The professors of the Technical University of Georgia have been working for many years in different directions of business development, researching business activities in many areas: management and organization of industrial and agricultural productions, the state's relationship with business at the central, regional and local government levels, accounting problems and possible ways to solve them, supply chain and logistics, transport and communication management, implementation of IT-technologies in business, finance, production organization and management and many others. Chen's works cover exactly these directions. This work represents the works of faculty professors of recent years, which are grouped under one aegis - it is dedicated to the significant impact of globalization, which affects everything in the world, including business. Globalization has both supporters and opponents. But no one can deny that this is the objective reality in which we have to exist and do business. Thus, we consider the present collective work as a kind of summary of the research conducted in recent years.

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COLLECTIVE MONOGRAPH

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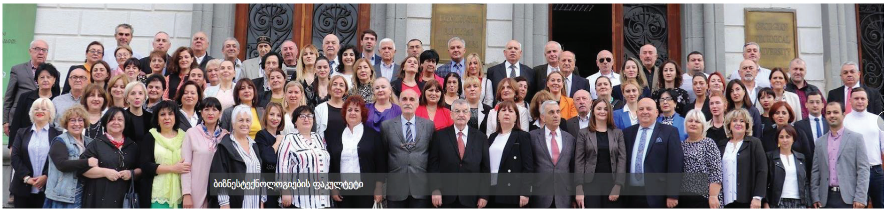

Faculty of Business Technologies of Georgian Technical University

CONTEMPORARY BUSINESS CHALLENGES IN A GLOBALIZED WORLD: RESEARCH, STUDY, EXAMINATION

COLLECTIVE MONOGRAPH

VOLUME 4

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ANALYTICS OF ELECTRONIC TRENDS IN GEORGIAN ECONOMICS

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Abstract

The unified electronic system of procurement implemented in Georgia in recent years has significantly simplified access to public tenders. The Unified Electronic Tenders System is a platform that electronically conducts procedures under the legislation relating to procurement.

The article reviews the advantages of electronic tenders compared to traditional "paper tenders", provides statistical data on users and suppliers registered in e-tenders, shows the indicators of the economy in the budget as a result of the implementation of the electronic system, the results of the research on the composition of participants from different fields of economics in e-tenders are presented.

Keywords: electronic tender, state procurement, e-procurement, e-system.

1. Introduction

State procurements are one of the important components of managing the economy and public governance of a country and it is one of the priorities of the government of Georgia. Approximately 10% of the gross domestic product is spent annually on state procurements. The purpose of declaring that direction as one of the main priorities is to reform the state administration, improve the availability of public service, and increase accountability [1]. Information technologies are the main way to implement that reform.

Accordingly, in 2010 holding the electronic tenders was started through a unified electronic system that ensures healthy competition and a high level of transparency of procurements [2].

2. Main part

Before implementing electronic tenders the tender procedures were conducted on paper which resulted in 20 million paper documents at the beginning of 2011, from which extracting and analysis of the information was practically impossible.

Participation in paper tenders was connected to collecting so many documents, and multiple visits by suppliers at an appropriate organization and other administrative bodies. Presenting different kinds of documents was mandatory that was creating administrative barriers. These documents were becoming useless for the participants who were not winners in tenders and thus time and material resources were spent in vain.

There was also a problem of geographic inequality. Regional companies were in an unfavorable position relative to the companies located in Tbilisi because most purchasing organizations were located in the capital city and regional companies had to make a minimum of four visits to just participate in the tender without any guarantee of winning. According to the report of 2008 by the World Bank, the over, all state procurement system was estimated as "a system carrying ask of corruption". Due to the abovementioned and other factors the state procurement system of that time was regarded as inappropriate and irrelevant for the reforming country.

The reform has solved the following five important problems:

- Provided transparency of the state finances that made information available to the public on how and how much money is spent from the state budget.
- Developed such procedures that will put all suppliers into equal positions during participation of procurements and will exclude the possibility of discrimination.
- Improved objectiveness. Sometimes due to various factors sup, pliers were disqualified unfairly by giving low points to them and it was backed by the subjective and non-transparent system.
- Made the procedures for participation in tenders simple compared to the complicated “paper tenders” that were related to spending time and material resources and discouraging many companies to participate in tenders. Simplifying the procedures and removal of the administrative barriers were necessary.

Made avoiding papers possible. The documents presented to the agency were not only the source of ineffective and doubtful, but processing these documents and obtaining the required information a was difficultime-consumingsuming process. Transferring the information obtained from paper to the public (search, processing, making copies, etc.) was also difficult.

The agency was given the task to develop, implement and manage the state procurement system and it developed the program for the electrosystemswithem with technical support from the National Agency of Public Registry.

For the first time, the two models of an electrosystemsstem for state procurements were considered to be developed. The first was envisaging implementing the already existing expensive foreign model and another was to create and implement the system with local resources within the shortest term and at minimum costs that would fully fit the dynamically reforming and liberal business environment of Georgia. The second model was chosen and in less than one year the “paper tenders” were fullcanceleded and the tenders are conducted only through the e-system.

Figure 1. Entrepreneurs registered as suppliers

The problem during the paper tenders was receiving accurate information on the purchasing organizations. The e-system made pit possible to obtain the details of the purchasing organizations and suppliers. Today we know for sure how many users are in the e-system.

At the end of 2011, 10 417 users were already registered in the e-system: 3052 purchasing organizations and 7365 suppliers. The data provided below indicates how many taxpayer entrepreneurs are registered in the e-system as suppliers (Fig. 1).

66% of the suppliers registered in the system are limited liability companies and they are granted 77% of the contracts made through electronic tenders.

The quantitative statistics of the limited liability companies and other suppliers have the following figure (Fig.2):

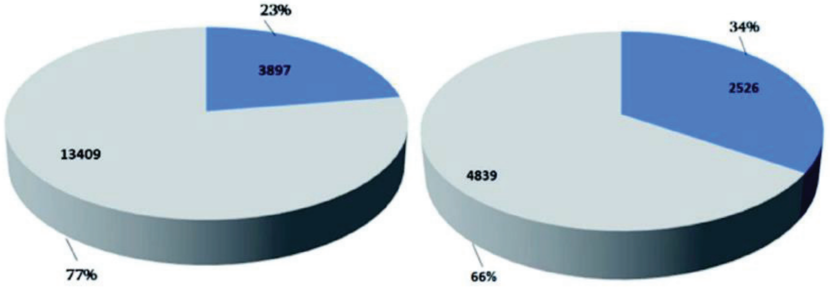

Figure 2. The quantitative statistics of the limited liability companies and other suppliers

The mandatory monetary limit for calling tenders was reduced by 20 times for buying products and services and 40 times for buying works and recently it is 5 thousand GEL. The price for participation in tenders is reduced to 50 GEL. As a result, more activities were registered compared to the last year (Fig. 3). The least number of tenders was declared in October, however, the number of tenders declared during October is almost equal to the total number of paper tenders conducted in the previous year.

Figure 3. The registered activities in 2011

e-tenders are successfully called by all types of purchasing organizations, but with different amounts and different economic values.

Most of the e-tenders were called by legal entities of public law.

Below is the quantitative dependence between different types of users (Fig.4): the state bodies (130), bodies of the autonomous region (140) and local governing bodies (145), the enterprises with more than 50% share (150), the legal entities of public law (180) and non-entrepreneurial non-commercial legal entities (190).

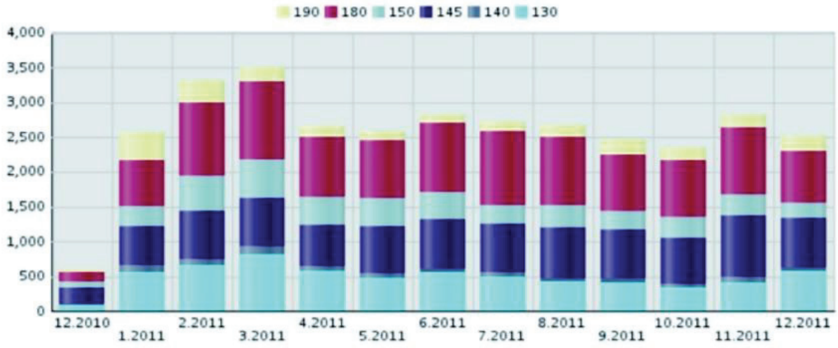

Figure 4. Quantitative dependence between different types of users

By using e-tenders the biggest economy was made by the state bodies and the smallest by non-entrepreneurial non-commercial legal entities.

By using an e-system 191,487,127 GEL was saved during one year (Fig. 5). The economy is made by the difference between the presumable value of procurement and the final price set as the result of electronic trade.

Figure 5. Economy, made in 2011

More than 40% of the reserved money comes to the e-tenders for construction works procurement. A relatively significant economy is demonstrated per procurement of pharmaceuticals and insurance services (Fig. 6).

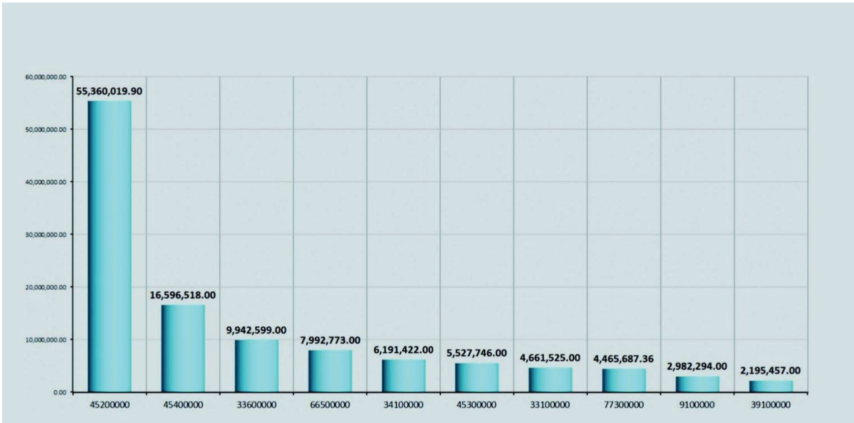

Figure 6. The economy in different fields of economics

According to the average participation per tender, procurement of insurance-pension service is distinguished with the highest rate established. The second is the procurement of construction works. The below table shows procurement objects with the highest average participation, therefore, the highest competition comes from these fields (Fig. 7).

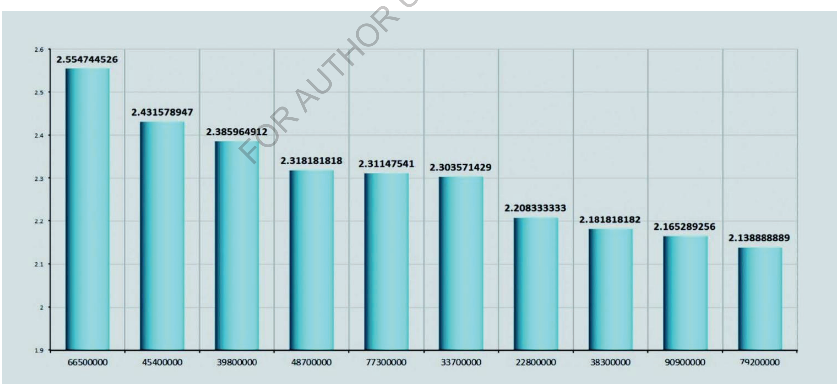

Figure 7. Procurement objects with the highest average participation

In 2011, the total amount of state procurement contracts is concluded for 2,662,663,113 GEL whereof 66% of state procurement contracts were signed through e-tenders (Fig. 8).

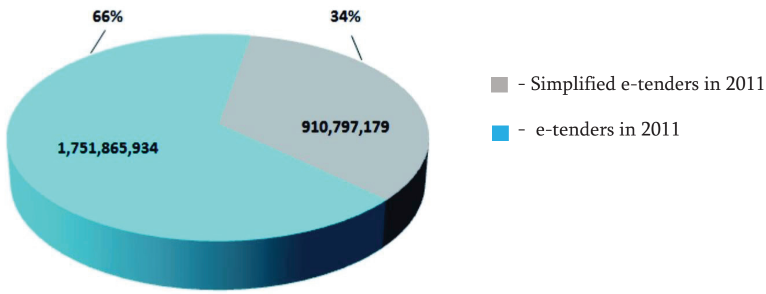

Figure 8. The total amount of state procurement contracts

The non-discriminative environment promotes the development of competition both among local and foreign enterprises. Almost 100 foreign enterprises are registered in the system and have already won several dozen e-tenders. Below is shown the number of suppliers registered in the system under the distribution years (Table 1.).

Table 1. The number of suppliers registered in the system

N	Procuring category	Total estimated cost	Total contractual cost	Saving on CPV	%
1	45200000-Works for complete or part construction and civil engineering work.	1.516.058.900	1.361.396.430	154.662.470	10.2%
2	45400000-Building Completion work.	118.379.547	105.372.635	13.006.912	11.0 %
3	66500000-Insurance and pension service.	59.774.877	53.077.406	6.697.471	11.2 %
4	71300000-Engineering Service.	46.651.962	40.685.540	5.966.422	12.8 %
5	33600000-Pharmaceutical products.	67.722.918	62.336.588	5.386.330	8%
6	45100000-Site preparation works.	36.313.014	31.506.391	4.806.623	13.2%
7	33100000-Medical Equipment.	53.167.712	48.588.873	4.578.839	8.6%
8	45300000-Building installation work.	48.513.639	44.052.617	4.461.022	9.2%
9	34100000-Motor Vehicles.	49.032.444	45.294.121	3.738.323	7.6%
10	90900000-Cleaning and Sanitation Services.	21.384.874	17.916.205	3.468.669	16.2%

In 2017, the Road Department of Georgia obtained the highest profit from procurement with e-tenders (40 million GEL), while Tbilisi City Hall comes second [3, 4].

3. Conclusion

The Unified Electronic Tenders System represents the Platform that not only connects procuring organizations and suppliers but allows leading procedures related to state procurement provided with Legislation in the electronic form, in particular, annual plans of procurement organizations, tender applications, and documents, suppliers' tender proposals, tender committee session records, correspondence with suppliers, contracts and other relevant information about procurement is established in the Unified Electronic System and is available for any interested party.

The establishment of e-tenders enabled the State Procurement Agency to create the best mechanism for procurement, nevertheless, despite of successful functioning and accessibility of this system, creating an attitude for procuring organizations to stimulate the participation of small and average enterprises in tenders is one of the remaining significant challenges. The procuring organizations shall realize that the open involvement of small and average enterprises in the state procurement process, in general, has a positive influence not only on single procurement outcomes, but it has good influence to employment and growth of the state's economy.

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LESSONS FROM THE GLOBAL ECONOMIC CRISIS

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Abstract

The article is devoted to the consequences of the global economic crisis and the lessons it has taught us. The author believes that the economic boom before the crisis was based on the increase in production efficiency, which, in turn, was nurtured by rapid innovative development. In the XXI century, the importance of intangible factors of production and value creation has increased. The widespread of new technologies not only brought new ways and methods of farming but also established new types of relationships in the world economy. The author completely agrees with the opinions of those scientists who believe that now all attention should be paid not to the search for the main culprits of the crisis, but to the search for ways to overcome it.

Keywords: Globalization, global crisis, WTO.

Introduction

Although in 2009 In the middle period, some signs of revival-restoration were noticed in the world economy, the economic situation is still difficult. However, the paradox is that the current decline in production has almost the same reasons that led to its previous long and dynamic growth: globalization and accelerated innovative development. We can say that the first of them influenced the quantitative growth of world economic processes, and the second - the qualitative one.

Discussion

The economic boom before the crisis was based on increasing production efficiency, which, in turn, was fueled by rapid innovative development. In the XXI century, the importance of intangible factors of production and value creation has increased. The widespread of new technologies not only brought new ways and methods of farming but also established new types of relationships in the world economy.

Combining innovation with globalization has brought great benefits to developed countries as well as major developing countries. This greatly strengthened the position of the developing world. In 2000-2007, its share in the world GDP increased by almost 6% and exceeded 37%. [1] With this, it became a locomotive of economic growth together with the USA.

China, India, Brazil, and Russia (the so-called ChIBR) made a great contribution to the dynamic development of the world. According to some indicators of growth and development, China became the second country in the world, and India overtook the GFR. In this case, a serious impetus was the expansion of the innovative element of development. It is significant that according to some information and communication technologies, these two Asian countries have moved from the position of "follower" to the role of "leader". At the same time, until 2006 there were only 20 companies of ChIBR among the 500 leading corporations of the world, by 2008 this number exceeded 60.

An important feature of modernity has become the increasing activity of developing countries in the financial markets. This was supported by the sufficient maturity of financial institutions both

[1] E. Khesin, Anatomy of the World Crisis (In Russian).

in the already mentioned group (Chibr four), as well as in Indonesia, Mexico, South Korea, Argentina, and Malaysia. Not only Singapore and Hong Kong but also Dubai, Shanghai, and Bombay have become serious competitors of “financial” London and New York.

In 2000-2007, the US was still ahead of Europe and Japan in terms of GDP. Its competitive advantage remained strong innovative and technological potential, enormous human capital, and the rising strength of the dollar.

The change in the sectoral structure of the world economy contributed to the activation of business circles. In this regard, the servicing of the economy and the establishment-predominance of a non-material, "non-productive" economy, strengthening the importance of intellectual fields are striking.

At the same time, in the economic development of the world, the trend of its financialization was highlighted, which was manifested in the unhealthy expansion of the financial and credit sphere and the unrestrained growth and development of the stock market.

Unfortunately, the securities market has created its artificial reality, a virtual economy, and is increasingly disconnected from the real economy. In such conditions, banks became leading economic players and acquired great influence without hindrance. In contrast, industrial production was concentrated in China, India, Indonesia, and South Korea. China has acquired the image of the industrial workshop of the world before our eyes.

The second biggest factor in the long-term growth of the economy was globalization. Its qualitatively new stage is intertwining with innovative development, under the conditions of which the movement of goods, services, and capital is accelerated. It is significant that from 1990-2008 trade grew 1.6 times faster than GDP.[2] The spread of new technologies was closely linked to foreign direct investments, the volume of which approached 2 trillion dollars.[3] It is indeed a paradox that all this ended with the global economic crisis.

The global crisis has significantly activated economic nationalism, giving impetus to protectionism in trade and finance. Developed countries (and others) resorted to discriminatory policies: they strengthened the support of their financial institutions, industrial and agricultural enterprises, and large corporations, and encouraged their people to buy the products of local firms.

Many countries still limit the spheres of activity of foreign capital, sometimes quite strictly preventing the entry of labor force, first of all - from developing countries. import restriction and export stimulation became more frequent; Customs duties were increased and sports subsidies were established, trade standards were tightened.

To protect the domestic economy from the crisis, many member countries of the World Trade Organization are increasingly resorting to measures contrary to the norms of this organization. In January 2009, the number of anti-dumping investigations increased by 40% compared to the same period in 2006. The trend of ``national egoism" was highlighted, which seriously hinders the world integration processes, especially in Europe.

It is necessary to emphasize that the emergence and deepening of the global financial crisis is an expression of the change in the structure of the world economy. Indeed, such a global imbalance has been established, which for decades was considered a great good and the basis of sustainable world development.

[2] http://www.intertrends.ru/twenty//002.ht

[3] WTO. International Trade Statistics 2008. Geneva. P.7.

In the group of leading countries (excluding Japan and the GFR), consumption exceeded production, imports exceeded exports; The deficit of payment balances according to current operations and the insufficiency of savings were noted; Debts and exploitation of real estate wealth were widely used for consumption. In contrast, the economy of developing countries was characterized by the excess of production over consumption, and export over import. Due to the weak development of domestic financial markets, they accumulated a huge surplus of savings, which exceeded 2 trillion dollars.

The main crime in the curvature of the structure of the world economy lies with the USA, in the XXI century. In the beginning, it became the main attraction of foreign capital. From 2000-2008, the funds raised here exceeded 5.7 trillion dollars, which is more than 40% of the country's GDP. It received cheap savings and goods mainly from China and the Persian Gulf countries, which also helped the mentioned countries: they received technologies and investments in return, at the expense of which they could lower exchange rates, and expand exports and savings. Most lenders today still prefer to invest their funds in US Treasuries and accept negative returns on the grounds of reliability.

The imbalances formed at the global level were accompanied by internal imbalances. The specific share of consumption in the total income in the USA was increasing rapidly, and the rate of savings dropped to almost zero. In contrast, this rate was very high in China. It turned out that the high level of consumption in the US was fueled by the high level of savings in China.

Finally, we can say that the current global crisis is essentially a debt crisis. The excessive liquidity at the time weakened the sense of risk too much, and the corporations had marked the growth of capitalization as the main orientation and evaluated the efficiency of the management with this indicator. In the meantime, the opposition of capitalization to the real basis of socio-economic progress - raising the productivity of labor - intensified.

During a financial crisis, the government of any country makes the strengthening of the banking system the cornerstone of its policy, and within the framework of the anti-crisis program, it strengthens the support of small and medium-sized businesses.

Shortly, reindustrialization and the balance will turn in favor of the real sector, the sphere of finance will become more transparent, the innovative and technological potential of the world will be strengthened, and the market will become more regulated.

It is natural that Georgia, connected with almost 150 countries through trade and economic relations, could not avoid the negative impact of the world financial crisis. However, as several Georgian scientist-economists and experts point out, financial threats were revealed to us even before this crisis. As for the current situation, it is disturbing and will continue to be so in the future if radical measures are not taken. One of the first among them should be the use of billions allocated to Georgia by international financial institutions mainly in the real sector.

I think the general opinion of all sane people is expressed by the assessment that now all attention should be paid not to the search for the main culprits of the crisis, but to the search for ways to overcome it.[4]

Conclusion

Let's not forget that modern successful countries have always done exactly the opposite of what the globalization theorists preached, and those who followed this preaching and introduced free trade sold utilities and opened the way for foreign capital, revoked privileges for their entrepreneurs,

[4] Meskhia I., The global crisis and the economy of Georgia: http://www.tetrebi.org/?p=3647

etc., all have disastrous results. received In this regard, the example of Argentina, which wanted to transform the economy based on neoliberalism, and ended it with an almost complete collapse, is particularly significant.[5]

Thus, to put it mildly, it is controversial when in many foreign publications the deepening of globalization is mentioned again and again as one of the factors to get out of the crisis, in particular, when they think that it will play an important role in the recovery of the world economy because it is an irreversible process.

