not been successfully established. Modern enterprise system and system enterprise system are different. The fundamental difference is ownership and management rights. Separation, in order to be able to manage and control the enterprise, must form a system of checks and balances between the owner and the operator. Therefore, we can regard the corporate governance structure as coordinating the relationship between shareholders and other stakeholders. A mechanism, but also involves a variety of aspects such as incentives and constraints.

Corporate governance structure is a concept of corporate strategic orientation that is popular in Western developed countries. Although there are differences in the corporate governance structures

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of different countries and regions due to differences in economic, social and cultural aspects and historical evolution trajectories, in the past 20 years, people have become more and more aware of the research on large Western companies. Therefore, the international community has paid more and more attention to how to establish an effective corporate governance structure. Many countries regard establishing a good corporate governance structure as the basic means to enhance economic vitality and improve economic performance [2].

At present, the corporate governance structure in the West usually has American, Japanese, and German styles. The characteristics of various models are also widely concerned, and will not be repeated here. However, if we only understand the corporate governance structure from the perspective of this experience, we will not grasp the essence of the problem, and it is difficult to grasp the development trend of the corporate governance structure. Establishing a good corporate governance structure can motivate companies to use resources more efficiently to better achieve the company's goals. But the company's goal, that is, the goal of making financial decisions, is to maximize the shareholder's wealth, or to maximize the value of the company? On such a fundamental issue, following different logics, different corporate governance models will be formed. . From the perspective of the main body of corporate governance structure, the former may be called the “shareholder first” model, and the latter may be called the “common governance” model. The essential difference between the two is that the company's goal is to serve only the interests of shareholders or the interests of all stakeholders (interest groups) or stakeholders.

The corporate governance structure of the “shareholder first” model has been widely popular in Western countries. Under such a governance logic, shareholders as the capital owners, their status is supreme, while human capital is small and small, the authorized operators can only exercise control according to the interests of shareholders is the guarantee of efficient enterprises. . Therefore, the starting point of this governance structure is how to set up an optimal mechanism for the shareholders of the principal to motivate and constrain the behavior of the operators, so that they can work hard to maximize the shareholder wealth. However, because the operator has an independent interest target different from the owner, under the condition of separation of ownership and control, the operator is in a favorable position to obtain control of the enterprise. Under the condition of asymmetric information, the free disposal behavior is often Detrimental to the interests of shareholders. As for creditors, employees and other stakeholders, the “sound” in the enterprise is weak, and the corresponding rights are naturally difficult to protect. This creates a favorable living environment for the operators to maximize their own interests. In order to overcome the inherent defects of this governance model, it is necessary to realize the innovation of corporate governance structure and discard the governance logic of shareholder supremacy.

In the modern market economy, the goal of the company is not to pursue the maximization of the owner's capital gains. The enterprise is essentially the sum of the multilateral contractual relationship, or a "contract network" consisting of human capital and physical capital. The equality and independence of the interest subject contained in the contract itself requires the main body of the corporate governance structure. It should be an equal and independent relationship. These interrelated entities, including shareholders, creditors, operators, producers, consumers, suppliers and other relevant stakeholders, constitute stakeholders, and the efficiency of the company needs to be based on the equality of stakeholders. . Under such a new corporate governance logic, enterprises must not only pay attention to the interests of shareholders, but also pay attention to the monitoring of operators by other stakeholders; not only emphasize the authority of operators, but also emphasize the actual participation of other stakeholders. . Specifically, in the board of directors and the board of supervisors, there must be representatives of stakeholders other than shareholders (such as employee representatives and creditor representatives) to play the role of stakeholders. Such corporate governance logic is the "common governance" model.

The enterprise is also a collection of team production or long-term cooperation. Its human resources and non-human resources are interdependent. Any party's arbitrary withdrawal or opportunistic behavior can cause the loss of the other party's interests. In order to protect dependent resources from damage, team members only have long-term contracts to ensure a predictable benefit. This kind of multilateral cooperation model, that is, the common governance model, helps to maintain long-term cooperation among stakeholders, and thus gradually becomes a realistic choice for corporate governance structures in various countries.

3. Financial Management

Financial management, as you can imagine, is the department that manages the company's funds. Funds are very important to a company. Just like people, no money is impossible, that is, without funds, the company can't be normal. The operation cannot achieve development. If no project can be implemented, it will have a huge impact on the company's development. The goal of financial management directly reflects the changes in the financial environment. Therefore, it needs to be properly adjusted according to changes in the environment. Only correct financial management is required. The development of the target can promote the development of the company. The corporate governance structure and the company's financial management objectives are corresponding. The governance logic changes, the company's goals must be changed accordingly, and different financial management objectives will result in different financial management. Operational mechanism, so strengthening the understanding of the core of corporate governance structure, correctly understanding the logic of corporate governance, and scientifically determining financial management objectives are of great significance to the promotion of corporate development. The main goal of financial management is to maximize output value, maximize profit, maximize shareholder wealth, maximize corporate value, and maximize the interests of related parties. Financial management has many advantages, and profits can directly reflect the value of surplus products. The size can bring about the common progress of the society, fully consider the risk factors, improve the income of the whole social benefit, and help the company to develop in a long-term and stable manner. Therefore, we must strengthen the management of finance and correctly analyze the financial management belt [3].

