International Journal of Advanced Robotics and Intelligent Systems
Volume 2, Issue 02, 2026

A CHALLENGE FOR FINANCE MANAGERS TO CONSIDER When It Comes to Financial Management for the Success of an Organization

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Research Article

Date of Submission: 03-04-2026 **Date of Acceptance: 6-05-2026** **Date of Publication: 09-07-2026**

Abstract: In most cases, the financial management of a concern is concerned with the acquisition, distribution, and administration of the organization's many financial resources. When we talk about financial management, we are referring to the process of planning, organizing, directing, and regulating the financial operations of an enterprise, such as the acquisition and usage of cash. It involves adopting a management philosophy that is generally accepted to the administration of the company's financial resources. In order for any business to be successful, finances and the administration of those finances in an effective manner are very critical factors. It is essential for every company to have access to and effectively manage its financial resources in order to achieve success. The responsibilities of the finance manager in the administration of the finances of the corporate organization that is concerned are growing in importance in today's world. In these highly competitive times, financial management is required to confront a multitude of obstacles, and those in charge of financial management are required to make creative choices in order to steer the organization in the direction of success. The research in this area is thus very important, despite the fact that research in this area is now being conducted. The research relies on secondary sources of data and information for its foundation. This article makes an effort to shed light on the duties, responsibilities, and roles that are associated with the position of finance manager. The article discusses the need of the study, the idea, the aims, and the functions of financial management, as well as financial planning, the functions of finance, the role of finance manager, and other related topics along these lines.

Keywords: Affordability, procurement, management, accountability, organization, achievement, and effectiveness are all important.

INTRODUCTION

In most cases, the financial management of a concern is concerned with the acquisition, distribution, and administration of the organization's many financial resources. When we talk about financial management, we are referring to the process of planning, organizing, directing, and regulating the financial operations of an enterprise, such as the acquisition and usage of cash. It involves adopting a management philosophy that is generally accepted to the administration of the company's financial resources. In order for any business to be successful, finances and the administration of those finances in an effective manner are very critical factors. It is essential for every company to have access to and effectively manage its financial resources in order to achieve success. The responsibilities of the finance manager in the administration of the finances of the corporate organization that is concerned are growing in importance in today's world.

OBJECTIVES OF THE STUDY

1. Following are some of the aims of the study:
2. 1. To have an understanding of the goals and significance of handling financial matters.

3. 2. to look at the many factors that are involved in the management of finances.
4. The third objective is to investigate the duties of a financial manager.
5. 4. To identify and propose potential solutions for efficient handling of all financial matters.

METHODOLOGY

Secondary data and information are used as the foundation for this investigation.

The article discusses the need of the study, the idea, the aims, and the functions of financial management, as well as financial planning, the functions of finance, the role of finance manager, and other related topics along these lines.

NEED FOR STUDY

Financial matters are the most important aspect of any and all company concerns. The success of a commercial organization is directly proportional to the availability of cash and the manner in which they are used. Because of the growth of trade and commerce, there has been a surge in the demand for a broad range of different products and services. Old business organizations have to worry for continuing in the field and new organizations for competing with the old ones. The ability of an organization to make decisions and manage its management skills is a critical factor in determining the success of commercial organizations. The effective administration of financial resources is a critical factor in reducing expenses and generating a little amount of profit. It is for this reason that the proper deployment, allocation, and usage of funds is believed to be essential for the success of the respective corporate concern. In these highly competitive times, financial management must contend with a great deal of When faced with problems, the financial managers are required to make creative judgments in order to steer the concern in the direction of success. The research in this area is thus very important, despite the fact that research in this area is now being conducted. Consequently, this research was conducted.

CONCEPT OF FINANCIAL MANAGEMENT:

When we talk about financial management, we are referring to the process of planning, organizing, directing, and managing the financial operations of the business, such as the acquisition and distribution of cash. The application of general management concepts to the project's financial resources is what this definition signifies. Creating value and the capacity to manage is the result of effective financial management, which involves the distribution of limited resources among many business prospects that compete with one another. The implementation and monitoring of business plans are both supported by financial management, which also contributes to the accomplishment of corporate objectives. Both management accounting and corporate finance are sources of inspiration for managerial finance, which is an approach that draws from a variety of disciplines.

