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ABSTRACT

of the dissertation for the degree of Doctor of Philosophy

**IMPROVEMENT OF MANAGEMENT MECHANISMS
IN LIGHT INDUSTRY ENTERPRISES**

Speciality: 5308.01 – “Organization and management of enterprises”

Field of science: 53 – Economic sciences

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GENERAL CHARACTERISTICS OF THE RESEARCH WORK

Relevance of the topic and level of development: Countries that have achieved economic growth and ensured the dynamics of industrial development in recent years are taking serious measures to take leading positions in the world economy. Therefore, taking into account the needs of the modern economy, the modernization of the economy keeps the issues of creating mechanisms for sustainable and sustainable development of industrial sectors, especially light industry, on the agenda. In order to achieve optimal results in this regard, it is necessary to develop strategic mechanisms that meet the requirements of modern management in light industry and their effective implementation. Attention should be paid to a detailed analysis of current market trends and consumer needs, the application of new technologies and innovative solutions in production processes, efficient management of the supply chain, the ability to quickly adapt to changes in the current market and new conditions, which is considered the main condition for successful integration into the global economy. In this regard, the expansion of globalization processes requires the elimination of all obstacles that may disrupt economic stability, as well as the constant modernization of management mechanisms of light industry enterprises, the organization and application of new strategies, methods, techniques and advanced technologies. All this is aimed at ensuring the sustainable and continuous development of light industry, which is of great importance for the diversified and promising development of this sector. In this context, two of the five directions identified in “Azerbaijan 2030: National Priorities for Socio-Economic Development” deserve particular attention: the formation of a “*sustainably growing competitive economy*” and the creation of a “*competitive human capital and modern innovation space*”¹. At the same time, the “Strategy for Socio-Economic

¹ Azərbaycan 2030: sosial-iqtisadi inkişafa dair Milli Prioritetlərin təsdiq edilməsi haqqında Azərbaycan Respublikası Prezidentinin 2021-ci il 2 fevral tarixli 2469 nömrəli Sərəncamında dəyişiklik edilməsi barədə Azərbaycan Respublikası

Development of the Republic of Azerbaijan for 2022–2026” defines a “*strategic framework for a sustainably growing competitive economy*”, and this framework reflects such important issues as “*expanding the possibilities of applying digital technologies*”, “*preventing the negative effects of monopoly entities on competition and strengthening competition in all markets*”². The substantiation of sectoral programs in accordance with these strategies that ensure sustainable development will also make a significant contribution to the development of light industry sectors.

Management, being carried out on the basis of the integration of the participants in this process, necessitates the synthesis of all elements, studying them as an integrated and specific social mechanism. The problem of management is not limited to these aspects alone, it is characterized by the maximum rationality of all elements without exception and the relationships between the subjects of management. Although management is a special mechanism, it cannot function as a completely independent process and it implies its integration into a broader system that determines the specificity of management, which is reflected in the general principles and specific features applied in management.

The formulation of scientific, theoretical and practical provisions for the formation of a management model of enterprises aimed at economic development is extremely relevant in terms of improving management. This is characterized by the processes of the management model influencing the object of management, adapting to changes in the external environment, achieving the goals of the managed enterprises and ensuring their sustainable development.

Prezidentinin Sərəncamı: [Elektron resurs] / E-qanun. – Bakı, 2022. URL: <https://e-qanun.az/framework/50014>

² Azərbaycan Respublikasının 2022-2026-cı illərdə sosial-iqtisadi inkişaf Strategiyasının təsdiq edilməsi haqqında Azərbaycan Respublikası Prezidentinin 2022-ci il 22 iyul tarixli 3378 nömrəli Sərəncamının icrasının təmin edilməsi barədə Azərbaycan Respublikası Nazirlər Kabinetinin 2022-ci il 2 avqust tarixli 453s nömrəli Sərəncamında dəyişiklik edilməsi haqqında Azərbaycan Respublikası Nazirlər Kabinetinin Sərəncamı: [Elektron resurs] / E-qanun. – Bakı, 2022. URL: <https://e-qanun.az/framework/51339>

This includes the basic principles of management, strategic vision, developed values, the interaction and structure of its elements, control, driving forces of development and motivation policy.

Considering the above, the development and application of scientific theoretical models for the management of light industrial enterprises is of particular relevance. At the same time, special attention is paid to innovative technologies and production management issues in solving strategic management problems, which, in turn, serve to increase the competitiveness of enterprises.

The study of the above problems has always been in the focus of attention of many economists. In our republic, A.Abbasov, G.Manafov, G.Safarov, V.Rustamov, T.Huseynov, F.Mammadov, M.Taghiyev, G.Yuzbaşıyeva, M.Farzaliyev and others have conducted extensive research in this direction.

