

Analysis on the Promoting Effect of Management on the Development of Finance and Economy

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Abstract: Different management fields have different forms to promote financial and economic development. However, the rapid economic development has also brought a series of problems. One of the important means to promote the healthy and stable development of economy and standardize the behavior of market economy is to strengthen management. At the present stage of development in China, most financial institutions lack the management of financial risks, have a low awareness of prevention, and especially do not fully understand its connotation, and cannot correctly identify the types of financial risks. Compared with some developed countries, due to the late start of China's financial industry, there will still be risk problems in the process of development, mainly due to the imperfect supervision system of financial risks in China. This paper expounds the contents of management in the development of financial economy, and analyzes the promotion of management to the development of financial economy.

1. Introduction

The development of financial economy is inseparable from the guidance of management concepts and management segments. Different management fields have different forms to promote financial and economic development. However, the rapid economic development has also brought a series of problems [1]. One of the important means to promote the healthy and stable development of economy and standardize the behavior of market economy is to strengthen management.

Due to the diversified characteristics of China's economic development, all kinds of enterprises have sprung up one after another. Under this broad development space, management majors are required to train more professionals with modern management theories and innovative management models, manage them separately through modern information means, integrate China's economy with the international community, and promote China's economic development with a global perspective [2]. Although the rapid development of economic level has promoted the development of the company, it has also brought great challenges to the market environment. Staff need to take scientific measures to constantly standardize the market operation system and strengthen the effective development of management.

2. Management content in financial and economic development

The development of financial economy is inseparable from the guidance of management concepts and management segments. Different management fields have different forms to promote financial and economic development. The management content in financial and economic development is shown in Figure 1:

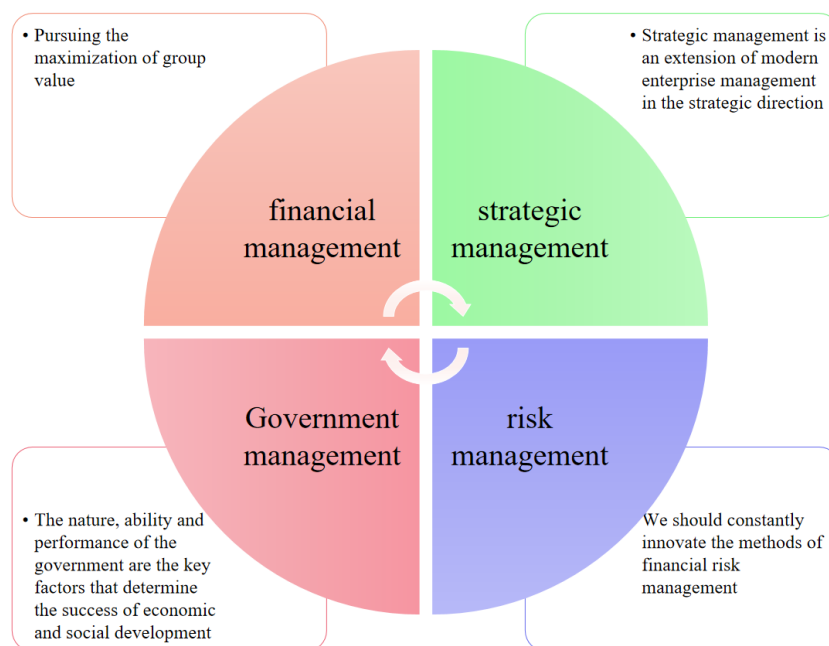


Figure 1 Management content in financial and economic development

2.1. Financial management

The financial goal of financial groups should not be to maximize profits like small and medium-sized banks, but to maximize group value [3]. Auditors should thoroughly investigate the situation of subsidiaries, test the authenticity, legality and effectiveness of their business activities and internal control, and use audit methods such as discussion, inspection, sampling and analytical procedures to obtain sufficient, relevant and reliable audit evidence to support audit conclusions and audit suggestions and promote the realization of the strategic objectives of the group company. Risk and income should be in direct proportion. The parent company should decide which industries to invest in and what proportion to invest in according to the specific situation of the whole group. Similarly, since there is equity investment, there will be equity withdrawal. The parent company should also choose to reduce the scale of a certain industry or withdraw from a certain industry according to the unsatisfactory situation in rate of return on capital.

Because the subsidiaries of the financial group, such as banks, securities and insurance, are all engaged in financial business, but the specific circumstances are very different, it is impossible for the budget staff of the parent company to know everything about the industries operated by each subsidiary. It is best for the financial comprehensive budget management of the financial group to be compiled by the subsidiaries familiar with the risk characteristics of this industry, and then issued to the subsidiaries for completion after the parent company has comprehensively considered, reviewed and revised.