Managerial finance, corporate finance, and financial management for information technology services are all included in the realm of financial management. Within the realm of finance, there is a subfield

known as management finance, which is concerned with the managerial significance of financial approaches. The field of Corporate Finance is concerned with the financial choices that are made by corporate firms, as well as the techniques and analysis that are used in the process of making such decisions. The financial management of information technology (IT) assets and resources is the focus of the Financial Management for IT Services topic. The creation of wealth for the company, the generation of money, and the provision of an adequate income on investment are the primary goals of the administration of the company's finances.

OBJECTIVES OF FINANCIAL MANAGEMENT:

When it comes to a corporate organization's financial management, the most essential areas of concern are the activities of purchasing, allocating, and controlling the organization's financial resources. Here are some of the most significant goals that the financial management should strive to achieve.

1. In order to ensure that the business concern receives the anticipated levels of resources in sufficient quantities.
2. To guarantee that the stockholders get profits that are adequate.
3. To guarantee that the available funds are used to their fullest potential.

In order to ensure the security of the investment.

5. In order to maintain a healthy equilibrium between equity and loan capital.

ROLE AND FUNCTIONS OF FINANCIAL MANAGEMENT:

1.Determining the amount of capital that is required: It is the primary role of a finance manager to speculate on the amount of capital that is required by the company. The quantity of capital that a company concern needs to have will be determined by the anticipated earnings and expenditures, as well as the future programs and policies that it will implement. In order to do this, estimates have to be created in a method that is sufficient, which will increase the potential earnings of the endeavor.

2.Determining the composition of capital: Following the completion of the estimate, the next step is to determine the structure of capital, which involves analyzing both short-term and long-term debt equity. There are two factors that determine the structure of capital: the quantity of equity capital that a concern already has and the additional funds that need to be obtained from investors outside the company.

A company concern has numerous options for acquiring more funds, and it is required to choose a source from among these options. Some of the sources that are available to the business concern include the issuance of shares and debentures, loans from banks and other financial institutions, and public deposits in the form of bonds.

4.Funds Allocation and Investment: The finance manager is the one who is responsible for making the decision to distribute funds into successful initiatives based on the likelihood of safety on investment and regular returns.

5.Distribution of surplus: The choice about net profits is one that the finance manager is responsible for making. Dividend declaration and retained earnings are two methods that may be used to accomplish this goal. The former will be accomplished by recognizing the rate of dividend and other advantages such as bonus, while the latter will be accomplished on the basis of the venture's goals for development,

innovation, and diversification via the use of additional benefits.

Cash management and financial control are two of the most difficult duties that a finance manager must do. The administration of available funds and the attainment of control over money are both demanding responsibilities. One of the most significant responsibilities of a financial manager is to make decisions about the management of cash. The availability of funds is essential for a number of reasons, including the payment of wages and salaries, the payment of energy and water bills, the payment of interest, the fulfillment of existing responsibilities, the maintenance of sufficient stock, the acquisition of raw materials, and other similar activities. The activity of controlling the company's finances is of the utmost importance in order to assist the company in accomplishing its goals. In order to maintain control over the finances, the manager of finance is required to provide answers to significant issues such as whether or not the assets are being used effectively. Is the safety of the company's assets guaranteed?Is management a need?

behave in a manner that is both in conformity with the regulations of the company and in the best interest of the shareholders? On the basis of the earning capacity, the current market price of the share, and the expectations of the shareholders, appropriate plans are to be made. In order to do this, he must adhere to several approaches, such as ratio analysis, financial forecasting, cost and profit management, and additional methods.

7.The use of funds: The funds should be invested in such businesses that provide safety and enough return while incurring the least amount of expense involved.

FINANCIAL PLANNING

In the context of finance, "financial planning" refers to the process of evaluating the resources that are necessary and identifying competitors. The process of developing financial policies that are concerned with the acquisition, investment, and management of resources that are of importance to a firm is referred to as this. The preparation of the financial planning will be done with a number of goals in mind, including the determination of the capital need, the determination of the structure of capital, and the formulation of financial policies concerning cash management, lending, borrowing, and other related topics. A financial manager is responsible for ensuring that limited resources are used to their fullest capacity in the most efficient way possible at the lowest possible cost in order to achieve the greatest possible return on investment.

