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World Experience of Strategic Business Management

Abstract

The concept of strategic business management requires the creation of organizational strategic management structures at the top management level. This structure includes the creation of a strategic development unit and strategic business centers (STM). Each STM combines several production units. The number of STMs is less than the number of production units. 110 production units operating in Westinghouse Electric Company of the USA are directed by 37 STM. Production units are concentrated in strategic economic centers and managed through them. STMs, in turn, are directed by strategic development groups, which are the upper structure. Already, strategic development groups have been established in 20 % of the 500 largest corporations operating in the United States. When creating STM, great importance is attached to choosing the right sphere of activity. STMs are responsible for producing and selling competitive goods at the right time. US corporations use matrices as the main organizational management structure.

Japanese management refers to the line-headquarters and project organizational management structure in the management of companies. Also, these structures are distinguished by their flexibility in Japanese companies, which increases intra-company mobility and provides quality adaptation to new conditions.

Strategic business management is more typical for Japanese firms. As Professor Ishikawa Kaouri points out, while American firms have extensive discussions about current revenue growth and raising stock values, Japanese firms focus on long-term strategies. Japanese management has a stronger base of strategic approaches-excellent quality control system, strategic plans, long-term risk management. Japanese companies, which lose relative to Western and American companies in operational decision-making, surpass them in strategic decision-making and the frequency of mastering the implementation of strategies.

Keywords: *business, strategic, management, personnel, management, personnel*

Introduction

Strategic business management is one of the most important factors for successful operation and survival in the harsh market conditions and competition. The change of the environment makes it necessary for the organization to adapt to the new environment and the environmental requirements change. Building an optimal company activity system in accordance with new requirements is the main task of strategic business management. The main goal of strategic business management is to achieve the desired positions by ensuring successful company activity in the long term, achieving higher organizational goals, its preservation and strategic development of the organization. And in order to achieve these clear goals, the implementation of specific tasks of strategic business management is necessary (Adams & Ferreira, 2007). Although the goals and objectives of the concept of strategic management for business subjects of different countries are general, the achievement of these goals and objectives has a very specific character. Depending on the level of development of the country, the business environment, the country's historical national roots, geopolitical and geographical location, public awareness and its level of development, the state's business support policy, the level of competition and many other factors, strategic approaches to business and views of business enterprises of individual countries is different by In Japan and China, one priority is given for the future development of the company, but in the USA and

Western Europe, other priorities are highlighted. If the East achieves its goals with strong mental visions and deep traditions, the West develops with political movements and individual visions.

Research

As noted by Kemichi Omen, a teacher of Harvard University, the economic landscape of the world, as well as the political and cultural landscape of the world, are shaped by the 3 power centers of the world – the USA, Japan, and Western Europe, which are the main characters of the "Triad concept" (Antonov, 2020). The laws, ideas, principles, and concepts created by these countries in the field of strategic business management are a necessary source of experience and research for other leading countries of the world. Nowadays, many brands are created and developed by companies from these countries. Currently, the 20 best international brands belong to these countries. According to the statistics of "Fortuna" magazine in 2006, 500 global companies of the world were identified. 170 of them belong to the USA, 70 to Japan, 38 to Britain, France, Germany and the rest to other countries. These countries account for 4/5 of the large foreign trade operations in the world economy. The largest multinational corporations have their origins in these regions. 2/3 of the international trade turnover is managed by TNCs. Currently, the number of TMCs is over 50,000, and the number of branches worldwide is over 4 million (Ansoff, 2018).

According to the information of the UN Conference on Trade and Development, 2 trillion of world trade turnover forms the dollar. The largest TMKs are companies owned by the USA, Great Britain, Japan and Germany. In most of these TMKs, more than 70 %, strategic management and strategic analysis are carried out in an institutional form. In the field of management, especially in the field of strategic management, companies, scientists and researchers of the mentioned regions have created important information and knowledge, including practical skills. Starting from this level, we will consider the world experience of BSI in the experience of the USA, Japan and Western Europe.

US experience. Strategic management of business is actually a concept based on strategic management. Strategic management, in turn, embodies the characteristics of general management (Chubb, 2006). Igor Ansoff, Michael Porter, Strickland, Thompson are considered the main creators of American strategic management. The concept of strategic business management used by modern American companies takes its theoretical basis from the ideas of the mentioned authors.

American management basically carries the views of Henri Fayol, a representative of the classical school. American G. Luther and U. Lindal accelerated the popularization of the main terms of the classical school (Antonov, 2020). Other American authors, in turn, made new changes, clarifications and additions to American management. The classical school had a significant influence on the American management theory and the directions of modern company management in later times and in modern times. Modern American management is based on three historical foundations:

1. Availability of markets.
2. Industrial method of production organization.
3. Corporation as the main form of entrepreneurship organization.

The American model of strategic business management. The essence of the company's philosophy is that with the change of management, the staff and employees change. New leadership presents a mission statement and formulates goals. New approaches, views, new management thoughts are emerging. New ways of company development are being sought.

Approach to strategy – It is the methods of using resources and means aimed at achieving the set goals. The strategy is the main activity program that includes the priority problems and their solutions, the ways to achieve the main goals of the corporation. The strategy formulates the company's main goals and main directions of activity. New goals require new strategies (Filatotchev & Wright, 2011).

The objectives of the firm are to achieve the growth of revenues and the provision of dividends to shareholders and other stakeholders.

Organizational management structure. Modern American management accepts the corporation (joint-stock company) as the main form of organizational law. In the 1970s, some corporations, and

in the 1980s, almost all US corporations practiced strategic business management (Estrin & Prevezer, 2010). The essence and importance of BSI for corporations is that it ensures the development of long-term strategies to win the competition, achieves optimal management in real time.

The concept of strategic business management requires the creation of organizational strategic management structures at the top management level. This structure includes the creation of a strategic development unit and strategic business centers (STM). Each STM combines several production units. The number of STMs is less than the number of production units. 110 production units operating in Westinghouse Electric Company of the USA are directed by 37 STM. Production units are concentrated in strategic economic centers and managed through them. STMs, in turn, are directed by strategic development groups, which are the upper structure. Already, strategic development groups have been established in 20 % of the 500 largest corporations operating in the United States. When creating STM, great importance is attached to choosing the right sphere of activity. STMs are responsible for the production and sale of competitive goods at the appropriate time (Popov, 2010). US corporations use matrices as the main organizational management structure.

Personnel appointment and personnel policy. Selection of workers from labor markets through business schools, universities. Personnel policy is aimed at individual, personal career development. Ensuring mass participation of employees in participative management is organized. Participative management is carried out in the following directions:

- giving employees the right to make independent decisions,
- involvement of employees in strategic decision-making,
- giving the employee the right to control quality,
- employee participation in improving the management system,
- preparation of revenue sharing system.

To involve the general representatives of employees in the work of the board of directors. In recruiting employees, their knowledge and skills are checked for the vacancy by means of test method, competition method, and special evaluation centers. Individual attestation and assessment of employees. Payment of salary according to the individual achievements and results of an individual employee.

Organization of labor and production. The main focus is on production and environmental adaptation. Employees perform their work based on precise job instructions. The salary level depends on the position, work performed and specialization. At the same time, wages are adjusted based on supply and demand in the labor market.

Employee stimulation and motivation system. The level of stimulation is not very high. The motivation system is based only on market results. However, salaries of presidents in US corporations are several times higher than in other countries. Internal and strategic planning.

Internal planning of the company is decentralized, separate structures plan the main financial indicators, costs for production, ETTKI, sales. Strategic planning is carried out by the top management. STMs are used in new product releases.

Financial policy. Business administration distributes revenue among departments. Production capacity and capabilities are increased due to acquisition of other companies. The corporation is mainly based on the principle of self-financing.

Quality management concept. High quality comes at a high cost. Higher quality can be achieved with lower productivity. Quality control is performed by a quality control inspector. Labor productivity increases due to the rational division of work between those who think about production and those who are engaged in production.