Problems of industrial management are found in the scientific works of foreign scientists A.Z. Turkov, A.V. Davydov, V.L. Makarov, V.V. Afanasyev, V.I. Knorring, L.P. Gorbunov, E.S. Andryuchenko, E.F. Mishchenko, Thompson V., Foster R., Hammer M., H. Fayolle, F. Taylor and others.

In the works of these authors, theoretical and methodological problems of industrial enterprise management were analyzed. However, research on the problems of improving the management mechanism of light industry enterprises was not given a sufficiently wide place. However, the consistent implementation of theoretical, methodological and applied research on the improvement of the mechanisms for the development and formation of management strategies of light industry enterprises can allow systematizing scientific approaches. In this regard, the dissertation work aims to study the theoretical and methodological provisions for solving the problems of improving management in light industry, to study the interaction of all elements of management and to determine the prospects for the economic development of enterprises.

The object and subject of the research. The object of the study is light industry enterprises. The models used in the management of light industry enterprises, the measures taken to improve the management structure and mechanism are the subject of the study.

Research goals and objectives. The purpose of the study is to scientifically substantiate methodological provisions for implementing the strategy for improving the management mechanism of light industry enterprises. In accordance with the set goal, the following tasks are defined in the dissertation work:

- study of general theoretical and methodological problems that determine the negative and positive factors affecting the management of the light industry sphere;
- determination of the content and functions of the management mechanisms of light industry enterprises;
- determination of the role of management in the economic development of light industry enterprises;
- study of the current state of light industry;
- assessment of internal and external factors affecting the management of light industry enterprises;
- determination of directions for improving organizational and economic mechanisms in light industry management;
- determination of directions for modernizing the structure of light industry and improving the management mechanism.

Research methods: In order to study the management mechanism and development problems of light industry enterprises, methods of analysis, synthesis, economic analysis, comparison, econometric analysis, etc. were used.

The main provisions defended:

1. The methodology for analyzing the management mechanism of light industry enterprises includes a systematic approach that allows for a comprehensive assessment of the performance and efficiency of management structures and processes.
2. Increasing the efficiency, formation and improvement of management mechanisms is of particular importance in increasing the competitiveness of light industry enterprises, strengthening their

market position, rational use of resources, obtaining dividends, and sustainable and sustainable development.

3. Analyzing the current state and development dynamics of the light industry sector gives reason to say that taking into account customer requirements, technological advances and market conditions allows enterprises to achieve their set goals.

4. Identifying and econometric assessment of factors affecting the management status of light industry enterprises involves studying the main variables (productivity, quality, market, investments in fixed capital, human resource management, etc.) and building an econometric model that takes these factors into account.

5. Improving the management structure of light industry enterprises is one of the main tasks of increasing the competitiveness of enterprises and their efficiency.

6. Adapting the development of the organizational structure of light industry enterprises to modern requirements, improving its coordination and increasing its efficiency is one of the means.

7. Modernizing the production structure of light industry enterprises requires a comprehensive approach to further rational improvement of management mechanisms.

Scientific novelty of the research: The scientific novelty of the dissertation work is reflected in the following directions:

- a new approach to management processes for the strategic development of light industry has substantiated the need to ensure the integration of management entities;

- the importance of determining the parameters of the management mechanism of light industry enterprises has been substantiated;

- based on the analysis of the economic situation and development trends of light industry, the development potential of this important industry has been determined;

- measures have been identified to develop a modernization strategy to improve the management mechanism of light industry;

- measures have been developed to improve the strategic management of light industry, including measures to increase the

efficiency of management in order to increase the competitiveness of light industry enterprises;

- prospects for the development of state support and international cooperation for the modernization of the management mechanism of light industry enterprises have been identified;

- scientifically substantiated proposals have been developed to improve the management of enterprises.

Theoretical and practical significance of research. The theoretical significance of the research is reflected in the substantiation of the provisions on the formation of a more advanced model of management of light industry enterprises. At the same time, the improvement of the management mechanism of enterprises is based on the theory of integration of the main processes and mechanisms to ensure competitive advantages in the long term. This is one of the main provisions reflecting the theoretical effectiveness of the results.

The practical significance of the research results is that the improvement of the management of light industry enterprises is characterized by justified measures and can be used in the development of appropriate strategies for solving the problems of improving management in the light industry sphere.