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CONTEMPORARY CHALLENGES OF EXTREME MANAGEMENT FROM THE POINT OF VIEW OF DECISION-MAKING

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Abstract. In the extreme and unpredictable course of events, the usage of new methods and approaches to management decisions becomes crucial, and the permanent use of extreme management (extreme management) approaches becomes an urgent necessity - ensuring the company's advance readiness for expected changes, and immediate response to emerging extreme conditions. For this purpose, several important principles of quick decision-making and effective management of the organization have been elaborated in the paper, the use of which will improve the management of the company under extreme management conditions. Specific methods of extreme decision-making, recommendations for holding a meeting, and quantitative-probabilistic methodology of risk assessment are elaborated.

Keywords: Extreme management, management decision, management triad, risk, intuition, systematic creative thinking.

Introduction. In extreme situations, distinct from the current necessities, successful management of business processes requires rapid and effective decisions. In the conditions of amplified competition and the worldwide political-economic crisis, only such business organizations will prevail and persist in their activities, prepared to meet the new challenges of environmental conditions, distinctly confirmed by the events during the Covid-19 pandemic [1]. At the same time, humanity was in severe danger due to Russia's military invasion of Ukraine. The mentioned extreme situation is a focal hindering factor for business expansion in the country.

Managers who operate under high-risk conditions to achieve the expected results will be able to overcome difficulties using the practical advice of Extreme Management. Thus, making a quick and targeted management decision, which should ensure the management of the business process in unpredictable conditions, is a very urgent task.

Results and discussion: Extreme management is a special type of management that should be used mainly in non-standard business process management situations when environmental conditions are not distinctly defined, change rapidly, and are unpredictable in emergencies and crises [2]. According to our clarification, Extreme management is a type of management of a business through which it is possible to quickly make non-standard emergency management decisions in high-risk conditions, which are characterized by uncertainty and high-tempo unpredictable dynamic changes [3].

Management decisions in risk management, are made in an environment characterized by chaos, randomness, environmental uncertainty, and constant changes, with the urgency of management decisions and implementation [4]. In this case, the decisive role belongs directly to the strategic manager (CEO) of the organization and, in certain cases, to the top management. Only with their dynamic participation, creative decision-making is carried out, which can be non-standard and related to the action of various high-probability risk factors. In such cases, it is necessary to assess the extreme situation and its systematic and creative monitoring, synchronized generation-implementation of proposed creative ideas and corresponding innovative management solutions, evaluating the results, and correcting the decisions if necessary. Extreme management is based on the active involvement of all participants in the management process, in the development and implementation of non-standard extraordinary decisions and actions within tight deadlines and under high-risk conditions [5].

It is impossible to offer a model approach and/or standard practical recommendations to the management of the company in extreme management conditions. The top management must make the most appropriate, authentic, and creative decision per specific circumstances. The top management should be characterized by systematic and creative thinking to implement extreme management.

In our opinion, one of the main features of extreme management should be a new formulation of the organization's goals. The main goals of the company should be formulated as a management triad: 1) profit, 2) customer (client) creation, and 3) staff creation. The latter means creating close to ideal conditions of activity and motivation for the staff, as the main resource of the organization is providing its staff with a feeling of happiness. A person is happy only when he goes to work with joy and returns home with joy [6]. From this point of view, strategic extremal management implies not only the management of the organization's material and technical resources and finances but first of all, the formation of the vision, mission, and goals of human resources activities, the analysis of the macro and micro environment and the development of appropriate strategies, the implementation of continuous monitoring and feedback.

However, it is considered natural that the main genuine goal of a commercial company is to make a profit. With a modern, strategic approach, one of the main goals must be to create a user/client (Peter Drucker). Customer creation means creating new services and products that should attract customers and lead to company profits and the "creating" of personnel leads to the formation of such a unified team, which will be ready for creative and independent action in a rapidly changing, unpredictable situation.

In extreme management, a particular role belongs to the leader – the extreme manager. An effective extreme manager must possess certain qualities that may not be vital under normal circumstances but are crucial in extreme conditions. Firstly, an extreme manager should be charismatic, which enables him to unite the team and persuade them to solve challenging tasks. Charismatic managers not only lead the team, but as true leaders, they make breakthroughs with them.

An extreme situation means the risk of developing the work in an undesirable direction, so the extreme manager should always be ready to work in high-risk conditions. Therefore, on the one hand, he must possess both rational and intuitive methods of risk assessment. A leader must be able to constantly seek and achieve a balance between the use of traditional and innovative management methods. If there are no such type of extreme managers in the organization, who, in addition to the above-mentioned skills, do not possess the qualities of creating a friendly team, taking into account the emotional and psychological characteristics of the staff, then, most likely, the company may fail in extreme conditions.

The decision-making process is usually very tiring and stressful. In general, this process requires a lengthy discussion, analysis of various options, and a study of the discussed issue from different positions. To make the right choice, it is possible to present all the options that should lead to the success of the company, but at the same time, some of them may have negative consequences.

For business success, especially in extreme conditions, it is necessary to make quick decisions, which are associated with certain risks.

Thus, the decision-maker faces a dilemma - on the one hand, the decision must be made quickly, and on the other hand, making the best decision may be associated with a vast expenditure of time. To overcome the mentioned dilemma, in some cases it is convenient to rely on a compromise option used in management practice, which will help the manager to a certain extent to stop the unfinished reasoning, and analysis and make a timely and good decision [7]. When making an individual decision, it is beneficial to use the following 5 (five) tips:

• Forget perfectionism;
• Determine the extent of the problem;
• Trust your intuition;
• Minimize the inconsequent decisions;
• Develop creative limits.

Forget perfectionism. Perfectionism is one of the main obstacles to making quick, effective decisions because it relies on an extremely risky all-or-nothing demand. For example, due to perfectionism, an extreme manager may believe that if he does not make the "right" choice, he will fail miserably. According to such an approach, the extreme manager must anticipate any contingencies and have a well-developed action scenario for all cases before starting the action. Considering all possible outcomes leads to paralysis of action - never-ending perfection of the action plan, which will lead to inaction, which will cause great damage to the company. Especially if we consider that one of the fundamental conditions for a successful business is to make rapid decisions. A rapid decision doesn't have to be adventurous [8]. To avoid such a situation, it is useful to ask yourself the following questions:

- Which decision will be more convenient in terms of the principal priorities of the company? Obviously, at this time, the criteria that can be used to evaluate the usefulness of the decision should be presented. Such criteria may be Gross revenue, net profit, the loyalty of partners and/or customers, the loyalty of staff to the company, ethical norms and social responsibility of the company, speed of getting results or sustainability over a long period, and more. Remember that "a better decision is the enemy of a good decision".
- A manager's decision may satisfy a certain group of people and upset others. At the time of decision-making, the most crucial circle of partners for the company should be clearly defined, and cannot be disappointed under any circumstances.
- What can be done today to bring the company a little closer to the set goal?
- What is the best next step based on the information available today and the current situation?

Determining the scope of the problem. Some decisions require great care. Before making a decision, it should be determined - what goals, priorities, partners (companies), or even close people will be affected by making or rejecting a given decision. This will help the extreme manager to distinguish significant and insignificant issues from one another and make an appropriate decision.

Trust your intuition. Intuition works by comparing different examples - patterns. The brain examines the situation, quickly evaluates your life experience, and makes the best decision based on the given context. As experience shows, this automatic process is faster than rational thinking, which means that intuition is an essential decision-making tool when time is short and traditional data is unavailable. Studies have shown that combining intuition with analytical thinking helps managers make better, faster, and more accurate decisions. Managers trust their intuitive choices more than decisions based on intelligence alone. Steve Jobs, one of the best modern managers and businessmen, has a well-known attitude toward intuition. In his opinion, "intuition is a very powerful thing, more powerful than intelligence." According to Einstein, "intuition is a holy (divine) gift, and the rational mind is a faithful servant." At the same time, the extreme manager should not forget that intuition is not baseless, it is based on his experience, ability of analytical and creative thinking, courage, etc. Thus, he should critically assess his intuitive ability and not exceed his capabilities.

Reduce the less important decisions. An extreme manager has to make many decisions every day. Among them are personal affairs, business challenges, answering numerous correspondence through e-mail or messenger, etc. Each requires an expenditure of mental and emotional resources. The less a manager makes minor decisions, the more energy he has for principal decisions.

Design creative limits. According to Parkinson's law, work completely absorbs the time allotted to it. If you spend a month preparing a presentation, it will take you a month, but if you only had a week, you would finish the same presentation faster. In other words, managers often spend a disproportionate amount of time and effort. This tendency can be overcome through creative constraints. The manager must define a date or time, a deadline, and when he must decide.

Other approaches to decision-making. The best solution is to decide with the active involvement of all participants in the management process, such as the consensus method, voting-based methods, brainstorming, the Delphi method, the method of creating scenarios, the Carnegie model, the incremental model, the "trash box" model, the Vroom and Yeaton decision-making model. In general, in extreme conditions, there is a great temptation for a strategic manager to use the so-called Authoritarian model when the leader selects alternatives without consensus with others [9]. Often, the most effective model is when the leader makes the decision alone, only by getting to know the opinions of his colleagues and not by convincing them and favoring their votes.

One of the fundamental opportunities for decision-making is holding a meeting, which is of particular importance in the conditions of extreme management.

In the modern era, which is characterized by the rapid development of science and technology, and the strengthening of economic development rates, any activity, including holding a meeting for decision-making, requires special attention and focus on the purpose and opportunities.

If it is necessary to hold a meeting, then by using some simple regulations, it is possible to increase the productivity of the meeting:

- set a timer and stop reasoning immediately after the signal;
- Invite as few people as possible to the meeting;
- Always have a clear agenda;
- Start with specific issues;
- Hold the meeting at the place where the problem occurs, not in the meeting hall;
- Point out specific problems and suggest specific changes;
- Conclude the meeting by deciding on assigning responsibilities to certain people.

Quantitative-probabilistic risk assessment methodology. An extreme situation usually means the existence of a risk of different nature and severity. For the extreme manager to be able to make the best decisions in a risky circumstance, which is the principle of conscious risk. For this purpose, it becomes necessary to assess the expected risk related to decision-making [10].

As a rule, the manager carries out the risk assessment with subjective methods based on intuition. Intuition is crucial for decision-making in extreme situations, but a greater effect is obtained by combining intuition with analytical thinking.

Quantitative-probabilistic methodology elaborated within the presented paper will be useful for risk assessment in extreme conditions [11].

To assess the risk and make an appropriate decision, it is recommended to use a methodology that includes the following stages:

• formulate the issue (project) from the point of view of risk management;

• Determine the success factors (so-called Key Success Factors - KSFs) whose success ensures the success of the project - A1, A2..., An, where n - is the number of success factors.

• Determine the probabilities of occurrence of the mentioned success factors (KSFs). These probabilities cannot be determined either by direct calculation or statistically (frequency). It takes the experience and intuition of an extreme manager to assess them subjectively, with intuition. Let's denote the probabilities of these factors by symbols: P1. P2, P3…. Pn,

• For the success of the project, it is necessary to have all these factors together, which probably means a conjunction of the mentioned factors. Therefore, we have for success

S = A1&A2&…&An.

• Calculate the probability of project success

P(S) = P(A1&A2&…&A9) = P1 x P2 x P3 x...x Pn;

• Calculate the project realization risk

P(R) = 1-P(S)

• analyze the significance of success and risk probabilities;

• To decide on the expediency of project implementation by comparing the probability of success and risk and the cost of risk (material, financial, time, etc.). If the probability of risk is much less than the probability of success P(R) << P(S), then it is possible to start the realization of the project,

• If it is necessary (in case of high risk) to find additional ways to reduce the possible risk.

A special role in this process belongs to the experience, intuition, courage, etc. of the extreme manager.

Conclusion. In contrast to classical management, in extreme management, the main prerequisites for making management decisions are chaos, randomness, unpredictability, and constant changes in the external and internal environment of the organization. Uncertainty and unexpectedness arise in the process of development and implementation of the organization's development plans and programs. A sharp reduction of deadlines for making and implementing administrative decisions.

Decision-making under extreme management ultimately relies on a fundamentally new style of organizational management and thinking-systematic creative thinking that is not limited by ready-made templates and standard practical recommendations.

Because extreme management is based on extreme actions, extreme management decisions are related to a high degree of risk. Therefore, its methods should include more creative and less traditional tools. Only with systematic creative thinking, it is possible to quickly make non-standard decisions in the shortest possible time using new tools and methods and organization effective management in constantly changing circumstances.

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HUMAN RESOURCES MANAGEMENT: CHALLENGES OF XXI CENTURY

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Abstract

Intense changes (in global, regional, national, demographical, field, corporative, vocational, and individual dimensions) in the human resources field will obtain revolutionary nature in the future and human resource field specialists will face radical changes from established vocational role stereotypes (administrator – bureaucrat, and manager, supporting to reactive style) to the principally new roles of strategist, entrepreneur and marketing specialist.

Keywords: Human Resources Management, Human Resources, Corporation, Human Resources staff, corporation strategy.

The vocational sphere holds a unique human resources potential – such is the main competitive supremacy of that company, which tries to strengthen its position in global markets. According to the assessments of foreign specialists, in the XXI century, this maxima will acquire the power of inevitable law for successful entrepreneurship, as only highly mobile and permanently developing staff can adapt to current changes in the market field, which have preliminarily unimaginable and often chaotic nature. But, this circumstance itself will sharply increase all the requirements towards the human resource work in a corporation. If we consider the existing tendencies, the intense changes in the human resources field (in global, regional, national, demographical, field, corporative, vocational, and individual dimensions) will acquire revolutionary nature, and human resource field specialists will face radical changes from established vocational role stereotypes (administrator – bureaucrat, and manager, supporting to reactive style) to the principally new roles of strategist, entrepreneur and marketing specialist.

Revolutionary changes in the external and internal fields of the modern corporation

On the edge of the new millennium, the changes set in corporate management, which are caused by globalization of markets and industrial structure, with changes in the architecture of labor places and demographics of the workforce, owners` orientation on the high incomes, rapid and continuous organizational and technological changes, definitely have the strategic nature. They not only cover the whole business but the organization of human resource operations as well. We are talking about the following changes in the business:

- From autonomous self-supplying to unlimited partnership;
- From hierarchical or/and centralized structures to plastic and decentralized structures;
- From the patriarchal models of management to a delegation of authorities;
- From high capacities and low-cost prices to an orientation towards quality, speed, and newly established rules;
- From flawless work to its measurable improvements;

- From the closed organizational system to open systems.

In the human resources field of the corporation:

- From the narrow specialization and limited responsibility related to charged tasks to the wide professional and official profiles;
- From the planned career to an informed and flexible choice of vocational development trajectory;
- From the responsibility of managers about the development of the staff – to the responsibility of the workers about their self-development;
- From controlling the problems, which face the workers – to the creation of the possibility to develop each worker widely in his vocational field;
- From avoiding the feedback from delegated workers – to active search;
- From the discussion of success factors, vacant positions, and secret discussion about the specialists` adjustment – to the open discussion of the competency level of the workers, existing vacancies, and the ways to fill them.

From one side, these changes firstly cover the corporate strategy, thus becoming the key elements of the same human resources strategy. On another side, human resource work loses its sense without the sharply formed strategic aims of corporations and the main ways of their achievement. In case the corporation`s strategy "is not articulated", then the human resources manager should gather the information about its significant components one by one. These components are as follows: the key factors of external and internal environment, strategic trends, expected financial results, strategic threats, and risks, conduct strategy on service and production market, product development strategy, segmentation of vitally important markets, and main tendencies of their restructuring. Thorough and continuously updating knowledge of existing conditions of business matters, the corporation has dedicated its activity to, will become the crucial element of human resource specialists' vocational competence. Without this knowledge, it is impossible to work out and realize the human resource strategy with vitality, which should become the well-planned answer to the business strategy of the corporation.

The mission of a human resource specialist in a modern high-competitive environment is to increase human resource potential, thus realizing his business strategy. The staff manager is becoming someone, who establishes the mastership, without the participation of which, none of the company`s strategies would work out and realize and so won`t be assessed the correctly achieved results. Ensuring the high competitiveness of the company without partnership with human capital becomes a more and more hard issue for the management of corporations.

How to attract and maintain responsible, workable, highly qualified, and skilled persons in a corporation? this is the task, that staff managers should work on, who are called to play the "Catalyst" role in the corporation for that multidimensional and long-term staffing processes, which benefit the company with competitive supremacy on the account of unique human potential and all the high-quality responsibility of its workers. The corporate culture creates responsibility and human skills – competitive benefits. Thus, the staff manager should solve two strategic tasks:

1. The creation of a company`s competitive advantages by increasing the responsibility levels of its workers, for what he should use the corporate culture management means. Strong corporate culture makes it possible to attract and maintain skilled persons, and the product of their work creates a high reputation and attracts the new customer and highly qualified workers. The update of corporate culture and permanent adaptation to the external environment`s dynamic terms is

intended to increase the quality of the work and ensure feedback from workers and customers. This is served by seminars, forums, focus groups, round tables, and advertising campaigns. The workers` involvement in the corporation`s marketing activity encourages and promotes the rise of initiative and increases the vocational self-assessment level.

2. Ensuring the company`s competitive advantages by increasing human potential together with the comprehensive increase of workers` vocational competitiveness. Notwithstanding the fact, that corporate culture is much more attractive, the eradication of the difference between the requirements of the global market and the organization`s potential is only possible on the account of the development of staff`s vocational skills and competencies. In the development of human resources, workers' concentration on their vocational competence level won`t become not only human resource office but line managers' activity leitmotiv. Besides, one types of company include issues related to increasing the staff`s competence level in any of the worked-out strategies as its composite parts and another company discusses this issue, like the special initiative strategy`s realization mean, which is organically filled by other competitive strategies of the corporation.

In any case, success depends if how thoroughly individual development plans will be made based on diagnostics conducted by human resource specialists and line managers. These plans are designed to eradicate the difference between the increasing professional requirements (which are not always explicated simply and are not standardized) and the competence level that existed for every single worker. The making of these plans is based on competence models, which are worked out for each official position.

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WINE – AS A TOURISM PRODUCT

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Abstract: A wine tour is created and wrapped around the concept of wine. However, since diversity makes any tourism product highly desirable and enjoyable, the ideal tour is a mix of wine, cultural, cognitive, and adventure tourism, the planning of which requires a special approach. The tourist product, in addition to visiting wine cellars/factories and wine tasting, includes visiting historical and architectural monuments in the surrounding area (for example, churches/monasteries, castles/towers, etc.), as well as carrying out various activities. While planning a wine tour it is necessary to keep in mind that the main object and concept is wine, so any attraction is more or less related to winemaking, so as not to miss the main link of the tour. Studies have shown that tourists who come for wine tourism are primarily interested in traditional wine. Their purpose is to taste local wine and explore traditional wine cellars. The main directions in wine tourism are quite large and famous, as well as small family wineries, most of which do not have the necessary conditions and/or service experience. The wine tour, in addition to picking, crushing, making, and tasting wines, includes taking part in the traditional feasting - Georgian table, as well as visiting churches and monasteries. The following problems are evident in this regard: Often tour organizers plan the tour in the wrong direction. Wine cellars and travel agencies pay less attention to brochures, and websites. Winemaking is a distinguished and quite successful tourist attraction around the world. The number of tourists interested in wine is growing every year, which once again emphasizes the attractiveness and future perspective of wine tourism.

Keywords: wine tour, wine cellars, tourist product, attraction, Cultural-cognitive tourism

Introduction. One of the main factors of the tourism business is the diversity of services, which in turn ensures the sustainable development of the industry. If years ago, tourism was considered a means of travel only for leisure, in the modern world it has acquired a much wider significance and has become a tool to meet the physical, psychological, and intellectual needs of mankind. Today, the specifics of tourism include such species as cultural, cognitive, extreme, agro, gastronomic, medical, business, sports, adventure, rural, and others. The best way to plan an ideal tour is a combination of different types of tourism. We can single out wine tourism as a separate direction, which is considered a successful business in many countries of the world and an effective means of demonstrating its own culture. It is a part of the culture and quite a profitable source of income. The place of wine in tourism is determined by the resources and opportunities available in the country. From ancient times wine was considered a gift from the gods. In the mythologies of the Mediterranean countries, the ancient physicians described the use of the "gift of the gods" in medicine. The cultivation of vines began several thousand years before Christ. According to legend, winemaking began in Europe, in Cypriot Cyprus. King Solomon also named Cypriot grapes in the "Song of Songs", and Strabo wrote that Cypriot wine is the best in the world. The area dates back to 4000-3000 BC.

Georgian wine production has been supported for millennia. The international word "VINO" is connected to the Georgian etymology. Georgia is recognized as one of the main centers for the formation of vine culture, which is confirmed by archeological, historical, ethnographic, linguistic, and other sources of many domestic and foreign scholars. In particular, during the excavation, grape seeds of different varieties of cultivated vines were discovered, which date back to 6-5 thousand years BC.

The history of vine culture is closely connected with the history of the Georgian nation. The creative nature and a special love for vines and wine was expressed in Georgian culture, traditional customs, architecture, ornament, stamping, painting, poetry, song, and other fields of art in general.

Up to 4000 varieties of vines are known in the world. There are about 500 local vine varieties in Georgia, of which 62 varieties are included in the standard wine assortment.

Qvevri wine-making started in Georgia 8 thousand years ago and this tradition is still preserved today. The Georgian traditional method of making pitcher wine was awarded the status of a UNESCO Intangible Cultural Heritage Site in 2013, which indicates the uniqueness of this method and a message to the whole world that wine is an integral part of ancient Georgian culture. This recognition is important for raising awareness of Qvevri wine and contributes to the world's popularization of Georgian wine. The pitcher is a unique clay vessel for making and storing wine. The oldest pitcher-type pottery found in Georgia belongs to the VI-V millennia BC. The shape of the Georgian pitcher that exists today dates back to BC formed in the III-II millennium. [4]

As global tourism is on the rise and competition between destinations increases, uniquely local and regional intangible cultural heritage become increasingly the discerning factor for the attraction of tourists [7].

