



Features of the Elements of Financial Literacy Formation at Enterprises

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***Abstract:** This paper discusses the importance of financial literacy of the enterprise team, its importance for the success of the enterprise strategy implementation as a whole, and discusses in detail the individual elements of financial literacy. Special attention is paid to the role and activities of the manager in terms of his own financial literacy, as well as in the formation of financial literacy of the rest team members.*

The control work of the manager is creative in nature, all types of it are important in stimulating the work of employees. The manager's knowledge of the action mechanism of the work organization principles leads to an improvement in relations and an increase in the quality of products and services provided.

It was noted that in order to increase the level of financial literacy of the population, with the support and initiative of the authorities, it is necessary to create financial institutions capable of developing a strategy for improving financial literacy, increasing the competence of citizens in financial matters.

***Keywords:** financial literacy, team, manager, structure of financial literacy, moral community, financial maturity, individual.*

A financially literate labour collective is an association of financially literate workers engaged in labour activities at enterprises of the republican and local levels of various forms of ownership. At the same time, the productivity of employees of founders, enterprises and firms can be significantly higher due to the financially competent organization of the team, its cohesion and a healthy financial climate. This can be especially evident in enterprises with foreign investment capital. As you know, a close-knit work team is a sphere of active formation of a



personality distinguished by literacy. In this case, a creative team that can make and implement financial decisions has a strong influence on the personality.

The types of labour collectives are quite diverse. The main one is the collective, whose scope of activity is not only the production of goods, products and services to the population, i.e. material sphere, but also their knowledge. The production team of an organization of any form of ownership has a certain structure that can ensure effective work. For example, employees of the organization act as a whole as the main team, and employees of structural divisions constitute the middle link. The lower level of the organization is the primary labour collective, for example, a brigade, a group, etc. But the main thing that is required from the manager is the unity of employees at all levels to achieve demonstrable financial results. It is on this that the future activity of enterprises depends.

Analysis and results. All employees of the administrative apparatus, organizations, enterprises and firms (excluding forms of ownership), depending on the functions performed in the process of the entire work, are divided into managers, specialists and performers. Managers who are more distinguished by literacy, often manifested in making specific decisions to improve the financial condition of an enterprise, increase the business activity of subordinate employees, are the general directors of companies, concerns, firms and enterprises, as well as directors of enterprises, heads of functional departments. Specialists are engineers, technicians, economists, financiers, managers, lawyers, etc. Technical performers - referents, secretaries, computer operators, etc. At the same time, the content of the work of all employees is the implementation of a full financial management cycle, which includes a number of general functions:

1. Forecasting and planning financial and economic indicators;
2. Organization of work in order to achieve effective results.
3. Coordination and regulation of financial decisions.
4. Activation and stimulation of team members.
5. Financial control, accounting and analysis of financial results.



A special role in the implementation of these functions belongs to financially literate managers, since their knowledge, skills, and financial literacy fundamentally affect financial results in general [1]. For a manager in the financial sector, financial literacy means “a set of knowledge about financial markets, the features of their functioning and regulation, professional participants and the products and services they offer, the ability to use them with full awareness of the consequences of one’s actions and a willingness to take responsibility for decisions made» [2].

Perfect knowledge of financial issues - the managerial work of the head will be creative. The subject and result of the manager's work are financial documents and other information about financial performance. The end result of the activity is the optimal financial and management decisions made by him, based in individual cases on the opinions of experts who have “a sufficient level of knowledge and certain human skills in the field of finance, which contribute to the correct assessment of the market situation and the correct adoption of appropriate decisions” [3].

In general, the manager's work should be aimed at making joint decisions of production significance and achieving effective final financial results. It should be noted that the general financial indicator of the financial literacy and maturity of the team is the quality of their products and services to the population.

Experience shows that there are generalized financial indicators of such financial literacy and maturity. What should the leader of the organization pay attention to?

First of all, this:

- moral community, taking into account the effectiveness;
- healthy moral and psychological climate capable of making financial decisions;
- satisfaction with joint activities and communication.