"The East is a delicate issue." The Japanese experience. In the last two decades, Japan has taken an important position in the world market. Although Japan's population is 2 % of the world's population. This country accounts for 44.5 % of the world's stock value. Japan's creation of such competitive advantages in the world comes from the specificity of its management model, which focuses on the human factor. Throughout the entire historical development, Japanese labor methods and behaviors are characterized by national features (Zhang & Wu, 2017).

One of the main characteristics of Japanese management is frugality. High quality is always a top priority. In Japanese management, the "social person" factor is very strong, the corporate spirit is high. The main management subject of Japanese management is labor resources. Management specialist Hideki Yoshihara attributes the achievement of strategic goals and international success of Japanese companies, as well as the acquisition of competitive advantages, to the following characteristic features of Japanese management:

1. Employment guarantee and creating an environment of mutual trust. Such a guarantee creates stable labor resources and prevents staff turnover, strengthens mutual trust between employees and between employees and managers.

2. Solidarity and company values. High corporate spirit and culture.

3. Management based on information. There is detailed information about each job, which increases employee responsibility.

4. Quality-oriented management. A large number of factors affect the quality of the manufactured product. The degree of influence of each of them can be studied only with the help of statistical methods. These methods minimize the level of defective goods. The seven most widely used statistical methods are: Pareto diagrams, Ishikawa scheme, control cards, histograms, Rasseanist diagrams, graphs, checklists. In the quality control system, total control takes a central place. In companies, not specific individuals are responsible for the entire collective quality. The quality control structure is only engaged in advisory service.

5. Lifelong involvement of employees. 30 % of all employees recruited for large Japanese firms are lifelong employees. Employees are selected from university graduates and a formal agreement is signed with them. The employee will work in this company until the end of his life (until retirement age), and the company will provide him with a good salary, high respect, and a stable job. Such an approach strengthens the employee's interest in work. If the employee does not even cope with the work, the Japanese see the problem not in his incompetence, but in the fact that he is not in the right place and transfer him to another job.

6. Personnel policy and personnel training. Continuous training and professional development occupy the main place in management. Employees of various categories, including managers, participate in a large number of courses and trainings. The cost of training a skilled Japanese worker is 6 times higher than that of an American worker. Training of management personnel occupies one of the main places in personnel training. Training is conducted very intensively, even strong specialists from different countries are invited. For the Japanese, professional personnel are the main national wealth. Every few years, there is a personnel rotation – the transfer of managers and employees within the company. The Japanese believe that long tenure of an employee in the same position reduces his interest in the job. The salary system consists of three parts – base, additions and bonuses.

Rejection of the idea of punishment. In Japanese companies, employees are rarely punished. Here Deming's principle is "98/2", which means that 2 % of things can go wrong due to human error. Minoru Shibata, the chairman of the board of directors of Toyoba company, and Masayuki, a representative of Machusita company, were surprised by the Russian researchers' question about the punishment. Instead of firing the employee, it is necessary to remove the real reasons that hinder the business processes. Masayuki answered the question of what do you do when employees are regularly late for work: "For the Japanese, work is a matter of pride, they enjoy work. However, there was no such case that any employee was late for work.

However, if this happens, deductions can be made from the salary at the end of the year". The chance of workers being fired is very low.

7. Team work skills. Here, putting forward the strategic development ideas of any business is a product of teamwork. The basic essence of the firm's philosophy is that if the executives change, the overall development path of the firm does not change. The main goal of the company is to achieve strategic goals by improving the welfare of employees.

8. Expanding the application of participatory management. It provides for the participation of a large number of employees in the preparation and implementation of strategic plans. Of course,

strategic business management requires a strong strategic potential. The main part of this potential is human resources, which is the main key to Japan's success in modern times. Involvement of most of the workforce in making strategic decisions increases the quality of strategic choices. Because every company employee is a potential information carrier.

Japanese management refers to the line-headquarters and project organizational management structure in the management of companies. Also, these structures are distinguished by their flexibility in Japanese companies, which increases intra-company mobility and provides quality adaptation to new conditions.

Conclusion

Strategic business management is more typical for Japanese firms. As Professor Ishikawa Kaouri points out, while American firms have extensive discussions about current revenue growth and raising stock values, Japanese firms focus on long-term strategies. Japanese management has a stronger base of strategic approaches-excellent quality control system, strategic plans, long-term risk management. Japanese companies, which lose relative to Western and American companies in operative decision-making, surpass them in strategic decision-making and the frequency of mastering the implementation of strategies.

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Development Directions of Business Relations

Abstract

The characteristic of the current development of the world economy is the progressive dynamics of socio-economic factors. The emergence of constantly changing new factors affecting the state of subjects of economic relations, high rates of technological and structural changes, increased competition, social factors impose new demands on management systems, which require the development of business subjects.

Business development management is viewed as the goal of finding new customers and building relationships with them. In fact, this is a rather narrow essence of this direction, which can only partially solve tactical problems. The concept of development of business relations does not only mean the increase of turnover at a certain time, but the increase in the income level of the business entity in the long term, providing a different, higher base for future growth.

Keywords: *business, strategy, corporate, marketing, entrepreneurship, production*

Introduction

The goals and tasks of business development are closely related to the study of the opportunities available in the market, what the enterprise offers and what the target audience of consumers wants to buy (Amrahov, 2014). The main principles of this function are to equalize existing gaps and create added value that can be converted into income. This requires the study of trends, the search for and implementation of innovations, as well as the formation of a strategy related to new work processes (Guliyev, 2015). Business strategies are classified according to their development level:

- the level of the corporation;
- functional level;
- operational level.

Research

Each level has its own characteristics. The corporate level is a business entity consisting of a group of enterprises, a holding company, a corporation or a separate organization (Mirzazadeh, 2022). A corporate, so-called portfolio strategy is a general management plan for an enterprise, it describes the general direction of the enterprise's growth, the development of production and marketing activities (Abbasov & Sadigov, 2013). One of the objectives of corporate strategy is the selection of business units of the firm where investments should be directed. This type of strategy is the most complex. Corporate strategy includes the following issues (Amrahov et al., 2023):

- allocation of resources among all sectors of the corporation;
- diversification of production to reduce possible losses or obtain more profit;
- change in the structure of the enterprise;
- possibility of synergy, i.e. sale or merger;
- access any integration structures.

Each enterprise develops its own strategy of behavior in the market, because it is often responsible for a segment of the market. The business strategy is developed at the departmental level and allows to achieve the long-term goals of this enterprise. Based on this strategy, business plans of the enterprise are formed (Abbasov, 2005).

A functional level is a set of departments of an enterprise. At this level, strategies are developed in accordance with the overall strategy of the firm and are under the authority of the manager. The goals of these strategies include (Nuriyev, 2004):

- effective management of single resources;
- development of the best line of conduct within the portfolio strategy of the company.

In the hierarchy of the management structure, managers at lower levels deal with the narrower, more specific tasks of strategy development and implementation than top managers. Each manager defines and implements a strategy based on the preferences of end customers in his field (Imanov, 2009). The strategies of each level must be coordinated to achieve the best result. Managers can't plan anything unless they have a clear goal in mind. This situation can lead to the complete collapse of even a successful enterprise (Amrahov et al., 2021). There are several types of business development strategies. Following the planned strategy is quite difficult due to constant changes in market conditions. Therefore, the strategy should be adjusted during its implementation. There are 2 types of strategies: deliberate and sudden onset. Deliberate strategy is the complete overlap of predicted tasks with actual ones. The company can follow the selected strategic plan only in the following cases (Reith & Guidry, 2003):

- goals and methods of achieving them are clear to all employees;
- actions of all employees are coordinated;
- absence of unexpected changes in the external environment of the company.

A sudden strategy emerges in a company whose employees do not have a clear idea of the organization's ultimate goal. No perfect strategy can take into account all situations that arise in real life (Burhan, Ceylan, & Hatice, 2009). To respond to them, the organization must urgently formulate and solve strategic goals. Temporary strategies include:

1. A planned strategy is one in which almost every process can be predicted. However, it is necessary to strictly monitor the achievement of the set goals.

2. Entrepreneurial strategy is formed in the head of a leader who, based on his intuition and past experience, views the future of the organization and its direction of action. The clear goal he set for himself is clear not only to him, but also to his employees. This strategy changes as often as market conditions.

