

CONCEPTUAL APPROACHES TO THE REGULATION OF BEHAVIOR OF ANALYTICAL INDICATORS IN THE FINANCIAL MANAGEMENT SYSTEM OF ENTERPRISES



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Abstract. *The article is devoted to the topical and little-studied problem of regulating scenarios of behavior of financial indicators with the use of analytical tools. To solve this problem, the article uses general scientific (dialectical method of cognition and a systematic approach – to characterize the current state of economic analysis and information needs in its results by the subjects of government). The dialectical and historical method is used to substantiate the emergence of modern analytical functions based on the evaluative (diagnostic) function.*

The combination of general scientific and specific research methods (dialectical, description, abstraction) allowed to identify and characterize the usefulness of analytical information. The application of the modeling method led to the development of a model of the integration dependence of liquidity, financial stability and asset turnover. Inductive and deductive methods are used to generalize trends in economic analysis in modern conditions.

The application of the method of formal logic allowed to formulate proposals for improving the methodology of financial analysis, taking into account the scenario approach.

The established relationship between the elements of the information system of enterprise management at the operational, tactical and strategic levels provided the prerequisites for a systematic assessment of opportunities to improve the quality of analytical tools through the use of modern functions. The essence of conceptual bases of analytical support of financial management is characterized.

The practical significance of the results of the study is to reduce time and improve the quality of analytical conclusions in the financial management system of the enterprise.

Keywords: *economic analysis; analytical indicators; regulation; functions; financial management; integration dependence*

Introduction.

The current stage of development of enterprises in the agricultural sector of

the economy necessitates the minimization of costs for information support of financial management from the standpoint of the organization of accounting

and analytical work. A large staff of accounting and, moreover, the analytical department is possible only for large enterprises. Therefore, mainly the functional responsibilities for accounting and analytical evaluation of resources, costs, revenues, assets, capital, liabilities, cash flows, investments are assigned to the chief accountant.

The time management of its work should be organized in such a way that the focus is not on one static indicator, but on the dynamics (trends) of key indicators and taking into account causal relationships and dependencies. Thus, it is possible to form and implement appropriate scenarios for changes in the financial condition and financial results and cash flows of enterprises, realistic forecasts with minimal time spent by performers. Despite the urgency of this problem today, the issue of forming scenarios of behavior of key financial indicators has not been studied enough, which determines the relevance of the research topic.

Analysis of recent research and publications.

The works of scientists are devoted to the issues of analytical support of financial management in the system of operational and strategic management: Brukhansky (2016), Volkova (2020), Deriy (2016), Jacques Richard (1997), Oliynyk (2008), Saukh (2019), Anju Bala, Christina Nicolas Lorente, Laura Nicolas Lorente (2016), Timothy R. Mayes (2021), Blaine Robertson (2020) and others.

However, insufficient attention is paid by scientists to the systematic assessment of the integration dependence of the most relevant indicators in analytical theory and practice. After all, they are formed and interact in the overall financial system of the enterprise and their system

regulation depends on the effectiveness of management decisions in general.

The purpose of the study is to solve the following problems based on the generalization of theoretical and methodological developments and practices of financial management:

- to establish the relationship between the elements of the information system of enterprise management;
- to identify the main tasks of economic analysis at the micro level;
- to describe the individual, collective (corporate) and social usefulness of analytical information for different groups of users;
- to identify and justify the benefits of the regulatory function of financial analysis;
- to investigate and form a model of integration dependence of liquidity and financial stability and current assets according to the system approach;
- to characterize the advantages of regulating scenarios of behavior of financial indicators on the basis of the model of integration dependence of liquidity indicators and financial stability and current assets.

Materials and methods of research.

General and special methods were used for solving the problems in the study: dialectical, analysis, synthesis, induction, deduction, grouping, modeling, the method of formal logic.

Results of the research and their discussion.

In market relations management decisions are based on the results of economic analysis, which are the result of appropriate observation of the state and

changes in economic facts documented in the subsystems: operational, accounting, statistical and tax accounting, as well as external information. The relationship between the elements of the information system of enterprise management is shown in Fig. 1.