Moral commonality is the presence of common value orientations among employees, the coincidence of their moral positions, scientific views, etc. All this is the financial basis for the consolidation of employees in the organization, and their



collective cohesion.

“Non-monetary incentives are also becoming increasingly important, as they help to achieve social harmony among employees, which helps to create a friendly atmosphere in the team, ... therefore, all types of it are important in stimulating the work of employees” [4, p. 16].

A healthy moral and psychological climate is a stable business and moral environment in the work team, which integrates many financial and socio-psychological phenomena that take place in the process of joint work. A healthy moral and psychological climate is manifested in interpersonal relationships, in the stability of the team when making financial decisions.

Satisfaction with joint activities and communication has an impact on the moral maturity of the team. In the process of this, the most important needs for financial resources and the interests of people are satisfied, and their further financial mutual enrichment takes place.

It should be noted that the formation of financial relations of financial maturity (i.e. literacy) is influenced by the system of motivation of employees by the head of the organization. Its purpose is to help meet the material needs of workers. When organizing a team, the principle of technological interaction is also important, which ensures the joint use of tools and objects of labor in order to obtain the necessary products, goods (services to the population) and profit. The formation of interpersonal relations in the production team depends on the characteristics of the technological interaction of workers, on the organization of their labor process and the role of the heads of their structural divisions.

In our economy, with the transition of large industrial structures to new forms of management, there is also a need for specialists - financially literate, able to foresee the movement of financial claims and obligations, navigate in their various combinations and manage them.

In practice, the problem of financial literacy is connected with the sensitivity of workers. At the same time, it is possible to designate the limits of such sensitivity. Of interest are the assessments of alternative projects given by employees under



different scenarios of the development of events, methods of modelling projects for unforeseen circumstances. Explains how to program results based on previous decisions. This is the ability "being an active subject of the market economy, to correctly assess the current situation in the financial market and make reasonable decisions" [5].

Experience shows that there are other approaches to identifying financial literacy, for example, in the principle of material interest of employees in joint activities, the principle of compatibility of financial literacy of employees with the implementation of previously made decisions, the ability to program results based on previously made decisions is also important [6].

Knowledge by the head of the mechanism of action of the principles of organization of work leads to an improvement in relations and an increase in the quality of products and services provided.

Thus, the financial decision can be applied in practice, since forecasts and plans are based on the criteria introduced earlier. An important place in this context of financial literacy can be occupied by the issue of choosing: from equivalent projects; from projects requiring different financial costs; from projects of the same cost, but promising different returns. It turns out that a simple and seemingly obvious answer (even when it is possible) does not always turn out to be the most correct and economically proper one. Financial literacy also draws attention to the fact that the owners of capital, creditors and managers differ in their nature of approaches to how things are going in the enterprise. In other words, for each of these categories of enterprises, an investment project is an object of different value, depending on the level of criteria from which the countdown is based. All this needs to be known to domestic specialists, especially those involved in making financial decisions [7].

After studying this part, the interested specialist will understand the meaning of the concept of financial literacy. For large enterprises with a lot of obsolete and redundant equipment may not be as valuable as the financially literate staff working there believes.



The specialist's knowledge of the issues of financing and market efficiency contributes to the disclosure of the problem of financing, to a comparative description of its various sources, based on the criteria described above. An important idea of this part is that the manager should have an idea about the mechanisms for making investment decisions and financing decisions that differ from each other. He should be aware that each of these categories has its own goals and objectives, different systems of assessments and criteria, there are other principles for assessing knowledge and skills regarding the management of personal funds, in particular:

- the principle of correspondence between the formal and informal structure of accounting for the receipt and expenditure of the collective's funds;
- the principle of dissemination of information flows of communication of the situation with current finances;
- the principle of nominating a leader who is distinguished by knowledge and skills in managing personal funds, etc.;
- the principle of identifying real individuals in the field of family budgeting;
- the principle of operational strategic management of income;
- the principle of comparing the services of prompt signing of contracts;
- the principle of operational insurance of bank deposits;
- the principle of tracking cash flows;
- principle of control.

The above principles are the basis of the foundations, the assessment of a competent approach to measuring financial literacy.