3. Ideological strategy – the team has a clear idea of the company's goals and objectives and makes every effort to achieve them. This strategy is characterized by a high degree of self-control.

4. Procedural strategy is formed as a progressive process, that is, strategy formation is born during debates and discussions, and sometimes only after them, because sometimes it is difficult for people to agree. With this strategy, employees are mainly guided and in control of the situation.

5. The implemented strategy is one of the development directions of the enterprise, which is forced to adapt to the conditions surrounding it. Often, strategies are partially implemented because the enterprise has to choose between several options imposed by the environment.

6. The strategy of the contract arises unexpectedly during the work of the group.

7. Different strategies. The strategies of each unit combine to achieve a common goal.

Developing business relationships requires making strategic decisions. In this regard, there is a need to classify the processes that form the strategy of business subjects. They can be divided into three groups (Amrakhov, 2022):

- processes of using existing potential for production of products, performance of works and provision of services;
- processes of creating, increasing and modernizing the enterprise's potential;
- processes that ensure the creation and development of the reproduction base of the enterprise itself.

The structure of business processes consists of strategic and tactical decisions made at the level of enterprise management (Abbasov, 2011). Decisions about using the existing potential of the production base should be considered tactical. Strategic decisions form the basis of the enterprise's strategy. Business strategy is a system based on specific tasks, decisions on individual issues of business activity.

Conclusion

Business strategy includes the structure and volume of production, the behavior of the enterprise in commodity and factor markets, strategic aspects of intra-enterprise management, etc. should include decisions in the field. The following independent strategy areas are available:

- commodity market – is a set of decisions that plan the range, volume and quality of products, how the enterprise will behave in the commodity market;
- resource market – a set of production, financial and other factors and strategies that determine the behavior of the enterprise in the market of production resources;
- determines the technological-strategic decisions that show the dynamics of the enterprise's development technology and the influence of the market on it;
- management – decisions are made regarding work and management work with other departments of the enterprise;
- finance and investment – making decisions to determine ways of attracting, collecting and spending financial resources;
- social – is a set of decisions that determine the type and structure of the company's employee team, as well as the nature of interaction with its shareholders;
- management – a set of decisions that determine the nature of enterprise management in the implementation of the chosen strategy. Recently, many enterprises are rebuilding their internal production, technological, organizational and management structures, redistributing the rights and duties of various departments and subsystems;
- restructuring – a set of decisions to adapt the production, technological and organizational-management structure to the changed conditions and strategy of the enterprise.

The development of elements of strategic management of business objects at different levels and the formation of a strategic style of business management are related to the transition to a market economy. Almost complete independence in making not only operational, but also long-term and expensive decisions still poses difficult challenges for businessmen and enterprise leaders. Difficulties in solving these problems, sometimes the unwillingness of managers at different levels to make justified, balanced and thoughtful strategic decisions are important factors in processes such as non-payment, violation of contractual obligations, decrease in investment activity, and delays.

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Retail Turnover and Models of its Development

Abstract

Retail turnover reflects the state of the national economy, the efficiency of production and the management of the product distribution process, the development degree of the market and its conjuncture. Retail turnover is the sale of all food and non-food products sold by retail and public catering organizations, as well as by entrepreneurs and individuals engaged in the sale of agricultural products in the markets, based on cash and non-cash payments. Retail turnover is divided into trade retail turnover and public catering retail turnover. Retail trade turnover is one of the main indicators by which the activity of enterprises and trade organizations is evaluated. In our research, turnover is a quantitative indicator that characterizes the volume of sales. Like any cost indicator, retail turnover has certain disadvantages. Thus, any increase in prices directly influences retail turnover and it can be increased due to the sale of expensive goods, not due to mass consumption goods for affordable prices.

Keywords: trade turnover, retail turnover, consumption goods, sales, funds, market

Introduction

Retail trade is the direct sale of goods and products to the consumers. In today's world retail trade is becoming more and more competitive. This competitiveness makes companies to implement innovative methods to attract consumers and create long-term consumer loyalty. For example, governments replace more expensive products with relatively cheaper ones in order to increase people's purchasing power. Margin is used to cover costs and make a profit. The amount of the margin is regulated by the general state of the market or state regulation of prices (for some categories of goods and services). At the moment, in Azerbaijan the physical volume of trade turnover for the next year is determined within the framework of the state trade turnover management system. Moreover, the managers of all public catering enterprises are annually informed about prospective retail turnover indicators, as well as their share in retail turnover. Thus, the trade turnover is recognized as one of the main indicators of the socio-economic development of the country, and it is considered as one of the most important goals at the macro level (Pərakəndə ticarət və ictimai iaşə sahəsində fəaliyyətin lisenziyalaşdırılması).

Materials and Methods

Retail turnover reflects the state of the national economy, the efficiency of production and the management of the product distribution process, the development degree of the market and its conjuncture. Retail turnover is the sale of all food and non-food products sold by retail and public catering organizations, as well as by entrepreneurs and individuals engaged in the sale of agricultural products in the markets, based on cash and non-cash payments. Retail turnover is divided into trade retail turnover and public catering retail turnover. In our research, turnover is a

quantitative indicator that characterizes the volume of sales. Like any cost indicator, retail turnover has certain disadvantages. Thus, any increase in prices directly influences retail turnover and it can be increased due to the sale of expensive goods, not due to mass consumption goods for affordable prices (Agamaliyev & Shukurov, 2010).

Research

Retail circulation is the final stage of consumption goods in the process continuing from the circulation sphere to personal consumption where consumers buy them for consumption. In the development indicators' system of an enterprise, turnover is of primary importance and plays a very important role. For a catering enterprise trade turnover is the main indicator of its production and trade activity. The market share of any public catering enterprise in the turnover of the region is evaluated according to its turnover volume. The development of trade determines the breadth and depth of the enterprise's penetration into the consumer market and its competitive position in this market, as well as the opportunities and pace of economic development of the enterprise in the future. Connected with turnover, other indicators that evaluate the efficiency of the enterprise (total income level, costs, profitability, turnover) are taken into account, analyzed and forecasted. Trade turnover and its components have a great influence on the formation of the enterprise's resource potential (volume and composition of labor, material, financial resources). The volume of trade ultimately determines the volume of total income, as well as the remaining profit of the enterprise, the stability of its position in the market (Znacheniyе, zakonomernosti i osnovnyye napravleniya razvitiya roznichnogo tovarоoborota).

The development of the trade circulation of all proprietary trade enterprises play great role in the economic and social policy of the Republic of Azerbaijan. Because the turnover of goods characterizes the scale of demand and supply in the market, and also stimulates the development of production and accelerates the turnover of the enterprise's capital, on the other hand it determines the scale of foreign economic activity, the volume of money circulation, budget revenues and other macroeconomic indicators.

Marketers and buyers are trying to control the situation in the trade. To understand the impact of retail, today's consumers must pay attention to many commercial phenomena that are overlooked by both buyers and sellers (Paco Underhill Why do we buy, or How to force to buy Why We Buy, 2003).

Retail turnover is one of the most important indicators of the economic and social development plan. This affects both production and consumption. It includes the number of goods sold to the population through retail trade networks and public catering establishments, as well as goods sold to enterprises, departments and organizations. Most of the retail turnover is directly related to personal consumption and purchasing power of the population.

The importance of retail turnover is also determined by its volume that characterizes the living standards of the population. The basis of private consumption is the retail sale of goods. Almost 80% of material goods required for population consumption are delivered to them through retail trade. To a certain extent, the development of the circulation of goods affects the money circulation. The main part of the money in circulation is involved in the retail purchase and sale of goods and thus serves the retail circulation. The share of small wholesale trade in the total volume of retail turnover in our republic is about 5 %. The main indicator of the economic and social development plan of the country is considered to be the turnover of retail goods. The increase in the volume of retail turnover reflects the improvement of the material well-being of the country's population. That is, the population buys products with their money and meets their material and spiritual needs (Samedov, 2005).