Based on different peculiarities of viticulture and winemaking, the territory of the country is divided into two macro-zones: Eastern and Western Georgia. Eastern Georgia is sloping to the Caspian Sea and is characterized by a temperate continental, dry, subtropical transitional climate. Western Georgia is under the Black Sea and has a humid subtropical climate.

Kakheti is the oldest and unique viticulture-winemaking region in Georgia. It is divided into two zones: inner and outer Kakheti. There are more than 25 micro-zones in the region, where famous wines of the place of origin are traditionally produced, such as Tsinandali, Napareuli, Teliani, Akhasheni, Mukuzani, Kindzmarauli, Kardenakhuli, Manavi Mtsvane, Khashmi Saperavi, and others.

Kartli - is the birthplace of ancient Georgian culture. It is famous for its classic European-type quality table and high-quality sparkling wines. Kartli is divided into three zones: Kvemo, Shua, and Zemo Kartli or Meskheti.

Imereti is one of the oldest and most important regions of viticulture and winemaking in Georgia. It is divided into three zones: Upper, Middle, and Lower Imereti. Imereti viticulture and winemaking are characterized by a variety of aboriginal vine varieties and high-quality table wines produced.

Racha-Lechkhumi - with its unique and original wines is distinguished from the viticulture-winemaking zones and micro-zones of Western Georgia. It is historically known for producing semi-sweet and dry wines.

Black Sea coastline – humid subtropical zone consisting of Guria, Adjara, Samegrelo, and Abkhazia. The climate is subtropical, humid, and in some places wet, and therefore the vine is characterized by a long vegetation period (until the end of November).

There are different types of wine cellars in Georgia according to the regions: a cellar standing as a separate building, which was often used for storing wine and had no other function (for example, storing wheat), as well as tower cellars, which were the first floors of a building with a defensive function. Imereti region is characterized by open cisterns, back or three-celled cellars, cellars arranged on the first floor of the house, and rock-cut cellars or cellars attached to the temple, where most of the best-donated wine was stored. There were also different types of wineries: built of stone, wood, and rock [2].

A wine tour is created and wrapped around the concept of wine. However, the ideal tour is a mix of wine, cultural, cognitive, and adventure tourism, the planning of which requires a special approach. The tourist product, in addition to visiting wine cellars and factories and wine tasting, includes visiting historical and architectural monuments in the surrounding area (for example, churches/monasteries, castles/towers, etc.), as well as carrying out various activities. When planning a wine tour, it is important to keep in mind that the main product and concept is wine, so any attraction should be more or less related to winemaking, so as not to miss the main link of the tour.

Wine Tourism in Georgia

Georgia has great potential for the development of wine tourism, as well as many directions and types of this industry. In recent years, the demand for Georgian wine on the world market has increased significantly. Prerequisite for the popularization of Georgian wine is the existence of unique local grape varieties and the historical past of Georgia. However, the greatest interest is still in traditional winemaking, in particular the technology of fermentation and aging in wine pitchers, which has no analogs in the world. The latter factor is a directly prepared tourist resource to create a quality tour product.

Here is a Tour of Products in wine tourism prepared by Inter Tour Wine Tour Duration - 7 days.

Day 1 - Pick up at the airport, and transfer to the hotel.

Day 2- Visit to Kakheti region. Visit to the residence of the great Georgian writer and public figure Al. Chavchavadze and the 19th-century wine cellar (Tsinandali). Visit the Erekle II House Museum and Ikalto Academy in Telavi. Attend traditional Kakhetian vintage and taste Kakhetian cuisine. Overnight stay in Kakheti. Day 3 - Visiting Telavi wine cellars and wine tasting. Visit Alaverdi Monastery, Badagoni Wine Factory, Gremi Monastery, Kvareli Wine Factory, Nekresi Monastery, and rock-cut wine cellar. Taste Kakhetian cuisine and spend the night in Telavi.

Day 4- Visit Gurjaani wineries and wine tasting. Visiting and returning to David Gareji monastery complex in Tbilisi.

Day 5- Visit Western Georgia, Uplistsikhe - a city carved into the ancient rock, visit Kutaisi - visit the historical-architectural complex Gelati, Sataplia Cave, and cognac factory "Vartsikhe". In the evening, taste the local cuisine and spend the night in Kutaisi.

Day 6- Visit Racha - Visit Nikortsminda Church, visit the Khvanchkara factory, and taste wine. Return to Tbilisi. Farewell dinner at a traditional Georgian restaurant.

Day 7- Transfer to the airport.

Teliani Valley Wine Tour in Georgia also offers wineries, in particular, located in Telavi, which started operating on September 10, 2005, taking into account the specifics of Georgian winemaking and international wine tourism. The factory is equipped with oak barrels, modern Italian taps, and refrigerators, so any guest can watch the wine being made. To attract wine tour lovers, the company has built a small "guest house" hotel on the factory, which is designed to receive foreign tourists and arrange wine tours for them. The guests of "Teliani guest house" become accomplices in all stages of wine production. The wine tour of "Teliani guest house" includes: visiting the vineyards, and the factory, attending the wine bottling process, tasting, and getting acquainted with the history of Georgian wine. The tour also offers vintage participation from September 15 to the end of October. There is also a wine shop in the factory. As for the hotel itself: the hotel can accommodate 16 guests, there are 8 rooms in total, and 2 of them are suites. The hotel has a single meal. The interior is original.

In 2011, the National Tourism Administration launched the project "Georgian Wine Road", which continues to this day. The project aims to find cellars across the country whose conditions and quality of service are more or less in line with the standards. The project has identified up to 150 wineries across the country, of which 58 facilities of various types (wineries, small family and monastery wineries, wine bars, shops, and restaurants) have been recommended. The main problem is still not the quality of the wine itself, but the level of service.

The company "Pheasant Tears" was established in 2005 with the love of Georgian culture and heritage, near the village of Tibaani. 1-3 day tours include the wine-famous corner of Georgia and the fertile fields of Kakheti.[6]

The wine therapy spa is located in Kvareli Eden, which is located 135 kilometers from Tbilisi, one of the oldest wine-producing regions in Kakheti. The wine spa is created to encourage the development of tourism in the Kakheti region and to showcase the unique properties of Kakhetian wine and grapes at the international level. The location of the spa, in a magnificent natural environment, allowed the supervisors to design the whole complex specifically and adapt it to the wine theme. Natural ingredients used in wine therapy are grapes, rose, and honey.[5]

Georgia has great resources for the development of any direction of tourism, especially wine tours. By combining Georgian unique wine, rich historical past, and present perspective, Georgia can become one of the leading countries in wine tourism.

It is necessary to mention that tourists who come to Georgia for wine tourism, first of all, are interested in traditional and not factory wine. So they try to browse and get acquainted with traditional wineries. Thus, the main directions in wine tourism are quite large and famous factories, as well as small family wineries, most of which do not have the necessary conditions and services. When we talk about small cellars, we encounter problems such as:

- Lack of field knowledge
- Ignorance of a foreign language
- Inadequate attire
- Lack of information material
- Not knowing the quantity and sequence of wine
- Lack of appropriate wine vessels
- Lack of adequate infrastructure, interior and exterior
- Disorganization.

There are three main components connected to wine tourism:

1. Guide/company representative
2. The owner of the cellar
3. Visitor /tourist

During wine tours, the main human problem is with the guides and the representatives of the company. Proper knowledge of a foreign language is not enough to be a guide to a wine tour, because even a small deviation from the pre-prepared information will cause great inconvenience. The guide of such a tour should have a deep and good understanding of Georgian classics, especially traditional viticulture, and winemaking.

In addition to picking, crushing, making, and tasting wine, the wine tour also includes a visit to the Georgian table (Supra) and churches and monasteries.

Wine cellars and travel agencies pay less attention to brochures, websites, and all how consumers can get information about the product. The customer must know in advance what kind of service he will receive to avoid any kind of trouble. Information is one of the most important links in tourism, especially when it comes to planned and organized travel-loving customers.

Non-standard Approach - is an effective and proven service sector, a kind of "trick". One of the so-called "innovators" categories of consumers is not afraid of changes. It is with their help that news becomes acceptable to the general public.

The development of wine tourism in Georgia is still in its infancy. The country has to take significant positive steps to participate in the world wine tourism market. The goal is quite approachable taking into account the most impressive resource and potential of the Georgian winemaking sphere.

Methodology

The research was based on research materials such as announced information tours of Travel agencies. Besides, questionnaires were used as a source of information. Analysis, synthesis, and deduction methods were used in the research process.

The questionnaire consists of background information together with information about wine& gastronomy traditions and guided tours in Georgia.

Results

Based on the research results we can conclude, that tourists are interested mostly in traditional winemaking. The key factors to consider when selecting a tasting venue are • Location • Brand /Wine • Additional activities. The main motivator for tourists to take part in wine tours is as follows:

1. Wine tasting
2. Acquisition of knowledge related to winemaking
3. Gaining experience in wine-related tourist destinations (meeting with winemakers, researching, and inspecting wine cellars)
4. Presence in a rural environment (beauty of cultivated vineyards and nature, agro-tourism goals)
5. Culinary interests combined with wine
6. Fun (Wine festivals and events) - Georgian Traditional feasting (Supra)
7. Enjoying wine culture (romance, elegance)
8. Architectural interest
9. "Green" aspects and eco-tourism interest
10. Interest in the useful aspects of wine. (Spa)

Conclusion. As defined by UNWTO, a Tourism Product is "a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific center of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. [7]

A tourism product is the sum of the physical and psychological experience got by tourists during their traveling to the destination.

The specific products are components of the total tourist product and can be sold as individual offerings such as accommodation, transport, attractions, and other facilities for tourists. [1]. Based on the research results we can conclude, that key factors to consider when selecting a tasting venue are: • Location (East/West Georgia) • Brand (Wine) • Additional activities (Story-telling, Feasting, etc).

Tour operators develop a special strategy, criteria, and standards according to which they make a quality wine tour, where the main focus is made on Georgian traditional winemaking and at the same time harmoniously included additional activities.

A decrease in cultural diversity or authenticity and loss of local customs and traditions may bring the destination to lose attractiveness to visitors seeking a unique cultural experience and attractiveness. [3]

Tourism product is the prime reason tourist choose a destination. Tourism product helps in fetching revenue for the destination. So, it should be properly marketed and preserved [2].

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UDC 314

THE PARTICIPATION OF ETHNICAL MINORITIES LIVING IN GEORGIA IN THE POLITICAL AND CIVIL LIFE OF THE COUNTRY

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Abstract

"Where a small number of people are involved in decision-making, there is little democracy; And the more people involved in these processes, the higher the degree of democracy." [1]

Georgia is a democratic parliamentary republic. State language – Georgian. Georgia is an ethnically, linguistically, culturally, and religiously diverse country that protects the identity of each of its citizens [2]. However, this diversity is not fully realized through the active involvement of ethnic minorities in the political and civic life of the country.

According to a recent 2014 survey by the Georgian National Bureau of Statistics, ethnic minorities make up 13.2% of the population [3]. Despite the high percentage, their integration into society is not complete. An important component of this process is involved in politics. There are several reasons for less involvement of ethnic minorities in politics and civic life, but the main reason is the language barrier. The vast majority of ethnically non-Georgians do not know the state language in areas where they live compactly. The next reason is the passiveness of political parties, as well as the information vacuum, renewed ethnic participation, and ineffective search for new ways.

The state of Georgia has taken a course toward the integration of ethnic minorities. The integration of national minorities is also a very important issue for the rest of the population and the government of the country. The solution to this problem will increase the involvement of citizens in several processes in the country and will achieve a higher degree of social, economic, and political unity in the country, which will accelerate further development of the country.

Keywords: ethnic minorities living in Georgia, political and civil participation, representative and participatory democracy.

The total ethnic population in Georgia is approx

13.2%, among them the largest groups in number are Azerbaijanis (6.2%) and Armenians (4.5%), who are compactly represented in the southern regions of the country (Kvemo-Kartli and Samtskhe-Javakheti), the rest of the ethnic groups form less compact settlements and are dispersedly settled in different regions and urban centers.[4]
As of today, the population and settlement of ethnic origin of Georgia look like this

- Ethnic minority group settlement
- Armenian Samtskhe-Javakheti
- Azerbaijani Kvemo Kartli
- Kist Pankisi valley
- Osi Lagodekhi municipality
- Russian/Kurd/Yezidi and Gypsy Batumi and Tbilisi

The state is actively involved in the identity of national minorities

In preservation, it is - religion, language, culture, and traditions. According to the Constitution of Georgia: "Citizens of Georgia are equal regardless of their ethnic, religious or linguistic affiliation, have the right to preserve and develop their culture without any discrimination, to use their mother tongue in their private life or public [2]; The prerequisite for the political activity of ethnic minorities is their cultural, linguistic and religious autonomy, but they should not be limited to their own identity and should be involved in the country's politics and public life.

Civil, political, and social integration of ethnic minorities remains one of the acute problems of the development of Georgian democracy. Although many projects and initiatives have been implemented in this direction in recent years, no significant progress has been made in terms of the integration of ethnic minorities and their involvement in political life (Public Defender, 2018).[5]

According to all recent studies, the level of participation of ethnic minorities in public and political life is quite low. When we talk about national minorities and their involvement, it is important to highlight the barriers and challenges in the way of their integration;

I would single out the language barrier as the main obstacle. Ignorance of the state language prevents a person's full integration into a given society. The problem of the language barrier is less relevant among ethnic minorities living in the city, although this issue is quite problematic in compactly populated regions.

According to the Law of Georgia "On Public Service" - the form of employment is as follows - one can be accepted as a civil servant in Georgia

A capable citizen with appropriate knowledge and experience, who has turned 21 years old and speaks the state language - Georgian. [6]

The language barrier prevents national minorities from receiving a quality education, service, and information, from engaging in political and civil life, and their integration into society is not sufficient. I think that with a soft language policy and more activities, the state should help them integrate because minorities cannot solve this problem by themselves.

The second problem is that there is no political party strongly expressing the interests of ethnic minorities in Georgia. The visions presented in the programs of political parties are general and insufficient, and there are no positive mechanisms, such as quotas for ethnic minorities, which would encourage their political participation.

In the parliamentary elections of 2016, 34 out of 850 majoritarian candidates were representatives of the ethnic minority, which is 0.3% of the candidates. And in the party proportional lists, there were 12 candidates for deputy, which is a very low figure. The example of Tbilisi is interesting, here the national minority makes up 15% of the population, although political parties do not involve them [7]. In the parliamentary elections of 2016, among the hundreds of majority candidates in 23 districts of Tbilisi, there were only 3 representatives of ethnic minorities.

"Information vacuum" is also one of the important issues. It is a pity that a large part of ethnic minorities does not get information through Georgian media, which is caused by the existence of a language barrier between them. Therefore, representatives of minorities often receive information through foreign media, which hinders the integration process.

We believe that an open discussion about the political participation of ethnic groups in the country's political life should be started, which will become the basis for effective policy development. Language policy, active involvement of national minorities in election processes, as well as involvement in the legislative body, and participation in social, cultural, and national events should be reviewed; It is necessary to consider the approaches and reforms of other countries regarding the policies carried out in the direction of ethnic minorities, as well as examples of successful experiences in this regard.

It should be noted that civil integration in society is no less important. In Georgia, we have Azerbaijani, Armenian and Russian theaters, there are language preschools and schools for national minorities, and there is a 4+1 language program, but this was not enough to improve the difficult social background. In this regard, steps are being taken by the state and we are reaching certain results, but it is not enough and we need to look for new approaches.

In terms of social development, the rate of participation of national minorities is quite low, which in turn creates a complex picture of problems. In the 21st century, it is difficult to understand the problems of national minorities in everyday life.

The main motive of the work on this topic was the study of the social, political, and economic integration of the ethnic minority and how much they are involved in the current processes. Their most important problem is the lack of communication. The means of communication of ethnic minorities is their language, which does not coincide with the working language of state institutions. Most people represented speak only their native language. Considering this factor, state programs and news for ethnic representatives

Reception is often not possible. However, if we look at the statistics over the last ten years, there has been significant progress in terms of the inclusion of ethnic minorities. Current projects and approaches encouraged by the state allow national minorities to continue their studies in higher educational institutions of the country and receive qualified education, this will contribute to their self-realization. The process of self-development of young people is hindered by the absence of educational and cultural institutions in their areas of residence. There are no recreational areas in the presented territory, where it will be possible to hold various activities.

The role of mass media involvement is vital in terms of social integration. A significant number of the ethnic population suffers from a lack of access to information and their awareness of current processes is quite low. The raised problem is very important because subjects cannot become full-fledged representatives of the state. The existence of common values and principles has a significant positive impact on the ongoing processes within the country. Ethnic minorities need help from the government. They have a problem with integration and socialization, which prevents them from self-establishment. That is why the state must determine the correct course of how to involve these people in the current political and social processes. Gender balance is also an important problem. Women's rights are kept to a minimum and men are given priority. It is necessary to activate the public defender's office and involve relevant social workers in terms of studying and solving the problem. To increase the level of participation of the population, it is necessary to organize frequent cultural events

Activities that will bring people closer together and give opportunities to share knowledge and experience.

To solve the problems of ethnic minorities, it is necessary to involve the civil sector in the process, find and attract investments, start open discussions with the involvement of all ethnic minorities, and develop an optimal strategy.

Even if we take as an example the "Open Society" Foundation project, which was planned to select new leaders and initiators. The project was signed for the years 2017-2020, where the foundation will try to strengthen the opportunities of minorities through advocacy, small grants, research and analysis, exchange programs, and the maximum involvement of stakeholders. to effectively protect their rights. The fund will help the representatives of minorities to protect their rights and actively participate in the policy-making process. They will help young people to implement projects with small grants, they will support the creation of platforms for young activists, and they will take care of quality education, and exchange programs. The main goal of the foundation is to provide education, political and civil life, and full integration of ethnic minorities; [8]

Also in terms of civil and integration, in 2015 the Government of Georgia approved the "State Strategy of Civil Equality and Integration and 2015-2020". Action Plan",[9] which was based on best practices and experience, established mechanisms for effective response to existing needs and challenges. Access to quality education was defined as an important priority. A policy document on the education of ethnic minorities at preschool, general, vocational, and higher education levels were developed. Georgian language special is being implemented

Courses for both university and professional education aspirants and civil servants. More attention was paid to minority ethnic groups, their cultural identity, and their needs. As a result of the policy carried out by the state, the quality of teaching the national language to national minorities has improved. Special programs are being implemented, within the framework of which Georgian language clubs were opened in 90 schools, benefiting more than 2,600 students, about 500 teachers, and more than 400 local community members. 78 Georgian language teachers were assigned to non-Georgian language schools in Samtskhe-Javakheti, Kvemo Kartli, and Kakheti. However, it was not enough for the full integration of national minorities in Georgia.

Conclusion. It must be said that all citizens of Georgia are ready for integration and want to have equal rights to live together, there is goodwill for this, now we need the right policy and more support from the state, which is already confirmed by the preamble of the Georgian Constitution that the unshakable will of the citizens of Georgia is to establish democratic public institutions, economic freedom, a social and legal state, to ensure universally recognized human rights and freedoms, to strengthen state independence and peaceful relations with other peoples, based on the centuries-old statehood traditions of the Georgian nation and the historical-legal heritage of the 1921 Constitution of Georgia.[2]

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UDC 338.2

MANAGEMENT ISSUES AND SOLUTIONS IN GEORGIAN BUSINESS

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Abstract: The article discusses the role of management in business functions. A well-planned strategy, implemented and led by a professional team, is always the key to business success. It is necessary to remember the control, the failure of which causes the system to break down. In the context of global change, it is important to manage quickly, creatively, and innovatively. Managers have been given especially challenging exams during a pandemic that was virtually impossible to predict or prevent. Moving to a new, remote management model required much hard work and prompt actions, for which most organizations weren't ready. In addition to these operations, it was necessary to mobilize significant cash flows in this technical field to modify the online mode. In the recent past, the pandemic presented a rather big challenge, which completely turned the existing and long-established methods upside down, management structure changed, and the majority of businesses switched to an online mode, which required fundamental changes in the structure, distribution of responsibilities, and the like. However, some people prefer to make decisions on their own, whether they want to work from home or in an office.

Keywords: Implementation of strategy, an impact of the pandemic on management, governance, governance systems, control.

Introduction

Georgia has been able to restore its statehood for just thirty years. If we look at the recent past and the problems that the country was facing, it is easy to discern that there would not be much progress in terms of business development either, especially considering that we were a member of the USSR and it was very difficult to think about capitalism and business development in general.

One of the most important factors for business development is control, selection, and control of the appropriate management.

Consequences and their Judgment

The biggest problem of Georgian business is management. It is still difficult to assemble a professional team and express trust. The majority of Georgian entrepreneurs still believe that instead of hiring professional personnel, they should employ trusted individuals from the local community, which is destructive for business.

Georgia does not have a long history of business education; therefore, the country also suffers from a shortage of professionals.

Not only in Georgia but in general in the world, the main reason for the failure of companies is poor management. Improperly delegated responsibility and power creates additional complexity in business.

Current global problems of the world have a proportional impact on companies, so it's important for management to quickly adapt to changes in the governing structure and accommodate it to modern times.

In the recent past, the pandemic presented a rather big challenge, which completely turned the existing and long-established methods upside down, management structure changed, and the majority of businesses switched to an online mode, which required fundamental changes in the structure, distribution of responsibilities, and the like. However, some people prefer to make decisions on their own, whether they want to work from home or in an office. There has been a demand to work online since the 1990s. Most employees objected to this condition, but after just a year, their attitude toward this matter changed completely. Companies were obliged to analyze whether it would be better to stick to the hybrid model for positions that could be online even after the pandemic. After the survey, large organizations decided to leave 60 to 70 percent of their box offices in this mode, as this would significantly reduce their expenditures (utility, rent, and the like). However, there was a need for a new system that would make it easy to manage and control online-working staff. It was necessary to create particular programs and to provide finances for technical equipment, but this was still a one-time expense and ultimately cost less than the financial support of office workers.