According to Fig. 1, for the information support of operational management decisions is used situational operational economic analysis according to the data of primary accounting and non-accounting information.

According to analytical and synthetic accounting, as well as external information, the current analysis is carried out, the main task of which is to ensure the adoption of current management decisions. Strategic analysis, which is conducted for the needs of strategic management, requires financial, statistical and tax report-

ing, external and internal accounting and non-accounting information.

Market relations make new demands on the owners and administration of enterprises: ensuring benefits in terms of limited resources.

Fulfillment of these requirements is possible under the condition of flexibility of economic policy of business entities, regulation of their activities. An effective tool of the regulatory mechanism is economic analysis. Its main tasks are:

- analysis of information for the formation of draft management decisions;
- analysis of the validity of the methodology of information formation.

The success of economic entities in the formation of market relations largely depends on their effective management. An important place in this process belongs to the economic analysis of perfor-

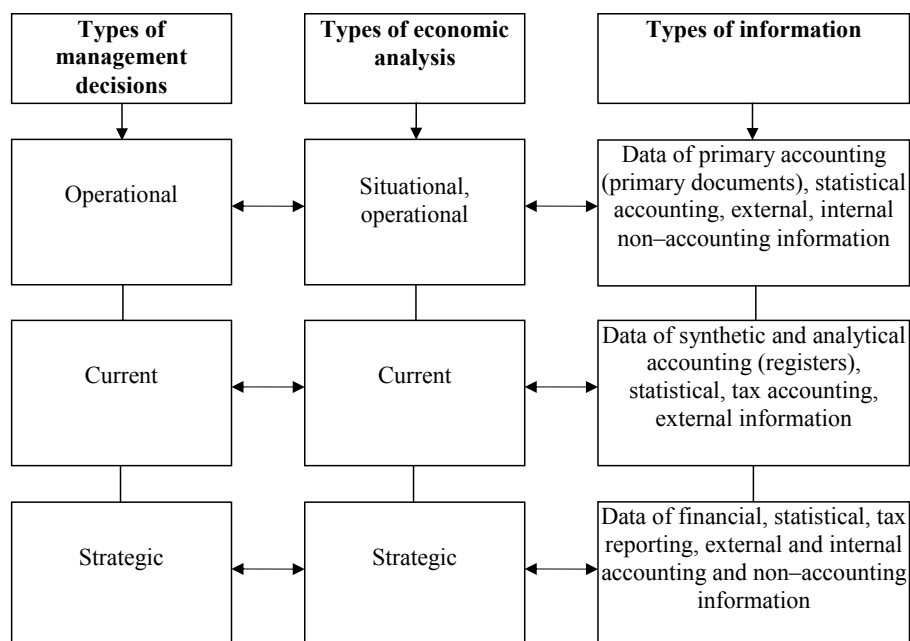


Fig. 1. General characteristics of the enterprise management information system

Source: developed by the author.

mance indicators of financial condition, financial results and cash flows. It allows to provide individual, collective (corporate) and public usefulness of analytical information for different groups of users:

- individual – for owners, management staff, shareholders of the business entity, other stakeholders;
- collective (corporate) – for meetings of shareholders of joint stock companies, supervisory boards, boards of directors, management of holdings, associations and other business entities that are based on collective ownership;
- public – for regulatory authorities, higher organizations, ministries, departments, media, local governments and other macro-level stakeholders.

Ensuring each of these benefits is possible through the use of scientific and practical approaches. Scientific approaches to the methodology and methods of analysis of performance indicators are embodied in the form of methods of financial analysis offered by Ukrainian and foreign economists–analysts.

The peculiarity of any concept is that, within the theories that are the foundation of any science, it forms a comprehensive interpretation of phenomena, processes on a certain basis (approach). For economic analysis, the concepts on which the relevant methods are based are based on the theoretical foundations of the theory of neo-institutionalism, the theory of interests, systems theory, organization theory, utility theory and others.

Today, the prevailing theory is neo-institutionalism, which outlines the need to regulate and control the activities of economic entities by state and non-state institutions. In turn, this leads to the formation of new and improvement of existing concepts of accounting, analytical, control, organizational management.