The more the product corresponds to consumer demand, the more successful the producers will be. Manufacturers must find consumers to whom they want to sell, study their needs, and then create a product that best satisfies these needs (Philip Kotler, 2007).

The patterns of development of retail goods circulation are mainly related to the continuous increase of the total volume of retail goods circulation caused by the increase of necessary consumer goods (their variety, quality and the increase in wages of employees). Over the past few

years, the retail turnover of all types of sales in the country has increased more than 5.1 times, and the development of turnover per capita is also growing rapidly. In the compared period, the turnover of goods per capita increased almost 5 times. The increase in the turnover of goods reflects the continuous increase in the standard of living of the population and the increase in the level of satisfaction of their demand for consumer goods.

The growth rate of goods turnover in cities and regions of the country also changes regularly. This change (regularity) is related to the correct placement of productive forces on the territory and population migration.

Trade in consumer goods is turning into a complex dynamic system, operating in an extremely large-scale, rapidly changing socio-economic market conditions. The development of trade, primarily retail trade, shows the importance of society in solving the most important socio-economic problems of the country. Because trade to a certain extent determines the socio-economic status of the population. Currently, there is a complex process of restructuring the economic relations of producers, commercial structures, and the social sphere. Therefore, the whole range of positive and negative processes, contradictory trends taking place in the socio-economic life of the country, reflecting the current state of the economy, is reflected in the consumer market, including in the trade in consumer goods (Nikolaeva, 1997).

By the decision of the General State Tax Inspectorate of the Republic of Azerbaijan dated April 15, 1997 (order A-76), "Instructions on the rules for calculating and paying tax from the activity (production) income in the field of retail trade, public catering and household service" were adopted (Pərəkəndə ticarət, ictimai iaşə və məişət idarəsinin fəaliyyətinin gəlirlərindən (hasilatdan) verginin hesablanması və idarə edilməsi qaydaları haqqında, 1997).

According to the Law of the Republic of Azerbaijan "On Profit Tax of Enterprises and Organizations", the mentioned Instruction applies to the income of enterprises in the field of retail trade, public catering and household services, regardless of their organizational and legal form, as well as ownership, and determines the rules of calculating and paying the tax. On April 22, 1994 (No. 800), The National Assembly of the Republic of Azerbaijan adopted "Rules for Licensing Activities in the Field of Retail Trade and Public Catering". These rules determine licensing of retail trade in the country and tax procedure through obtaining a license by legal and natural persons operating in the field of public catering. <https://e-qanun.az/framework/8873>

In January-February 2021, 6.0 billion manats worth of food products, beverages and tobacco products, 2.8 billion manats worth of non-food goods were sold to consumers through the retail trade network. If we compare these figures with January-February 2020 period, it is obvious that retail trade turnover decreased by 1.3 percent in real terms, including 4.9 percent for non-food products, and 2.0 percent for food products, beverages and tobacco products.

Table 1
During the reporting period, the commodity market was characterized by the following indicators

Product groups	Income from sales, million manats	Compared to January-February 2020, per cent
Retail turnover	6 027,9	98,7
Including		
food products	2 824,1	102,2
beverages and tobacco products	380,9	100,3

textiles, clothing and footwear	997,5	92,9
electrical goods and furniture	316,3	88,7
computers, telecommunication equipment and printing products	43,2	102,0
pharmaceutical products and medical supplies	138,4	150,8
automobile gasoline and diesel fuel	322,6	88,1
other non-food items	1 004,9	96,4

Source: azstat.org

During the reporting period, 46.9 percent of the funds spent by buyers on final consumption goods were spent on food products, 6.3 percent on beverages and tobacco products, 16.5 percent on textile products, clothing and shoes, and 5.4 percent on gasoline and diesel fuel. 5.2 percent of the funds were spent on electrical goods and furniture, 2.3 percent on pharmaceutical products and medical supplies, 0.7 percent on computers, telecommunication equipment and printing products, and 16.7 percent on other non-food goods. For January-February period in 2021, 26.6 percent of consumer products were sold by commercial enterprises, 49.9 percent by individual entrepreneurs, and 23.5 percent in markets and fairs. Compared to January-February 2020, retail trade turnover increased by 9.3 percent for enterprises and 1.6 percent for individual entrepreneurs in real terms. Retail trade turnover of markets and fairs decreased by 15.8 percent. During the reporting period, an average inhabitant of the country consumed 302.1 manats per month in the trade network, including food products, beverages and tobacco products worth 160.6 manat, and non-food goods worth 141.5 manats (HTTP Server Test Page).

In the process of retail trade analysis, a system of indicators is used, on the basis of which a description of the implementation of the retail trade plan is given, and reserves are determined in order to increase turnover and to improve the quality of trade services (Roznichnyy tovarooborot, yego ponyatiye i znacheniyе v ekonomike strany. Analiz roznichnogo tovarooborota, zakonomernosti yego razvitiya).

The production of products designed to meet a wide range of needs should be the focus of manufacturers. Retail trade turnover is one of the main indicators by which the activity of enterprises and trade organizations is evaluated (Tokarev, 2005).

The main goal of commercial enterprises is to maximize profits. Circulation acts as the most important and necessary condition, without which it is impossible to achieve this goal. Since the commercial enterprise receives a certain amount of income from each manat of sold goods, the task of profit maximization requires a constant increase in the volume of trade as the main factor of income and profit growth, a relative reduction of distribution costs, labor costs, etc.

The indicator of retail turnover (as well as wholesale) has quantitative and qualitative characteristics. The quantitative characteristic of turnover is the volume of sales in monetary terms, and the quality is the structure of turnover (Pplanirovaniye roznichnogo tovarooborota predpriyatiya i razrabotka meropriyatiy po vyyavleniyu rezervov yego rosta, 2018).

The viability of a retail plan can also be tested using a critical selling point, sometimes called a break-even point. This does not coincide with the period when the company begins to make a loss, but coincides with the period when the income generated does not cover fixed costs.

Conclusion

From our research, we can conclude that the planning of the retail turnover for the next year can be carried out by the methods of calculation based on the average ratio of the quarterly turnover within the annual turnover and using seasonality indices. When planning quarterly retail trade turnover using seasonality indices of retail trade turnover, calculations are made through multiplying the average quarterly turnover of the following year by the seasonality index of the corresponding quarter (adjusted). During the experiment, it became clear that the following methods can be used when planning the structure of retail goods turnover: the method of dynamic series equalization and calculation based on the average shares of turnover of product groups in the annual volume of retail goods turnover. When calculating the structure of retail trade turnover, it should be taken into account whether the turnover is determined by individual goods and product groups, or by food and non-food products.

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Models of Corporate Governance, Their Nature and Different Aspects

Abstract

In the scientific article, the main models of corporate management, their nature, characteristics and differences were discussed in detail. Also, the role and impact of these models in the modern business environment, along with the changing dynamics of the global economy, future perspectives were also considered. Researching the innovations required to make corporate management more perfect and transparent, as well as ways to increase social and environmental responsibility, aims to ensure more sustainable development of enterprises.

Thus, corporate governance plays an important role in the economic and social development of modern society and appears as a system that benefits not only property owners but also all interested parties. An in-depth and multifaceted study of this system is essential for the future of modern business.

The application of innovative approaches, modern technologies and global cooperation is important for corporate governance to be more transparent, fair and responsible. This will ensure the transition of enterprises to a model that benefits not only the owners, but also all members of society. As a result, corporate governance is not only a tool in the development of modern business, but also plays the role of a key factor for social and economic stability. This will help shape a sustainable and just future, balancing the interests of all stakeholders.

Keywords: *corporation, corporate management, economic, social, investor*

Introduction

Corporate governance, as one of the fundamental principles of the modern business world, regulates how enterprises are organized, managed and fulfill their social responsibilities. Corporate governance models developed in different countries, based on legal frameworks, economic systems and cultural values, are aimed at achieving the strategic goals of organizations and protecting the interests of owners and other interested parties. The models discussed in this article are important not only from an economic point of view, but also in the context of social, environmental and ethical issues.