Unfortunately, many companies were not ready for such a problem, which caused severe management problems. The future of many businesses was in doubt. If we take into account the fact that the majority of the management teams of companies and organizations in Georgia are local specialists, we focus on this approach.

We think it's necessary to have proper governing systems, and it's also crucial to implement these systems in organizations. As a company grows, it's essential to review the system and adapt it to the reality of the company. Four main functions of management are known: implementation, organization, leadership, and control.

At the implementation stage, the goals are defined, and the strategy is developed. It is essential to have the right set of goals and strategies. Often, a mistake made here diverts the company to other tracks, which causes missing the path to its original aim. In this case, management must react quickly and adequately, to explore a way to a new goal. The reality is that most managers make important decisions without considering the alternatives, which is the mistake that leads to the collapse of the company because there is untargeted spending of funds and a deviation from the set goal. If the strategy processes are implemented, it will be possible to translate the strategic plans into action. It is necessary to periodically review the chosen strategic plan to timely eliminate mistakes. It would also be adequate if the strategies were broken down into criteria based on the specifics of the company, like operational strategy, corporate strategy, and the like.

We believe that appropriately delegated rights and duties are the key to success. But that's the Achilles' heel for managers. Nowadays, Georgia has a problem with qualified personnel, which makes it even more challenging to form an appropriately furnished team. Based on reality, managers have to hire unqualified and inexperienced people and retrain them. On the one hand, it is much cheaper to employ such personnel, but on the other hand, the length of the training process and the financial costs involved can be problematic.

If the manager does not have the opportunity to recruit personnel according to positions and has to combine several duties with one personnel, it is hard to achieve success in this case. No matter how low-budget this approach is, it will fail in the long run. It's significant to create a system that will increase employee motivation. Leaders must always remember that their success depends on the honest performance of the duties assigned to the employees. It is recommended to conduct such events in organizations that will make the work of employees more effective and beneficial. The manager must be an unconditional leader and be able to delegate the work process properly. He should be a motivator and show the function of an initiator. He should be well aware of his team's abilities to delegate tasks as correctly as possible, taking into account the capabilities of team members, for the results of his work to be effective and profitable.

For control, it is necessary to observe how correctly the tasks are performed, how well they are fulfilling their assigned duties, and whether they are missing the mark. Control needs to be implemented at all levels. Inaccuracies and errors discovered at the final stage can be fatal for the company. That is why control is one of the most essential functions. Comparing strategy to actual processes is an important element of management, and with the appropriate governing, many problems can be identified and immediate impacts can occur. For example, if it turns out that the actual process is irrelevant to the planned strategy, or a pre-defined plan is not working appropriately in reality and not leading to the goal, and the like.

The state's approach to governance issues and the priority approaches developed by it are noteworthy. Based on the resources available in Georgia, private businesses are mainly divided into small and medium-sized businesses, taking into account their capabilities. Certain steps have been taken by the government and tax incentives have been introduced to help businesses thrive. Several projects were implemented, such as "Enterprise Georgia", "Promotion of Green Economy in Eastern Neighboring Countries" and the rest. These projects aim to strengthen Georgian enterprises financially, which will have a proportional impact on the progress of the country's economy. An entrepreneur facing financial problems will devote more time to internal management problems, focusing on highly qualified personnel, which will ultimately affect the achievement of the goal and the progress of the business.

In our country, they do not pay attention to the comparison of strategy and reality, which leads the company to severe problems. In our opinion, it is advised that a control mechanism be implemented and used from the outset.

Summarising all the above said, we can conclude about the ways of solving the management problems of companies in Georgia. The biggest problem is the lack of strategies. Unfortunately, it has become difficult to find a company that has a written strategic plan. It mostly exists verbally in the company, and you can hear a thousand interpretations of it, but not on a documentary level. It is necessary to define the strategy immediately after the creation of the organization and make it accessible to all employees of the organization. They must know the company's goals and mission and must be aware of their role. The lack of communication between the upper and lower links leads to chaos and misdirection. The managers of the majority of companies operating in Georgia ignore the structure and do not consider it the key to the company's success. This is related to the main shortcomings and problems of management. One manager can't lead two or more important tasks, because none of them will be performed well. The staff in the organization cannot perceive the unity of the organization, which is why employees cannot understand that their function is part of a specific task and that they are not only responsible for one particular assignment but also for the performance of the task which they are a part of. This is difficult for many people to understand, which ultimately damages the overall cause. The progress will not be achieved if self-awareness is not raised and if the staff does not understand that this system works as a whole and not as divided into functions. Some companies have a very well and qualitatively defined structure, divided functions, and so on, but mostly specific tasks are vague. Often, employees know their duties, but they don't know what responsibilities it entails. If the cadre is not aware of his/her rights and duties, he/she cannot be outcome-oriented. From the beginning, the assigned duties and responsibilities should be specifically defined for the cadres, in written form.

The role of innovation in business development is essential. Innovation is the usage and realization of scientific achievements in material or non-material form. We believe that the instillation and actualization of innovative management are vital for our country.

Most of the businesses in Georgia are not analyzed: what path they are taking, where they are going, what perspective they have, what they need to change, what they need to strengthen, etc. This is why businesses move with inertia, most of them cannot get to the next stage of development, and in fact, they are stuck in one place. They are not focused on innovation, the introduction of news, the creation of new directions and new products, etc. Every product has a life cycle that is taken for granted and not given much attention. They go with the flow of life, mainly on the principle of "as long as it lasts" and in fact, do nothing to introduce innovations. There is virtually no training process in the organization, and there are very few companies that periodically retrain staff, introduce them to news and raise their level of education. For some reason, business ethics haven't gotten to the point where professionals bring more to the business, although there is another factor here - how competitive the conditions and the payments are for professionals. Many managers prefer to have low-skilled and cheap, undemanding staff, but how profitable this position is for the business is a controversial issue...

Conclusion

In the conditions of the market economy, there is a lot of work to be done in operating organizations in Georgia to improve the management systems - this is visible.

Current events and increasing knowledge in the field of management, tax, legal, and other legislative changes give us hope that business management approaches will be further improved, which will become the keys to economic growth.

In our opinion, the association agreement, which imposes certain obligations to the state of Georgia, is also a favorable condition for the introduction of specific issues in business. It was within the framework of the Association Agreement that the "Labor Safety Law" was tightened, the Institute of Accredited Specialists was introduced, the Labor Law was changed, and so on.

If the majority of Georgian businessmen will not realize that their businesses depend on the people they hire, from high-level managers to service staff, and will not care about their employees' satisfaction - there will be no systematization, progress, and success of Georgian business.

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UDC 336.4

THE IMPORTANCE OF INVESTMENTS FOR THE DEVELOPMENT OF THE GEORGIAN ECONOMY

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Abstract

Foreign investments are a proven way around the world to expand the sources of financing necessary for the development of the national economy and the solution to social problems. It is an important component, especially for the economic development of countries with economies in transition, which should be given great attention in the context of economic and financial instability due to the global pandemic.

Despite the current difficult situation in the world, as a result of the active work of the Georgian government, as well as with the support of donor organizations, significant foreign investments are planned to inflow into the Georgian economy by the end of this year. There is no doubt that attracting investments to the country and ensuring a stable business environment, especially in the current situation, is of great practical importance for the Georgian economy and is a very topical issue.

We conducted a study to explore the role and importance of investments in the development of the Georgian economy, also the investment environment. Based on the data obtained, its position of Georgia at the international level requires additional efforts to increase the inflow of foreign investments (including foreign direct investments). For this several measures should be taken, for example, the improvement of tax and economic policies, which will significantly increase the investor interests in the country and their involvement; ensuring a stable business environment is also a very important factor.

One of the important and contributing factors in attracting foreign direct investments in the Georgian economy can be considered agreements concluded under the EU/Georgia Association Agreement, which, in our opinion, will have a positive impact on the sustainable development of the country in the long term.

Keywords: foreign investments, financing, economic development, Georgian economy, investment environment.

Introduction. In the modern world, with the economic and financial crisis caused by the global pandemic, it is important to attract foreign investment. Thanks to the active work of the Georgian government by the end of the year about 1.2-1.6 billion USD of direct foreign investments will be attracted in the Georgian economy. Donor organizations are also ready to help Georgian private businesses with additional funds if necessary. The inflow of investments in the country, especially in the current difficult conditions, is of great practical importance for the country and Georgian business.

The globalization of the world economy has had a significant impact on the economies of countries, including on the development trends of the Georgian economy. Both developed and developing countries are committed to attracting as much foreign investment as possible. Above all, it creates an attractive investment environment to attract investors in the context of global competition, which, as has been said, is an important factor for economic development and recovery.

Table 1

Direct foreign investments in Georgia (2013-2022, Million USD)[6]

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Total	1 039.2	1 837.0	1 728.8	1 654.0	1 990.5	1 351.5	1 352.2	589.8	1 241.8	571.1
Q I	291.8	331.9	343.4	392.9	415.0	337.3	318.4	173.8	134.3	571.1
Q II	224.1	217.6	493.2	452.6	398.1	423.3	249.6	246.4	322.5	351.8
Q III	271.6	749.5	531.1	507.8	637.0	373.0	406.2	296.9	373.9	
Q IV	251.6	538.0	361.0	300.6	540.5	218.0	378.0	-127.2	411.1	

Results. The liberalization of the country's economy is an important factor in improving the flow of foreign investment to Georgia, as reflected in legislation and tax policy. The flexibility of bureaucracy and procedures is also considered to be a factor in attracting foreign investment, especially by making it easier for both large and small investors to start businesses.

According to the World Bank report, Georgia is in the top ten among 190 countries in terms of «Doing business» in recent years. Ease of doing business and high positions in the World Bank ranking is associated with the reforms and liberal approaches that have a positive impact on the development of the economy.

In our opinion, the advantages of investing in Georgia include the following factors: low taxes; simple and fair tax administration; non-corrupt government oriented to support business; stability of the banking sector; stable energy supply for logistics and production, provided by land, sea and air access; flexibility of labor legislation, etc.

The flexibility of the bureaucracy and the reduction of corruption are important indicators in terms of foreign direct investment inflows to the Georgian economy. Transparency International's Corruption Perception Index is an index of corruption perception at the country level, which is calculated by various competent international research organizations. As of 2020, Georgia has a score of 56 and is in 44th place.

Based on the above data, Georgia's position at the international level requires additional efforts. For this purpose, it is necessary to further improve the fiscal policy of the state, which will significantly increase the attractiveness of investors in the global competitive environment. Also, the agreements signed within the framework of the «Association Agreement between Georgia and the

https://www.geostat.ge/en/modules/categories/191/foreign-direct-investments

European Union» can be considered as one of the important and contributing factors for attracting foreign investments into the country's economy. It was particularly important to attract investment from Asian countries, which will have a positive impact on the development of the country.

It is clear that foreign investment, including foreign direct investment, has a significant impact on the development of a country's economy, which is reflected in the growth rate of industries and the reduction of the unemployment rate. The decline in the unemployment rate is a clear example of how important investment is for economic recovery.

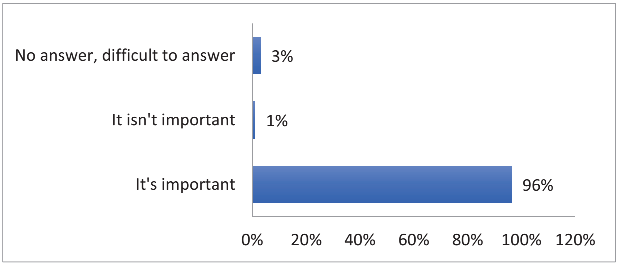
To study public opinion on foreign investment, we conducted a quantitative survey based on random sampling. Within the framework of the study, 527 (five hundred twenty-seven) respondents were interviewed. The survey covered the whole of Georgia. The survey was conducted from June 16 to July 16, 2022.

The main purpose of the study was to examine the dependence of Georgian society on foreign investment, which requires answering the following questions:

- How important foreign investment is to the country;
- How important is the origin of foreign investment;
- To what extent can the country achieve economic progress and development without foreign investment;
- Which areas are more likely to attract and realize foreign investment;
- What should be done to attract more foreign investments to the country;
- Whether it is acceptable for the Georgian society to transfer state property to foreign investors at a symbolic of GEL 1 (one) price;
- To what extent do foreign investments promote employment;
- Does the country have qualified personnel to offer to investors?

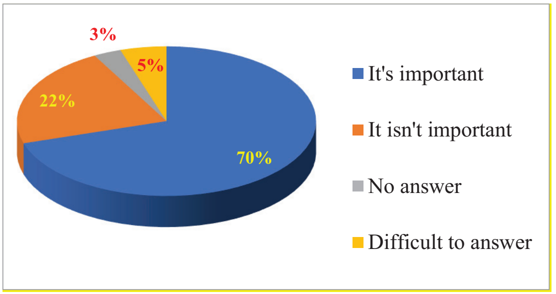
Question 1: How important are foreign investments for the country? 96.3% of the respondents believe that foreign investments are important for the country, 1% believe that they are not important, 1% have no answer to the question, and 1.7% find it difficult to answer.

Chart 1.



Question 2. It is interesting to know the opinion of the public about whether the origin of investments matters.

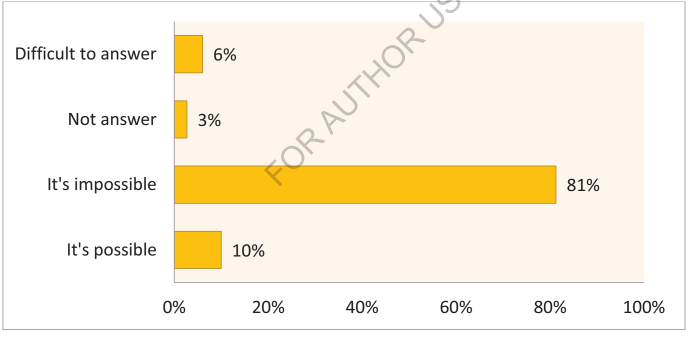
Chart 2.



70.2% of respondents in Georgia believe that it is very important what country the foreign investment will come from, which is an interesting attitude, 21.8% of respondents believe that it does not matter, 3% have no answer to the question and 5% find it difficult to answer the question.

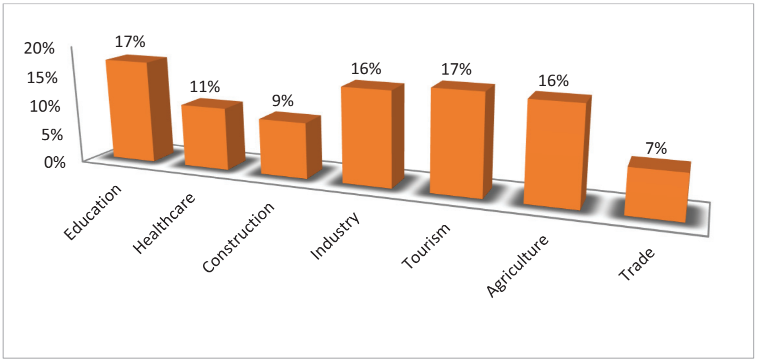
Question 3. Is economic progress and development of the country possible without foreign investments? 10% of respondents believe that it is possible, 81.3% believe that without foreign investment it is impossible to move forward and develop, 2.7% have no answer to the question and 6% find it difficult to answer.

Chart 3.



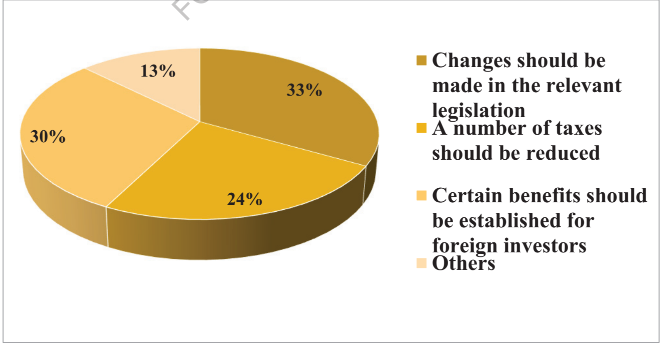
Question 4. In which areas is it more likely to attract and implement foreign investment? According to the respondents, foreign investments should be made in the following spheres: education - 17.3%, healthcare - 10.5%, construction - 9.3%, industry - 15.7%, trade - 7.3%, agriculture - 15.9%, energy - 6.2%, tourism - 16.6%, other sectors - 1.2%.

Chart 4.



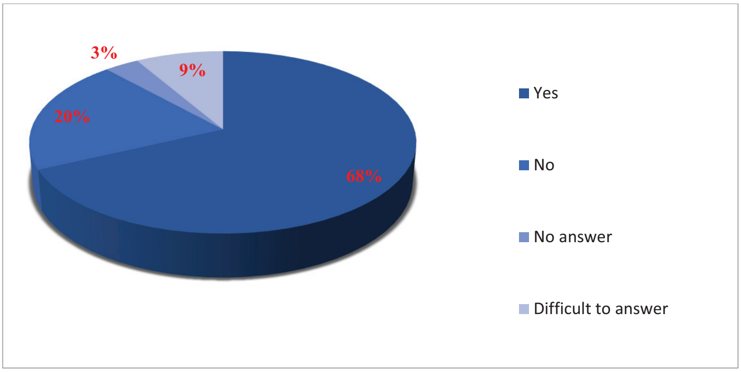
Question 5: What should be done to attract more foreign investment into the country? The study identified various forms of incentives to attract more foreign investment, in particular, 33.2% of respondents believe that changes in the relevant legislation should be made, 24.4% believe that several taxes should be reduced, 29.8% believe that certain benefits should be established for foreign investors, and 12.6% believe that various measures should be implemented, such as tax holidays; providing a safer environment; more activity on the part of government structures; getting to know the country's investment potential better than foreign investors; better communication with investors; economic, social and political stability; protection from political and not only political pressure; the arrangement of infrastructure; active promotion of specific projects; correctly defining the tactics and strategy of relations with investors; pursuing a consistent economic policy and creating an appropriate investment environment.

Chart 5.



Question 6. Is it acceptable for Georgian society to transfer state property to foreign investors at a symbolic GEL 1 (one) price?

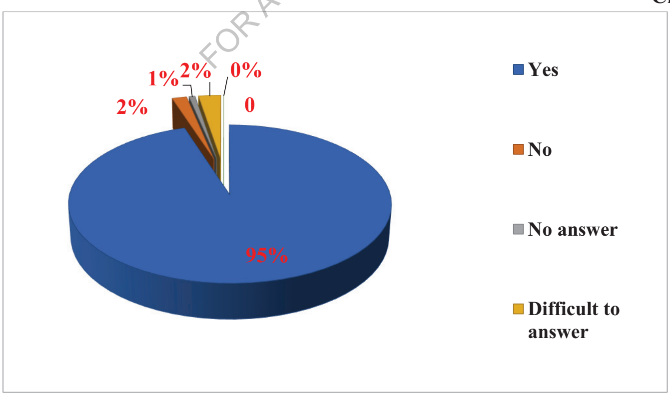
Chart 6.



For 68% of respondents, the transfer of state property to foreign investors at a nominal price is unacceptable, which is quite a large percentage, 20.3% consider it acceptable, 3.3% have no answer to the question and 8.4% find it difficult to answer the question.

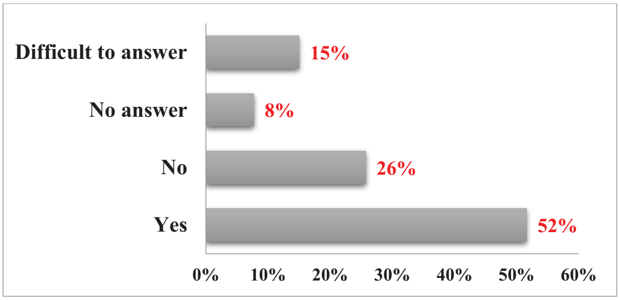
Question 7: To what extent do foreign investments contribute to employment? 95% of respondents believe that investments attracted and implemented in the country contribute to employment growth and labor market transformation, 1.7% believe that they do not contribute to employment growth, 0.7% have no answer to the question, and 2.6% find it difficult to answer.

Chart 7.



Question 8: Does the country have qualified personnel to offer to investors?

Chart 8.



51.6% of the respondents believe that our country has qualified personnel that we can offer to foreign investors, 25.7% believe that we don't have personnel with relevant qualifications, 7.7% have no answer, and 15% find it difficult to answer.

Conclusions. The study identified the following main problems: for most respondents, it is important to attract foreign investment in the country, therefore, without their involvement, employment of the local population and economic development of the country is impossible; According to the majority of society, foreign investment is very important for the country, as well as from which country foreign investment will be made; The study identified several sectors and areas where it is advisable to attract and carry out more investments. In order of priority, these areas are education, health, industry, trade, agriculture, energy, tourism, and technology.

Also, according to public opinion, the need for several benefits and measures to attract foreign investment was highlighted, namely: changes should be made to the relevant legislation, several taxes should be reduced, and a negative attitude was expressed by the majority of surveyed public opinion on the transfer of state property to foreign investors at a symbolic price; according to over 50% of respondents, attracting and implementing foreign investment contributes to job growth for personnel with appropriate qualifications, the majority of respondents believe that such personnel is available in the country.

Traditionally, the following potential obstacles to attracting foreign investment to Georgia can be considered: instability, low qualification of the labor force, small market, high-interest rates, limited access to financial resources, the degree of independence of the judicial system, the instability of the national currency, high level of poverty, underdeveloped financial market, occupation of the country's territories and the existence of conflict zones. As a result of the increase in the attraction of foreign investments, along with the rapid development of the economy and the emergence of new enterprises, the demand for relevant qualified personnel will increase significantly, therefore it will be necessary to train and retrain them in different directions.

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REGIONAL AND SECTORAL GUIDELINES FOR FOOD PRODUCTION

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Abstract: The article is devoted to options for solving the problem of national food security, which, according to the authors, requires significant efforts both at the central and regional levels. The authors note that the division of powers between the center and the regions increases the role and responsibility of the latter in solving the problem of food security. The article notes that the tasks to be solved at the regional level depend on the possibilities of food products available in a particular region. The authors believe that the basis for the realization of these opportunities should be prepared by stimulating food production at the national level, accumulating the funds necessary for its purchase, and creating food insurance and mobilization stocks.

