Research on Enterprise Financial Management Ability System Based on EFA Method

Zhu Jinhuan
School of Accounting, Yunnan Technology and Business University, Kunming, Yunnan, 650228, China
email: zjh_yngs1025@163.com

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Abstract: At present, the financial management ability is unclear, and the overall financial management ability of Chinese enterprises is relatively low. By defining the meaning of financial management ability, the evaluation system of enterprise financial management ability is constructed from ten aspects, including financial strategy, working capital management, investment, financial activities, industrial financial integration, financial management innovation, etc. In addition, please build the foundation to improve the financial management ability of the enterprise.

1. Introduction

At present, the overall level of financial management of enterprises in China is relatively high, mainly reflected in the accounting and optical financial management, the confusion of financial system, the lack of modern management concepts and methods, and the lack of financial management concepts. In the face of the complex and changeable domestic and international environment and the fierce market competition background, evaluating the financial management ability of enterprises will help enterprises attach importance to the construction of financial management ability [1]. With the interest as the center, it can promote the integration of Finance and business, provide information support for enterprise decision-making, and enhance enterprise value; besides the enterprise, it can help enterprises better understand the enterprise and guide the optimal allocation of social resources. In addition, the government has issued support policies to provide a basis for financial, tax and regulatory authorities. Based on this, through defining the meaning of financial management ability, it lays a foundation for evaluating and improving the financial management ability of enterprises.

2. The Connotation of Financial Management Ability

At present, there is no consensus on the significance of financial management ability in the academic world. There is a situation where financial management ability and financial function are mixed. On financial management ability and financial ability, researchers at home and abroad, according to the traditional financial theory, study from the third angle [2]. I think this is a comprehensive reflection of the financial management ability of an enterprise on its financial situation. They are: four dominant theories of profitability (profitability), debt repayment ability, application ability and development ability, "three strong point theory" and "five strong point theory". The second view is based on the theory of enterprise core, which considers the financial management ability and enterprise core; considering the financial activity ability. Financial activity ability, financial ability, financial ability, fund raising ability, investment ability, capital utilization ability, distribution ability, etc. are corresponding to basic financial management activities, and financial management ability is equivalent to financial management. Including financial decision-making ability, control ability, adjustment ability and innovation ability. Financial performance ability is equivalent to "five abilities" including profitability, debt service ability, application ability, growth ability and social contribution ability [3]. The third perspective is from the perspective of financial management to support the development strategy of enterprises. In addition, risk
management, capital operation and financial management, performance of project investment, comprehensive budget management, financial risk management and financial management, capital structure, industrial integration, financial report and financial analysis, financial information, financial management business, etc. are included in the scope of financial management ability and the setting of positions within the scope of financial management ability. Financial management ability. Financial management is the core of enterprise management, whose core content is the integration of capital operation and industrial finance. Modern enterprise's financial management is the embodiment of enterprise's core competitiveness. In addition to basic financial activities, financial management ability also needs to reflect the level of financial management support, including enterprise strategy, capital operation ability, industrial financial integration ability, risk control ability and financial innovation ability [4]. On this basis, the financial management ability mainly includes: enterprise strategic management, Financial Cadre responsibility and ability, labor capital management, stock structure and capital structure, industrial finance integration, performance project investment, including comprehensive budget management and ideas. Financial information, financial report, financial analysis, and enterprise financial management innovation.

<table>
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<th>Table 1 Corporate value chain</th>
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<td>Enterprise infrastructure</td>
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<td>Human resource Management</td>
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<td>Technology development</td>
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<td>Purchasing management</td>
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<td>Receiving and Delivery</td>
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<td>Warehousing and Sorting</td>
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<td>Logistics information service</td>
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<td>Marketing activities</td>
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<td>Customer service</td>
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3. Exploratory Factor Analysis

Search factor analysis (EFA) is a method to find the structural relationship among multiple observation variables and reduce the dimension. Therefore, EFA can integrate complex variable relations into several core factors [5]. Thirdly, the evaluation index system of enterprise financial management ability is established based on the "trial scheme of enterprise internal financial management evaluation", and the evaluation index system of enterprise financial management ability is established according to the above principles.

<table>
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<th>Table 2 Self-independent rating qualitative credit factor evaluation template</th>
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<td>Primary indicator</td>
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<td>Competitiveness</td>
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<td>Financial flexibility</td>
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The following principles should be followed in establishing the evaluation system of financial management ability: first, the principle of generality and strategic matching. The evaluation system of enterprise financial management ability covers all aspects of enterprise financial management ability, and provides an all-round development strategy for enterprises [6]. Second, scientific principles. According to the internal elements of financial strategy and its important relationship, combined with the enterprise strategic objectives of quantitative and qualitative analysis, indicators have clear meaning, reasonable design, repetition and omission. Third, dynamic opening. Financial management is actually an open and continuous management activity. When designing the evaluation system of financial management capability, we should pay attention to the dynamic openness and incorporate the continuous financial management innovation into the evaluation system. The indicators of the operational financial management ability evaluation system are easy to measure, quantitative and qualitative indicators, and the required data are easy to obtain.