Regarding the analytical support of financial management, the main conceptual principles are as follows:

- formation of methods of analysis in accordance with the theoretical provisions of institutionalism;
- the functions of economic analysis should ensure the achievement of information needs of financial management (evaluation and diagnostic, regulatory, exploratory);
- the selection of principles for the formation of methods of economic analysis should be based on compliance with the cost–benefit ratio (for example, compliance with the principle of representativeness is the basis of the methodology of retrospective analysis of financial condition);
- the regulatory function of the analysis should provide for the development of analysis methods, according to which it is possible not only to assess financial indicators in dynamics and their level (eg, methods of solvency analysis), but also to regulate the dynamics and forecast level of financial indicators, which is important for effective financial management.

According to the history of financial analysis, from its inception to the present stage, its methodology has implemented virtually only one function of economic analysis – evaluation (diagnostic), as it allows to establish the presence, composition, structure and dynamics of assets, liabilities and financial results by factor analysis, diagnose the causes of positive and negative deviations. However, evolutionary changes in the theory and practice of decision-making have led to the emergence and development of modern functions of economic analysis: exploratory, regulatory, protective, communication.

The movement of resources and cash is not discrete, but continuous, and to base

management decisions on indicators that characterize the balances in the accounts for the last day of the reporting period is required only in retrospective analysis to assess overall financial trends in the enterprise. Such an analysis will provide more transparent economic information.

Secondly, it is expedient to envisage in the methods an analytical procedure for comparing the actual and planned values of the studied indicators and coefficients, and not only focus on the dynamics of the actual level of evaluation parameters. This proposal applies to companies that:

- provide financial plans to higher organizations and agencies;
- use financial planning (budgeting).

Third, it is necessary to strengthen the focus on the disclosure in certain groups of indicators of analytical information in terms of certain types of ordinary activities: operational, investment and financial, as well as emergencies, if any.

Also, the positive consequences for making optimal management decisions at the micro and macro levels will be the disclosure with the help of institutional tools of analytical information on the level of materiality of identified deviations in terms of acceptable, critical and catastrophic industrial, commercial, investment and financial risks.

The implementation of the proposed approaches will improve the regulation of financial and economic processes both by the company's management and externally, as well as strengthen the qualitative characteristics of the usefulness of analytical information for its users.

The activity of enterprises of various forms of ownership in Ukraine in the conditions of transformation of the economy to a market one provides for the strengthening of its regulation both by owners and managers, and by state

institutions. Regulation can be carried out in the management process:

- by objectives, when stakeholders determine the priority areas of enterprise development and monitor those indicators that diagnose the degree of compliance of the actual state of affairs with the objectives;
- enterprise strategies in accordance with the identified mission and credo;
- from the achieved level of evaluation indicators.

The achieved level of indicators may be dependent on the planned values (if the company uses a financial planning system), and not depend on them, if the analysis of individual departments and the company as a whole is assessed by the dynamics of actual values. Existing methods of financial analysis of indicators that characterize certain aspects of business entities, as a rule, are poorly adapted for use in current financial management, as calculated on the basis of financial statements – Balance Sheet (Statement of Financial Position), Statement of Financial Performance (comprehensive income). Although in an automated information environment it is possible to monitor property status; liquidity; solvency; financial stability; business activity; profitability for any period of time.

Each of the above areas of analysis is provided either by normative values of indicators, or normative characteristics of positive dynamics. The tasks of the economist–analyst, on the one hand, is to determine the institutionally regulated level or dynamics of estimates of financial and economic activities of the enterprise, and on the other hand – to develop measures of production, personnel, investment, innovation and / or financial management. values (dynamics) of indicators.

1. Model of integration dependence of liquidity, financial stability and asset turnover

Baseline indicator-factor	The name of the integrated indicator	Normative value (dynamics)	Method of calculation
Current assets	Coefficient of coverage	> 1 1–1.5	Current assets / Current liabilities
	Net working capital (working capital)	> 0 (magnification)	Current assets – Current liabilities
	Ratio of own working capital	> 0.1	Net working capital / Current assets

Source: developed by the author.