Keywords: region, food production, regional level.

Introduction

As far back as the 19th century, the father of the nation, Ilia Chavchavadze, wrote: With action ... The economic strength and power of the country depend on the land ownership of the peasantry. „As long as that land ownership is broad, otherwise independent and free from land-based action, expect the property of a country, if the state is strong, strong and permanent.“

Georgia has been gradually normalizing its economic processes since 1994. A large part of the economy was under the control of the government. A solid contractual-legal (legislative) base was created, and the work of the administrative and law enforcement bodies of the country was regulated. Because of achieving the management of inflationary processes and the introduction of a stable national currency, the financial system was mainly regulated, which allowed the government to regulate both social and economic processes. All these created preconditions for further implementation of market reforms and getting positive results.

Consequences and their Judgment

Addressing the national food security problem requires significant efforts at the regional level. The separation of powers between the center and the regions enhances the role and responsibility of the latter in solving the problem of food security.

The tasks to be solved at the regional level depend on the opportunities available in this or that region of food production. The basis for the realization of these opportunities should be prepared by stimulating food production at the general state level, accumulating the funds needed for its purchase, and creating food insurance and mobilization stocks.

From 1990 to 2020, the level of food supply fell the most in Guria, Samegrelo, and Kakheti regions, relatively less in Imereti and Racha-Lechkhumi. The level of decline in the Kvemo Kartli region is small compared to other regions, and access to food and food self-sufficiency has even exceeded the

1990 level. In this region, the food adequacy ratio in natural images in 2020 is equal to 0.99. This shows that the actual energy value of the population's ration is only one percent lower than the physiological norms of consumption. In addition, the food adequacy ratio in terms of value is equal to 0.58, which shows that today the population of this region cannot get enough of all the food products, but this region is better satisfied than other regions of the country.

The majority of the population of the region is still far from fully providing their food products. There is a sharp differentiation between regions in terms of food self-sufficiency, which has its objective reasons.

At the present stage, in the regional context, the solution to the problem of optimization of the sectoral structure of agriculture is of particular importance, which requires:

1. Determining the current and potential level of agricultural development;
2. Correct selection of sectors by allocating priority sectors that meet the requirements of the market relationship (ie the sector must be competitive in the domestic and foreign markets of the country);
3. Select a balanced, optimal model for your production and imports.

These issues can be addressed by regions, to which scientists and specialists working in scientific institutions can make a great contribution.

When we talk about food self-sufficiency in the regional context, we must not forget that raising the level of self-sufficiency in food (or any other important resource) should not lead to „autonomy" of the region, common goals, common business principles, and generally recognized laws (absolute and relative superiority). Ignoring requirements. On the contrary, raising the level of self-sufficiency in the region should be based on the rational use of available resources on the ground and the lower cost of production. Ultimately, it should contribute to the unification of the country and the comprehensive strengthening of its food security.

Balance calculations of food safety indicators and production and consumption of food products in the regional context confirmed the peculiarities of the formation and use of food resources in Georgia, its separate regions, and agricultural specialization zones. Export-producing areas (tea, citrus, grapes, wine, essential oils) are more likely to be affected by food self-sufficiency (leading to declining production of specialized industries and the replacement of new compensatory sectors in the economy). The population in the same regions was indeed replaced by specialized sectors (viticulture, viticulture, citrus, essential oil, etc.) with food production sectors (cereals, sunflowers, vegetables, potatoes), but it did not receive such a distribution (This process is still allowed on self-flow today). The promising balances of production and consumption of agricultural products compiled by us show that the demand of the population of Georgia by 2025 may be fully met by by-products of their production, such as potatoes, vegetables, horticulture, fruits, milk, and dairy products, eggs, fish. As for meeting the needs of the country's population with products such as bread and bakery products, meat and meat products, it will still be at the expense of filling with imports, but here too there will be qualitative changes.

For example, the supply of bread and bakery products increases from 36 to 90%, from 30 to 90% of meat products, and so on.

The basis of this is the transformation of agricultural land, which allows an increase in arable land for 2025 by 250-270 thousand hectares, and sown area by 180- 200 thousand hectares. Such a structural transformation of arable lands allows the country to produce the volumes envisaged by the state programs of „grain“ and „soybeans“, so food security is mainly based on grain production. Will be achieved (according to sufficiency). It is only necessary to raise the level of employment and income in the country to make food universally available.

According to Georgian agrarian scientists and foreign experts, it will take 3-4 years to improve the situation in viticulture and viticulture, 6-7 years in horticulture, and 5-6 years in citrus growing.

It is necessary to continue the existing practice of allocating funds for the planting and rehabilitation of mechanics by the state budget, which should be implemented for other perennials. According to our calculations, the optimal area for tea crops is 30-35 thousand ha, vineyard - 65-70 thousand ha, fruit - 80-90 thousand ha, subtropical crops - 15-20 thousand ha, and vegetable, Garden, and potatoes - should be 50-60 ha.

There are important measures to be taken in animal husbandry because solving the problem of animal husbandry restoration, an increase of its efficiency, and dynamic development in Georgia is one of the necessary conditions for the development of the country's national economy. All-around development of this important field of agriculture is organically connected with the material well-being of the population, ensuring the improvement of the standard of living, high-calorie essential for human beings. Properly balancing the structure of the food ration at the expense of the products. In this sense, the development of animal husbandry in the economic growth of the sector in the field of intensive and extensive opportunities, first of all, should be based on the creation of a food base and a new organization of breeding.

Livestock producers will be households shortly (2030), although it will gradually become necessary to combine them into largely concentrated formations. This process should be further accelerated following the introduction of scientific-technical progress.

By 2025, the production of all types of meat (by weight loss) can be estimated at 260-280 thousand tons, milk - respectively - 1800 thousand tons, and eggs - 1 300 million pieces.

To achieve the forecast level of livestock production, and to expand the food base, changes must be made in the structure of the sown area. The livestock sector will be mainly satisfied with locally produced coarse and juicy foods, while concentrated feed will be mainly imported.

Georgia's natural-economic conditions, scarcity of arable land, high prevalence of natural pastures in agricultural lands, and the unfavorable ratio of winter and summer pastures, according to cattle species also provide a non-national structural ratio.

Thus, for example, the development of sheep breeding is somewhat hampered by the lack of winter pastures and unresolved pastures. At present, the country does not have an organizational-legal basis (legislation) for the use of pastures, there has been no distribution of these pastures and redistribution between districts, which Is a serious obstacle to the development of sheep breeding. Shepherds spend the winter in the same conditions as two centuries ago the Georgian writer Alexander Kazbegi had to. Due to the lack of basic living conditions, the youth refuses to take care of the sheep. Even in the Soviet period, this problem was quite acute and was campaigning.

Complete paralysis of wool production has become a serious obstacle to the development of the sheep industry. No wool has been purchased for the last 10 years, which has made this sector inefficient for the producer (Georgian wool competes with relatively cheap wool imported from neighboring countries). This affected the districts of Kazbegi, Dusheti, Tianeti, Akhalgori, Java, Akhmeta, Telavi, Gurjaani, Kvareli, Sighnaghi, Dedoplistskaro, and Sagarejo, in the economy of which sheep farming has traditionally played a major role. We think this good tradition should be restored in the future.

According to our forecast, by 2030, the difficult situation created by the development of poultry in recent years will be overcome. In the long run, it is advisable to increase the level of poultry-field concentration in large specialized poultry factories and joint ventures established with foreign countries.

Finally, about one of the oldest fields - beekeeping. The distinctive features of Georgian bees (high productivity) provide a unique opportunity for the high level of development of this field. At present, the number of bee families in the country is 100 thousand, and honey production does not exceed 2000 tons. In Georgia, there are all conditions for bee families 4-5 times, and to increase honey production to 8-10 thousand tons. The actual activation of this reserve will allow us to replace imported sugar with honey, which, besides economic importance, has a purely physiological load to enrich the diet and improve health.

The realization of the development orientation of the main agricultural sectors discussed above should create the food supply for the population of the country, which is needed for complete and rational nutrition. Here we can not recall the opinion of Academician Ivane Javakhishvili on the characteristics of human nutrition, ratio, and structure. He wrote: "Nutrition is of great importance for the physical and mental development of the nation. In this field of human creativity, the level of development of culture and the ability to use natural resources wisely can be seen ... Based on the natural diversity of Georgia, the Georgian nation has created a variety of food and drink, with which it protects its health and satisfies its taste needs."

Food, along with other attributes of livelihood, has for centuries created and embodied the specific ethnocultural of individual nations. Even in our time, when the process of intensive leveling (equalization) of ethnic specifics is taking place in the material-cultural, household, and other spheres, the historically established folk, traditional food system remains a major phenomenon of everyday culture.

Peculiarities of people's food, quantity, and composition of food consumed are based on many factors, including bio-climatic conditions, aquatic environment, level of socio-economic development, historical-cultural peculiarities, and religious beliefs. Traditions and more. Therefore, the food rations of different peoples are also diverse. Some people do not include animal products in their diet at all (for example, Indians, who do not suffer from them, but also export meat), while some people do the opposite (for example, in the extreme north of Canada and the Russian Federation). People who are satisfied with the so-called „wild landscapes", which eat only fish and meat of wild animals or hunting). In some people, on the grounds of religious belief, the consumption of this or that type of food is generally prohibited (for example, pork in Muslim countries). Some people meet their need for carbohydrates with barley, and their fat and protein needs with lamb and dairy products (e.g. Mongols, northern China). The main constituents of some people's diets are corn and legumes (for example, in the extreme southern part of Mexico and North America), and so on.

The food traditions of the Georgian nation, as it is known, were formed in the former Asian space, which is rightly considered to be the center of ancient agriculture and livestock development. The primitive forms of agriculture and farming created here later formed the basis for various types of later agricultural and cultural complexes throughout Eurasia, mainly for the production of grain farming. Was based on the breeding of various types of livestock and the consumption of animal products derived from it. It should be noted that this agricultural complex and nutritional habits are common only in Eurasia and a small northern part of the African continent, while the historical and ethnographic region of Asia Minor includes Turkey, Israel, Arab countries, Iran, and Afghanistan, whose populations have similar horticultural and living conditions. The national culinary and household food of these countries are homogeneous and usually comprise cereals, vegetables, and dairy products. In contrast, in Georgia, both agricultural and horticultural (hunting, fishing) products (at least most of them came from agriculture, followed by hunting, along with the development of livestock). The share was further reduced and eventually became a delicacy).

Wild-growing plants, vegetable crops, various herbs, spices, etc. are harmoniously combined in the food system of Georgians. From legumes - lentils, lentils, peas, lentils, to puree - wheat, millet, barley, oats, and rye, which provided a well-balanced vegetarian diet at any time of year. Cereals, oils, legumes, vegetables, wild grasses, fruits, nuts, honey, etc. Gave the Georgians a set of substances that were essential for normal human life. The source of animal protein was livestock and poultry products (meat, eggs, milk, and dairy products), which were supplemented by fish got by harvest. The listed products fully provided complete nutrition to our ancestral Georgians, both during the fasting and non-fasting period. Thus, the ecological, medical, gerontological, economic, and cultural aspects of food, religious and social aspects can be separated from the food system of Georgians. It reveals the hereditary values of a culture of vitality, the characteristics of an ethnos, and national self-awareness.

Conclusion

Many of the above conclusions allow us to conclude, first, the main thing for us today is not only to care for the abundance of food but also to know what it created, formed, and evolved by Georgian genes. The genetic nature of man is practically the same today as it was about 8-10 centuries ago (scientists claim that the process of genetic evolution is very slow), but we must not forget that modern civilization changes humans quickly, which is why) Increasingly transcends the living conditions in which it originated and formed. Thus, in the future, the peculiarities and traditions that are historically related to the food system in Georgia (food production, its structure, food chemical composition, consumption norms, food ration during fasting and non-fasting periods, etc.) should be objectively considered. Otherwise, eventually, we may end up weakening the biological vitality of the ethnos, which threatens both the deterioration of the ecological condition and the incomplete (non-traditional) nutrition.

The rations and types of human food on earth are varied. The American scientist Kernel has identified 20 types of food according to the sources of nutrients in certain areas of the earth. According to his scheme, the territorial distribution of food types is not based on the principle of geographical proximity. For example, the same type of food may exist in the most remote regions of the earth, while we fed those side by side a different ration.

The Kernel scheme is not dogmatic, it makes some adjustments to time and space (for example, people who are content with “wild landscapes” grow crops and livestock products on their rations. Economic development leads to the consumption of animal products. Examples of this already exist in Japan and other countries).

Georgia has no place in this scheme. We believe that Georgia, as a subject of world unification, should find its place in the “Kernel scheme”. This is objectively dictated by the perspective of the future development of the country (foreign nationals involved in the implementation of international projects, the growing flow of tourists and vacationers, etc.).

In our opinion, Georgia should be one of the countries in the third group (Central Asia, North Africa, and Southern Europe), where the main source of calories for the population are cereals, vegetables, and animal fats, and the main source of protein is various Legumes with facial meat. At the same time, the most important source of carbohydrates, vitamins, and minerals in Georgia are a variety of fruits, vegetables, horticulture, nuts, and other traditional crops, which, in general, form the basis of the Georgian table - culinary art.

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FORMATION OF SIMILARITY MEASURES FOR PATTERN RECOGNITION PROBLEMS

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Abstract: The method of mini and maxi portraits known in the theory of recognition implies the formation of algorithmic (logical) decision-making procedures. In such cases, nine possible situations are described, the existence of which is possible when comparing unknown realizations with two template descriptions of the image: a mini-portrait and a maxi-portrait. Each situation is described by one logical expression; since mini and maxi portraits are binary vectors or a matrix. This means that nine situations require nine logical expressions to be calculated, which makes the recognition process slower. If we take into account that the result of the recognition process may not be final (intermediate solution), then it becomes clear that it is necessary to form one more measure of similarity, which will be described by one expression. Accordingly, the recognition process will become simpler and fast.

As shown above, the paper considers the problem of formation similarity measures by using mini and maxi portrait methods in pattern recognition for the purpose of making decisions when recognizing unknown realizations. Procedures have been developed for drawing up intermediate comparison operations with mini and maxi portraits, as a result of which four coefficients are obtained. These coefficients are used as arguments for the formed measures of similarity.

It is shown that if certain conditions are met, it is possible to form a measure of similarity with the properties of reflexivity and symmetry.

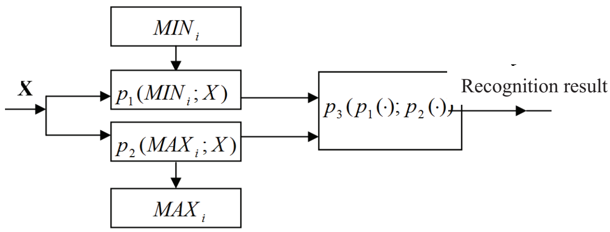
The experiments were carried out using C++ programming language. The data obtained confirm the correctness of the theoretical research.

Keywords: pattern recognition, similarity measure, maxi portraits, mini portraits, decision-making.

Introduction. The method of mini and maxi portraits (Todua, 2002) known in the theory of recognition implies the formation of algorithmic (logical) decision-making procedures. In such cases, nine possible situations are described, the existence of which is possible when comparing unknown realizations with two template descriptions of the image: a mini-portrait and a maxi-portrait. Each situation is described by one logical expression since mini and maxi portraits are binary vectors or a matrix. This means that nine situations require nine logical expressions to be calculated, which makes the recognition process slower. If we take into account that the result of the recognition process may not be final (intermediate solution), then it becomes clear that it is necessary to form one more measure of similarity, which will be described by one expression. Accordingly, the recognition process will become simpler and fast. (Verulava, Verulava, odua, Zhvania, 2007; Verulava, Todua, Zhvania, 2010).

Formation of Similarity Measures

Let's assume that, at for any $\boldsymbol{A_i} \in \{\boldsymbol{A}\}$ pattern exists mini (denote it with *MIN*) and maxi (denote it with *MAX*) portraits. They are etalon descriptions of patterns, representing ithemselves equal-dimensional vectors or matrices. Comparison procedures for etalon descriptions of the $\boldsymbol{A_i}$ pattern with an unknown X realization are shown on the figure 1.



Form the functions of the measure of similarity $\boldsymbol{P_1}(\cdot), \boldsymbol{P_2}(\cdot)$ and $\boldsymbol{P_3}(\cdot)$. For mini and maxi portraits we take the following designations:

$x_{ni}^{\min} = 0; \quad x_n = 1; \quad x_{ni}^{\min} = 0; \quad x_n = 0;$

Elements of unknown X realizations are designated as following: $MIN_i = \{x_{ni}^{\min}\};$

Taking into account that *X*, *MIN* and *MAX* are binary vectors. Define all possible situations when comparing mini and maxi portraits with an unknown realization.

Situations for the maxi portrait of $\boldsymbol{A_i}$pattern:

Situation 1. $x_{ni}^{\min} = 1; \quad x_n = 0;$

Situation 2. $MAX4 = \sum_n (1 - x_{ni}^{\max}) \cdot (1 - x_n)$

Situation 3. $MAX3 = \sum_n (1 - x_{ni}^{\max}) \cdot x_n$

Situation 4. $MAX2 = \sum_n x_n^{\max} \cdot (1 - x_n)$

Situations for the mini portrait of $\boldsymbol{A_i}$ pattern:

Situation 1. $MIN2 = \sum_n x_n^{\min} \cdot (1 - x_n)$

Situation 2 $MIN3 = \sum_n (1 - x_{ni}^{\min}) \cdot x_n$

Situation 3. $MIN1 = \sum_n x_n^{\min} \cdot x_n$

Situation 4. $MAX1 = \sum_n x_n^{\max} \cdot x_n$

For each situation define the scalar product for coordinates of maxi portrait and unknown realization. As the result we have:

$$x_{ni}^{\max} = 1; \quad x_n = 0; \tag{1}$$

$$MAX_i = \{x_{ni}^{\max}\}. \tag{2}$$

$$X = \{x_n\}. \tag{3}$$

$$x_{ni}^{\max} = 1; \quad x_n = 1; \tag{4}$$

For the mini portrait of $\boldsymbol{A_i}$ pattern:

$$x_{ni}^{\max} = 0; \quad x_n = 1; \tag{5}$$

$$x_{ni}^{\max} = 0; \quad x_n = 0; \tag{6}$$

$$x_{ni}^{\min} = 1; \quad x_n = 1;$$

(7)

$$MIN4 = \sum_n (1 - x_{ni}^{\min}) \cdot (1 - x_n) \qquad (8)$$

For recognizing unknown realization, we defined 8 situations. In order to assign unknown realization to $\boldsymbol{A_i}$ pattern, it is necessary that *MIN1, MAX1, MIN4, MAX4* (they are expressing (1), (4), (5) and (8) situations) have a large value as possible, since they represent similarity of unknown realization and elaton descriptions.

MAX2, MIN2, MAX3, MIN3 represents (3), (2), (6), (7) situations. They show the degree of difference between etalon descriptions and unknown realization. For correct recognition it is important that MAX2, MIN2, MAX3 and MIN3 values were as low as possible.

In accordance with the above requirements, we will receive measures of similarity for mini and maxi portraits:

$$p_3(\cdot) = c_1 p_1(\cdot) + c_2 p_2(\cdot), \qquad (9)$$

$$p_2(MAX_i; X) = \frac{MAX1 + MAX4}{MAX2 + MAX3} \qquad (10)$$

As e can see, $\boldsymbol{p_1}(\cdot)$ and $\boldsymbol{p_2}(\cdot)$ functions differ from each other only in arguments. It is obvious, that for the similarity measures obtained from the (9) and (10) expressions, assigning unknown realization to the A_i pattern, should be performed by using maximum values of $\boldsymbol{p_1}(\cdot)$ and $\boldsymbol{p_2}(\cdot)$. As a result, we receive:

if $X \in \{A_i\}$

$$p_1(MIN_i; X) = \frac{MIN1 + MIN4}{MIN2 + MIN3} \qquad (11)$$

$$p_1(MIN_i; X) = \underset{k}{MAX}\{p_1(MIN_k; X)\} \qquad (12)$$

where $p_2(MAX_i; X) = \underset{k}{MAX}\{p_1(MAX_k; X)\}$ and $K = \overline{1; I}$

To obtain similarity function $\boldsymbol{p_3}(\cdot)$ from (11) and (12), we use these similarity functions as arguments, and compose the following linear function:

$$I = Card\{A\} \qquad (13)$$

where c_1=const and c_2=const. They are weighting coefficients, with the help of which the values of $\boldsymbol{p_1}(\cdot)$ and $\boldsymbol{p_2}(\cdot)$ functions are estimated. In the absence of other considerations about the values of $\boldsymbol{c_1}$ and $\boldsymbol{c_2}$ coefficients, we can assume that $\boldsymbol{c_1}=\boldsymbol{c_2}=1$**.** (13) will have the following form:

$$p_3(\cdot) = p_1(\cdot) + p_2(\cdot) \qquad (14)$$

The effectiveness of any similarity function is tested using recognition experiments. $\boldsymbol{p_1}(\cdot)$ **ad** $\boldsymbol{p_2}(\cdot)$ functions satisfy the conditions of reflexity and symmetry, if we give them the following form:

$$p_1(\cdot) = \frac{MIN2 + MIN3}{MIN1 + MIN4} \qquad p_2(.) = \frac{MAX2 + MAX3}{MAX1 + MAX2}$$

In this case, the reflexity condition will be satisfied. on the basis of (2), (3), (7), and (8) expressions, we receive *MIN2=MIN3=0; MAX2=MAX3=0.*

Respectively

$$p_1(X, X) = 0 \qquad (15)$$

To satisfy the symmetry condition, it is necessary that

$$\begin{aligned} p(MIN_i; x) &= p(X; MIN_i) \\ p(MAX_i; X) &= p(X; MAX_i) \end{aligned} \qquad (16)$$

Due to the fact, that in the (1)-(8) expressions the values of the scalar products will not be changed, the values of $\boldsymbol{p_1}(\cdot)$ **and** $\boldsymbol{p_2}(\cdot)$ won't change accordingly. This means that (16) expression is true and $\boldsymbol{p}(\cdot)$ function is symmetric.