Approval and application. The content of the dissertation was reflected in 14 published articles and theses. The results of the research on the topic of the dissertation were discussed and approved at scientific-theoretical and practical conferences. Among the main scientific works reflecting the results of the research are “Using marketing in the management process of light industry enterprises” (Baku, 2018), “Ways of effective use of the competitive potential of light industry enterprises” (Moscow, 2017), “Main directions of information technologies in improving the management system of the enterprise” (Ganja, 2023), etc. The results of the research work were accepted for use by “Ganja Textile” Open Joint-Stock Company (reference No. 218 dated July 16, 2020).

The name of the organization where the dissertation work was performed: The dissertation was completed at the Azerbaijan University of Technology.

The total volume of the dissertation in characters, indicating the volume of the structural sections of the dissertation separately. The dissertation consists of a table of contents, introduction (13583), 3 chapters (Chapter I - 62114 characters, Chapter II - 83208 characters, Chapter III - 52169 characters), conclusion (6877) and a list of 140 references. The total volume of the work, excluding tables, figures, schemes, diagrams, graphs, and the list of references, is 217951 characters.

STRUCTURE OF THE DISSERTATION WORK

INTRODUCTION

CHAPTER I. THEORETICAL-METHODOLOGICAL ISSUES OF THE FORMATION OF THE MANAGEMENT MECHANISM OF LIGHT INDUSTRY ENTERPRISES

- 1.1. Scientific-theoretical foundations of the management mechanism of light industry enterprises
- 1.2. Management methods, their content and functions
- 1.3. The role of management in the economic development of light industry enterprises.

CHAPTER II. ASSESSMENT OF THE PRODUCTION ACTIVITY AND MANAGEMENT STATE OF LIGHT INDUSTRY ENTERPRISES

- 2.1. Analysis of economic indicators of light industry enterprises
- 2.2. Parameters of economic development of light industry enterprises
- 2.3. Management of light industry enterprises and production resources: the impact of internal and external factors on management and their econometric assessment

CHAPTER III. MANAGEMENT MODELS OF LIGHT INDUSTRY ENTERPRISES AND IMPROVEMENT OF THE MANAGEMENT MECHANISM

- 3.1. Improvement of the management structure of light industry enterprises
- 3.2. Development directions of the organizational structure of light industry enterprises
- 3.3. Modernization of the production structure of light industry and improvement of the management mechanism

CONCLUSION

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SUMMARY OF THE DISSERTATION

In the introductory part of the dissertation, the relevance of the topic is justified, the object and subject of the research, goals and objectives, the main provisions put forward for defense are explained, the scientific innovations, theoretical and practical significance of the work are reflected.

The first chapter of the dissertation work, entitled "**Theoretical and methodological issues of the formation of the management mechanism of light industry enterprises**", the scientific and theoretical foundations of the management mechanism of light industry enterprises, management methods, their content and functions, and the role of management in the economic development of light industry enterprises are commented on.

The study of enterprise management theories in light industry allows us to reveal different scientific and theoretical approaches in this field and their different characteristics. A.V. Davydov and V.I. Knorring in their scientific works theoretically summarized the results of research in their own country and foreign research in the field of management. According to their conclusion, management theory is a mechanism that develops the methods and tools of all economic systems, as well as the regularities of the processes occurring in them. On the other hand, management theory is closely related not only to the processes of product production, but also to the main areas of human activity, such as organizational and administrative management, scientific research, information services, education, etc³.

In general, management refers to the effects focused on the managed object and its implementation. However, management can also be approached as a second concept. Thus, management is the managerial impact of the management subject on the managed object, as a result of which some management functions, as well as

³ Пыткин, А.Н. Ключевые направления применения теории управления в менеджменте промышленных предприятий, // – Москва: Экономика – 2012. №24, – с. 79-82

management decisions, are performed. The managed object is a process in which the movement of each event is directed or controlled.

Researchers such as F. Hedouri, M. Meskon, M. Albert have classified management functions as follows: strategic planning; ways of implementing the strategy; formation of organizational foundations; identification and organization of mutual activities and powers; motivation; control function⁴.

The main principles in the organization and development of the management mechanism in the field of light industry in scientific research are as follows:

- the principle of consistency - the presence of regulated and structured mutual relations between the determinants of the management tool;
- the optimal implementation of the potential capabilities of the light industry facility;
- adaptation - a flexible response to events and processes occurring in the environment;
- the collective fulfillment of all tasks;
- the interests of the subjects of the management mechanism;
- encouraging the development of entrepreneurial activity in light industry;
- the principle of innovation - making fundamental changes in the management mechanism and directing it to ensuring its sustainable development in light industry⁵.

It should be noted that data analysis in management has the following practical effects:

- performance evaluation: allows you to determine the level at which the set goals and objectives are effectively achieved.

⁴ <https://studfile.net/preview/2915536/page:2/>

⁵ Атабаева, Ф.А. Теоретические аспекты механизма функционирования промышленных предприятий // – Москва: Экономика, Статистика и Информатика, – 2015. №2, – с. 67-73.

