

## ECONOMIC EFFICIENCY OF MANAGEMENT DECISIONS

Han Pengbo, Tu Jinguo, Maslak M.V.

*National Technical University «Kharkiv Polytechnic Institute», Kharkiv*

The economic efficiency of management decisions is evaluated from the point of view of their impact on financial results and business performance. It is measured using various indicators and evaluation methods. The main aspects of the economic efficiency of management decisions include the following provisions.

1. Financial performance indicators. Profitability - evaluated using indicators such as net income, return on assets (ROA), return on equity (ROE) and others. Effective management decisions should help increase these indicators.

2. Operational efficiency - measured through indicators such as asset turnover, inventory turnover, accounts receivable turnover, etc. Management decisions should be aimed at improving the operational efficiency of the company.

3. Assessment of investment attractiveness - management decisions must take into account the investment attractiveness of projects or solutions. For this, methods such as net present income (NPV), internal rate of return (IRR), payback period, etc. are used.

4. Risk management – effective management decisions should minimize business risks. Assessing risks and managing them helps ensure business resilience to negative impacts.

5. Resource utilization – the efficiency of using the company's resources, such as human resources, material assets, financial resources, etc., is evaluated. Management decisions should be aimed at optimizing the use of these resources.

6. Strategic goals and plans - effective management decisions should contribute to the achievement of the company's strategic goals. They must be aligned with the company's mission and strategy to achieve stable and sustainable development.

7. Reporting and monitoring - it is important to have an effective reporting and monitoring system to evaluate the results of management decisions. Regular analysis and updating of strategies are necessary to achieve economic efficiency.

The economic efficiency of management decisions is critical to ensuring business success and achieving its goals. It supports the sustainable development of the company, ensures competitiveness in the market and contributes to increasing the value of the enterprise for stakeholders.

### References:

1. Vytvytska O., Martynyuk O., Shpak N., Karcheva G., Medynsky I., Nodzhak L., Modern Structural-functional modeling for the determination of the company's equilibrium conditions in the dynamic business environment. *Mathematical Modeling and Computing*, Volume 7, Issue 1, (2020):104-111. doi: 10.23939/mmc2020.01.104.
2. Перерва П. Г., Борзенко В. І., Кобєлева Т. О. Інтелектуальна власність: магістерський курс : підручник. Харків : НТУ «ХПІ», 2019. 1002 с.
3. Витвицька О. Д., Демешкант Н. А. Особливості інноваційного розвитку економіки і завдання аграрної науки та освіти. *Агросвіт* № 9, 2015. С. 3-7.
4. Shpak N., Vytvytska O., Martynyuk O., Kylaec M., Sroka W., (2022). Formation of management and technological maturity levels of enterprises for their dynamic development. *Engineering Management in Production and Services*, 14(3), 1-12.