The purpose of corporate management is to ensure the continuous and efficient operation of organizations. This is made possible by building mutual trust and transparency between property owners, directors, managers, employees and the community. Management processes, at the same time, include the determination of strategic directions of the enterprise, risk management and optimal use of financial resources (Akhundov, 2001).

Research

At the same time, it is important to emphasize that corporate governance is not only limited to financial results, but social responsibility, ethical standards and environmental sustainability should also be taken into account. In today's era, consumers, investors and other stakeholders focus not only on the short-term financial performance of companies, but also on their social and environmental impacts. This shows the growing importance of the concept of social responsibility in the development of corporate management models (Popov, 2010).

At the same time, various approaches and methodologies have been developed for corporate management to meet these modern requirements. The Anglo-Saxon, Continental, and Scandinavian modes present various forms of these approaches. Each model has its own advantages and disadvantages. For example, in the Anglo-Saxon model, investors' interests are at the forefront, but in the Scandinavian model, social responsibility and the role of employees are more important.

In this article, the main models of corporate governance, their nature, characteristics and differences will be discussed in detail. Also, the role and impact of these models in the modern business environment, along with the changing dynamics of the global economy, future perspectives will also be considered. Researching the innovations required to make corporate management more perfect and transparent, as well as ways to increase social and environmental responsibility, aims to ensure more sustainable development of enterprises.

Thus, corporate governance plays an important role in the economic and social development of modern society and appears as a system that benefits not only property owners but also all interested parties. An in-depth and multifaceted study of this system is essential for the future of modern business.

Conducted research shows that when investors make a decision to invest in this or that enterprise, they give more importance to the activities of the board of directors than to the financial indicators of that enterprise (Garaveliyev, 1967). Summarizing the conducted research, we can come to the conclusion that a good corporate signs characteristic of management are the following;

- Decentralized ownership. The fact that the corporation is controlled by 2-3 large shareholders does not necessarily mean that corporate governance is poorly organized there. But investors have more confidence in a corporation with a large number of shareholders. As a negative factor, investors consider the presence of a shareholder or a group of shareholders who can have an excessive influence on decision-making in a corporation.

- Transparency of ownership structure. The actual structure of corporate ownership should be transparent. The composition of shareholders, the largest shareholders (including shareholders with a controlling stake), the number of shares owned by directors and managers, other joint stock companies owned by directors and managers, etc. easy access to information.

- "One share-one vote" principle. The corporation must adhere to the principle of "one share, one vote" for all shareholders and issue only the same type of shares. All shareholders should have the same financial rights, each of them should participate in the distribution of profits according to the number of their shares.

- Protection from possible "absorption" process. By limiting the circulation of shares and participation in the formation of the board of directors, the corporation should create a system of protection against a possible "takeover".

- Warning about the general meeting of shareholders. In order to ensure the possible participation of foreign shareholders in the general meeting, a warning should be sent to the shareholders at least 28 days before the date of the general meeting. In addition, shareholders should be given the opportunity to participate in the meeting in real time.

- Size of the board of directors. The analysis shows that the optimal size of the board of directors is 5-9 people. "Foreign" directors and holding several positions at the same time. Managers of the corporation may hold up to half of the seats on the board of directors.

- Independent directors. At least 50 % of the members of the board of directors who do not hold management positions in the corporation must be independent directors.

- Rules of activity of the board of directors. A corporation should have a set of corporate governance rules that outline its future, value system, and duties of its board of directors. Encouraging and rewarding the work of directors and managers should be carried out according to these rules. With this, they will be interested in the successful operation of the corporation.

- Committees of the board of directors. Independent committees (audit committee, strategic development committee, corporate governance committee, personnel and remuneration committee and etc.) should be created.

- Disclosure of information. The corporation must adhere to the principle of transparency of its business. The corporation must regularly disclose information on the results of financial and economic activity, basic information about the board of directors, and information about the salaries of top managers and directors.

– Accounting reporting standards. The corporation must use internationally recognized accounting reporting standards (US GAAP, UK GAAP, IAS) when preparing annual and quarterly reports.

– Independent audit. The corporation must conduct an independent audit annually. For this, it should involve independent auditors who have gained good credibility.

– Various methods of obtaining information. Broad opportunities should be created for shareholders and investors who want to get information about the corporation's activities. Both traditional and electronic means of information should be used for this. Information should be provided in both the local language and English. Timely disclosure of information. Information should be disclosed on a timely basis in accordance with the standards of the stock market in which the shares are quoted.

– A smoothly functioning corporate management system is one of the most important factors for attracting both domestic and foreign investments. Good corporate governance reduces the risk of investors and thereby creates conditions for the flow of investments into the enterprise. The interaction of the "corporate triangle" (shareholders, board of directors and management) has a decisive role in attracting investments. At the current stage of development of corporate governance mechanisms in Azerbaijan, assessing the market value of corporations creates great difficulties. Because the assessment of the market value of corporations based on the quotation of their shares is either impossible or not objective. This is because the shares of Azerbaijani corporations are not yet freely quoted on the stock exchange, and over-the-counter quotations are speculative in nature, so they are not objective. This situation does not allow real and potential investors to evaluate the efficiency of corporate management based on the change in the market value of the corporation.

Taking these into account, I consider it appropriate to include the indicators of the market value of the corporation in the system of evaluating the efficiency of corporate management. A corporation's book value is based on a business valuation and includes a valuation of the corporation's assets and liabilities and a financial appraisal. In a number of studies of the results of economic activity, much attention has been paid to the issues of evaluating the efficiency of corporate management and certain proposals have been made in this direction (Guliyev, 2011).

The large number of existing approaches and methodologies on this issue and their diversity indicate that the issue has not yet been fully studied and there is a need to develop it. To calculate the market value of a corporation, the exchange rate of the corporation's shares is multiplied by the number of shares outstanding at the beginning of the period. The change in the market value of the corporation indicates how efficient the corporate management is. In other words, if the market value of the corporation has increased, then the corporate management has been effective, and on the contrary, if the market value of the corporation has decreased, then the corporate management has not been effective. In order to calculate the market value of the corporation, the indicators that affect it and are reflected in the corporation's balance sheet are determined and included in the econometric model. It is considered that indicators such as total income from product sales, net profit of the corporation, reserves, short-term debts, currency of the balance should be included in the regression equation (Suleymanov, 2014). They have a more serious impact on the change in the market value of the corporation, characterize the state of the sections of the balance sheet and the results of the corporation's financial and economic activity.

The main task of the board of directors is to protect the interests of shareholders and increase their wealth. This should provide a level of management that guarantees an increase in the value of the corporation. In recent years, the trend of increasing the role of the board of directors in the management of the corporation is even more noticeable. This is primarily manifested in the control of the financial situation. The financial results of the corporation are reviewed at least once a quarter, usually at board meetings. The members of the management board, who are the representatives of the shareholders, are responsible for the situation in the corporation (Yahudov, 2002, p. 78). Bankruptcy of the corporation or important actions aimed at obtaining benefits against the interests of the corporation's shareholders may be brought to administrative and criminal liability. The quantitative composition of the board of directors is determined based on the needs of

effective management, and according to the laws of the states, the minimum number may be three to one. The Board of Directors is elected from internal and external (independent) members of the joint-stock company. The majority of the board consists of independent directors (The essence of strategic management: concept and types, 2020).

Internal members are elected from among the corporate governance bodies, and at the same time act as the company's executive directors and managers. Independent directors are people who have no interest in the company. Banks are well-known lawyers and scholars with close technological and financial ties 46. Both management groups, or in other words, all directors, are equally responsible for the affairs of the company. Structurally, the board of directors of US corporations is divided into standing committees. The number of committees and areas of activity in each organization are different. Their task is to prepare recommendations on matters adopted by the board of directors (Characteristics and Importance of Strategic Management, 2020). Every corporation should have audit committees and remuneration issues of the securities and exchange commission.

The executive body of the corporation is its management. The Board of Directors elects and appoints the president, vice-presidents, treasurer, secretary and other corporate officers provided for in its charter. The appointed head of the corporation has enormous powers and reports only to the board of directors and shareholders.