Thanks to the above principles, it will be possible to identify more affluent categories of the population with higher incomes.

People at the age of active maturity, as well as highly educated and highly profitable segments of the population, have more diverse needs and therefore use different financial products than other categories of the population, and, accordingly, need more complete control over the state of the personal budget.

Without well-established family accounting and control over the income and



expenditure of the household budget, it is not possible to correctly and quickly assess the financial and monetary resources at their disposal and it is impossible to understand what margin of safety or financial investment potential they have. Therefore, it will be extremely difficult for households that have not learned how to more or less strictly count their own money to talk about the rapid spread of long-term savings, lending, investment and insurance strategies among the population [8].

Another principle of service insurance is the practice of comparing the conditions for providing financial services. Indeed, if we buy a product (service), then we need to find out who has what prices and conditions, compare them and choose the best quality product (service).

This is the basis for the operational state of the contract for the purchase of goods (services).

Financial competence is also an important principle. Here, competence refers to the skills of knowledge, reading and understanding the terms of contracts with financial institutions when they are signed. At the same time, an individual needs to be highly organized in this matter: when purchasing a service, they sign a contract only after carefully reading and clarifying all the unclear points regarding the properties of goods (services, works). It is not recommended to sign the contract, relying only on the words of the seller. If the buyer or consumer of services is not financially literate in this case, this will indicate insufficient information about the features or properties of the purchased goods (product, services) and will not be aware of many segments of the service provided.

Another principle of financial literacy is knowledge of the deposit insurance system. Knowledge that is really useful, necessary and important for citizens is the deposit insurance system. It is not so difficult and you only need to know the list of commercial banks included in this system and the amount of the deposit that fits into the insurance coverage limit.

All of the above principles are only an objective prerequisite for improving the financial literacy of the population. Building a team of financially literate people is a



long process. A number of stages of its formation can be distinguished, in this case a significant role belongs to the head of the organization.

The first is the implementation of the recruitment and selection of workers and their placement in jobs (professions, positions). At the same time, the efforts of the leader should be aimed not only at achieving technological interaction between team members, but also at their financial literacy.

The second is the formation of the foundations of financial literacy. This should be recognized by employees - the general economic interest in the final results of the organization's work, and the actively manifested moral position of employees in relation to financial literacy.

Third, a healthy moral and psychological climate is emerging that monitors financial literacy in order to actively affirm the moral stage of its formation.

The fourth one is the firm establishment of the traditions of financial literacy, the psychological compatibility of individuals is developing, and their personal abilities and talents in the field of financial relations are manifested. It should be noted that the stages of development of an individual's financial literacy are the consistent improvement of his attitudes to financial and economic phenomena.

However, the stages of development of financial literacy, the factors of its organization manifest themselves differently at the level of an enterprise and an individual.

Consequently, each enterprise is a complex technical and economic system that creates favorable conditions for workshops, brigades and other departments for their development. A small team is the most important structural subdivision of the enterprise, which generally determines the final performance indicators. These teams bear the burden of responsibility for the release of products and goods for the formation of profit (income). In workshop teams, the role of socio-psychological phenomena is great, such as the mood of the team or individual (worker).

Production teams are an integral part of the workshop team. It is the primary cell of production activity, in which workers actively interact with each other. Therefore, in this team, the individual and psychological qualities of the individual



should be clearly visible and his moral “healthy” thinking should be easily manifested in order to make financially competent decisions. Here, a socio-psychological mechanism can operate that influences the creation of an individual's financial literacy. This mechanism includes three forms of its manifestation, in particular:

- generative, when an individual actively affirms the moral principles of communication, promotes the manifestation of his personal qualities, knowledge, skills, financial competence;
- degradative, when an individual has an unhealthy moral and psychological climate, as an indicator of financial literacy;
- opportunistic, when the individual's business ties are weak, they are characterized by inertia in working with each other. Employees are only technologically connected and do not experience moral and psychological inclination to improve their financial literacy.