- problem identification: helps to identify the causes of failure and obstacles that can slow down or prevent the achievement of goals.

- decision-making: based on the analysis of management results, decisions are made on the need to adjust strategies, redistribute resources and improve processes.

- productivity improvement: allows you to optimize production processes, improve product quality and reduce production costs.

However, there are a number of difficulties in collecting data on management results:

- insufficient degree of automation: if data collection processes are not automated, this can lead to delays and inaccuracies.

- incompleteness of data: it is not always possible to obtain complete and reliable information on management results, which complicates the analysis and decision-making process.

To solve the above problems, it is necessary to carry out relevant work in the direction of collecting data, improving management, applying modern information technologies and improving the quality of data. This also creates conditions for more flexible management at the enterprise.

The management mechanism is a subsystem of the economic mechanism, which is associated with the principles of harmonization of interests among light industry enterprises, the application of methods and means of influencing production processes based on state policy for the development of light industry, and the effective activity of management bodies.

The above gives grounds to say that the use of a systematic approach in the analysis of the management mechanism allows us to identify the relationships between various management components and provide a comprehensive assessment of their effectiveness. This also creates conditions for improving and optimizing management processes and structures at the enterprise, and facilitates justified optimal decision-making processes.

The main directions of formation of management mechanisms in light industry enterprises are as follows:

1. Innovation and development. Innovation management covers a wide range of methods and approaches that effectively translate new ideas into practical results. These include marketing, technology, environmental management, organizational, strategic, aesthetic management, etc. Innovation management is an approach aimed at increasing the market share and sales volume of enterprises, gaining competitive advantage and meeting the growing needs of consumers.

2. Information technologies. This includes the selection and implementation of software, equipment configuration and ensuring compatibility between various systems, the use of decision support systems (DSS), business intelligence (BI) and other tools. These directions require a comprehensive approach and coordination to effectively use information technologies in improving the management system.

3. Optimization of production processes. Some of the main methods that can be used to achieve this goal are: flow analysis; lean methodology; automation of production processes; analysis of the data provided (Data Analytics). The methods described above not only help reduce costs and increase efficiency, but also improve product quality, which ultimately leads to increased customer satisfaction and a stronger position of the enterprise in the market.

4. Quality management. This approach helps maintain compliance with modern international standards, increase customer satisfaction, and ensure competitive advantage.

In second chapter of the dissertation entitled “**Assessment of the state of production activity and management of light industry enterprises**” examines the economic indicators of light industry enterprises, assesses their economic development parameters, analyzes the impact of internal and external factors on the management of light industry enterprises and production resources, and their econometric evaluation.

The analysis of the main economic indicators of light industry enterprises shows that the physical volume index of industrial output in this area increased by 64.1% in clothing production, by 50.8% in leather and leather products, and by 1.9% in textiles. The specific

weight of sectors in the total volume index of industrial output decreased by 20% in textiles in 2022 compared to 2018, and there were no fundamental changes in the production of clothing and leather products and footwear. The share of investments in the sector in the volume of investments directed to industry decreased by 40% in textiles, and there was no increase in the share in the production of clothing and leather goods and footwear [table 1].

Table 1.
Development dynamics of light industry in the Republic of Azerbaijan

Indicators	2018	2019	2020	2021	2022
Physical volume index of industrial output, compared to the previous year, in percent:					
weaving	142,4	133,2	84,2	127,2	98,1
clothing production	98,3	122,6	135,8	87,0	164,1
leather, leather goods and footwear manufacturing	123,3	97,1	116,8	116,4	150,8
The share of the sector in the total volume of industrial output, in percent:					
weaving	0,5	0,7	0,7	0,7	0,4
clothing production	0,2	0,2	0,3	0,2	0,2
leather, leather goods and footwear manufacturing	0,1	0,1	0,1	0,0	0,0
Share of investments in the sector in the volume of investments directed to industry, in percent:					
weaving	0,5	0,9	0,2	0,3	0,3
clothing production	0,3	0,2	0,3	0,3	0,3
leather, leather goods and footwear manufacturing	0,0	0,0	0,0	0,0	0,0

Source: The table was compiled by the author based on data from the State Statistics Committee

Analysis of the dynamics of expenditures on technological innovations by type shows that, except for 2021 and 2022, a

continuous increase in this indicator is observed in the industry as a whole in all years compared to 2018. Thus, compared to 2018, an increase of 39.8% was recorded in 2019 and 4.6% in 2020. In all industries, except for 2021, expenditures on product innovations prevailed over process innovations. In the processing industry, in other years except 2021, expenditures on product innovations prevailed over process innovations. In textiles, by type of innovations, expenditures on technological innovations were directed only to product innovations, and no investments were recorded in process innovations [table 2].

