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THE ROLE OF THE FINANCIAL MECHANISM IN IMPROVING RESOURCE EFFICIENCY

D. Kurbanov

Banking and Finance Academy of the Republic of Uzbekistan
Movarounnahr Str., 16, Tashkent 100000 Uzbekistan
daniyorhoja@gmail.com

Abstract: The paper discusses approaches to the management of the financial mechanism of the enterprise. There have been analyzed and systematized the directions of organization of the financial mechanism in the enterprises. Author described all the factors influencing effective financial mechanism in the enterprise. Moreover, paper reflects the author's theoretical concepts about the nature of the financial mechanism and its role in the financial relations. Author formulated definitions of the financial mechanism, government organizations and the financial mechanism of organizations. In the paper there has been grounded structure of the financial mechanism at the macro and micro level. Author recommended the steps for creating an effective management of financial mechanism in the enterprise. It was very interesting that author briefly explained the experience of Uzbek enterprises on organization and implementation of financial mechanism.
Key words: finance, free entrepreneurial economy, financial mechanism, management of financial mechanism, financial strategy, and financial activity.

Finance non-spontaneously manifests itself in the economy and the social sphere. They are regulated in accordance with the strategic and tactical objectives of the state or corporate financial policy. Means of achieving the objectives of fiscal policy is the development and implementation of the financial mechanism. In the broadest sense the financial mechanism – a set of forms of the organization of financial relations, the methods (ways) of formation and use of financial resources used by the society in order to create favorable conditions for economic and social development.

The development of free entrepreneurial relations requires the development of the effective model of application of the financial mechanism in free economy that are adapted to international standards by taking into account national specificities. Before companies there has been appeared a need to develop new scientific approaches to improve the mechanisms of governance, formation and the use of financial resources. Definition and practical application of forms, methods, tools and techniques of the financial mechanism should be adequate to the conditions of the financial system and the economy as a whole. Financial mechanism of enterprises is central part throughout the financial mechanism and should contribute to efficient organization of business activities.

The Russian researcher E. Chepasova, considering the approach of many scientists, identified common features to build the structure of the financial mechanism. It includes such related items as financial practices, leverage, legal, regulatory and information provision. Financial mechanism – it's a part of the economic mechanism, set of financial practices, levers, tools, techniques of regulation of economic relations and processes (Chepasova, 2005, pp. 291-294).

Another Russian researcher Khalikova M.A. considered financial mechanism in terms of financial management and gives this definition: "Financial mechanism in enterprise management – an integral system of financial management of enterprise, which the financial management is based on and is intended for the organization of interaction of objects and entities in the sphere of financial relations, the formation and use of financial resources, ensuring effective impact of the financial activity in the final business results" (Khalikova, 2011, p. 18).

The driving force of economic and social development forms small business, which is being characterized with strong growth in Uzbekistan. The state program should direct all its efforts on the development of this sector of economy, visible benefits of which form the competitiveness of the Uzbek economy. Development of small entrepreneurship provides the state with a significant share of the volume of manufactured products, creates new jobs, eliminates disparities of cooperation of large and medium-sized enterprises, by acting as integrating links to improve their interconnection, i.e. it acts as a support for the development of all sectors of the economy. To improve an activism of the functioning of small entrepreneurship requires state support, which should be supported by effective formation and application of the internal mechanism of enterprise management, the main component of which acts as a financial mechanism.

A financial mechanism refers to the way in which a business, organization, or program receives the funding necessary for it to remain operational. Private companies, for example, typically receive such funding through a variety of means, including revenue generated from the sale of services and products as well as from loans or the sale of stock. Other organizations typically receive funding through various means, such as donations provided by individuals and companies as well as fund-raising events (Brigham and Ehrhardt, 2013). The financial mechanism for government typically comes from taxes or other means of acquiring resources from the populace, which is then used as funding for various agencies and programs.