Conclusions:

As shown above, the paper considers the problem of formation similarity measures by using mini and maxi portraits method in pattern recognition for the purpose of making decisions when recognizing unknown realizations. Procedures have been developed for drawing up intermediate comparison operations with mini and maxi portraits, as a result of which four coefficients are obtained. These coefficients are used as arguments for the formed measures of similarity.

It is shown that if certain conditions are met, it is possible to form a measure of similarity with the properties of reflexivity and symmetry.

The experiments were carried out using C++ programming language. The data obtained confirm the correctness of the theoretical research.

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ANALYSIS OF FACTORS AFFECTING ON E-GOVERNANCE AND DEVELOPMENT OF A COGNITIVE MODEL OF ITS DEVELOPMENT

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Abstract. The introduction of digital technologies has made it possible to obtain and spread information at great speed around the world, which has caused significant global changes.

Technological changes have caused the establishment of e-governance throughout the world. E-governance is based on the use of information and communication technologies in the process of governing the country. It has enormous potential for governing the state sector. With the introduction of electronic governance, the daily work of the state sector becomes rational, and finances, material, and human resources are saved; The relationship of the state with society, citizens, regions, and business, as well as the relationship between the state, structures themselves becomes more effective by using it. As well as it facilitates and accelerates business administration and citizen services.

The article discusses the issue of developing an effective e-governance system model, which is based on modern digital innovative technology – blockchain. Therefore, the perspective of dynamically developing blockchain technology and implementing an effective e-governance system model using this technology is important.

Keywords: Blockchain technology, Electronic governance (e-governance), Cognitive model.

Introduction

To manage and operate complex systems effectively, it is necessary to construct a system model and to form alternative scenarios of system functioning. Let's act out the scenarios on the model as a model experiment and select the best one from these scenarios.

The article includes a discussion of the issue of managing complex systems on the example of e-governance stability.

The dynamics of e-governance as a complex, the difficult-to-formalize system is related to the interaction of factors affecting it. Despite the influence of factors, the e-governance system should always maintain its qualitative characteristics as a tool for the sustainable development of the state [1].

The article proposes several factors that, in our opinion, significantly determine the sustainability of an e-governance system. The number of factors affecting the sustainability of e-governance is also very large. Based on the analysis, factors of special importance were selected, and the number of such factors is 38 (Table 1). The importance of the factors, i.e. their influence on the main goal, in our case, the sustainability of e-governance, is determined in the range from 1 to 10, where 1 corresponds to relatively low impact, 10 to high one. [2]

The purpose of the article. After determining the factors affecting the sustainability of e-governance, a cognitive map is drawn up. While cognitive modeling, the development of a situation is considered when it is affected by certain controlling parameters. [4]

To understand the cognitive modeling process, let's introduce some terms:

Target factors - represent “Output” factors. “Output” factors are the factors that determine the essence of the given problem.

Controlling factors - these are the "Input" factors of the model, those factors, through which it is possible to manage the processes in the model by providing controlling influence.

Table 1. Factors affecting the e-governance system

Affecting factors	Importance of factors	Affecting factors	Importance of factors
Economic factor	7	Community Engagement	8
Technological factor	8	Decision-making speed/time	6
Social factor	7	Mobile applications/e-platforms	5
Political factor	5	Transparency of the decision-making process	5
Legal factor	6	The level of public trust in the government	8
Environmental factor	3	Creation of democratic institutions	4
Financial sustainability level	8	Legislation regulating government and public feedback	7
Budget	8	Data protection	8
Blockchain technology	8	General Data Protection Regulation of EU	8
Digital technologies	6	The legislation governing cyber-security	8
The development of infrastructure	5	Investments	7
Speed of work	4	International level security	8
Speed of work	6	Information reliability	7
Digitization of administrative processes/services	7	Decentralization	7
Availability of administrative processes/services	7	Success	6
Energy consumption	7	International image	7
Minimized administrative barriers	4	Legal provision	8
Internet coverage level (5G)	8	Smart contacts	6
Mastering risks	1	Community Engagement	8
Considering the public's opinion as much as possible in decision-making	7	Decision-making speed/time	6

External factors - factors the dynamics of which do not depend on the state of the system. Such factors are used in the model, not for management, but to reflect the relevant influence of the environment on the modeled system.

The initial state of the model is the state of all factors of the model at the initial moment in time.

The main stages for cognitive analysis and situation development modeling are:

1. **Conceptual study of the system for the current situation,** which means: drawing up a cognitive model using a modeling system, determining the basic factors, including determining the relationship between them, and forming a goal.

Basic factors consist of two components:

The first - represents the significance of the factor, its value in the modeling system is integers and varies from 0 to 10.

The Second is – the evaluation of the dynamics of the factor, which can take three values -1, 0, and 1.

Where -1 means that increasing the value of this factor in the dynamics worsens the situation, 1 - increasing the value of the factor in the dynamics improves the situation, and 0 - the dynamics of this factor do not affect the situation.

2. Building and researching a cognitive model of the situation. In the process of cognitive model research:

- The necessity of managing the development of the situation is determined.

- Analysis of the goal vector of the development of the situation is carried out on the contradiction in the goal vector, with the agreement of the controlling vector with the goal vector, on the achievement of the goal vector, and the effectiveness of the integral influence of the controlling vector.

Based on the formed cognitive model, modeling of situations is carried out, the purpose of which is to determine those trends that have a positive effect on the sustainability of e-governance.

Determining mutual dependence between factors - to complete the creation of the model, the mutual influence of factors is determined (that is, which factor affects which factor). If we denote the number of factors by n, then the relationship between the factors will be n x n.

The mutual influence of factors can be direct and indirect. The influence of a factor on a factor is considered direct if the change of this factor directly affects (influences) the corresponding factor. The influence of a factor on a factor is indirect if the change of this factor does not have any influence on the corresponding factor.

Qualitative (cause and effect) interrelationships between factors in the e-governance system are presented in picture 1 (fragment). The **influence** is represented by a sign (positive or negative +/). The force of influence of one factor on another with numerical values [0, 1].

Picture 1. Cause and-effect interrelationships between basic factors (fragment)

Importance of factors																
N:	Название фактора	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1.	Political factor	0.2	0.2		0.1	0.1	0.1		0.1	0.1						0.3
2.	Technological factor	0.1	0.2						0.3	0.5	0.4	0.4		0.4	0.2	0.2
3.	Social factor	0.1	0.5	0.1		0.1	0.2		0.4	0.4		0.2	0.1			
4.	Legal factor	0.1	0.3	0.2	0.2				0.3							0.1
5.	Economical factor		0.1		0.1	0.2	0.1		0.2	0.3			0.1	0.1		
6.	financial sustainability factor	0.1	0.1	0.1	0.1		0.1			0.2	0.6	0.1		0.1		0.2
7.	budget		0.6	0.1	0.1						0.3	0.3	0.1	0.1	0.1	0.3
8.	Blockchain technology	0.3	0.3	0.3	0.3	0.1	0.6		0.6	0.6		0.1	0.1	0.1		0.6
9.	Digital technologies	0.4	0.4	0.2	0.2	0.1	0.3	0.1	0.3	0.3				0.2	0.2	0.4
10.	Infrastructural development		0.3	0.1			0.1		0.4	0.3				0.3	0.3	0.4
11.	value	0.3	0.3	0.1	0.3				0.3	0.4	0.3	0.3	0.4			0.1
12.	Spread of the work	0.1			0.2						0.2	0.1				0.3
13.	the availability of administration processes/ services	0.4	0.1	0.1	0.3	0.1	0.3		0.2	0.2	0.4	0.4	0.3		0.1	
14.	the digitizing od administration processes/ services		0.2	0.3	0.3	0.3	0.4		0.4	0.4	0.4	0.3	0.5	0.3	0.3	0.3
15.	energy consumption	0.1	0.1		0.1				0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1
16.	minimizing administrative barriers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
17.	Internet coverage level	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1			0.1	0.1	
18.	Internet coverage level	0.2	0.2	0.1	0.1	0.1			0.2		0.2	0.1	0.1	0.1		
19.	decision making spread/time	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.1	0.1

After establishing the cause-and-effect interrelationships between the basic factors, a structural-targeted analysis of the situation is carried out.

The goal vector is determined, by changing which in the modeling process, the strategic goal of the development of the situation can be studied in different directions.

In our proposed scenario, the following were selected as the target vector:

10. Blockchain technology – 1

26. Data protection – 1

29. Investments – 1

30. International level safety – 1

31. Information availability – 1

Picture 2. Goal vector

The control vector was defined, as the controlling factors or factors, which can be used to control the processes in the model, the following are selected:

9. Budget – 1

23. The level of public trust towards the government.

25. The feedback/regulating legislation of the state and society - 1

Picture 3. Controlling vector

Conclusions

At the next stage, the development of the situation was determined, according to the management situation search algorithm, when it is affected by selected various measures (by management);

According to the abovementioned model, we obtained the determining diagram of the effect of these factors on e-governance (Figure 4), with the selected target and controlling factors.

corresponds to the initial value of the goal vector;

corresponds to the target value of the goal vector;

corresponds to the predictive value of the goal vector;

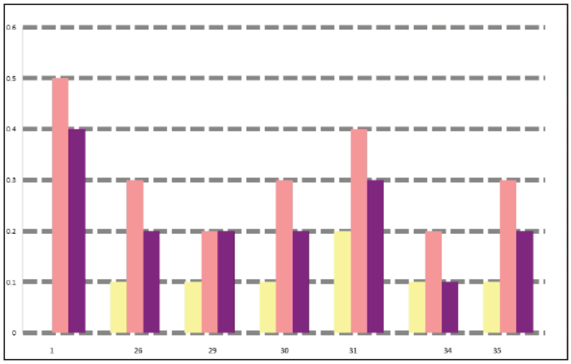

Figure 4. Influence diagram of selected factors according to the goal vector on e-governance

As a result of the research, it was determined that the level of sustainability of e-governance (factor 1) when it is affected by blockchain technology is positive (increasing), and the predictive value increases about the target value, as well as the introduction of blockchain technology effects positively on data protection (factor 26), investment attraction (factor 29), international level security protection (factor 30), information reliability (factor 31), international image (factor 34), and legal provision (factor 35).

From all the abovementioned it can be noted, that with the introduction of innovative technologies, in particular blockchain technology, the qualitative indicators of information use will increase; Investments made in e-governance will ensure the reduction of administrative costs and improvement of governance efficiency; It will contribute to the improvement of the overall democratic quality;

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UDC 65

MODERN TRENDS IN ORGANIZATIONAL CULTURE

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Abstract

Culture is a set of key assumptions that define what people pay attention to, what different occurrences and objects mean, how they react emotionally to current processes, and what actions they need to take in different situations. Every company has its own organizational culture, which includes the philosophy and principles of running a business, value system, behavioral standards, problem-solving, and decision-making ways, work environment, "folklore" i.e. company value history, taboo system, or "unacceptable decisions". Organizational culture is a way of thinking and a means of action that has transformed into habits and has become a tradition. It is shared by all employees of the organization to one degree or another. These traditions must also be mastered and at least partially perceived by the novice employee, otherwise, he/she will not become a full member of the organization.

Keywords: Organizational culture, modern trends, behavioral standards.

Introduction

Using the term "organizational culture" in organizational analysis systematically began in the late 1970s and early 1980s. In the 1980s and 1990s, organizational culture was regarded as the key, the only key to success. This overestimated view has changed over time, although key aspects such as motivation and liabilities, priorities and optimal resource allocation, competitive advantages, and organizational changes are still considered to be the key factors to success. The main thing is to understand that corporate culture can both simplify the process of implementing the strategy and, quite the contrary, complicate, and in some cases even impede it. Organizational culture indicates how members of an organization behave. It includes traditions, values, rituals, etc., which have been formed and adapted to the environment with the founding of the company. Organizational culture can be innovative, conservative, adaptive, democratic, and so on. [1]

Organizational culture is a unity of behaviors, symbols, rituals, and myths. It conforms to the values shared by the organization and is passed on to each of its members, often in verbal forms, as a life experience. [2]

Organizational culture is developed by numerous factors of the internal environment. It is based on the beliefs and philosophy of the organization, which explains why it operates in its current form and not otherwise. Company culture is reflected in the views of employees and the principles of business that are declared by management. Important components of organizational culture are ethical standards, official policy, relationships with various partners, traditions, methods of control, requirements for employee behavior, and the environment that reigns in the company and distinguishes it from others. All of the above factors, some of which are not always clearly underlined, determine organizational culture.

The beliefs and methods that give birth to the organizational culture come from a variety of sources: from the employee, gaining particular authority, from the formal or informal group, and the managers. Various attributes of organizational culture may appear from "below" or be established by management. Often the key components of culture are established by the founder or by several strong leaders of the organization. Elements of a culture established from "above" are gradually taking root in the organization, and then influencing its environment through the formation of new employee behaviors. In fast-growing organizations, culture can be created "by itself" and not under the influence of any principles. This is because the main criterion for hiring is the candidate's technical skills and experience, instead of beliefs and values.

According to the most popular view, organizational culture consists of three main elements: shared values, a set of norms of behavior, symbols, and symbolic actions necessary to maintain and develop shared values. Common values are the basis of organizational culture and define what is important from the point of view of its subjects. Any member of the team can list and explain common values as it is universally recognized and accepted. Common values include key assets or habits, concentration on practical actions, results of activities, attention to functional direction, management style, and common goal.

Since the end of the last century, new public management theories and policies have demanded increasingly efficient public services. Generally, the influence of modern society—with its demands for quality public services, growing diversity in the workforce, rapid technological advances, political instability, legislative amendments, etc.—gives rise to demands for profound changes within the management of public organizations. These demands, which do not necessarily coincide with the private sector, represent an important change for public organizations and a legitimate challenge to the human resource management (HRM) of public organizations. For example, the increasing globalization of economies and diversity within the workplace has led to an increased interest from experts and researchers regarding the effects of cultural differences on employees. However, most of the current research concerning public organizations does not consider the organization's culture (OC) as a conditioning of HRM. In fact, among recent literature, OC is frequently absent as a factor of the study. This makes it difficult to pinpoint arguments that discuss the functioning of public organizations, and therefore even more difficult to pinpoint arguments that comment on its connection to employee commitment. [3]

Norms of behavior. For an organizational culture to be distinguished from others, it must develop its norms of behavior that will influence the decisions of all members of the organization. Developed and well-established norms of behavior have an effective impact on the ongoing processes in the company. Behavioral norms show two characteristics: intensity i.e. level of agreement or disagreement with the expected result and consensus i.e. recognition of the norm of behavior by the group. Norms of behavior stimulate actions corresponding to common values.

Symbols and symbolic actions. Organizational culture starts up and develops through symbols and symbolic actions. The list is quite long, though below are some of the most important ones presented:

The founding, original mission points to the initial origins of the company. It can be a strong person - the founder of the company, as well as his management style and the mission formed during the foundation;

A modern character to imitate. Modern heroes and characters help to pass on, personalize and reinforce the values and norms, which later might become the objects of imitation;

Actions. How a leader acts, and how he/she spends time, can become a symbol and influence organizational culture;

Key issues. When the management of the company wants to change the orientation of the company, they will arise so-called key issue and systematically talks about them;

Rituals. Rituals, ranging from hiring ceremonies to dinner rules, also have an impact on organizational culture.

Today, corporate culture is already an important theme not only in organizational sciences but also in practice management and business. One of the reasons for this is that organizational culture can influence the corporation as a whole and the people who work in it. According to Smirch, even the earliest researchers of organizational culture (including Diall and Kennedy, Ouch, etc.) underlined that "organizational culture influences the aspects of the organization such as productivity, job performance, loyalty, self-confidence and labor ethics of the employees. Likewise, more recent researchers reiterate that "organizational culture has a significant impact on the organization, the behavior, and motivation of its employees, which in turn affects the financially successful performance of the organization". " Many studies have proven that there is a direct correlation between organizational performance, financial profitability, and the culture of a particular organization.[4]

Once the principles of the culture have been established by the leaders, the second stage - reinforcement - begins. To do this, it is first necessary to hire employees whose personal qualities, attitudes, and skills match the company's requirements. Even a stable culture is not static, it changes over time, gradually, following internal crises, new problems, and the development of technology. It is also important to study new types of business and geographical expansion, which in itself increases the area of geographical coverage and accelerates the ongoing changes in culture. Today, globalization and the Internet have the greatest impact on culture.

Conclusion

Organizational culture has a different impact on different companies. In some companies, it is a strong culture and appears to be the backbone of operations, while in others it is useless when dealing with weak and key issues. Companies with a strong organizational culture have clearly defined norms and principles of behavior that have been embedded over a long period.

These three factors define the development of strong organizational culture:

- Presence of a strong leader who introduces values so that they are acceptable to all employees;
- Keeping the traditions of the company that will greatly help in making decisions if they do not contradict the norms of culture;
- Sincere care for the three key partners - employees, customers, and shareholders.

The following defines a strong organizational culture:

- Succession among leaders;
- Non-multiplicity and sustainability of the team
- Territorial concentration;

- Good organizational structure

Key signs of the weak organizational cultures:

- Presence of many subcultures;
- Absence of a unified organizational value system
- Absence of behavioral norms and stable, firm traditions.

A company with a weak organizational culture is characterized by low levels of bonding and weak ties between organizational units.

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THE WORLD WINE MARKET AND GEORGIA - DEVELOPMENT OPPORTUNITIES

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Abstract. Georgian wine is one of the oldest wines in Europe. The existence of winemaking in Georgia is indicated by the earliest signs of about 8000 years ago, which gives Georgia the status of the homeland of wine. Winemaking has been a priority for Georgia since time immemorial. In the conditions of global competition, it is necessary to implement the standardization and branding of the unique methods of making Georgian wine. Although winemaking occupies a small place in the world market today, Georgian wine has a great future. Georgian wine is distinguished by its ancient history and production methods, which makes it unique. According to scientists, Georgian wine production will make a significant contribution to the world economy, which will create the foundations for a significant change in the Georgian economy.

Winemaking played and continues to play a special role in the national economy of Georgia. Recently, significant activities have been observed in the Georgian wine market, which increases interest in this field. Part of the activities is expressed in the promotion of wine through exhibitions and conferences held in different countries of the world, which leads to the growth of its area of awareness.

The Georgian wine business has great potential for development, but this is possible only in the case of quality wine production. Despite the existing problems, it is necessary to thoroughly study the exporting countries, to produce wine of appropriate quality and price, to export it, and to establish oneself in foreign markets.

Keywords: The world market, wine business, competitiveness, quality, price.

Introduction. Georgian wine is unique in its types and production; it has already taken its place on the world stage. This is evidenced by the interest expressed in it by consumers from different countries. 8000-year-old history, which is confirmed based on ancient archeological excavations. We can safely say that Georgian wine has a continuous history with its unique methods and variety of varieties (more than 500 endemic varieties are known).[1] Pitcher winemaking is very popular among winemakers who prefer natural and organic winemaking methods. In 2013, the ancient, traditional Georgian method of making Kvevri wine was granted the status of a UNESCO intangible cultural heritage, which indicates the uniqueness of this method and sends a message to the whole world that wine is an integral part of the ancient Georgian culture. The state's role in wine production is manifested in the subsidization of viticulture. Based on official data, the state allocated 270 million GEL in various forms to support the viticulture and wine industry in 2013-2014. Since then, this interest has been growing. 2018 was the first year in the last ten years when the state completely left the grape subsidy regime, the harvest was completely based on market price conditions, and the entrepreneur and the farmer agreed on the price of grapes independently, without the intervention of the state. In 2022, the state again decided to subsidize in the amount of 150 million GEL. The wine industry plays an important role in the economic development of Georgia. In recent years, vineyard plantations have been growing, new and old wine enterprises have been created, international standards of quality management and wine production have been introduced, and the incomes of winegrowers have increased.

Main body. The Georgian wine market always attracts attention, because our country has great potential for wine production. According to Saxstat's 2017 data, wine ranks fourth among the largest export products, which makes the importance of the wine market for Georgia visible. Despite the successfu functioning of the Georgian wine market, many obstacles prevent the full realization of its potential.

Before the “Covid-19” pandemic, there was an increase in exports to Europe, the USA, Asia, an traditional markets: Belarus - 429% (233220), Japan - 230% (53160), Great Britain - 98% (37740), Franc – 71% (24248), Kazakhstan – 85% (877494), the Czech Republic – 68% (18888), Latvia – 61% (412626 the Netherlands – 46% (21993), Germany – 38% (136222), Ukraine – 36% (1771928), Poland – 32% (740922), Estonia – 28% (120246), Russia – 28% (11511830), Israel – 24% (52722), USA – 3% (68620 and others. The wine was exported by 134 companies.

Many foreign wine specialists believe that the grape variety and wine with the greatest potential among Georgian grape varieties are Saperavi. Saperavi is necessarily dry, especially Kvevri wine. It is a fact that Saperavi is the most successful in the international market. Another unique variety is Rkatsitelia, followed by: Khikhvi, Kisi, and Green, which, unfortunately, were forgotten in the Soviet period, because they are low-yielding varieties compared to others and were not paid attention to.

Also, one of the important and rare varieties is Ushelouri, which almost does not grow in other regions except Lechkhumi. It comes from a mountainous area and, therefore, wine is produced in limited quantities. Wine made from Uzakhelouri and also Khvanchkara, which is made from Alexandrouli and Mujuretuli, are semi-sweet wines. These wines were quite famous in the Soviet period, therefore, they were more popular in the Russian market. [2] In countries with high wine culture, semi-sweet wines are less interesting, they prefer drier wines.

High-quality winemaking does not begin in the cellar, winemaking begins with the care of the soil. Today, there are many different chemical fertilizers, which ultimately hurt the quality of the wine. It is important to take proper care of the vineyard, to poison it. To obtain high-quality wine, it is always better to fertilize the vine soil with organic fertilizer. The vineyard should be poisoned by the so-called Contact drugs, not pesticides. Besides, an over-harvest is never a guarantee of good quality. When the vineyard is moderately drained, the grapes ripen better, the concentration of acidity and sugar in it is normal, and in such a case, a wine of higher nutritional value is obtained. During an overharvest, the wine is of lower quality and is more unbalanced.