NEED AND IMPORTANCE OF FINANCIAL PLANNING:

A corporate organization's financial operations are the subject of the process known as financial planning, which involves the formulation of goals, policies, metrics, agenda, and budgets related to those activities. The financial planning guarantees that an adequate amount of financial and investment plans are implemented successfully. One of the benefits of having strong financial planning is that it ensures adequate funds, helps to maintain a balance between the outflow and inflow

of funds for the purpose of maintaining stability, assists the suppliers of funds in investing their funds in business concerns or companies, assists in the long-term survival of the company by planning for growth and expansion programs, assists in reducing uncertainties related to market trends by having sufficient funds, assists in reducing uncertainties and ensures profitability, and ultimately assists in the growth and stability of the business organization.

ROLE OF FINANCIAL MANAGER:

One of the most essential factors that contributes to the success of a company concern is the financial activity. It is an activity that is both difficult and sensitive. When it comes to activities that provide significant earnings and good will to the concern, the person who plays a vital part in these activities is the finance manager. This individual is also responsible for taking care of all the crucial responsibilities relating to finance that a company concern has. In addition to bringing stability to the business, he makes prudent use of the resources available to him thanks to his farsightedness.

FUNCTIONS OF FINANCIAL MANAGER:

The person who plays a crucial part in the operations that pertain to finances is the finance manager, and it is because of him that the company concern is able to generate adequate earnings and good will. The following is a list of the several duties that he is responsible for doing.

The financial manager is responsible for a number of highly crucial responsibilities, one of which is providing funding for the organization. It is the duty of the manager of finances to bring together the required cash from a variety of sources and make the appropriate arrangements. It is possible to acquire funds via the use of both stock and debt. One of the responsibilities of the finance manager is to ensure that there is a healthy equilibrium between equity and debt.

2.The Distribution of Resources Because the choices regarding finances have an effect on other management activities, the distribution of funds in an appropriate manner is of enormous importance. After the funds have been raised from a variety of sources, the finance manager is responsible for allocating the cash in the most prudent and effective way feasible. In the process of allocating funds, he is required to take into consideration a number of significant aspects, including the size of the company and its potential for expansion, the state of the assets, including whether they are long-term or short-term, the method by which the funds are obtained, and so on.

In order to be successful in the capital market, a finance manager has to have a comprehensive understanding of the market. When it comes to trading assets on the stock markets, there is always the possibility of risk being involved. Because of this, the finance manager is responsible for comprehending and calculating the risk that is associated with the trading of shares and debentures. In addition to being one of his most significant tasks, a financial manager is responsible for making decisions about the distribution of dividends.

Profit Maximization: The primary objective and role of every corporate organization is to maximize potential profits. Earning a profit is something that is necessary for survival. The proper management of the profit that is made by the business organization is what is meant by the term "profit planning." Factors such as product price, competition, demand and supply, cost of production, output level, and other factors all have a role in determining the amount of profit that a company generates. A corporate organization's profitability may be increased by ensuring that it has a balanced and appropriate combination of both variable and fixed variables. A little amount of carelessness in the management of the factors that determine earnings might result in a decrease in profitability, which in turn can be detrimental to the long-term viability of the company. As a result, the job of planning all of these things falls on the shoulders of the financial manager.

4. CONCLUSION

There is an expectation that every corporate organization will be successful. The development, sustainability, and effective operation of a business organization are all dependent on the profit that is generated by the enterprise. To a large extent, the success of the corporation is determined by the management of the financial department. He is responsible for a number of critical tasks, including the allocation of resources, the planning of profit, dealing in the capital market, and generating cash. If a company has a financial manager who is both competent and effective, then the way forward for the company's success will be crystal evident. Because of this, the manager of finance is responsible for making astute and timely financial choices, taking into account the ever-shifting timeline and the level of competition, in order to steer the company organization toward ongoing success.

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