There are many different contexts in which the term "financial mechanism" can be used, though they all typically refer to the same basic concept. This is something of a catchall term for the source of funding that an organization or business receives. By using this term, a company can more easily establish practices and regulations for how funding is utilized on an operational level, without having to refer to the process of receiving money at every usage. The exact financial mechanism for an organization can be quite complex, and the use of a simple term makes it easier to describe and consider overall.

Revenue is one of the most common forms of financial mechanism for a business. This is typically generated through the sale of various products or services that the company manufacturers or otherwise provides for customers. Large companies, especially corporations, may use the creation and sale of stocks as a form of financial mechanism, to allow for a greater influx of resources based on the perceived value of the company. Businesses can also take out loans from banks and other institutions that ultimately have to be paid back, but which provide that company with initial capital for development.

Organizations, such as charities and other non-profit groups, can use different mechanisms to generate the resources necessary for ongoing operations. Donations from businesses and private individuals are quite common. An additional financial mechanism can come in the form of fund-raising through events and campaigns, and some groups may receive funding from governmental bodies.

The government of a country often relies on the populace of that country as a financial mechanism. Funds are typically raised through taxes levied upon the citizens of a country, though loans from private organizations and other countries may also be necessary. These resources are then used to fund individual agencies, departments, and programs within the government, allowing the government itself to become a mechanism for those subsections.

The role of the financial mechanism is to optimize costs, reduce production costs, increase profitability, increase profits, etc. That is, the use of the financial mechanism in organization of activity of economic subjects should be directed at achieving the targets. For achieving the goals you need to select the optimum ratio, forms and methods, tools, techniques and leverage of influencing to objects and subjects of financial management.

The economic principle of the organization of the financial mechanism involves effective management of cash flow, which provides determining the optimal amount of resources necessary for the conducting production and business activities of enterprises. Another object highlighted the development of options of savings result of which must be a positive economic effect on the planned period of time. This should be achieved normative values of financial indicators, such as liquidity and solvency, profitability and profitability. Synchronization of receipts and payments is defined as a measure of effective financial planning.

Financial mechanism optimizes the structure of enterprise management. Application of the financial mechanism should be to ensure sustainable development of enterprise under the influence of factors of external and internal environment. The effectiveness of management structure optimization can be achieved by a balanced integration policy of elements of the financial mechanism with functional elements of the management system.

To the interaction of the chain "management – finance – the results", you need to add the quite topical at the moment the link "worker", because efficiency of its activities depends on the working conditions, the system of motivation, and a sense of employee's role in management, and influences eventually on the formation of financial results. Financial mechanism affects not only the objects of financial management, but also on the subjects. Therefore, a good selection of forms and methods, tools, techniques and leverage over workers leads to the achievement of high values of the financial results of production (Dubkova, 2007, p. 56). Workers should feel responsible for the results of operations. The smaller the company, the greater its financial results correlated with personal involvement in employee management. All this forms the socio-psychological climate in the collective, defining the social and psychological role of the financial mechanism in a market economy.

Development of labour potential requires investment, so special significance acquires a financial mechanism that reflects on the relationship on formation, distribution and use of financial resources. Therefore, the financial mechanism to stimulate the development of labor potential should be based on the logic of economic entities in the response the financial and economic leverage (Merkushev, 2009).

The main task of the state is the creation of a financial mechanism at both the macro and micro levels such that all its constituent elements were in close relationship with elements of other components of the economic mechanism of organizing the activities of enterprises: management, investment, innovation, production, etc.

So, the financial mechanism – a set of agreed among them and developed on the basis of the financial policy the forms of financial relations for the effective achievement of the objectives of financial management. In the structure of management it is necessary to allocate state and municipal finance, and finance of commercial organizations and non-commercial organizations. Financial mechanism under the reproduction of the social product provides a centralized accumulation of financial resources, the financing public spending, stimulation and regulation of macroeconomic development. The financial mechanism in the subsystem of finance of business entities appears to regulate the proportions of certain types of cash income, income and savings, allocating capital and net income, financing the operating, investing and financing activities.

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