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CORPORATE GOVERNANCE FROM THE PERSPECTIVE STRATEGIC FINANCIAL

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SUMMARY
Every company is made up of several sectors, all of which are of unique importance. However, there is one that stands out for reflecting a more specific core, whose information collection has an impact on the business decision-making process: the financial sector. The movement and management of measured capital are some of the most challenging tasks for the financial manager, and they go beyond mere mathematical calculations. They involve the organizational structure in its systemic view, mapping the market with its needs and expectations, determining objective criteria, not to mention the unpredictable risk factors. These have the power to alter the decision-making chain to the point of transforming the business's strategic planning and its corresponding management style. The administrator or financial manager then emerges as the protagonist of the corporation's leverage or setback, to the extent that the manipulation of the information obtained, some of which is of a privileged nature, can help in the exact allocation of the resources raised, the results of which can give the company notoriety. Corporate governance thus takes a macro perspective, so that financial strategies will be fundamental to minimizing possible failures in the business venture.
Keywords: Financial management. Corporate governance. Strategy

ABSTRACT:
every company is made up of several sectors, all of unique importance. There is, however, one that stands out for reflecting a more specific nucleus, whose collection of information has an impact on the business decision-making process, that is, the financial one. The movement and administration of the measured capital are the most challenging tasks for the financial manager, so that it goes beyond mere mathematical calculations. It involves the organizational structure in its systemic view, the mapping of the market with its needs and expectations, the determination of objective criteria, regardless of the unpredictable risk factors. These are able to change the decision chain to the point of transforming business strategic planning and its corresponding way of managing. Then the administrator or the financial manager emerges as the protagonist of the corporation's leverage or setback, insofar as the manipulation of the information obtained, some of which are privileged, may assist in the exact allocation of the funds raised, the results of which may give the company notoriety. Corporate governance thus takes a macro perspective, so that financial strategies will be fundamental to mitigate eventual failures in the business endeavor.
Keywords:Financial management. Corporate governance. Strategy

1 INTRODUCTION

Market instability forces companies to adopt a more flexible approach to their management model, especially when it comes to manipulating information to achieve a desired result. Risk then becomes a key component for any type of business.

strategic development. These strategies, in order to be implemented, require another element: finance, which is not limited to mere calculations. A unique area for any organization, in which the protagonist, no longer an accountant but a financial manager or financial administrator, goes beyond spreadsheets to encompass all market nuances in a macro view.

Therefore, understanding the role of this financial manager, the financial strategies and the influence on corporate governance were some of the topics addressed in this paper, based on bibliographic research "of investigation into theoretical material on the subject of interest" (ALYRIO, 2009, p. 82)

As a basis for theoretical concepts, technical support was provided by scientific and academic publications, reliable websites, as well as books relevant to the topic, as preliminary support in understanding the relevant aspects of corporate governance through a strategic financial lens.

Finally, in qualitative terms, the structure used is composed of two reflective and argumentative topics on the subject. The first concerns financial management and its nuances. And the second focuses on corporate governance, based on the financial risk strategy.

2 FINANCIAL MANAGEMENT

One of the most sensitive and no less important areas of any organization is the financial sector. Managing finances is not only a form of payment for the services provided by the human component, but also an investment instrument capable of leveraging the institution, whether by improving its portfolio of services, increasing products or gaining notoriety in the market.

> In the financial investment process, the manager seeks the best growth opportunities that will bring him long-term returns with the lowest risk for his company. This investor needs information to provide him with indicators that will help him identify the possible problems he will face and subsequently make the appropriate decisions through planning and control (Oliveira *et. al*, 2018, p. 1)

For Oliveira *et. al* (2001, p. 36) "modern financial management is related to the analysis and control of the provisional and effective profitability of fund investments. A financial manager is anyone responsible for a significant investment or financing decision in a company". Going further, it represents the strategic center, whose view encompasses market demands, the company's internal vision, and the projection of this alignment to the consumer,

without neglecting the economic surprises that affect the projections made to a greater or lesser extent (LIMA; OLIVEIRA, 2016).

Actions aimed at promoting a specific brand and consolidating the company in the market depend on capital to become viable. It would be naive to believe that no action in this direction would prove necessary. Therefore, having a plan in mind aimed at the appropriate and timely financial direction is essential for the success or failure of the organization.