Conclusion

Corporate governance models play a critical role in achieving the strategic goals of enterprises and protecting the interests of owners, employees, customers and other stakeholders of society. The structure and principles of the models applied in different countries have been formed according to the economic, social and cultural contexts of those countries. It combines regional specificities in the management of enterprises on the one hand, and the application of global standards on the other.

The strength of the Anglo-Saxon model lies in its emphasis on the dynamism of the market economy and the primacy of shareholders' interests. This model allows investors to control the company's activities more closely and ensures separation of ownership. However, the downside of this approach is that sometimes the short-term profit goal can conflict with the principles of long-term development and social responsibility.

In the continental model, the centralization of ownership allows management to develop in a more stable and long-term perspective. Here, the participation of employees, customers and other interested parties increases the social responsibility of the organization. However, among the disadvantages of this model are sometimes the slowness of the decision-making process and the reduction of transparency.

The unique approach of the Scandinavian model emphasizes the principle of social responsibility and inclusive management. This model focuses not only on economic profit, but also on the development of society. This approach not only ensures the long-term success of companies, but also supports the social stability of society. However, the implementation of this model may require more extensive resources and government intervention.

In general, the analysis of corporate governance models is important not only for the successful management of organizations, but also for the sustainable development of the economy and the provision of social justice. In the future, the challenges facing the global economy – such as climate change, economic inequality and technological development – will require new approaches to corporate governance.

The application of innovative approaches, modern technologies and global cooperation is important for corporate governance to be more transparent, fair and responsible. This will ensure the transition of enterprises to a model that benefits not only the owners, but also all members of society. As a result, corporate governance is not only a tool in the development of modern business, but also plays the role of a key factor for social and economic stability. This will help shape a sustainable and just future, balancing the interests of all stakeholders.

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Improvement of Information Provision of Small Business in the Agricultural Sphere

Abstract

International experience shows that one of the important attributes of small business in the agricultural field is the priority of the development of innovative technologies. The sustainable development of the agrarian economy depends crucially on the level of resource provision, including information provision. One of the characteristic aspects of economic relations of business structures operating in agriculture is the risk factor accompanying agribusiness. As it is known, the agrarian entrepreneur bears full responsibility for the results of economic activity even in the conditions of advanced state patronage. It faces uncertainty in the operating environment, ambiguous situations in cost and output indicators.

The problem of assessing the risk and determining its effect on the economic and economic results of the business entity in terms of quantity and quality arises. Practice shows that risk is more likely when entrepreneurial activity meets mutually exclusive situations. The point is that if the probability of achieving the desired economic result of agricultural activity is not known, then the corresponding situation should be considered as uncertainty. It is obvious that in this case it is not a matter of determining the risk, but of evaluating the information characterizing the risk.

In economic practice, risk occurs when desire and reality, goals and results do not coincide in conditions of purposeful, deliberate activity. An entrepreneur trying to minimize risk and uncertainty improves information relations and the necessary information base. In some cases, a business entity takes a risk knowingly in order to gain additional profit. Venture entrepreneurship is a classic example of this. The efficiency of business activity depends to a decisive degree on the quality of the analysis carried out to assess the nature and level of activity in the field and in the relevant segment of the market, and the degree of self-justification of the perspective parameters of development.

Keywords: *risk, business, efficiency, entrepreneur, forecast, finance*

Introduction

The effectiveness of the use of information resources is directly conditioned by the normative-legal and socio-economic environment created in the country. In this regard, the regulation of economic and social problems involves the processing of a large amount of information arrays. In addition to reflecting a number of properties of economic information, resource use information also has the following unique features (Churkina & Sukhova, 2016):

- the information reflecting the state and use of resources is cumulative in any case, i.e. forms arrays that express the occurring processes in aggregate;
- the cumulative nature of this information is also embodied in the fact that other resources, especially financial resources, are a condition and result of economic activity, etc.

Research

The frequency of using a number of resources in agriculture is somewhat lower than in other areas. At the same time, in agriculture, where the processes related to natural and climatic

conditions play an important role, the probability of resource use harmony is higher than in industry and service sectors (Amrahov et al., 2023). The listed factors, including the seasonality of production, increase the stochasticity of resource use parameters.

Therefore, it is appropriate to apply economic-mathematical methods in solving the issues of increasing the efficiency of resource use in agriculture. The probabilistic nature of agricultural development parameters requires the use of stochastic programming. Thus, stochastic programming is a convenient economic-mathematical tool used for solving problems with probabilistic conditions and based on an incomplete information base (Mirzazade, 2023).

If the statistical and other economic-mathematical model occupies the central place in the preparation and evaluation of any decision of the entrepreneur, then the requirements imposed on that model are formed under the influence of the real economic system and concrete economic situation (Amrahov et al., 2023).

The structure of the economic-mathematical model applied for the analysis and forecasting of business activity in the agricultural field depends on the following factors (Pinkovetskaya, 2015):

- the nature of the modeled object;
- the economic nature of the modeled process and the level of management;
- the purpose of the research;
- degree of justification of information provision, etc.

The uniqueness and complexity of agriculture makes it difficult to cover business activity and development trends in this field in one model. Therefore, it is necessary to build a system of economic-mathematical models and, of course, the models included in this system should be interconnected in logical and informational aspects. In the analysis and forecasting process of those models, the results should be evaluated in terms of a single goal.

Despite the development and testing of numerous models of the development, specialization and placement of agricultural production, their transformation into a working tool has not happened. As a reason for this, in addition to the contradiction between the theoretical-methodological and practical aspects of the models, it is also necessary to mention the difficulties in providing information. Operational management, regulation and control require uniform information provision as components of resource management stages and interrelated activities. Although the technical and mathematical software of information processing technologies at those stages are noticeably different, the general systematic approach and its priorities should be in focus.

In the agricultural field, the business entity accepts efficiency as the main criterion in the use of resources. Actions are taken to increase efficiency both directly and indirectly during the performance of this criterion. Of course, the perfect and sufficiently detailed information provision of the state patronage of the business entity gives a greater effect in case of the realization of new technological requirements. There is a need to increase the frequency of information processing and expand the subject area in order to cover all the main characteristics of the business environment in the agricultural field (Amrahov et al., 2021).

At the moment, the obstacles of an institutional nature that are encountered in connection with the application of new technologies in the information provision of the use of resources attract special attention. Institutional barriers in the agricultural field are still one of the main factors that narrow the scope of application of information technologies. The point is that in an environment conditioned by instructions, directives and other restrictive information, some intermediaries may not be sufficiently interested in realizing the possibilities of adequate response to environmental influences. There is another reason. During the formation of methodological support, some information flows are regulated by the performance criteria of management functions. Studies show that prioritizing management interests should be considered one of the main factors determining such a situation. We regret to note that such a situation is an attempt to subordinate the functional structure of information to its organizational structure. However, it is positive that they have been minimized thanks to structural reforms.

It is known that collective efforts involve the concentration of both intellectual and other resources. Property pluralism, which activates internal potential in regulated market conditions, has

a leading role in the formation of the economic base of entrepreneurship, which is an important factor of progress. It is no secret that the business entity has the potential to solve many problems at the regional and national level by shaping the business environment in the agricultural sector.

There is no unambiguously justified approach to the construction of information arrays that characterize these possibilities quantitatively and qualitatively. At the same time, there is no doubt that forecasting methods should be used to assess development potential. Even in solving similar issues, the differences in information provision do not allow for a unified approach. Therefore, in order to evaluate the prospective opportunities of agrarian business subjects in increasing the efficiency of resource use, first of all, the indicators characterizing the business environment should be determined, and the ones that provide acceptable information should be selected from them. Then, the representativeness of the quantitative characteristics of the mentioned indicators should be evaluated. In the next stages:

- the possibilities of application of forecasting methods proven in practice in the database of indicators according to the listed criteria should be investigated;
- intermediate and final results of forecasting calculations should be evaluated by an expert.

The solution of socio-economic and other problems is related to the information level of the society. Thus, the business entity has to solve economic and legal issues at every step, and the information provision of these issues finds its expression in the traditional document circulation. In practice, the changes in the content and form of documents, classifiers do not always correspond to the modern requirements of updating information.