The quantitative and qualitative parameters of an individual largely affect the socio-psychological relations and moral mood of people who need to be financially literate. A number of researchers believe that the quantitative composition of the brigade should range from 10 to 35 people (workers) and from 7 to 20 people (engineers). As a rule, in large firms (up to 50 people), the process of team building is difficult, and in groups of 3-5 people, a drop in collective opinion is noticeable and the choice of partners in interpersonal relationships is narrowed, etc., which greatly affects the formation of financial literacy.

Speaking about the qualitative composition of individuals, it should be noted that they have persons with different characters and financial literacy. The predominance of one type of temperament is undesirable. It is also necessary to have young and experienced employees with high financial literacy, since such a person has a variety of interests and value orientations. Mutual assistance is much better placed in them and the personal activity of the leader influences.

In addition, the combination of men and women is useful at the enterprise, as conditions are created for communicating the emotional and sensory state of



employees. The formal and informal structure of the team is considered full-blooded when formal and informal financial or monetary relations between people are developed. At the same time, employees organize a team not only for the sake of the economic efficiency of joint work, but also for the sake of getting the opportunity to form in themselves special features of financial literacy. However, the dependence of the formal and informal structure does not detract from its relative independence in obtaining information for the formation and improvement of financial literacy.

In each work collective, a socio-psychological community is formed, i.e. a system of diverse socio-psychological processor and states, which is a prerequisite for the life of the team, an important factor in self-development, its financial literacy. To do this, the leaders of the organization need to know the main characteristics of the socio-psychological community of the team, to master the mechanism of its action. At the same time, two groups of factors can be distinguished that a manager should be guided by in order to ensure the growth of financial literacy of employees.

First group:

- general working conditions and production tasks that can contribute to the growth of financial literacy;
- correlation of individual psychological qualities of workers;
- diversity of their interests and business contacts.

Second group:

- general working conditions that can create conditions for improving financial literacy;
- satisfaction with the team;
- Satisfaction with personal communication.

The first group of factors acts as a series of objective and subjective circumstances necessary in order to carry out the process of socio-psychological convergence of people in terms of financial literacy within the framework of the labour collective.



In a team where employees have good working conditions and are passionate about work, there are prerequisites for the formation of a number of specific socio-psychological relationships that can increase financial literacy. The presence of general working conditions and production tasks, psychological compatibility and the choice of colleagues of interest and financial literacy is an obligatory group of factors in managing the socio-psychological relations of the team.

The second group of factors of socio-psychological consolidation of workers includes everything related to ensuring the growth of financial literacy of individuals and the satisfaction of each employee with working conditions and achievements in financial solutions to production problems, their position in the team, their official and informal relations.

The relationship that has developed in the team, trust, mutual sympathy, the ability to empathize, healthy socio-psychological relationships with high financial literacy largely depend on the head of the organization. All this and much more requires the hard work of the manager with the team in order to improve their financial literacy. At the same time, he should focus on how satisfied the team members are with the working conditions, the solution of the production and financial tasks assigned to him, his position in the team, contacts with colleagues, etc.

However, in practice there are also cases of opportunism, when employees perform duties, do not quarrel, but simply coexist in a team without any desire for self-education in the context of financial literacy. This has a destructive effect on relationships in the team, making it fragile. The processes resulting from the expansion of financial literacy in the team include adaptation, communication, identification and integration. These processes take place in each structural division of enterprises and affect its transparent organization and management. Based on these processes, socio-psychological relations of trust (distrust), sympathy (antipathy), general mood (disunity), etc. are formed, which are indicators of the formation of financial literacy.

The state of these processes has an impact on technical, economic and



organizational factors. The more mature these conditions are, the more favourable the prerequisites for improving financial literacy.

In particular, adaptation is the process of adapting a person to financial literacy. It is very important for the management, when joining a new team, not to immediately reject the traditions that have developed in it, but to take into account the opinion of the team leaders and not lose personnel with high financial literacy. The problem of adaptation becomes more acute when a young person enters as a leader. Managers and colleagues should assist the newcomer in adapting to the team, including professional, moral, legal and socio-psychological components. This allows you to quickly include an employee in the team and get the necessary return from him in production. At the same time, communication is unthinkable without a constant exchange of information, spiritual and moral mutual enrichment. A significant part of the information is mastered through the communication process of communication with financially literate persons.