The peculiarity of the developed and applied methods of financial analysis is that they are based on the comparison of actual values of indicators and are focused on the assessment and diagnosis of self-supporting activities.

Unfortunately, the existing methods of financial planning do not provide a sufficient relationship between the dynamics and levels of financial indicators and ratios, focused on analytical work primarily with the resulting indicators. Therefore, it is expedient and reasonable to use the regulatory function of financial analysis, which is important in terms of optimizing the resource provision of analytical work.

Studies show that for effective financial management it is advisable to follow the following algorithm for analyzing financial plans: you must first choose the optimal in terms of providing identified qualitative characteristics of the usefulness of the list of indicators. Next, according to this list, it is necessary to form basic models of integration dependencies.

In the practice of domestic and foreign enterprises, the most commonly used indicators are current assets, current liabilities, equity, income (net income). Table 1 shows the basic model of integration dependence of institutionally regulated indicators of liquidity, financial stability and current assets.

Therefore, in the process of analysis and selection of the optimal ratio of

current assets and ratios: coverage, net working capital (working capital), the ratio of own working capital is determined by the planned value of current assets in value, which should:

- exceed the planned value of current liabilities in the cost measure by $1 \div 1.5$ times;
- not more than ten times the net working capital;
- the dynamics of growth in the value of current assets should exceed the growth rate of current liabilities.

Adherence to the relationships set out in Table 1 in the implementation of the regulatory function of analysis creates objective preconditions for a more systematic assessment of the behavior of not one but several analytical indicators at the same time and will contribute to more effective financial management.

Conclusions and future perspectives of the study.

The study of the essence of the relationship between the elements of the information system of enterprise management (operational, tactical, strategic) level allowed to more accurately formulate the current challenges of economic analysis at the micro level. Since the economic analysis of the resulting part has an information product, it must ensure the achievement of appropriate data usefulness.

The individual, collective (corporate) and social usefulness of analytical information for different groups of users is characterized. The usefulness of analytical information is manifested through the implementation of the functions of economic analysis.

The necessity of evolutionary changes in the functions of economic analysis is investigated and the importance of the regulatory function is substantiated. Manifestation of this function is determined by the improvement of appropriate methods of financial analysis in accordance with modern needs of financial management. For this purpose a model of integration dependence of liquidity and financial stability and current assets has been developed. Its use reduces the time of the financial analyst and, most importantly – provides a systematic assessment of the behavior of the main analytical indicators of financial management and the ability to regulate them in the process of scenario analysis.

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Анотація. Стаття присвячена актуальній і малодослідженій проблемі регулювання сценаріїв поведінки фінансових показників із використанням аналітичного інструментарію. Для розв'язання цієї проблематики в статті використано загальнонаукові (діалектичний метод пізнання та системний підхід – для характеристики сучасного стану економічного аналізу й інформаційних потреб у його результатах з боку суб'єктів управління). Діалектичний та історичний метод застосовано для обґрунтування появи на базі оцінювальної (діагностичної) функції сучасних аналітичних функцій.

Поєднання загальнонаукових і специфічних методів дослідження (діалектичного, опису, абстрагування) дало можливість виокремити й охарактеризувати види корисності аналітичної інформації. Застосування методу моделювання обумовило розробку моделі інтеграційної залежності показників ліквідності, фінансової стійкості й оборотності активів. Індуктивний та дедуктивний методи використано для узагальнення тенденцій розвитку економічного аналізу в сучасних умовах.

Застосування методу формальної логіки дало можливість сформулювати пропозиції щодо вдосконалення методики фінансового аналізу з урахуванням сценарного підходу.

Встановлено взаємозв'язок між елементами інформаційної системи управління підприємством на оперативному, тактичному та стратегічному рівнях забезпечив передумови системної оцінки можливостей підвищення якості аналітичного інструментарію через задіяння сучасних функцій.

Практична значимість результатів проведеного дослідження полягає в скороченні витрат часу й підвищенні якості аналітичних висновків у системі фінансового менеджменту підприємства.

Ключові слова: економічний аналіз; аналітичні показники; регулювання; функції; фінансовий менеджмент, інтеграційна залежність