As in other fields, the following basic principles should guide the activities of information service institutions in agriculture:

- multispectral and multiple use of necessary documents in all possible modes;
- unity of centralized and decentralized processing of information resources;
- consideration of end user requirements;
- adequacy of information to reality and unity of ease of use;
- ensuring organizational, technical and program cooperation at different levels.

Processing of documents related to agricultural activity, their repeated use in all regimes faces both methodological and informational difficulties. Thus, document circulation subject to a single methodology is possible in a small number of segments of accounting and economic analysis in agriculture. In other segments, the provision of multi-faceted processing of documents is problematic. The point is that the system of indicators characterizing any activity in the agrarian division forms sharply different groups according to the levels of aggregation and disaggregation, the degree of generalization.

Every move toward centralization in the management of information flows reflecting the use of resources is accompanied by positive and negative consequences in agriculture, as in other fields. The strengthening of centralization in the management of information resources reduces the flexibility and adaptability of the information system. However, the number of errors is reduced. Studies show that the advantages of centralization in the management of agrarian information resources have a negative impact on intra-system dynamism. As a result, except for financial information, the response of other information flows to innovations may be weakened.

The centralized processing of resource use information in agriculture does not fully correspond to the market concept. It should also be noted that the country's food security information provision is an exception in this regard. Summarizing what has been mentioned, it can be concluded that the state of resources in the field and the degree of centralization of the processing of information about their use cannot be determined only by the internal requirements of the information system. In other words, centralization can be accepted as an object of monitoring only to the extent that it is proven satisfactory.

The experience of solving agricultural information problems shows that the unity of centralized and decentralized approaches in information processing is effective. This approach, which is considered acceptable for the transition period, is considered as the conclusion of both theoretical-

methodological generalizations and empirical methodological studies (Velichko, Lavrova & Kravchenko, 2016).

Attempts to solve the information problems of resource use with the application of artificial intelligence systems deserve attention, and the agricultural sector is no exception in this respect. First of all, this is related to the need to expand the possibility of turning any useful information into numbers in farming practice. The researches show that the quantitative evaluation of informal experience, which plays a special role in production and commercial activity in agriculture, on a pragmatic level, requires the conversion of information into numbers under the conditions of application of artificial intelligence systems (Guseva & Kudryashova, 2013). The fuzziness of logical connections between primary, derived and final information creates conditions for the application of artificial intelligence elements here.

Conclusion

The specific aspects of information in agriculture are conditioned by the following features of the field:

- imposing strict regulations on the duration of the movement of the product towards the final consumer. In this case, the producer of perishable and non-transportable products can get additional income by having a flexible system of agro-economic information. The fact is that the delays in the circulation of documents cause serious damage to agrarian entrepreneurship and sharply reduce competitiveness compared to imported products;

- there is strong competition between producers in the agricultural sector. Entrepreneurs entering the market with the same products have a great need for complete information on fodder, fertilizer, seeds, machinery and other market segments in the conditions of strong internal competition;

- agriculture is the least maneuverable area of the national economy. Here, the specific weight of costs in the stages of storage, transportation, and sale is higher than in other areas. For this reason, the detailing of information about the structure of costs is its necessary quality indicator;

- the information arrays reflecting the price disparity of the ratios in favor of the latter in the dynamics of prices of agricultural and industrial products should be regularly updated. A system of comparable indicators of price parity in institutions that must provide information services to the agricultural sector should be calculated based on a single methodology;

- in the conditions of globalization, the information provision of the financial status of the export-oriented activity of the agrarian business entity should allow monitoring the changes in the national and international context;

- an information base should be formed that allows to quantitatively assess the influence of the factors determining the efficiency of foreign trade activity;

- information on market regulation is mainly presented in terms of value. Therefore, the appropriate status of financial information flows should be ensured, their level of detail should be high.

Agricultural product participants need consulting services. This need is high and multifaceted. Sharp difference in production and labor periods in agriculture, risk factor, strong intra-field competition, etc. such aspects increase the demand for information-consulting services of the agrarian entrepreneur.

The following can be attributed to the problems faced by business entities in the agricultural field in the organization of information-advisory services:

- lack of experienced specialists;

- incompleteness of the information base;

- there are gaps in the mechanism of economic-legal regulation of relations between the consultant and the entrepreneur;

- in many cases, the difficulty of revealing correlations between initial, intermediate and final indicators, etc.

Among the factors that make it necessary to expand the possibilities of the information-consultation service in solving the mentioned problems, the following have an important role:

- increase in the number of horizontal economic relations in the field;
- justification of the economic feasibility of the formation of the consulting infrastructure;
- the need to increase the potential of agricultural science and education;
- stricter requirements for coordinated cross-sectoral management;
- creation of a multi-variant situation on financial sources and financial mediation;
- acceleration of integration and innovation processes;
- the need to use modern information and telecommunication means independent of distance, etc.

The imperative of financial relations is evident in the agricultural sector. Thus, the low rate of working capital in agricultural production increases the need for financial resources. Ensuring the profitable operation of farms and the normal movement of financial resources necessary for the expansion of this activity depends to a decisive extent on the efficiency of the management of information flows. Thus, in the last five years, the characteristics of the financial flows directed to the agricultural sector have become more complex. Banks' interest in the agricultural sector takes various forms, from microcrediting to structural renewal and investment. One of the primary functions of the banks that participate as trustees in the placement of foreign capital in the country's agrarian regions is the selection of events and measures that maximally support economic activity.

The efficiency of business activity in the agricultural field depends on the quality of economic education and the relevant information base. From this point of view, numerous information flows necessary for the activity of agrarian organizations should be regulated, and information-consultation and information-reference services should be organized at the level of new requirements.

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The Experience of the Formation of Corporate Governance Principles of Countries Experiencing a Period of Transition

Abstract

Transition countries face a number of difficulties in the process of transition from a socialist planned economy to a market economy. These changes directly affect the formation and application of corporate governance principles.

In such countries, it requires the development of the corporate management system, the implementation of economic and legal reforms, the privatization of property, the establishment of a market system, and the adoption of international standards.

The formation of corporate governance principles in transition countries is a complex and multifaceted process. Changes in the economic, legal and social environment affect the activities of enterprises and shape the development of their management systems. Faced with various challenges, these countries should ensure economic development, social stability and the creation of a sustainable environment by adopting modern corporate governance principles.

This process plays an important role not only in economic growth, but also in creating an environment that meets the social and ethical requirements of society. As a result, countries in transition are aiming to build a more sustainable and equitable economy by modernizing their corporate governance systems and implementing effective governance models. This creates a system that benefits both property owners and all stakeholders.

Keywords: *management principles, corporate, entrepreneur, socialist, investor*

Introduction

The transition to a market economy in Central and Eastern European countries, as well as the accession of some of these countries to the European Union, increases the fundamental importance of corporate governance and economic growth for the process of modernization in former socialist countries. It is the demand of the time to study the legislative framework of corporate governance, which has both achievements and shortcomings in a number of countries with transition economies.

We can define the term "corporate governance" as a set of rules and mechanisms that regulate the behavior of a corporation. This behavior ensures the protection of the interests of shareholders, investors and creditors in front of managers, prompting them to invest and lend to the corporation (Antonov, 2020).

Fourteen years of post-socialist development experience has shown that as the market economy develops in these countries, there is a great need for corporate governance that should protect shareholders, investors and creditors, that is, the most important agents of a dynamically developing economy. The "important mechanisms of corporate governance" mentioned for the first time by R.Fridman, E. Phelps, A. Rapachinski and A. Shlyafer are of special importance when these countries have already established a market economy, and some of them are approaching the end of the transition stage.

Research

In general, effective corporate governance is created either through advanced legislation and an active securities market, or through concentration of ownership. Researchers confirm that financial markets are more developed in countries where the legal protection of shareholders is provided at a high level, and corporations have great development opportunities by taking advantage of foreign financial sources (Ansoff, 2018). A number of experts have compared the regulation of the stock exchanges in Poland and the Czech Republic in the same way and have shown that, thanks to the

existence of the system of protection of the interests of investors and small shareholders, in Poland by 1998 it was possible to attract 1 billion dollars to both previously existing and newly created companies and 138 to shares. It was possible to organize a new open offer. At the same time, it has become clear that the Prague stock exchange is not yet functioning satisfactorily (Chub, 2006).