Communication - plays a significant role in the development of interpersonal (informal) relations between employees of the enterprise. When organizing production, it is necessary to create objective prerequisites for the favourable formation of financial literacy segments. This is largely achieved by strengthening financial literacy. It is the relations of workers, their collective relationships based on their interpersonal perception, i.e. through impressions, assessments, opinions that arise upon contact, play a significant role in the formation of knowledge for the formation of financial literacy. Personal mutual enrichment of team members is additional knowledge and skills for those who decide to improve their financial situation, forcing them to lead a healthy lifestyle, and also focus their own opinion directly on literacy, not only at the level of knowledge and understanding of their own competence level, but also orientation towards measurement level of competence, evaluating the degree of application of knowledge in practice.

However, from the important positive aspects of assessing the quality of decisions made, based on the personal financial literacy of the population, one should pay attention to assessing the financial literacy of the population. At the



same time, approaches and assessments of financial literacy are very important in order to develop sustainable financial knowledge and attitudes in order to keep the population abreast of ongoing events around financial and economic relations. This, in our opinion, makes it possible to form knowledge in the field of personal finance management. It is practical action in this area, combined with theoretical knowledge, that will certainly contribute to the education of everyone, regardless of the age composition, of more financially literate consumer services.

Conclusion. In order to increase the level of financial literacy of the population, with the support and initiative of the authorities, it is necessary to create financial institutions capable of developing a strategy for improving financial literacy, aimed at deciphering and updating financial education, increasing the competence of citizens in financial matters. Because in the context of globalization and ongoing changes, citizens must correctly navigate the features of financial products, correctly assess financial and economic risks, and make effective financial decisions. However, the low level of literacy of the population may be associated with limited practices of using a variety of financial products. It is the construction of official and unofficial financial relations that manifests itself in real needs, i.e. in identification.

Identification is likening, identifying someone with someone else. There are several types of identification: emotional, which is characterized by a common experience, the formation of identical feelings; value and worldview, when someone perceives the views, point of view of another person in the context of financial relations, behavioural, when one person reproduces the opinion of another person. Identification takes place in all financial and economic aspects, as a process of conscious or unconscious perception by citizens of any qualities that are valuable or appealing to their financial warehouse, characteristics of the opinion of authoritative financial or other authoritative persons in certain areas of the economy. Identification is a manifestation of a person's need to master the financial segments, to acquire the vital qualities of joint communication. Through identification, the financial, economic and social self-enrichment of the individual is



realized. In general, identification is characterized by - literacy in the context of the reproduction of personal feelings, thoughts, actions that adequately reflect any source of perception: imitation, comparison and passion.

In the practice of manifestation of segments, financial literacy of the population can be formed in the context of imitation.

Imitation is generally considered as copying, repetition. Comparison - acts as a “reconciliation” by a person of some of his own qualities of knowledge with the qualities of knowledge of another person and, on this basis, making a correction in the manifestation of his qualities of knowledge. Passion is an unconscious orientation to the actions of a person for making a financial decision and its implementation. However, identification can be not only positive, but also negative. Negative identification lends itself to young people, as well as weak-willed, unprincipled persons prone to violation of financial and labor discipline. Therefore, interesting knowledge and literacy are important for determining your own place in the team.

Integration is the formation of a special type of ties, characteristic of the financial and economic community of the population. This process acts in the form of reaching the consent of the population with financial decisions. Integration leads to the establishment in the team of a value-oriented community of the population to their increasing satisfaction with their decision in joint labour activity. With its favourable course, such characteristics of human relations as mutual trust and sympathy, the ability to empathize, are characteristic of both official and informal relationships in decisions.

Such financial and economic content of knowledge contributes to the establishment of financially literate maturity. At the same time, a generalizing indicator of the integration process is the cohesion of the team in making financial decisions with subsequent execution. Practice confirms that strengthening the cohesion of the team involves increasing the financial literacy of each member of the team to prevent the occurrence of financial risks in it and to reduce or neutralize them.



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