According to Lima; Oliveira (2016, p. 8), “most business decisions are mediated in financial terms. All areas of the company, namely accounting, production, marketing, human resources, research and others, need to interact with the finance area to carry out their projects”

These questions do not mean mere accounting mathematics. A simple word with an oceanic depth, planning, which materializes, as Sá (2009, p.13) prescribes, “the grouping of financial operations carried out to achieve a specific objective”. Ross’s thinking is along the same lines:*et. al*(1998, p. 82), for whom “in a more summarized view, a financial plan means a statement of what the company must achieve in the future”. It is important, for Oliveira; Lima (2016, p. 11), to “knowledge of the financial market in order to analyze, evaluate among different proposals, which is the best investment to make and when to make it”, whose focus should be directed to the risks of possible alternatives within the decision-making chain.

Therefore, it is necessary to develop professionals who are attentive to social movements, to mapping their interests and capabilities, to often unforeseen external factors, and, ultimately, to equip themselves with objective variables to stimulate assertiveness in decisions, by minimizing possible effects of negative impacts. This is a complex activity that highlights the financial administrator (LIMA; OLIVEIRA, 2016).

> Financial management can be defined as the management of monetary flows derived from the company's operational activity, in terms of their respective occurrences over time. It aims to find a balance between "profitability" (maximizing the company's owners' returns) and "liquidity" (which refers to the company's ability to honor its commitments within the agreed terms). That is, the need for financial management implies the search for a balance between generating profits and maintaining cash (CHENG, 1989, p. 3).

In this sense, the financial administrator emerges, whose skills and abilities are directed at the surgical moment for raising and applying capital with a view to providing strength and visibility in the market. What was not so explicit was the power that economic uncertainties would bring in terms of challenges to this professional, not restricted to

binomial inputs and outputs, as involving the measurement of performance as a control tool.

> In this way, in financial planning, strategies are chosen to manage the company's assets (goods and rights) and liabilities (obligations). Needs and limitations must be minimized and strengths and opportunities must be maximized. Once these criteria have been identified, the next step is to apply them and monitor whether everything is being executed (Conrado*et. al*, 2016, p. 58).

Instability as the principle of an inevitable chaos, where the impact was felt by its imbalances which, according to Conrado*et. al*(2016) had an impact on sales figures, on the reduction in the consumer market share of some goods to the detriment of competition from others, on denser credits in obtaining them and the reflexive effect on default.

Having the ability to make schedules more flexible, modify the levels of monetary support in the sectors, build, at specific times, a conservative vision, and define financial-operational procedures by taking into account local and global instability were some of the new attributions of this financial manager, whose vision has become more systemic. In other words, it represents an important economic variable for the manager's perception (Oliveira; Lima, 2016).

> Like this,It is possible to understand that these financial managers need to know these companies not only in a disconnected format, but in their entirety. This means that only with in-depth and professional knowledge in relation to finances will it be possible for financial managers to make decisions efficiently and effectively.
> To this end, the financial manager plays a fundamental role in managing an organization's finances. When thinking of the financial manager as a fundamental element within a company, one can also think of the other sectors, which, together with the financial sectors, form the essential instrument in the development of an entity's activities (Lima; Oliveira, 2016, p. 6).

2.2 CORPORATE GOVERNANCE: FINANCIAL RISK STRATEGY

As we evolve in the construction of thinking, it is clear that the collection of financial resources, if not well managed and directed, can lead to the failure of any organization. Therefore, it becomes a matter of law to take into account the development of strategies capable of generating positive repercussions. Being able to map the scenario in which the company finds itself, by taking into account objective criteria of rational measurement, makes the process more assertive, as it is possible to delimit the best strategy among the established alternatives to achieve the expected result: less financial wear and tear, a positive balance of incentives, greater margin in the market and consolidation of its credibility in the eyes of the consumer user.

This strategy is closely linked to the managerial decision-making process or even just to its influence, supported by a chain of actions that is structurally designed, in a rational way, capable of aligning organizational objectives in their macro dimension (Coraiola, 2012). To clarify the above statement, Coraiola (2012, p.215) suggests that "strategy is a set of organizational practices that are described in this way due to the impact and influence they have on the organization's trajectory and on issues of continuity and change, survival and market performance".

In the same view Neis *et. al* (2017 *apud* Chandler, 1962) starts from the premise of the state of business inertia, driven by the competitive action of competitors, which reverberates throughout the hierarchical decision-making chain in a macro-systemic perception, which could alter strategic patterns and cultures considered consolidated.

Hrebiniak (2006) even gives such importance to strategy that it elevates it to the category of being responsible for the success or failure of organizations. Neis *et. al* (2017) still corroborates this as a conditioning factor for organizational mutation, whether with the creation or exclusion of sectors.