In addition, in a number of works, the traditional "principal-agent" problem (i.e., conflicts between owners and managers) has been applied to the conflict of interests in the enterprise itself. For example, between small shareholders and entrepreneurs with a controlling share portfolio; between shareholders and employees of enterprises; conflicts between managers and creditors. It should be noted that the main problem of concentrated ownership (families or the state) and corporate management in large corporations all over the world is to protect small shareholders from the hegemonic behavior of large owners (Estrin & Prevezer, 2010).

In a number of countries with transition economies, especially in the states where mass privatization has been carried out, the processes of ownership renewal have led to the disintegration of the original structure of ownership in most of the privatized enterprises. However, starting from the mid-90s, a rapid concentration of ownership was observed in such enterprises. For example, almost half of the Czech companies currently undergoing mass privatization have a hegemonic shareholder with more than 50 % of the shares. Scholars who researched both the right of ownership and the right of control in the enterprises of 12 former socialist countries (including all the countries admitted to the European Union) whose shares are valued (quoted) on the stock exchanges have come to this conclusion (Garaveliyev, 1967).

Such concentration of ownership and control, as well as the emergence of dominant owners in transition economy countries, once again shows the importance of corporate governance mechanisms, especially mechanisms that protect the interests of small shareholders and ensure that managers fulfill the requirements in the field of transparency and disclosure of information. Countries that are members of the Organization for Economic Cooperation and Development, the European Union, as well as international trade union organizations have developed provisions of the most advanced practice aimed at improving the functioning of corporate governance systems. The legal framework and voluntary obligations developed in these countries are very important. It is appropriate for Azerbaijan to accept them. This principle is of exceptional importance for any corporate management system (Popov, 2010, p. 65).

The separation of ownership and control functions and the potential conflict in the "principal-agent" relationship in joint-stock companies means that special attention should be paid to the rights of shareholders, especially the right to participate in the adoption of more important decisions for the corporation at annual and extraordinary meetings of shareholders. In order to exercise this right, the legal framework should determine the procedure for timely information to shareholders about annual and extraordinary meetings (O'Sullivan, 2000). This should be done in such a way that shareholders can participate in decision-making without any difficulty or expense. In addition, it is very important that the geographical distance of the corporation does not affect the decision-making process of the shareholders.

In order to implement these principles, it is important to have, first, reliable registers of shareholders and, second, the possibility of voting by post and by proxy. Although most of these requirements are widespread in the countries of the Organization for Economic Co-operation and Development (OECD), they are not considered mandatory from the point of view of law in transition economies and are not applied in the practice of many countries. The participation of entrepreneurs in the decision-making process is carried out in various ways, while in most areas the tendency to adapt national legislation and practice to OECD principles is quite noticeable. In most countries, especially in the European Union, there are independent registers of shareholders (Suleymanov, 2014).

Information about the holding of shareholders' meetings is given more by mass media than by letters sent to the addresses of individual shareholders. Given the prevalence of bearer shares, such a departure from Western principles can be considered deliberate. Although technically possible, in

most countries voting by proxy is preferred over postal voting, and in many countries this requires a formal proxy to be drawn up.

In addition, in a number of countries, certain remaining shares must be deposited with a third party before the start of the shareholders' meeting. Undoubtedly, these restrictions reduce the ability of shareholders to participate in decision-making and create favorable conditions for the violation of the rights of small shareholders by the owners of controlling shares. According to the OECD code, small and large, local and foreign shareholders should have the same rights and opportunities. An important aspect of the equal regime is the "one share – one vote" principle practiced in most OECD member countries.

In accordance with the Anglo-American practice, all shares should give the same right to vote in order to create equal opportunities in decision-making. Another approach is common in many countries (including OECD countries).

This approach is based on non-voting and voting-enhancing shares, etc. it consists of being applied. In some countries, the voting rights of large shareholders are restricted. This means that their rights are reduced compared to small shareholders. In such circumstances, small shareholders have an extremely strong influence on decision-making. OECD principles do not favor any practice, but in a number of countries some types of voting shares are not welcomed or are prohibited altogether (eg. in Denmark and Greece). The international network of corporate governance also considers any deviation from the "one share – one vote" principle undesirable. In cases where the shares are bearer, the possibility of voting by mail and by proxy is strictly limited. Because the corporation cannot verify the identity of the shareholders. There is also a widespread belief that bearer shares are widely used in various forms of fraud and in cases where it is necessary to keep the identity of the real owner secret.

Another aspect of equal treatment is the attitude of large shareholders to small shareholders. As a result, small shareholders can become the object of opportunistic (unprincipled, self-serving, hypocritical) and sometimes even fraudulent actions of large shareholders. Of course, in cases where large shareholders enjoy large control rights derived from their shares in the authorized capital (either due to the dispersed nature of ownership or because some shares have multiple voting rights), the problem of equal treatment becomes decisive.

In this regard, it is important to have concrete mechanisms that ensure equal treatment for all shareholders. Small shareholders have certain self-defense methods (Suleymanov, 2014). These are the following:

- authorized majority in the adoption of a number of decisions at the general meeting of shareholders. This creates a legal basis for the minority to make some decisions (capital increase, liquidation, merger, etc.); quorum at the general meeting of shareholders;
- placement of a representative of small shareholders in the supervisory board (board of directors) (application of cumulative voting);
- the right to purchase newly issued shares in proportion to the number of shares previously held by the shareholder (preferential right to purchase shares);
- the right to file a claim related to the actions of the manager of the corporation.

As it can be seen, the situation in most of the transition economy countries does not correspond to the recommendations of the OECD. Undoubtedly, all countries strive to ensure an equal regime for both small and large shareholders. Therefore, attention is paid to the development and improvement of the legislative framework. It seems that the principle of "one share – one vote" is the norm for most countries.

Transition countries face a number of difficulties in the process of transition from a socialist planned economy to a market economy (Zhang & Wu, 2017). These changes directly affect the formation and application of corporate governance principles. In such countries, it requires the development of the corporate management system, the implementation of economic and legal reforms, the privatization of property, the establishment of a market system, and the adoption of international standards.

1. Economic structural changes

Countries in transition have to change their economic structures. The process of privatization of state property, the separation of ownership, the creation of free market conditions and the formation of independent enterprises are the basis of the principles of corporate governance. This process makes it possible to manage enterprises more effectively, attract investors and increase financial transparency.

2. Creation of legal framework

A strong legal framework is essential for the successful formation of corporate governance. In countries in transition, it is necessary to strengthen legislation related to the protection of property rights, company registration, shareholder rights and financial reporting requirements. This increases the confidence of investors and ensures that companies operate in accordance with modern management standards.

3. Increased transparency

Transparency is an important factor in the formation of corporate governance principles. In transition countries, the disclosure of financial statements, the establishment of internal control systems and the involvement of independent auditors help enterprises to operate more transparently. This increases the confidence of both investors and society in enterprises.

4. Social responsibility and public approach

In countries in transition, corporate governance principles should focus not only on economic profit, but also on social responsibility. Companies' relations with the community and the environment should be in focus as an important part of corporate governance. Increasing social responsibility increases customer loyalty and public support, which affects long-term success.

5. Acceptance of international standards

Countries in transition should learn and adopt international practices to shape corporate governance standards at the international level. International financial organizations and the practices of developed countries help to modernize and improve the efficiency of the corporate management systems of these countries.

Conclusion

The formation of corporate governance principles in transition countries is a complex and multifaceted process. Changes in the economic, legal and social environment affect the activities of enterprises and shape the development of their management systems.

Faced with various challenges, these countries should ensure economic development, social stability and the creation of a sustainable environment by adopting modern corporate governance principles.

This process plays an important role not only in economic growth, but also in creating an environment that meets the social and ethical requirements of society. As a result, countries in transition are aiming to build a more sustainable and equitable economy by modernizing their corporate governance systems and implementing effective governance models. This creates a system that benefits both property owners and all stakeholders.

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