The basic function of the parent company of a financial group is realized through the management of its subsidiaries. It can centralize the fund management from the following three aspects [4-5]:

Profit distribution control. The parent-subsidiary company is formed by holding shares, and the profit distribution naturally corresponds to the equity. In terms of profit distribution, the parent company must centralize power and establish a profit distribution system with the same caliber, so that the parent company can not only obtain the ability of sustainable development, but also fully mobilize the enthusiasm of its subsidiaries.

Financing control. Under the centralized control of the parent company on the financing of subsidiaries, the surplus and deficiency of funds are uniformly scheduled by the parent company, and the financing of subsidiaries must be carried out from the inside before the outside. In the case that it is impossible to raise funds within the group, the parent company can carry out financing on its behalf in the financial market.

Equity investment control. For equity investment, the parent company should be absolutely centralized, and which industry has the highest investment in yield to maturity, and the parent company should grasp the right direction.

2.2. Strategic management

Strategic management is an extension of modern enterprise management in the strategic direction and an important part of developing financial theory. The essence of strategic management is not the most original theoretical element in the theoretical system of strategic management. Building the theoretical structure of strategic management as a starting point cannot directly reflect the impact of social and economic environment on the strategic management system and reveal the real reasons for the development and change of strategic management [6]. Financial environment is the most original abstract category on which the theoretical system of strategic management relies for reasoning and argumentation. It is highly comprehensive, including all the contents of strategic management practice and gestating all the "embryos" of the theoretical elements of strategic management. It is logical to construct the theoretical structure of strategic management from this point of view, and it can reveal all the factors and objective laws of the development process of strategic management, so it is a comprehensive and complete theoretical structure of strategic management.

In the process of financial and economic development, we should pay attention to the formulation and implementation of strategies. The strategy of an enterprise should be based on its own internal and external situation, combined with the prediction and analysis of changes by the enterprise. The in-depth application of strategic management has provided important strategic guidance and promotion for the development of financial economy. Driven by strategic management, financial economy has maintained rapid, stable and sustained growth in recent years, and achieved good economic and social benefits.

2.3. Risk management

Under the background of the rapid development of modern society, the importance of financial innovation is self-evident, and the direction of financial innovation covers a wide range, such as financial system, market, products, institutions and resources. Financial innovation has brought new financial risks. In order to better cope with the new financial risks, we must constantly innovate the methods of financial risk management. As for financial innovation, it will also adjust the financial system innovation, products and resources according to the financial risks that have occurred or may occur in its development. In this process, according to our actual situation, with the help of foreign successful experience. With the deepening of globalization, a large number of foreign financial institutions flood into China, which puts forward higher requirements for financial supervision.

At the present stage of development in China, most financial institutions lack the management of financial risks, and their awareness of prevention is low, especially their understanding of its connotation is not comprehensive enough, and they cannot correctly identify the types of financial risks [7]. Financial investment itself has certain risks, precisely because of high risks and high returns. For enterprises, it is necessary to ensure the stability of their own operations in the process of development. Therefore, it is necessary to control financial risks reasonably to ensure the normal operation of enterprises. The financial industry is a relatively professional industry, with rapid market changes and many risks. Therefore, it is even more necessary for enterprises to have a professional management team to predict market conditions by studying the capital market, to ensure operational compliance by being familiar with laws and regulations, and to make their own plans by docking with financial institutions, so as to help enterprises carry out better financing activities.

2.4. Government management

The nature, ability and performance of the government are the key factors that determine the success of economic and social development. The political development, economic development,

stability and prosperity of a society are important forces to enhance the competitive advantage of a country, and they are also common tasks and challenges faced by governments of all countries. The ever-changing modernization process has proved that an effective government function management system can promote economic and social development.

The failure of effective allocation of resources is not only caused by market failure, but also from the political field of government failure, especially government policy-making. Political factors should be one of the core factors affecting the efficiency of resource allocation. Different political systems have an important influence on the formation of economic policies, and the system is endogenous, and it is also an important factor in determining economic policies [8]. That is, government functions play a decisive role in the economy.

Macro-control is a basic feature of modern market economy, but the cause of macro-control does not lie in market failure or market defects. The less developed the market is, the more crude the tools and technologies of government macro-control are, so the more difficult it is to regulate it, especially in big countries. Therefore, if Allah wants to strengthen macro-control, he should fully advocate market-oriented reform, rather than opposing market restrictions. Government reform and innovation is not only an important part of China's overall reform, but also a driving force for China's economic and social reform and change, and an important part of Socialism with Chinese characteristics's theory and practice.

