



The Importance of Making Valid Business Decisions of Top Management Enterprises in the Transition Economy

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Introduction

Contemporary enterprise management requires frequent decision making by top management and through their implementation it is possible to achieve positive results of business activities of very heterogeneous enterprises that exist in different productions and activities.

Historically, numerous researchers have sought to understand how top corporate management makes decisions at the strategic and operational levels, all with the aim of delivering positive business results in the enterprise.

However, decision-making in practice is not done by the companies themselves, but by various individuals who use their knowledge and time available to make business and other decisions that are important for them to survive and function that enable them to achieve their goals to whom they aspire.

Material and Methods

In order to show the importance of valid business decision-making in companies, the authors have presented the flow of business decision-making through five sections in the paper.

The first part gives an overview of the course of possible decision making, which is based on the previously stated views of numerous authors. Schematic representation of Figure 1 is the work of the author of this study.

Results and Discussion

Based on a survey completed by the top financial manager of the 17 companies mentioned above, 88.23% opted for the fact that top management's business decisions are mostly influenced by 4 parts: internal audit, external audit, financial management and control and state decisions. The view was given by the author.

At the end of the research the authors of the study gave an overview of the most important forms of standardization that companies apply in the business decision-making process.

In addition, an explanation of the standard is provided as well as a description of the activities that need to be carried out to enable the top management to make standard business decisions that make valid business decisions in a standard manner.

Significant authors have emphasized in this table the importance that all activities submitted to top management by subordinate executives in the form of reports should include descriptions related to the implemented standard as well as descriptions of activities undertaken.

Conclusion

After the study and the survey conducted, the obtained results indicate that it can be concluded that for the formation and making of real business decisions in management process by top management, it is of great importance to implement 4 sources that will be implemented in reports by top management, namely: internal audit, external audit, financial management and control and sources obtained from government bodies.

Therefore, the authors' first contribution is that they emphasize that for the proper business decision making, information from internal audit, external audit, information from the established financial management and control system, as well as information obtained from official state bodies should be included.

The other contribution of the author is that it is necessary to report in the top management an account of the most important factors that influence the business decision making of the company, but at the same time it is necessary to emphasize the very description of the influence of individual factors on the business decision making while at the same time expressing the nominal values given as average values in a survey of authors completed by the financial executives of the surveyed companies.

The third contribution of the authors would be that they emphasized the importance of presentation through the two most common forms of reporting subordinate to management, as well as highlighting the advantages and disadvantages of each of the presented reporting forms.

The fourth contribution of the authors would be that they pointed to the need for a complete presentation of reporting by using views through the most significant factors that influence top management's business decisions in the Republic of Serbia, which substantially enhances the quality of top management reporting.

The fifth contribution of the authors is that they emphasized the importance of presenting the most important forms of standardization used by businesses in the business decision-making process. This is complemented by a presentation that should include explanations of the standard through a description of the activities that need to be carried out in order to properly enable reporting by top management that makes valid business decisions in the enterprise.