4. Governance Structure and Financial Management Objectives

The corporate governance structure determines the financial management objectives of the enterprise. It is an important foundation for the normal operation of the enterprise. It provides the means to achieve the objectives and supervise the objectives. The financial management objectives serve the corporate governance structure, and the financial management objectives are mainly the function is to restrict the direction of financial operation. However, if the change of corporate governance structure cannot be clarified, the management worker cannot adjust the financial management objectives of the company according to the governance structure in a timely manner, hindering the normal operation of the financial management mechanism, and will affect the company's Development efficiency, the main function of financial management objectives is to prevent additional risks, require higher income compensation, reduce the wrong decisions caused by risks, cause huge losses for the company, and the earlier the cash inflow for the same investment compensation The greater the value, and the same risk probability when investing in the same project, the enterprise will choose the one with greater interest according to the goal of financial management, but the advantage of financial management objective is to be able to comprehensively consider various aspects of risk. Problem, overcoming business The pursuit of short-term profits, raise the opportunity cost of the company's profits, weigh shareholder funds, will not be ignored relatively to the detriment of the interests of shareholders. Therefore, we can see that the emergence of such financial management objectives is based on the innovation of corporate governance structure, which can enable relevant stakeholders to obtain more development benefits, and maximize corporate value has become the goal of corporate financial management.

5. Pivot Financial Management Objectives through Corporate Governance Structure

To successfully achieve financial management objectives through corporate governance structure, it is necessary to adjust the financial management objectives according to changes in the company's governance structure. How can we ensure the synchronization between the two? First of all, create a harmonious working environment, care for the interests of employees, and cultivate the sense of identity of employees, so as to improve the work efficiency of staff, to ensure that structural changes can be synchronized with management objectives, promote the development of enterprises, and that is, pay attention to customer interests. In order to enhance market share, credibility, and maintain corporate image, we can ensure that the company can occupy a more favorable development position [4]. It is necessary to establish an enterprise system with clear property rights, clear rights and responsibilities, and scientific management, and corporate governance structure. Whether the governance structure can adapt to the development requirements of the enterprise is the most important. If the governance structure cannot promote the development of the enterprise in the process of development, it must establish a scientific leadership system, decision-making procedures and responsibility system to form the owner. The incentives and checks and balances between the operators and the workers are passed, so that mutual rights are guaranteed and their actions are constrained. There are many factors influencing the corporate governance structure in the process of establishment. Therefore, we have not successfully established a model. China is developing a market economy in the context of the socialist system, paying special attention to the interests of employees, so it faces the establishment of governance structure. There are huge contradictions that cause the inconsistency of our corporate governance structure and management objectives. However, if we want to promote the company's progress and development and shorten the gap with other countries, we must pay attention to the importance of corporate governance structure and coordinate it. Management with financial management objectives, corporate governance structure is a key element to improve operational efficiency. Without a set of corporate governance structures that conform to the norms, we have no way to develop a series of scientific management especially financial management is not effective. To improve the efficiency of financial management, we do not have sufficient funds for the development of the project. Without clear financial management objectives, we will not be able to successfully develop projects. In the process of development, we will face huge risks and hinder the development of the company. Our modern corporate system is can be truly established, our economic benefits can not be steadily improved. Therefore, in order to correctly understand the objectives of financial management, we must establish an effective corporate governance structure. If we want to establish an effective corporate governance structure, we must solve the existing defects. Improve and innovate the governance structure, actively explore the system adapted to the company's development, make corresponding changes in a timely manner, establish a diversified legal representative, introduce and determine an independent director system from the law, clarify the director's obligations, and strengthen the director's Supervision and management, limiting the rights of shareholders, etc., can help establish an effective governance structure and improve the correctness and reliability of financial management objectives [5].

6. Conclusion

In summary, corporate governance structure as an important research and practical teacher, its theoretical significance and practical significance are very important, and more closely related to the company's financial management objectives. In this regard, we should continue to carry out in-depth practice and active exploration on the basis of in-depth understanding of its connotation, in order to further promote the deepening of state-owned enterprise reform, and lay the foundation for better and faster development of China's economy.

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