4.1 Financial Strategy

Financial strategy is the goal and direction of enterprise strategy, financial management activities and the implementation of financial management. In order to take into account the correspondence between business strategy and enterprise strategy, and the integration of financial strategy and development strategy, the impact of financial strategy on enterprise strategy is the main one. In addition, the strategy of fund such as subsidiary Jinquan is the blood of the enterprise [7]. The blood circulation is smooth and healthy. Capital dispersion and precipitation are common problems in Chinese enterprises. Therefore, working capital management mainly evaluates the cash flow in the process of production and operation, focusing on the centralized capital management system and integrated management platform of the enterprise, the credit status of the enterprise and whether to operate. From the perspective of financing structure, in order to activate the introduction of strategic investors and the diversification of capital, we mainly evaluate the situation of enterprises from the perspective of capital structure. It mainly evaluates small capital liability ratio, interest liability (interest liability + owner's shares), weighted capital cost, etc.

4.2 Responsibilities and Competence of Financial Executives

People are the center and subject of management. At present, in general, the chief accountant and CFO coexist, the financial cadres have unclear responsibilities, low decision-making status, and the limited role of financial management in Chinese enterprises [8]. To give full play to the enthusiasm of employees in the financial sector is the premise of improving the financial management ability of enterprises. Therefore, it is necessary to evaluate the responsibility and ability of the person in charge of finance. It mainly includes the responsibility scope, knowledge structure and ability framework, ability, unified management of financial cadres and the construction of financial team.

4.3 Combination of Industry and Finance

The combination of industry and finance is a "required way and subject" to cultivate large-scale enterprise groups with international competitiveness. Chinese enterprises generally lack the
understanding of capital market and the use of financial commodities, and their investment ininancial business is out of line with group strategy and industrial policy. Therefore, the integration
of industry and finance is mainly evaluated by the proportion of stock market, debt meter, futures
market, stock fund and direct financing [9]. At the same time, in order to promote the use of capital
market and financial instruments, promote the real economic development, risk management and
control in the process of industrial and financial integration.

4.4 Financial Reporting and Efa Financial Analysis

Financial information is an important basis for managing investors, creditors, government
agencies to understand the real situation of enterprises and make economic decisions. Therefore, it
is important to evaluate the quality of external financial reports and internal management reports
[10]. Assets management capabilities such as inventory assets capability and accounts receivable
sales capability; value creation capabilities such as net assets and income quality, income growth,
etc.; growth capability, operating profit and sustainable development capability, etc.

5. Financial Informatization

Information technology is needed for the reform and upgrading of financial management. For the
sake of information, there are two skin, information island and blind superstition in Chinese
enterprises. Therefore, we focus on the evaluation of the soundness of financial information system,
the stability of financial information system and the degree of group financial information. Promote
the use of information technology to improve financial management. It mainly evaluates the
innovation and application functions of financial management system, mechanism, method, main
financial management personnel system and EVA management realization. The final goal of the
development strategy of an enterprise is to realize that the main activities of the financial
management of an enterprise cover the basic financial business, including the financial budget, in
the modern business environment. Investment, financial activities and operation, capital
management, capital operation, production, financial integration, financial innovation and other
core financial activities complement each other to form a multi-level and high-intensity whole.

6. The Choice of Evaluation Method of Enterprise Financial Management Ability

It can be seen from the above evaluation index system of enterprise financial management ability
that it is a multi-level and complex system containing multiple qualitative and quantitative factors.
The most commonly used method of evaluating qualitative indicators is the expert scoring method,
but there is no way to evaluate the weight of evaluation indicators at all levels. The Interim
Measures for evaluation of enterprise financial management sets the inherent weight for each index
of financial management evaluation. However, according to different industries and scales of
enterprises, when evaluating the financial management ability of enterprises, due to the different
weight of each element, the weight of enterprise development can be adjusted. Analytic hierarchy
process (AHP) is a multi benchmark decision-making method which combines qualitative and
quantitative analysis, which was put forward by American strategic research analyst Sartre in the
early 1970s. Therefore, AHP can be used in the evaluation of enterprise financial management
ability. According to the evaluation system of financial management ability constructed in this
paper, the financial management ability is refined in the first and second display layers. Through a
pair of comparison, using the 1 - 9 scale method, the importance judgment matrix is constructed
through expert analysis. Please calculate the eigenvector corresponding to the largest function path.
After passing the consistency check, perform a single order and sum order at each level to
determine the relative importance of each factor index, and set each factor at each level according to
the importance.
7. Conclusion

Therefore, in this draft, we propose the use of layer analysis method to determine the weight of each layer. Experts evaluate the qualitative indicators, weighted average, comprehensive evaluation of the overall financial management level of the enterprise. This provides the basis for investors, creditors, banks, governments and other decisions. At the same time, through the evaluation of financial management ability, identify the bottleneck of financial management, and provide support for enterprises to improve their financial management level.

Acknowledgements

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