Table 2

Expenditures on technological innovations in the Republic of Azerbaijan, thousand manats

Indicators	2018	2019	2020	2021	2022	In 2022 compared to 2018, in %
All industries	34353,6	48037.1	35919.8	5848,3	22540,4	- 34,4
product innovations	23298,7	38343.5	20059.2	1986,3	18154,3	- 22,1
process innovations	11054,9	9693.6	15860.6	3862,0	4386,1	- 60,3
Processing industry	32967,6	47658.5	34918.7	5318,5	22521,1	- 31,7
product innovations	22619,4	38053.5	19421.0	1868,9	18135,0	- 19,8
process innovations	10348,2	9605.0	15497.7	3449,6	4386,1	- 57,6
Textile industry	-	-	250.0	-	-	-
product innovations	-	-	250.0	-	-	-

Source: The table was compiled by the author based on data from the State Statistics Committee

The relationship between investment in light industry sectors, the number of individual entrepreneurs, and the nominal average monthly wage of workers in the processing industry in our republic was evaluated using the Eviews-12 software package, and the following result was obtained.

Table 3

The relationship between investment in light industry, the number of individual entrepreneurs, the average monthly wage in the processing industry, and the total output of the processing industry in the Republic of Azerbaijan

Dependent Variable: YN
 Method: Least Squares
 Date: 05/22/22 Time: 15:12
 Sample: 2005 2020
 Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LN	0.418735	0.098229	4.262852	0.0011
KN	0.052303	0.027830	1.879353	0.0847
IN	1.820673	0.632617	2.878003	0.0139
C	-47.97023	33.72155	-1.422539	0.1803
R-squared	0.866224	Mean dependent var		175.0438
Adjusted R-squared	0.832780	S.D. dependent var		126.2324
S.E. of regression	51.61964	Akaike info criterion		10.93800
Sum squared resid	31975.04	Schwarz criterion		11.13115
Log likelihood	-83.50399	Hannan-Quinn criter.		10.94789
F-statistic	25.90075	Durbin-Watson stat		1.308673
Prob(F-statistic)	0.000016			

Source: Developed by the author based on the Eviews-12 application software package.

According to the results obtained using the Eviews-12 application software package, the regression equation will be as follows:

$$(t) \quad Y = \mathbf{0,41874}L_n + \mathbf{0,052303}K_n + \mathbf{1,82067}i_n - \mathbf{43,9702}, \quad R^2 = 0,866 \quad (3)$$

(4,263) (1,879) (2,878) (-1,422) DW=1,309

Since the coefficients of the explanatory variables (L_n , K_n and I_n) in the relationship equation are significantly higher than the errors of these coefficients, model (3) is statistically significant.

In order to check the statistical significance of the regression equation using the F-Fisher criterion, the F-Fisher criterion was compared with the value of $F_{table} (a;m;n - m - 1)$ and the F-Fisher criterion $(25.9) > F_{table} (3.99)$ was obtained. The obtained comparison shows that the regression equation is statistically significant in general according to the F-Fisher criterion.

Darbon-Watson statistics are calculated using the Eviews-12 application software package with $DW=1.309$, 95% confidence interval, $\alpha=0.05$ significance level, three explanatory variables ($m=3$) and $n=16$ observation periods, and since the Darbon-Watson crisis points are $d_l=0.857$ $d_u=1.728$,

$D_1 = 0.857 \leq DW = 1.309 < d_u = 1.728$ is obtained, which means that the conclusion about the existence of autocorrelation between the studied indicators is not determined. Based on the characteristics of the Darbon-Watson crisis points, it can be considered that the regression equation is statistically significant and the constructed $Y = \mathbf{0.41874}L_n + \mathbf{0.052303}K_n + \mathbf{1.82067}I_n - \mathbf{43.9702}$ model is an adequate model.

Since the adequacy of the model according to the criteria has been determined, we can determine the effect of a 1% increase in the causal factors on the elasticity coefficient on the resulting factor. In this regard, the elasticity coefficient was calculated for each factor according to the model and the following result was obtained.

$$E_{\text{Average monthly salary in the manufacturing industry (KI)}} = \frac{\alpha_1 \times \overline{L_n}}{\overline{Y}} = \frac{0,41874 \times 362,0438}{175,0438} = 0,866082$$

$$E_{\text{Investment in fixed capital}(ln)} = \frac{\alpha_2 \times \bar{I}_n}{\bar{Y}} = \frac{1,82067 \times 26,47063}{175,0438} = 0,275327$$

$$E_{\text{Number of individual entrepreneurs (Kn)}} = \frac{\alpha_1 \times \bar{K}_n}{\bar{Y}} = \frac{0,052303 \times 443,9375}{175,0438} = 0,132648$$

Based on the calculated values of the elasticity coefficient, it was determined that a 1% increase in the average monthly nominal wage in the processing industry in Azerbaijan over the studied period results in a 0.87% increase in the volume of product production in light industry, a 1% increase in investments in fixed capital results in a 0.28% increase in the volume of total product output in light industry, and a 1% increase in the number of individual entrepreneurs in light industry results in a 0.13% increase in total product output in light industry.

