



4th World Conference on Business, Economics and Management, WCBEM

How Slovak small and medium enterprises perceive financial controlling

Mariana Sedliacikova^{a*}, Vladimir Vacek^b, Eva Sopkova^c

^a Technical University, T.G. Masaryka 24, Zvolen 960 53, Slovakia

^b Technical University, T.G. Masaryka 24, Zvolen 960 53, Slovakia

^c Matej Bel University, Tajovskeho 10, Banska Bystrica 975 90, Slovakia

Abstract

This paper deals with the financial controlling in small and medium enterprises (SMEs) in Slovakia and also presents the results from the questionnaire survey. Mapping the subject of financial controlling in practice conditions of Slovak SMEs was carried out on a sample on SMEs of woodworking and furniture industry. The aim of the survey was to determine the level of understanding and implementation of financial controlling in practice, as well as identifying the potential interest in its implementation in the future. Based on the results of the research a framework model of financial controlling for SMEs was proposed, which will be possible to use, with partial modifications in SMEs regardless their type and branch of business.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license

(<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of Academic World Research and Education Center

Keywords: Financial controlling, small and medium enterprises (SME), liquidity, profitability, financial health;

1. Introduction

The enterprise in a market economy is under great pressure of competition, in which it cannot survive without quality financial and economic management (Satanova et al., 2014). The inflow of new knowledge regarding the management of the company is closely related with the entry of foreign capital on our market (Markova, 2005). The effort of enterprises to know themselves is escalating, they are increasing their financial and economic performance to adapt and survive (Kokavcova and Mala, 2009). To become competitive the SMEs need to know the causes of success and failure of their business that could affect the factors leading to their prosperity in the future (Potkany,

* Mariana Sedliacikova. Tel.: +421-45-5206-420

E-mail address: sedliacikova@tuzvo.sk

Hajdukova and Teplicka, 2012). Effectiveness of the various management systems depends on many factors (Kanderova and Uradnicek, 2005). One of them is the consistent definition of each system elements (Zavadsky and Hiadlovsky, 2014). Just as in a medicine, there is necessary for the company to establish a diagnosis of the enterprise organism and then to propose a variant options (solutions) of treatment (Zavadsky, Zavadska and Sirotiakova, 2013). The tool for treating the economic systems is controlling, which allows not only detecting the action of economic and non-economic factors, but also their future development, analysis of deviations from the desired state and prepare corrective actions. The aim of controlling-oriented concept of the enterprise in financial management, i.e. financial controlling is ensuring of liquidity taking into account the objectives of profitability. Longstanding experience of many foreign enterprises point to the importance of applying the financial controlling in SME's, from the point of view of active management of the financial health of a company based on the information in real time. The presented ideas have led to the currying out of the empirical research on the sample of Slovak woodworking and furniture SMEs and to the consecutive proposal of the framework standardized model of financial controlling for them.

2. Methods and resources

To suggest the model of financial controlling for SMEs, it was required a use of methods of summary, synthesis and analogy of the knowledge and creation of a short literature review. In the second phase, a questionnaire method to process an empirical study was used, which represents an analysis of the situation in the solved subject matter within practice of woodworking and furniture SMEs in Slovakia. The aim of empirical research was to find out the level of understanding and implementing of financial controlling in woodworking and furniture SMEs in Slovak as well as the detection of potential possibilities and interest in implementation of the subject matter into enterprise practice in future. Carrying out the empiric research was the starting point for the proposal of the model of financial controlling for SMEs. Partial aims of the research were to find out if enterprise practice is corresponding in the given area with modern knowledge of theory, to process the gained data and according to these to formulate findings and recommendations which would enrich theory and would contribute to better enterprise practice quality. At primary level of information gathering we used a questionnaire but also basic methods of theoretical research such as analyses, synthesis, induction, deduction, analogy and comparison.

The questionnaire targeted 450 most significant Slovak woodworking and furniture SMEs. The ratio of questionnaire return was 28,67 % that means 129 completed questionnaires. The questionnaire was evaluated by a description method, numerically, in percent in tables and graphs and by analyses of variance. We were looking for a statistical dependence among the questions in relation to the size of the businesses, type of businesses, and their length of operation on the market. In the third phase we designed the model of financial controlling for SMEs. In the final part of the paper we evaluated the obtained results by the deduction method and defined its assets for science, theory and practice.

3. Results and discussion

3.1. Results of empirical research

From the empirical research we found out the following results:

- 41.9 % of asked small and 55.2 % of medium enterprises do not consider financial management and financial controlling as identical areas.
- 11.6 % of small and 37.2 % of medium enterprises deal with financial analyses and prognoses.
- The methodology of financial planning carry out 9.7 % of small and 40 % of medium enterprises.
- Controlling activities which support management of liquidity use 4.8 % of asked small and 16 % of medium enterprises.
- Financial control techniques aimed at analyzing and monitoring the causes of variations in the cash flow, carry only 6.5% of small and 35.7% of medium enterprises.
- It was found that seminar on this issue would welcome 38.6% of small and 41.7% of medium enterprises, what indicates a relatively high interest to learn something more in this area.

Download English Version:

<https://daneshyari.com/en/article/980910>

Download Persian Version:

<https://daneshyari.com/article/980910>

[Daneshyari.com](https://daneshyari.com)