3. The role of management in promoting financial and economic development

3.1. Risk awareness

Due to the particularity of the industry itself, the types of risks faced by financial enterprises are significantly different from those of ordinary enterprises, and these risks are generally closely related to the financial economy of enterprises. Therefore, enterprises should comprehensively analyze internal and external information, historical and realistic information, favorable and unfavorable information, and identify the risks they may face. For financial enterprises, on the basis of effective risk identification, they should also evaluate related risks in combination with their own reality to determine their risk preference and risk tolerance. At the same time, in-depth study and analysis of the deep-seated causes of problems, and promote relevant departments to continuously improve and improve management mechanisms and business processes. Effectively promoted the financial and economic development of the whole bank [9].

3.2. Strengthen the effectiveness of market supervision

With the rapid development of China's economy, market supervision and corresponding laws and regulations are constantly improving, but despite this, there are still many unfair competition behaviors and business behaviors that violate the market operation order. These illegal market behaviors have seriously affected the development of China's market economy and blocked the pace of China's market economy. Management can guide the market economy to move in the right direction through the effect on the main body of the market economy [10]. The market economy is composed of market subjects, and only a healthy market subject can strengthen the stability of the market economy system, thus promoting the healthy development of the market economy. At the same time, healthy market players can improve the ability of China's market to resist financial risks.

In recent years, with the gradual transformation of China's financial economy to globalization, there are still some imperfections in the traditional management mechanism, which requires the management department to carry out more powerful supervision for the development needs of the market and industry and the transformation of enterprises, and systematically eliminate all kinds of violations of discipline and law that may exist in the market. From a certain point of view, there are still obvious deficiencies in anti-monopoly and anti-unfair competition in government management, but with the improvement of mechanisms and laws and regulations, these problems are gradually improving, and China's market order will be more stable.

3.3. Create a good financial and economic development environment

Management can provide protection for all kinds of merchants in the market, support the development of China's market economy through high-quality consultation and management, and at the same time promote the development of China's market economy, point out a new development direction for China's market economy, and stimulate the further innovation and development of the market economy, which also plays a supervisory role on a certain basis. In addition, in the process of managing the market, the management department can also promote the adjustment and optimization of the existing legal system according to the work effect and problems found in the work, so as to ensure that the implemented legal system keeps pace with the times and conforms to the development law of the market economy. According to the relevant laws and regulations, the management department regulates the management of market subjects and their market behaviors, creates a good healthy and orderly market environment, and escorts the healthy and vigorous development of China's socialist market economy.

3.4. Realize the healthy and sustainable development of the market economy

Management can be carried out according to the national economic development planning and suggestions, combined with the development of their own regions. This will be more targeted and effective, so as to maintain the healthy development of the local economy. Thereby maintaining the stable development of the country's market economy. The market economy is composed of market subjects, and only a healthy market subject can strengthen the stability of the market economy system, thus promoting the healthy development of the market economy. At the same time, healthy market players can improve the ability of China's market to resist financial risks. For the internal management department, it is also necessary to actively update ideas, adjust thinking, optimize work, keep pace with the times, constantly innovate working methods and management methods, keep up with the development of market economy, walk in front of market economy, and correctly lead the development of socialist market economy in China.

One of the important means to promote the healthy and stable development of economy and standardize the behavior of market economy is to strengthen management. Although the rapid development of economic level has promoted the development of the company, it has also brought great challenges to the market environment. Staff need to take scientific measures to constantly standardize the market operation system and strengthen the effective development of management. Therefore, financial enterprises should base themselves on the internal and external environment and market competition, strengthen the construction of their own management system and the transformation of management thinking from strategic management, financial management and risk management, so as to better promote the development of economic business, achieve enterprise goals and create greater economic and social benefits.

4. Conclusions

One of the important means to promote the healthy and stable development of economy and standardize the behavior of market economy is to strengthen management. Although the rapid development of economic level has promoted the development of the company, it has also brought great challenges to the market environment. Staff need to take scientific measures to constantly standardize the market operation system and strengthen the effective development of management. Therefore, financial enterprises should base themselves on the internal and external environment and market competition, strengthen the construction of their own management system and the transformation of management thinking from strategic management, financial management and risk management, so as to better promote the development of economic business, achieve enterprise goals and create greater economic and social benefits.

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