Based on the EViews application software package, the regression equation $Y = 0.41874L_n + 0.052303K_n + 1.82067I_n - 43.9702$, the values and standard errors of total product output in light industry by year, as well as a number of characteristics of using the equation for forecasting purposes, are shown in the graph below.

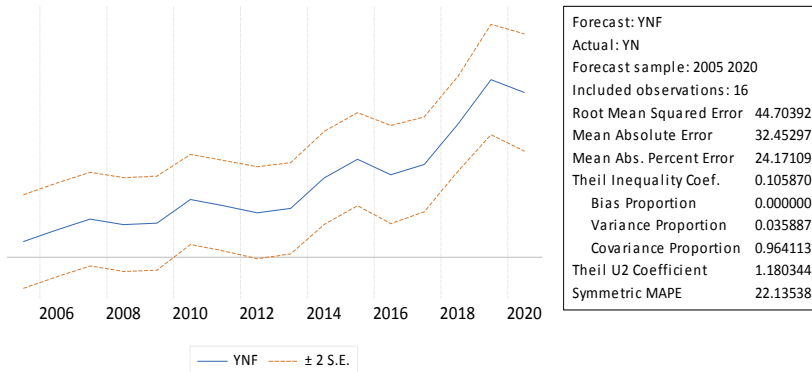


Chart 1. Prices and standard errors of total output of light industry in Azerbaijan by year, characteristics for forecasting

Source: Developed by the author based on the Eviews-12 application software package.

As can be seen from the graph, the forecast characteristics of the model can be used to calculate forecast values for total output in light industry in the Republic of Azerbaijan.

In third chapter entitled "**Management Models and Improvement of Management Mechanisms of Light Industry Enterprises**", reflects the improvement of the management structure of light industry enterprises, the development directions of the organizational structure of light industry enterprises, and the modernization of the production structure of light industry and the improvement of the management mechanism.

One of the most important issues in ensuring the stability of enterprises in the market environment is the development of innovation strategies that allow them to compete successfully. The efficient operation of enterprises allows them to search for or develop new products and technologies. The development of innovation policy involves determining the goals and strategies for its development in the future, proceeding from the assessment of potential opportunities and provision of appropriate resources⁶.

It should be emphasized that the increase in the number of divisions and levels in the management structure of an enterprise can lead to a number of problems, such as the complexity of communication related to management and decision-making, the risk of information loss, increased bureaucracy, and reduced flexibility. To overcome these problems, light industry enterprises can use various approaches, such as decentralization of management, improvement of communication and information technology systems, and increasing local autonomy and responsibility.

Studies show that effective management dominance, which ensures the implementation of strategic goals, can be applied in the practice of management of light industry enterprises with the help of improved methodological support. This model constitutes the methodological basis of structural modernization, establishes a

⁶ Абдиева, Г.З. Пути эффективного использования потенциалом конкурентоспособности предприятий легкой промышленности // – Москва: Экономика и предпринимательство, – 2017. №7, – с. 1172-1174.

connection between methodological and practical application, and on the other hand, allows us to determine the ways of applying theory and methodological tools in the economy.

The construction of a block diagram of management mechanisms in light industry enterprises is an important tool for achieving the strategic goals of the enterprise. This scheme is important for more efficient implementation of regulatory, planning and control processes. Such structures increase the flexibility of enterprises and ensure the efficient use of resources. This diagram shows the main components of the management system and their relationships to each other. Below are the main components of the block diagram of management mechanisms.

Block I. Strategic planning for light industry enterprises is important in terms of adapting to market competition, introducing innovative technologies and ensuring economic sustainability. The main stages of strategic planning are as follows: analysis of the current situation (SWOT Analysis); determination of strategic objectives; selection of strategies; implementation of the strategic plan; monitoring and evaluation of results.

Block II. Determination of objectives constitutes the general strategy of the enterprise, being the basis of economic management. Objectives for light industry enterprises are determined in two main directions: long-term economic sustainability, increasing competitiveness in the markets and expanding the product range; optimization of production processes, short-term profit targets and efficient management of resources.