Therefore, investing time in formatting strategies is not a luxury, but rather a top-notch necessity for companies, especially when the scope of study is reduced to the financial area, a sector of greater sensitivity and responsibility.

Finances in general set the tone for the business journey, that is, the speed with which goals are achieved in an increasingly competitive market. Therefore, thinking in this sense is encouraged, as some questions must be answered by the financial manager, such as where to raise funds, allocation of funds, level of reserves, applicability, investment sector, safety margin in bolder approaches, among others. The fact is that regardless of how much is available, finance is capable of impacting the adjustment of hierarchical decision-making variables, which takes into account the crucial vector for assertiveness or for a mistake, namely, risk and, by extension, its organizational consequences. Risk represents the warning sign, capable of leading to failures in monetary value, resulting from unexpected behaviors in its return on investment (GITMAN, 1997). Deloach (2001) advances the concept of risk by linking it to inefficiency or even ineffectiveness in the execution of corporate strategy, and Brigham (1999) views it as something harmful. In terms of repercussions, risk may have a broader spectrum in market terms or have a more internal impact, intrinsic to the organization, which is not an exclusive view; on the contrary, it may be convergent to determine the degree of maturity to leverage or to signal possible indebtedness (Nascimento et. al, 2018).

Therefore, the risk carries with it a subliminal message, namely, it is related to the handling of information considered privileged and influential in the decision-making cartel by financial managers, which impacts the management model itself and the organizational culture, which leads to corporate governance control practices (Da Silva, 2017).

> The possibility of rapid changes, which make positions considered less risky become more fragile and destabilizing, suggests that behaviors initially compatible with maximizing knowledge and minimizing uncertainty are equally conducive to unexpected results and destabilizing behaviors, and that these reduce the level of control over outcomes when a crisis erupts. In other words, interconnected balance sheets can lead to systemic financial fragility, increasing the opaque areas previously assumed to be under some control at the firm level. That is, there is no micro- and macroeconomic coherence in actually existing capitalism. Likewise, one could assume that greater financial volatility tends to intensify uncertainty and increase uncontrollable areas, since the degree of unpredictability regarding future financial parameters and cash flow projections is amplified in this situation (MILAN, 2003, p. 315).

The uncertainties and fluctuations resulting from risks affect, to a greater or lesser extent, another issue from the perspective of profitability, understood by Braga*et. al*. (2004, p.52) as being “the formation of the rate of return on equity through the profitability of sales, the efficiency in the management of resources invested in the asset and the intensity of financial leverage in the financing of assets”.

For Todeschini (2013), profitability could be measured by absolute or relative measures, based on the observation of market trends capable of impacting the organization's performance and its market share compared to competitors and consumers.

This cascading effect has an impact on performance, given that it is the result of decisions made by those responsible for management when taking into account the peculiarities of the organization based on the information obtained. In the words of Assaf Neto (2007), performance is closely linked to the return obtained through investments made, measurable by the profitability measured. Financial strategies, risks involved, performance, mapping and influence of objective criteria, in short, all of this is part of the arsenal of attributions granted to the financial manager, which goes beyond a simple analysis of numerical data. And, inevitably, it will influence the management vision of the business when emerging in corporate governance and its decisions.

This organizational strength translated into governability can mean an administrative system or a more prudent path to obtain a return on investment (ESPEJO, 2016). In general terms, it represents the control and verification of the results of the

company as a means of effective management of balance in the decision-making process with a view to reducing possible losses and conflicts.

Espejo (2016, p. 38) adds that each organization is “a living organism that interacts with internal and external mechanisms that, if not aligned with good corporate governance implemented by a company, reduce the informational asymmetry that causes conflict between members”. Such concepts lead to a perception that clarity in information is relevant, with transparency being a word with great meaning.

FINAL CONSIDERATIONS

Market fluctuations have challenged financial managers to excel in their duties. The belief that the sector responsible for the organization's cash flow would be limited to mathematical operations has been put aside. Not those that were not relevant. This protagonist has begun to be viewed differently.

The administrator or financial manager stands out to the extent that his vision encompasses objective criteria, capable of collecting data and interpretations, and also the uncertainties of the risks of any business, all so that the decision-making journey suffers the least negative impact.

With this, the organizational structure also changes its form of management, moving to a level of business governance, where strategic planning gains prominence to project the company into the competitive market with minimal surprises and adversities.

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