It is worth noting the fact that making wine in Kvevri is a Georgian tradition and adds competitiveness to our wine in the international market. The image and popularity of Georgia are related to the ancient technology of making wine in Kvevri. This clay vessel is buried in the ground. The majority of modern wines are prepared as follows: the grape juice is quickly separated from the skin and seeds, according to the ancient method, and the liquid, grape skin, stem, and seeds are put together in a pitcher for fermentation. As a result, we get dark-colored, dry wine.[3]

Consumers of Georgian luxury quality wine were and are mostly foreigners, but in recent years the taste has improved here as well. Many Georgians already buy expensive Georgian wine in the local market.

Despite the above, the dominance of bottled and home-produced (often adulterated) wine in the local market is visible even to the "unarmed" eye. These factors are not reflected in the research. Therefore, the question – of how much wine is consumed in Georgia (as a whole or per capita) remains open. Recently, the efforts of the National Food Agency against counterfeit wine give hope that soon the so-called "Pure" wine will be given a price, and this product will, at least, replace adulterated wine in public catering facilities and sales points. That is, people will consume more wine and, accordingly, wine production will become more profitable.

The wine export promotion policy should be in line with the improvement of the investment climate, which is achieved by improving the financial system (emergence of long-term financing channels) and simplifying tax and customs activities. It seems that the wine export promotion policy is not a set of one or two instruments, but a set of instruments.

In addition to the export subsidy policy, Georgia already uses almost all types of export promotion tools to a greater or lesser extent. Those instruments that are relatively more effective in terms of the export promotion are declared a priority by "Strategy 2020". These include: removing trade barriers, improving the overall investment climate (for example, improving transport and logistics networks), and providing information on export markets.

In recent years, significant steps have been taken to remove technical barriers. An association agreement was signed with the European Union, which will facilitate the export of goods to European markets. Negotiations on free trade are underway with China. It is important that these priorities defined by the "Strategy 2020" are not changed and that such type of measures as, for example, export subsidy policies (export credits, tax benefits, etc.) are not initiated. As practice shows, such a policy is ineffective and depends on the efficiency of the bureaucratic system and the qualifications of the program implementers.

The National Wine Agency plans to develop winemaking in Georgia and promote Georgian wine products on the international market outside its borders, raising awareness and further increasing export supply. To promote wine, in 2017 international and local tastings, competitions, international wine conferences, exhibitions, and presentations were held both within the country and in 12 countries around the world. Also, media campaigns, commercials, and various market research, planning and implementation of representative and cultural events and measures aimed at promoting and increasing the consumption of high-quality Georgian wine on the international and local markets were carried out.[4]

According to many studies, the demand for wine in Georgia is quite high. These studies show the development trend of consumption of local wine at home (in Georgia). Therefore, it is possible that it is not at all unpromising that local wine producers, who are busy exploring the growing wine markets in the world, will also pay some attention to the utilization of domestic resources. In a country with a millennial history of wine consumption and valuable prerequisites, even a small stimulus can be enough to raise wine awareness, develop a consumer culture, and increase wine consumption.

In addition, it is necessary to further increase the awareness of the Georgian wine brand outside the borders of Georgia and promote it through various types of events. For all this to work, it is essential to reduce barriers as much as possible and sign trade agreements with even more countries/groups of countries to increase the wine export rate to the maximum level.

The development of wine tourism will play an important role in the diversification of the viticulture-wine industry. In this regard, it is necessary to reveal the perspectives of wine tourism and brand development.

The development of wine tourism can solve economic and social problems, for this, it is necessary to increase the involvement of the state and the private sector. As we know, Georgia is not only distinguished by unique grape varieties but also has an important geographically favorable location, where the features of the terrain are expressed. The population of Georgia needs to assess the potential of wine tourism. Wine tourism will not be the only solution, although it can play a crucial role in improving the living standards of the population.[5]

Conclusion

Georgian wine successfully passed the most important and difficult stage of its establishment on the world market, this history was preceded by a rather difficult stage. Georgia has done important work, and the results are confirmed at international wine exhibitions and other promotional opportunities. This is also impressive with the great interest of foreigners in Georgian Kvevari wine.

The share of Kvevari wine from the exported wine is still small, however, the share of Kvevari wine in exports will increase in the future, because in Georgia, along with new technologies, the restoration of the old is gaining an active character.

Great importance is attached to qualification improvement. Due to an unqualified approach, inconsistent policies create additional challenges between the state, partners, and companies.

In the production of Georgian wine, it is necessary to develop and implement innovative technologies so that it meets the standards of the world market. In this direction, financial support from the state is important for wine-producing companies.

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SOME ASPECTS OF THE MANAGERIAL PRINCIPLES APPLICATION IN PUBLIC ADMINISTRATION

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Abstract

The paper discusses the need, possibilities, and challenges of using managerial principles and approaches in the modern system of public administration. Approaches to managerial principles in public administration are important from a managerial point of view because the main burden of state governance falls on public administration, which has the greatest impact on both civil servants and the population of the whole country.

The paper emphasizes that the main principal values of the public administration system are law supremacy and the protection of citizens' rights. The task of the managerial approach is to effectively use the concerted action of many people who, using diverse resources, create products and provide services in the process. In addition, along with the approaches of managerial principles in public administration, moral-ethical principles are important, which is the main regulatory rule of behavior in the performance of official duties, its main obligation is to observe moral-ethical norms and make fair decisions within the law.

Finally, a conclusion is made that the process of using managerial principles approaches in effective and successful public administration is when leaders and managers follow to democratic values and use moral and ethical principles of human resources management.

Keywords: Public administration; management; moral-ethical principles; efficiency; feedback.

Introduction

Modern public administration is unimaginable without the use of managerial principles. All major areas of public life are covered by the public administration system, which affects people's daily lives. Considering that the main burden of state management falls on public administration, it is necessary to use effective approaches to managerial principles. The existence of high professional standards in public administration obliges the official to observe the constitution, laws, and moral-ethical principles, because he/she may face a certain dilemma while performing his/her official activities. An important prerequisite for raising the public's trust is the proper functioning of the system adjusted to the needs of the public (Commentaries…2018).

The main principle values of the public administration system are law supremacy and the protection of citizens' rights, which are determined by the legal, political, managerial, and cultural approaches of public administration. Therefore, the sphere of the public administration system is regulated using the law and managerial principles. Public administration is an area of crucial importance for smooth, successful, and effective activities of state management, where hierarchical principles and rules of hierarchical subordination are strictly observed. The public administration system is an interdisciplinary field that combines science, experience, and management art.

In public administration, along with the approaches of managerial principles, moral-ethical principles are important, which is the main regulatory rule of behavior in the performance of official duties, its main obligation is to observe moral-ethical norms and make fair decisions within the law. That is why, no matter what different opinions the authorities and society have, the approach to cases of moral-ethical principles protection is homogeneous and its goal is to eliminate cases of abuse of authority. So, the task of the managerial approach is to effectively use the concerted action of many people who, using diverse resources, create products and provide services in the process. In such conditions, the civil servant is subject to the rule of law and constitutional requirements. When studying the approaches of managerial principles in the public administration system, it is necessary to find out how the activity of the public administration system is regulated, through which the important functions of the state are implemented.

Public administration from the point of view of managerial approaches

The managerial principles approach public administration has had a far-reaching impact on public management, focusing on top-down goals and data-based measurement that emphasizes personal responsibility and achievement of results (Noveck, 2021). The use of managerial principles in public administration is one of the functions of the management process, through which the organization's goals are selected and the ways of their achievement are developed. Managerial principles in the public administration system can be defined in a general way as the starting norms, rules, and regularities for the management process, which are derived from the level of development of the society. The content of management principles is significantly influenced not only by management laws known to modern science and accumulated experience. State policy priorities, state structure, as well as sociocultural factors can be attributed to the factors that determine managerial principles (Tsartsidze, Beselia, Khutsishvili, Kalichava, 2017).

The use of managerial principles in public administration is one of the functions of the management process, through which the organization's goals are selected and the ways of their achievement are developed. Management is much more than the exercise of rank and privilege. The value of the public administration system is determined by the rule of law, the protection of citizens' rights, and legal, cultural, and managerial approaches. Effectiveness, competitiveness, growth of potential opportunities and creation of completely new opportunities and processes depend on the content of managerial principles. Introduction and perfect implementation of management principles is the main process, to effectively and efficiently manage the system, only knowledge of legislation and one's rights and duties is not enough. For management, a civil servant must have appropriate personal qualities, both from a moral and managerial point of view.

The style and methods of applying managerial principles depend on the situation and the physical and intellectual demands of the personnel. In this case, it is necessary to consider what is reality, what management means in that time and space, what are perceived as sources of motivation, and so on. The existence and development of managerial principles are inconceivable without a direct connection with philosophy, psychology, legal sciences, ethics, aesthetics, mathematics, logic, cybernetics, and informatics. Only in this way, it is possible to base realistic views on management as a process, based on the necessity of joint efforts of people to achieve common goals. Managerial qualities and practical experience in public administration largely depend on the choice of the right strategy of behavior and successful activities. According to the analysis of the practical activities of managers, Douglas McGregor defined the basic prerequisites for the effectiveness of the management process and formulated "Theory X and Theory Y."(McGregor, 1960). In modern, flexible management, which is based on initiative, encouragement, and not only on material motivation, where the staff is allowed to express their opinion, there is a high level of teamwork and interdependence, where the leader is followed with pleasure, without coercion, in such organizations the staff is more loyal, more effective and the organization as well. It is more competitive in the market and recovers from the crisis much easier.

In the activity of the public administration system, it is necessary for the manager to be able to plan the goals and actions of the organization's activities, to have motivation, to be able to control the time of the work process, the result and quality of the work, as well as to be able to correct errors, organize effective work for employees, coordinate the establishment of connections to achieve goals because coordination is the most important factor for successful management and administration processes. Contemporary management in public administration provides sufficient resources for all necessary functions for the process because if any important function turns out to be insufficient, it will automatically complicate/burden the processes, which may stop the processes altogether, or reduce its results to insufficient quality or volume. In public administration, managers are responsible for creating the organizational structure, defining functions, and executing it. There are also decision-makers. A successful, efficient system in public administration is created by the role of management. That is, managing the organization, meeting the goals and responsibilities of the organization promptly, communication skills, understanding and respecting employees, listening skills, ability to show appreciation, and motivating employees to their best abilities lead to effective management (Bhasin, 2020).

People are the main factor of effective management activity in the public administration system. Considering this principle requires not only a scientific approach but also the art of applying it in specific situations. Each staff is characterized by a special manner of behavior, has its system of values and motivation for work, etc. To direct their efforts to achieve goals, managers must be in constant communication with personnel and create conditions for the usage of their potential.

Moral - ethical principles in public administration

Along with approaches to managerial principles in public administration, an important priority is given to the protection of moral and ethical principles. Along with the performance of professional duties in the public administration system, a free, quiet, peaceful working environment is important, because the attitude of the head in management should not exceed the standards of moral and ethical norms. The observance of moral and ethical principles in the public administration system is a mandatory requirement, which defines the rules of behavior, which are mandatory for the people employed in the system to observe and follow because, in case of insecurity, we will get an unethical system, in which the public administration system and the interests of society will not be focused on during the performance of official activities (Resolution…, 2017).

Society is diverse, leading to positive and negative, moral and immoral, ethical and unethical. The observance of moral-ethical principles and the existence of high professional standards in the public administration system is an important prerequisite for raising the public's trust, as it contributes to the proper functioning of the system and adjusting to the needs of society. The system obliges the official to observe the constitution, laws, and moral-ethical principles, because he may face a certain dilemma while performing his/her official activities. The public administration system, first of all, operates by the legal public norms, within the moral-ethical framework. Therefore, even if the official is not at his/her workplace, he/she is obliged to take care of his/her reputation, as well as that of his/her colleagues and the institution. When managing public administration, attention should be paid to human relations, motivation, and stimulation. Priority should be given to the interests of the organization. For the organization to develop, it is necessary to align the working personnel and organizational interests, a new approach to the management of the organization, definition of new goals and tasks, and constantly search and strive for excellence.

The protection of moral-ethical principles in the public administration system is fundamentally connected with the principles of protection of legality and loyalty, which the system is responsible for protecting. Any decision made in the management of public administration should be in line with legislation and moral-ethical principles. That is why special attention is needed in the public administration system to protect human skills, as well as physical, emotional, and mental abilities and moral-ethical principles. In the public administration system, the protection of moral and ethical principles and responsibility to the public is the key to the development of the system, because the public administration, which is based on the demands of the public, should not allow such actions that reduce the level of public trust in it.

Management effectiveness and feedback in public administration

For managerial activities in the public administration system, it is necessary that the manager's ability to plan the goals and actions of the organization activities, organize effective work for the employees; coordinate the establishment of connections to achieve goals, because coordination is the most important factor for the successful managerial processes; to have motivation, to be able to control the time of the work process, the result and quality of the work, as well as to be able to correct errors, determine the forms of communication and feedback. The existence of a feedback loop in the public administration system determines that the management must be constantly controlled because the public administration system provides many services, the determination of the effectiveness of which includes the following elements: allocation of resources; personnel management; motivation; distribution of functions; control; supervision, etc. A public administration system without feedback can become unmanageable and effectiveness cannot be determined. The main categories of the effectiveness of government branches are effectiveness and indicators of efficiency indicators.

To ensure the effectiveness of the approaches to the managerial principles of public administration and to develop indicators of its effectiveness, public opinion should be monitored, and information-communication processes and feedback systems should be used. The effectiveness of management in public administration is determined by the effectiveness of the activities of the executive and legislative authorities, their structural subdivisions, individual state employees, and other persons holding certain functions in the state service system. One of the important factors for the effectiveness of the feedback is the institution of independent experts, experts who are involved in the research and evaluation of the problems of the efficiency of the public administration system. The expert must draw his conclusion based on the results of the conducted research, his/her knowledge, and inner beliefs. At the same time, there must be clear requirements for qualification requirements of independent experts, which include: level of professional education, work experience according to specialty, professional knowledge, and skills.

In the feedback link, it is necessary to use the knowledge and experience of the professionals in the field, which should be especially intensively used to predict the results of the implementation of the governing influences (decisions) on the system. In addition, it should be possible to objectively evaluate the results of a person's or an organization's activity using various qualitative and quantitative methods.

Conclusion

For public administration, as an activity of the state, it is necessary to orient the administration to the system of values, ideas, approaches, opinions, and worldview, which determines how much a specific style of administration corresponds to the principles established in the current time and space. It is precisely the use of managerial principles in public administration activities that plays an important role in determining the desired design of the organization and effective ways of achieving it. The main link in the content of the public administration system is the obligation to serve the state, because public administration and management is a special political process in the functioning of the country's democratic political system, and the public service system requires the protection of democratic values.

The effective use of managerial principles by management in the public administration system also includes the correct distribution of resources and the ability of internal coordination, which is a necessary, permanent, and important link of the management function in management. That is, the approaches of managerial principles in the conditions of governance provide feedback on the organization system, which creates various requirements, and expectations and ultimately leads to the achievement of the organization's goals. The process of using managerial principles approaches in effective and successful public administration is when leaders and managers follow democratic values and use the principles of moral-ethical human resource management.

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THE MAIN CHALLENGES OF THE SELF-GOVERNMENT OF GEORGIA AND THE EXPERIENCE OF FRG

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Abstract

Challenges related to Georgia's self-government are discussed in the work. The stages of the formation of local self-government are analyzed, its compliance with the European Charter, and the problems and challenges still to be solved in the self-government system of Georgia are summarized, which can be solved by the creative use of the experience of the Federative Republic of Germany, especially because, after the unification of the country, FRG faced the problem of reforming the governance system like Georgia as it happened during the unification of Germany. The previously existing authoritarian system in the so-called German Democratic Republic should be harmoniously combined with the democratic governance of the common German state.

The process of formation and development of local self-government in Georgia is difficult. Despite many attempts to reform, the Georgian system of local self-government is still far from perfect, it is still in the process of reforming and searching for innovations. For the successful reformation of the local self-government system of Georgia and the selection of the optimal strategy for future development, it is very important to critically analyze the practical examples of other successful countries and to make appropriate decisions. In this regard, according to the authors, the best example for Georgia is the FRG experience, whose current state success is largely determined by the state management system operating in the country – a reasonable division of the governance system, clearly defined and separated rights and obligations of each body, the practical realization of the principles of sovereignty and financial autonomy.

Keywords: Local self-government; Georgia; FRG; Challenges of self-government; Reform of self-government system; Decentralization strategy; New public management: Communal government.

Introduction

Local self-government is one of the foundations of the constitutional system, a practical form of democratic governance. This is the basic principle of the organization of power, which, together with the principle of separation of powers, determines the country's governance system. Local self-government is a kind of decentralized form of state government, the main features of which are electability and the management of issues of local importance - certain independence in governance (Law of Georgia Local Self-Government Code, 2014).

After gaining independence, the formation of a democratic system of local self-government became necessary for democratic state governance in Georgia. Despite many attempts, the process of establishing and developing the local self-government of the country is difficult and slow. There are frequent attempts to reform, but despite this, the Georgian system of local self-government is far from perfect, it is still in the process of reforming and searching for innovations. Thus, it is important to study the steps taken in this direction using practical examples of other successful countries, to critically analyze and make relevant decisions to select the optimal strategy for the future development of the local self-government system. From this point of view, the best example for Georgia is the experience of the Federal Republic of Germany. It should be noted that after the unification of the country, the problem of reforming the governance system was acute in the FRG as well so the previously existing authoritarian system in the so-called German Democratic Republic should be harmoniously and painlessly combined with the democratic rule of the common German state. In Germany, this process was successfully implemented. Today, the state success of FRG is largely determined by an effective and efficient state management system - a reasonable division of the governance system, clearly defined and separated rights and obligations of each body, the practical realization of the principles of sovereignty and financial autonomy, highly effective democratic governance while maintaining hierarchical strictness. With the creative use of the FRG experience, it will be possible to form a smoothly functioning local self-government in Georgia. At the same time, it should be noted the hard work and discipline of the German people, which should also be an exemplary sample for Georgia.

Challenges of self-government in Georgia

The reform of local self-government in Georgia started from the restoration of independence (1991) and proceeded according to averment was ratified by the Parliament of Georgia on October 26, 2004, and entered into force on April 1, 2005. The signatories of the Charter, the states of the Council of Europe, take into account the basic values and values that will contribute to the improvement of the level of local self-government, local governments, and their development as one of the main foundations of any democratic regime based on the principles of decentralization. Based on these interests, the Council of Europe has developed 12 principles of good governance, the purpose of which is for the public administration system to function as efficiently and productively as possible, to be competent and transparent, to ensure citizen participation, involvement, etc. The European Charter says that the principles of self-government, if possible, should be determined by the constitution, in the conditions of delegation of powers to central or regional bodies, local governments are given freedom in the implementation of delegation. It also establishes and explains the essence and principles of self-government. (European Charter on Local Self-Government)

Accordingly, a new stage of self-government development began in 2006 when the Law on Local Self-Government was adopted and at the same time, self-governments at the community level were abolished. The last wave of reform of the local government system started in 2014. According to the Local Self-Government Code adopted in 2014 as organic law, the governor/mayor became a directly elected position in all municipalities of Georgia, but at the same time, this post was defined not only as the highest position of the municipality but also as an executive body (while the status of the governor("gamgebeli" in Georgian)/mayor was reduced to an institution subordinate to the executive body of the municipality, which ensures the exercise/realization of the powers of the gamgebeli/mayor). This situation still exists. At the moment, the City Council ("sakrebulo" in Georgian) is not a municipal policy-determining and development-planning body; Instead, it has become a tool for responding to issues initiated by the mayor of the municipality.

Although the goal of the Local Self-Government Code adopted in 2014 was to systematize the legal base of the local self-government, it still failed to solve this task, and even today, the requirement of the European Charter regarding completeness and exclusivity of self-government powers is not fulfilled.

It is worth noting that in the decentralization strategy 2020-2025, one of the hindering factors in increasing the quality of decentralization in Georgia is the low competence of self-government employees - civil servants. However, it seems that this is not only a problem in Georgia, because similar problems are also being discussed in the self-government management process in Germany - the lack of competencies of civil servants. (Decentralization Strategy of Georgia 2020-2025)

It is also problematic for Georgia's self-government to perform such basic governance functions as procurement and payments. Very often, the centralized procurement system cannot ensure timely and quality production of works. Today, the central government of the country is the main maker of the local budget process and not the self-government body elected by the population of the given area. All this, in the end, prevents self-governing units from exercising their spending competencies, own powers, and effective services, not to mention making serious infrastructural investments. (Gumbatov, 2021). Local self-governments do not have adequate sources of income to perform the functions assigned to them, which is also explicitly stated in Articles 9.1 and 9.2 of the European Charter of Local Self-Government. The existing tax revenues related to the property tax do not represent a sufficient base to solve the mentioned problem.

Ultimately, in the process of self-government of Georgia, based on various studies, the following issues are particularly problematic:

- In reality, the requirements and obligations developed by the law, which are imposed on self-governments, are not implemented in practice;
- The City Council, as a representative body of local self-government, is still not the main development planning body of local policy, but it appears as an instrument for responding to issues initiated by the mayor of the municipality;
- The main maker of the local budget process is the central government of the country and not the self-government body elected by the population of the given area;
- Some (majority) self-governments lack initiative and desire to solve the existing challenges;
- Self-governments do not have enough financial provisions;
- Lack of competent human resources is an essential problem of local governments;
- The main function of self–government should be the decision of communal provisions: water, gas, and electricity supply. None of these belong to the authority of self-government, which indicates that Georgia's self-governments are missing the most accepted model of defining the concept of self-government in Europe - communal government
- No authority over the local tax regulations, which may allow the self-government to create a favorable environment for investment, etc. (Kaishauri, 2016)

In the self-government of Georgia, there are also other challenges but, in this case, we focused on the problematic issues that have already been theoretically and practically regulated in the self-government bodies of FRG.