Block III. Effective management of resources is one of the important directions in the activities of light industry enterprises. This process involves the integration of human, financial, material and technological resources.

Block IV. Optimization of production involves improving processes in order to increase the quality of product production, reduce costs and maximize productivity through more efficient and effective use of resources in enterprises. The optimization process is aimed at finding the most appropriate solutions for production

planning, process flows, equipment management and resource allocation based on decision-making models.

Block V. Financial management is one of the main elements of the sustainable operation of light industry enterprises. It includes the following processes: budget planning and allocation of financial resources; profit and loss analysis; monitoring of liquidity indicators and capital optimization; making investment decisions and assessing risks.

Block VI. Launching light industry products on the market in a competitive market depends on the effectiveness of marketing strategies. Marketing management includes the following stages: market research; product strategy; pricing policy; advertising and promotion.

Block VII. One of the important elements of economic management is the introduction of technological innovations. This component is important for increasing the production capacity of enterprises and providing consumers with better quality products, and these are: reducing production costs through the application of new technologies; introducing digital automation and IoT solutions; creating new products and services through R&D (a process in which scientific research and technological development are carried out together) activities; promoting environmentally friendly technologies.

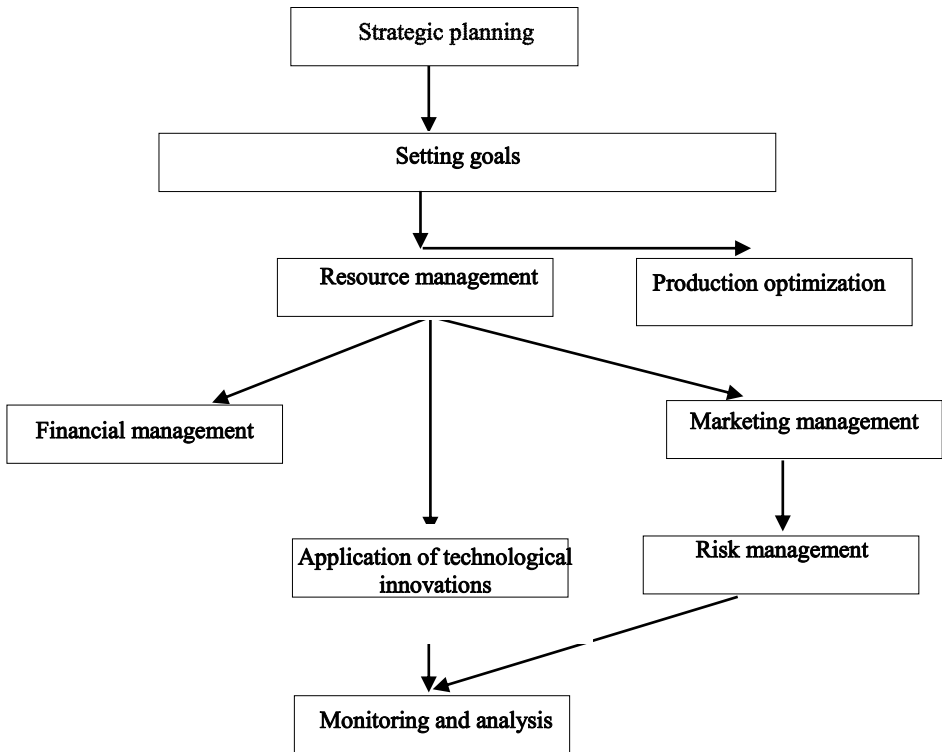
Block VIII. Management of potential risks plays an important role in the economic development of light industry enterprises. Risk management is carried out in the following stages: risk identification; risk analysis, minimization and monitoring.

Block IX. Continuous monitoring is required to measure and analyze the effectiveness of economic management mechanisms. This component includes the following: analysis of performance indicators; quality indicators and their monitoring; improvement of decision-making.

Thus, the block-scheme model of management mechanisms of light industry enterprises is an important tool that demonstrates a systematic approach to ensuring the efficient management of economic activities of enterprises. This model creates a complex

framework for regulating mutual relations between enterprises, optimal use of resources, structuring decision-making processes and evaluating the results achieved.

At the same time, the application of the model forms a favorable environment for strengthening strategic planning in enterprises, increasing operational efficiency and applying modern management technologies. This approach is of strategic importance for gaining competitive advantage, improving risk management and increasing the ability to make flexible decisions in a dynamic economic environment. As a result, the block-scheme model not only optimizes the current economic activities of enterprises, but also acts as an important tool for formulating future development strategies.



Scheme 1. Block diagram of the economic management mechanism of light industry enterprises

CONCLUSION

The study of the current state of the management mechanism of light industry enterprises allows us to draw a number of generalized conclusions.

1. The analysis of the current state of light industry shows that in some areas the development dynamics are not at a satisfactory level. The emergence of such a situation is associated with a number of reasons: the lack of proper use of more advanced management mechanisms, in some cases, low solvency of consumers, the presence of financial shortages, low investment, low level of inclination to use new technologies, difficulties in selling products, instability of economic relations, etc.

2. With the increase in the level of dynamism of the economic environment, the principles underlying management systems should also change. One way or another, the old principles that embody administrative management, entail innovations that include the interaction of the principles of subordination and initiative. One of the main conditions for the reconstruction of a successful management system is the formation of mechanisms that serve for a more efficient implementation of management goals. The creation of a more advanced management system positively affects the economic situation of light industry enterprises, eliminating many organizational, technical, financial, economic, social, psychological and other problems.

3. The current management system in light industry enterprises is somewhat ineffective and is not able to quickly solve all problems. In some areas, the low level of data transferability, the existence of inefficient information and organizational structures are more prominent in this regard. As a result, the management system of light industry enterprises is not able to quickly make flexible decisions on optimal management.

4. Industry 4.0 is creating a fundamental revolutionary change in the manufacturing industry, cyber-physical production systems and smart factories provide flexibility in production processes. These systems, through digital transformation and technological

innovations, are moving from traditional production models to modern, intelligent production models. This contributes to increasing production efficiency and creates conditions for creating a more sustainable and innovative business environment.

5. The low level of attractiveness of light industry for domestic and foreign investors is associated with a number of complex and interacting factors. These factors include limited financial resources, internal infrastructure problems, market saturation, regulatory barriers, trade difficulties and economic instability, as well as the instability of the state support and legislative environment, the severity of market competition, the quality of human capital and economic stability. In order to overcome these problems, it is necessary for the state and relevant authorities to put forward appropriate initiatives with strategic approaches.

6. Industrial parks and technoparks created in the republic play an important role in the development of light industry enterprises. This presents significant opportunities in terms of modern production environments, the implementation of innovative ideas, the efficient use of resources and the expansion of cooperation opportunities. The application of innovation and modern technologies creates conditions for increasing the market share of the light industry sector in the global environment.

7. The creation of territorial-production and industrial clusters in light industry sectors in Azerbaijan is necessary not only for the development of production, but also for strengthening the country's economic diversity, increasing social welfare and strengthening its position in the international market.

8. Cooperation of light industry enterprises in the agrarian sector, especially in the field of processing agricultural products, is an essential condition for increasing productivity and strengthening the economy of that sector. The use of raw materials obtained from the agrarian sector in light industry enterprises requires increasing local production in line with demand and supporting the economic development of regions, which is considered one of the main directions of cooperation in the processing of natural materials (cotton, wool, leather and leather products).

9. Pricing strategies, formed taking into account the pricing policies of competitors existing in the market, allow the enterprise to increase its market share and expand its customer base. Changes in market conditions require flexible changes in the prices of enterprise products.

10. The transfer of technologies in light industry ensures the progressive development of enterprises in the modern era and necessitates the creation of an environment, economic and political support, as well as the organization of strategic planning for the successful implementation of this process.

Based on the above results, the following proposals can be summarized in order to improve the management mechanism of light industry enterprises, form a more modern and flexible management model and increase the efficiency of the management system:

1. Ensuring the adaptation of the management system to the nature of business processes. This is based on a sustainable development strategy in accordance with the overall development strategy, which allows for a consistent increase in sales volumes and profits over a long period of time.

2. Coordination of the main provisions, elements and functions of production management aimed at organizational development for light industry enterprises.

3. For the guaranteed success of the enterprise, it is proposed to use the following priority areas:

- development and implementation of a management strategy that optimally combines short-term and long-term goals and objectives, including the optimal use of resources for innovative activities in order to achieve competitive advantages;

- development and implementation of a strategy to radically increase the role of the marketing concept in both operational and strategic management systems.

4. Formation of the main elements of the production management model in the light industry sphere, in particular strategic planning, effective management and organizational mechanisms.

5. Development and implementation of structural modernization programs to achieve the required parameters of the existing management potential in order to strengthen the trend of economic growth in light industry enterprises.

6. Formation of a marketing information system that performs the work of systematically collecting, processing and analyzing structured external and internal information.

7. Continuous assessment of the performance of the management subsystem to determine the potential reflecting the ability of enterprises to effectively implement competitive and innovative product production.

8. Development and implementation of modern mechanisms and tools for processing scientific and practical information for the integration of light industry enterprises into the global economy and the international information network.

The results and proposals obtained from the dissertation work are reflected in the following published scientific works.

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