The experience of FRG

In any successful democratic state, including FRG, the shortest path between citizens and the administration is the municipalities. In FRG, municipalities belong to the lowest state bodies. Municipal administration can be divided into two levels, protected by the constitution (Article 28 (2) Constitution of the FRG). Legally independent means that municipalities are independent legal entities under public law, which means that municipalities generally act under their responsibility. (Europaeische Kommission – Offentliche Verwaltung, 2019) Self-responsibility also means that municipalities should independently organize their administrative structures. Their statutes are legal norms that apply only to the members and regulate the internal structures of local self-government. They also have a certain financial independence and some voluntary and mandatory Obligations. Tasks such as managing sports facilities, cultural institutions, or local public transport are voluntary, and are carried out at their discretion with their finances (which is written only theoretically in Georgia, but is not fulfilled practically). Mandatory tasks include fire protection, sewage cleaning, building supervision, etc. The highest head of the administration is the mayor, who is directly elected by the citizens in all municipalities. (Moderne öffentliche Verwaltung).

The sovereignty of the local government is limited to a strictly separated part of the national territory, the spheres of duty and the boundaries of the local government are regulated by the constitution. The constitutional basis of local self-government is Article 28 of the Basic Law, according to which municipalities have the right to "regulate all issues of local society under their responsibility within the framework of the law." (Constitution of the FRG)

German researchers point out that in united Germany, two main strategies were used in the implementation of municipal reforms: new management, designed to optimize the provision of social services at the local level, and participatory democracy (participation), aimed at developing civic activity of the population.

The basic essence of the "modernized" version of administration is the gradual introduction of business management methods into the practice of municipal governance. In local government, "new public management" means: (Naschold, Bogumil, 2013)

- less state bureaucracy and more direct participation of citizens in the decision-making process.
- Germany's managerial strategy involves broad participation in various regional associations or self-government organizations,
- It also places a clear emphasis on step-by-step and continuous monitoring of the results.

These ideas prefigured the consensus and evolution of the German reforms.

In parallel with new managerial practices, a second line of reforms is developing, which is related to some institutional changes for democracy development in Germany. At the same time, the institution of the local referendum was introduced, which requires the signature of 10-15% of the local population. Step by step, the local referendum has become an effective mechanism for involving ordinary citizens in the local decision-making process. Both of these innovations have significantly improved the activities of the local administration, which now listens to more demands and needs of the population.

The FRG self-government system is a great strength for German democracy. Even from this small overview, the strengths of the German self-government and its responsibilities are clear:

- Personal - the society can select, motivate and dismiss staff at its discretion;
- Financial - the right to manage one's income and expenses;
- The authority to regulate the organizational-internal structure by local conditions;
- The possibility of issuing legal-communal provisions, such as building regulations and plans for the development of useful areas;
- Taxation - A society can raise its citizens' taxes, compensations, contributions, and general taxes.
- In fact, local self-government in FRG is a public utility ministry. (Büchner, 2003)

Conclusion

Thus, compared to the self-government in Georgia, FRG has a different approach, and the fact is that their work plan and schedule are more useful and acceptable both for citizens and for the well-being of the country.

The example of FRG allows us to highlight the shortcomings of self-government in Georgia and improve its work. Implementation of some aspects of the German rule of governance in the reality of Georgia can be considered as one of the possibilities for increasing the effectiveness of the public administration of Georgia. Most importantly, the German approach to work and attitude to work showed us that reforming state management and, as a result - democratic governance, cannot be done only by arranging the theoretical part, but the main thing is its correct introduction and implementation in practice.

Based on the experience of FRG, we can boldly highlight the necessity of those reforms that will further strengthen the democracy of Georgia. These are property and financial independence, separation of powers in the field of public administration, attracting qualified resources, more involvement and interaction of the local population in terms of the development of regional programs, training of local public professional officials, and greater responsibility and initiative of the regional government in the direction of program development, regulations of the land utilization, income, tax, communal reforms, etc.

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CLUSTERING AS A TOOL TO ENHANCE ENTERPRISE COMPETITIVENESS

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Abstract

The article considers the potential of cluster policy in the aspect of increasing the competitiveness of enterprises in an innovative economy. The necessity of using a cluster approach in economic policy is substantiated, and a definition of a cluster and a description of its distinctive features are provided. The classification of clusters according to industry specifications is given. A description is given of the main clusters of the Russian Federation, as well as the main target areas for the further development of cluster policy.

The author notes that the indicators and mechanisms for the transition to an innovative economic system are being actively discussed by the Georgian government, as well as Georgian businessmen and scientists. The article notes that the formation of an innovative economy means the transformation of human intelligence and creativity into a leading factor in economic growth. One of the most important economic objectives of the Georgian government was to transfer Georgian manufacturing into the high-tech sector, which would dramatically increase the competitive potential of the Georgian economy by increasing the comparative advantages created in the fields of science, education, and welfare.

Keywords: Cluster, politics, innovation, enterprise, priority, competitiveness.

Introduction

Indicators and mechanisms of the transition to an innovative economic system are actively discussed by the Georgian government, as well as by Georgian businessmen and scientists. The formation of an innovative economy means the transformation of human intelligence and creative potential into a leading factor of economic growth. One of the most important economic tasks of the Georgian government was to transfer Georgian production to the field of high technologies, which will dramatically increase the competitive potential of the Georgian economy at the expense of increasing the comparative advantage created in the fields of science, education, and welfare.

Main Body

The source of high incomes is not only the rent received from the opportunity to use natural resources due to the conjuncture of the world market but also the production of new ideas, technologies, and innovations. In our opinion, this is the only way for Georgia to cope with the competition with Asian (cheap labor force) and European (high quality) products. In the conditions of an open economy and global competition, it is impossible to achieve the level of efficiency and well-being of developed countries, if advanced development is not ensured in the field of determining socialization in the world economic system.

In our opinion, one of the most effective mechanisms for increasing the competitiveness of Georgian enterprises is the formation of a national cluster policy, the main priorities of which should be:

- Formation of territorial industrial clusters (at least 3-4), which will be focused on the development of high-tech products in priority sectors of the economy and will be concentrated in urbanized regions;
- Formation of territorial-production clusters in poorly developed regions, which will be focused on the deep processing of raw materials and energy production using modern technologies;
- formation and development of tourist-recreational zones producing high-level services in regions with unique natural and climatic conditions;
- The formation of large transport-logistic and production hubs within the framework of the national transport network, will have the appropriate carrying capacity and ensure the connection of economic growth centers with the world transport system.

A cluster represents a union of equipment, components, specialized service providers, enterprises, scientific research, and educational institutions, which are connected by territorial proximity and functional interdependence in the field of production and sale of goods and services. They can be located in one or several neighboring regions of the country. The cluster should not be confused with territorial-industrial complexes, which are a product of the Soviet era. The principal difference between a cluster from such complexes lies in the fact that the primary factor of its integration is new knowledge or innovation and information-communication networks, while the role of the integrator of the territorial-production complex is primarily the production infrastructure.

A modern cluster produces a whole range of constantly changing products, and in cases where auxiliary productions are geographically close to the main ones, it uses the principles of localized sub-controlling and outsourcing; In addition, the highly qualified and creatively minded staff is the main factor of cluster development.

The importance of clusters and cluster policy for the economy of Georgia is to give a new, innovative direction to the traditional food development vector, which will contribute to the diversification of the economy and the development of transport, energy, communication, and innovative infrastructures. As a result of all this, the competitiveness of Georgian companies will increase.

Characteristic signs of the cluster include:

- Existence of a strong competitive position in international and local markets and high export potential of cluster participants;
- Existence of areas of competitive advantages for further development of the cluster (for example favorable geographical location; access to raw materials; availability of specialized human resources, recruiters, and related service providers; close involvement of educational and scientific-research organizations necessary for IT infrastructure);
- Geographical concentration of the cluster and the proximity of the organizations and enterprises participating in the cluster, which ensures their close interaction;
- A wide range of participants, which is necessary to create a positive effect of cluster interaction;
- Effective interaction between cluster participants, which includes subcontracting mechanisms; Enterprise partnership with scientific, research, and educational institutions; The practice of joint, collective promotion of goods and services on internal and external markets.

The main categories of cluster participants include:

– Basic (main) enterprises, - enterprises and organizations, specialized in profiling activities;
– Subcontractors – enterprises, and organizations that provide products and services to the main specialized enterprises;
– Resource infrastructure - enterprises and organizations that provide services of general consumption sectors (transport, energy, engineering, nature protection, information, and telecommunications);
– Market infrastructure - auditing, consulting, financial, insurance, leasing, logistics, trade operations;
– Knowledge infrastructure - scientific research and educational institutions;
– Investment and innovation infrastructure - business incubators, technoparks, industrial parks, venture funds, technology transfer, design development, energy supply, subcontracting centers;
– Infrastructure organization - non-profit and community centers of business, associations of entrepreneurs, chambers of commerce and industry, regional and municipal development centers, investment attraction agencies, and product export support agencies.

In addition to characteristic features and participants, there are also types of clusters determined by sector specifics:

1. Discrete cluster - includes manufacturing enterprises consisting of discrete components (including machine building, construction, and construction materials production, carried out by small and medium-sized companies);
2. Process cluster - formed by chemical, pulp, and paper producing, metallurgical, food industry, and agricultural production enterprises;
3. Innovative and creative clusters - develop in new sectors, namely: information technologies, biotechnologies, and new materials, as well as in sectors related to creative activities;
4. Tourism clusters - for tourists, tour operators, hotels, catering sector, souvenirs, transportation service manufacturing enterprises;
5. Transport-logistics clusters - a complex of companies and infrastructure, which specializes in the transportation of cargo and passengers by land, air, or sea, on placement and storage, logistics complexes, and others. Clusters of this type develop in regions with transit potential.

In addition to the named ones, there are also mixed-type clusters that have several characteristics.

As we can see, the cluster approach can significantly increase the competitiveness of Georgian enterprises at the expense of the synergistic effect of cooperation and interaction within the cluster. In this regard, there is a need for an agreed strategy for developing cluster initiatives, attracting world-leading companies to participate in similar projects, as well as diversifying production assets at the expense of the formation of new high-tech productions.

In our opinion, the Ministry of Economy and Sustainable Development of Georgia should develop a concept of cluster development and methodological recommendations for the implementation of this concept in the regions, within the framework of which the further formation and development of clusters should take place in the following three directions:

1. Support to the institutional development of clusters (development of development organization, development strategy, provision of effective informational interaction of cluster participants);
2. Implementation of projects to increase the competitiveness of cluster participants (increasing the

quality of management, stimulating innovative activity, promoting marketing);

3. Provision of favorable conditions for the development of clusters (infrastructure development, tax incentives, lowering of administrative barriers, etc.).

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GEORGIA AS A TRANSIT ENERGY TRANSPORT BRIDGE. PROBLEMS AND PROSPECTS

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Abstract. The article discusses Georgia's geopolitical and geo-economic role in energy and transport transportation. Features of the development of the transport corridor at the present stage; Taking into account world globalization and forced changes, the issue of realizing the possibilities of using the energy and transport potential; Some Aspects of Ensuring Energy Security and Economic Development Processes in the Process of Georgia's Acting as a Linking Country.
Keywords: energy transport corridor, South Caucasus gas pipeline, Baku-Tbilisi-Ceyhan oil pipeline.

Introduction

Georgia, due to its geopolitical situation, represents a kind of crossroads between Asia Minor, the Middle East, and Europe. At the same time, it allows the country bordering the Black Sea to play the role of a transit state and has the potential of a connecting country.

In the modern world, relations in the energy field have become an important lever for achieving foreign economic goals of states. Based on the above, the correct energy policy of the country is important for achieving national sovereignty and economic stability, which includes the development prospects of transport and energy corridors.

The processes of world integration and globalization, against the background of forcefully accelerated changes, affect both the spectrum of the country's economic relations. In the conditions of global competition, there is a high probability of the emergence of new trends, interests, and sometimes conflicts, which, in turn, lead to a change like the development of transport and energy corridors. From this point of view, Georgia needs to maintain and strengthen the functions of international transit and energy corridors.

Discussion

Georgia is located at the intersection of two types of transit energy and transport corridors: “North-South” and “East-West”.

Three pipelines of international importance pass through the territory of Georgia, through which oil products are delivered from Asia to Europe. However, in addition to this, there is another North-South natural gas main pipeline through which natural gas is supplied to Armenia.

In general, the transport corridor, the main purpose of which is the socio-economic development of the territory and the improvement of the living standards of the population, also has a geopolitical context, which ensures the formation of a qualitatively new level of the complex world geopolitical landscape. The transport corridor contributes to the formation of two opposite dialectical trends. On the one hand, the compression of space due to the intensity and speed of communication, and on the other hand, the expansion of the area as a result of the integration of new territories into the global transport system.

Thus, such types of transport corridors are tools for the formation of geopolitical design of the civilized space, a means of institutionalizing its development vector. They create a unified technical, management, and legal infrastructure and ensure the socio-economic development of the territory, promotion of national interests, and limit the geopolitical landscape.

Transport corridors can construct space, based on the interests of subjects participating in the political process and the possibility of transformation in their desired direction.

The formation and functioning of the transport corridor is a strong factor in the aggregation and realization of political will, which leads to the integration or isolation of the subject (participating party).

It should be noted that the viability of the mentioned transit corridors, among other factors, depends to a significant extent on the peace and stability of the transit and beneficiary countries.

The transport corridor, as a large infrastructural project, is also characterized by risks typical for such type of projects (financial, governance, ecological, and social), which, in turn, leads to insufficient transparency of information, difficulties due to the different interests of the participating states and the level of economic development. The scale of risk of large-scale projects is correspondingly large. The risk of expanding the area of regional instability is particularly important.

The transport corridor has gained special importance due to two large regional oil pipelines Baku-Tbilisi-Ceyhan (BTC) and South Caucasian Gas Pipeline (Shah-Deniz) (SCP). Both pipelines are important from the point of view of increasing the transport potential of Georgia, as well as for perfecting the regional integration process and ensuring stable cooperation between Georgia-Azerbaijan-Turkey in the long term.

It should be noted that oil-producing countries (eg Azerbaijan, and other oil-producing countries in Asia) are interested in supplying their energy carriers to end users. As a result, the scale of these countries' investment in transport infrastructure both inside and outside the countries is large. Considering the geopolitical situation of the country, the mentioned trend was also reflected in Georgia. At the same time, it helped to diversify the sources of energy resources so that Georgia, as an energy-importing country, does not depend on the energy resources of only one country.

The Baku-Tbilisi-Ceyhan (BTC) pipeline is 1768 km long and has been in operation since 2006. Through it, crude oil passes from the Caspian region through Azerbaijan, Georgia, and Turkey to the Mediterranean Sea and is the first direct route of transportation between the Caspian and Mediterranean seas.

The Baku-Tbilisi-Ceyhan (BTC) pipeline is an alternative way to transport not only Azerbaijani oil but also Turkmen and Kazakh oil. In this way, the export of Turkmen oil started in July 2010.

500 million tons of Azerbaijani oil is exported to Turkey and the world market through the Baku-Tbilisi-Ceyhan (BTC) pipeline.

At the same time, the efficiency of the pipeline increased from 75% to 99.9% over 15 years. As it became known, Israel expressed readiness to build a new pipeline from the city of Ashkelon and connect it to the Baku-Tbilisi-Ceyhan (BTC) pipeline.

Baku-Tbilisi Ezrum (i.e. South Caucasian Gas Pipeline or "Shakdeniz") (SCP), which has been in operation since 2006 and provides natural gas supply to Turkey and is connected to the Shakh-Deniz gas condensate field. Its main purpose is to supply Turkey with natural gas. However, from the beginning, the question of connecting Turkmen and Kazakh producers to it through the Trans-Caspian gas pipeline "Nabucco" was also discussed.

The South Caucasian Gas Pipeline (SCP) runs parallel to Baku-Tbilisi-Ceyhan (BTC). By using alternative pipelines, Georgia is to a certain extent achieving Russian energy influence.

On June 28, 2013, an announcement was made regarding the closure of the Nabucco project and the start of construction of the Trans-Adriatic Gas Pipeline (TAP) and its prioritization.

The Trans-Anatolian Gas Pipeline (TANAP) project was first announced on November 17, 2011, which increased the importance of the South Caucasian Gas Pipeline (SCP). It represents a segment of the South Caucasian Gas Corridor and ensures the export of natural gas from the Azerbaijani gas field Shakh-Deniz 2 from the Sangachal terminal through Georgia and Turkey to Greece, Albania, and Italy to the European market. The project was planned in four stages. In 2018, the first phase of the Trans-Anatolian Gas Pipeline (TANAP) was put into operation, and the natural gas supply was carried out, as a result of which the annual supply of natural gas to Turkey was determined to be 6 billion cubic meters. By 2020, it was planned to increase the pipeline capacity to 16 billion cubic meters per year. 6 billion cubic meters of the utilized capacity is intended for Turkey and the rest for Europe. By 2023, it is planned to increase the gas throughput to 23 billion cubic meters per year, and by 2026 (the fourth stage), it is planned to increase the throughput capacity to 31 billion cubic meters per year. TANAP is part of the South Caucasian Gas Pipeline (SCP) and the Trans Adriatic Pipeline (TAP). TANAP connects to the South Caucasus Gas Pipeline (SCP) on the Georgia-Turkey border, and to the Trans-Adriatic (TAP) pipeline on the Turkey-Greece border.

In the next stages, it is planned to export 50 billion cubic meters of gas per year through the Trans-Anatolian Gas Pipeline (TANAP).

On December 31, 2020, the supply of Azerbaijani gas to Italy, Greece, and Bulgaria through the Trans-Adriatic (TAP) pipeline began. Trans-Adriatic (TAP) pipeline capacity is expected to reach the design benchmark in 2022. In the future, the throughput of the pipeline can be increased to 20 billion cubic meters per year.

In today's world, the price of energy carriers is a "political weapon" to influence countries. In this regard, Georgia is one of the regional players in energy policy and has an important role in strengthening security and stability in the Caucasus region. In addition, the transport corridor of Georgia is an essential component of maintaining security, and from this point of view, the role and identity of Georgia are very important in joining the European and Euro-Atlantic structures.

Georgia's geopolitical advantages are related to its economic and political role in the South Caucasus, integration directions with the European Union, relations with neighboring countries, and the geopolitical importance of the transport corridor. Georgia is a bridge between the West and the South both economically and politically. It has the potential to become a connecting country between the North and East. Georgia is connected with neighboring countries through geographical and trade relations. Georgia creates an open market with neighboring countries to facilitate the free movement of capital, goods, and services flows and to coordinate foreign economic policies in the region. Its general tendency in a particular geographical area is to promote convergence of interests with all neighboring and partner countries through trade liberalization and open regionalism in foreign policy. Strengthening this function is an important task of Georgia's global identity. However, unsettled relations with Georgia's separatist regions and difficult relations with Russia hinder its role as a newly emerged and developing regional player and its function as a transport corridor.

The geographical location of Georgia as a transport corridor connecting Europe and Asia determines the country's international economic function. As an energy bridge, it plays an important role in the transit of energy resources of the Caspian Sea and is an alternative to pipelines controlled by Russia.

The resources of the Caspian Sea and their transport routes, which pass through Georgia through the Baku-Tbilisi-Sufsa, Baku-Tbilisi-Ceyhan, and Shahden (Azerbaijan)-Tbilisi - Erzum (Turkey) pipelines, are of geostrategic importance, causing world interest in the region.

Hydrocarbon resources of the Caspian Sea are transported through Georgia by both pipelines and rail transport, which are connected to Kulevi and Sufsa terminals and Batumi and Poti harbors.

Georgia, together with other partner countries, has an important role in the process of diversification of the supply of energy resources to the European Union.

Conclusion

In line with the goals of the energy union, strengthening energy security through diversification of supply sources and routes, as well as integration of regional energy markets, remains a priority. The availability and sustainability of energy resources ensure economic growth and prosperity of the country in the long term.

The Southern Natural Gas Corridor will be further expanded to ensure the transportation of Turkmen gas. After the planned projects and regional initiatives are implemented, the role of Georgia as a reliable transit partner will further increase, as well as its transit function, energy security, and economic development will be strengthened and a logistics center will be established in the region. A certain volume of natural gas will be additionally available on the local market.

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The TAP gas pipeline and the Southern Gas Corridor bypassing Russia were put into operation

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UDC 65

IMPORTANT ASPECTS OF PERSONNEL MANAGEMENT IN THE CONTEXT OF SAFE BUSINESS DEVELOPMENT

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Abstract: The goal of personnel management is to provide the organization with employees who can optimally and qualitatively perform the duties assigned to them. Innovation is increasingly breaking into new areas of business. Accordingly, personnel management must also respond to modern challenges. A company that is not protected from aggressive factors faces constant challenges, which pose a significant threat to sustainable business development. As a result, it is relevant to discuss the problem of personnel management in the context of safe business development. The article discusses the following aspects of personnel management: employee selection, involvement in business processes, and the degree of trust.

Advanced technologies allow us to get information about the product we are interested in with the help of social networks. It is trust that is the invaluable resource with which companies compete with each other. The relevance of the mentioned phenomenon has not changed since the beginning of business and the formation of society.

In the sea of information flows, every company has its image in the eyes of the user. For the customer to be satisfied, first of all, the employee must be satisfied and have a good attitude toward the organization. The article presents the requirements for the employee in personnel management. It is noted that the environment of high social responsibility in the company is important at this time.

Appropriate working conditions and a socio-psychological environment are necessary for the successful realization of human resources. Under the conditions of effective management, the correct selection of the employee, his involvement in business processes, and a high degree of trust are the prerequisites for the security and sustainable development of the business object.

Keywords: Business, Management, Competition, Strategy, Personnel.

Introduction

The goal of personnel management, as an important direction of management, is to provide the organization with personnel who can optimally and qualitatively perform the duties assigned to them.

The requirements for modern business are constantly changing, innovations are breaking into new areas, therefore personnel management must also respond to the demands of the times.

Consequences and their Judgment

A company that is not protected from aggressive factors faces constant challenges. These are usually for it: conflicts, constant turnover of personnel, low quality of released products and services, etc. which poses a significant threat to the sustainable development of the facility. As a result, it is relevant to discuss the above-mentioned problem in the context of safe business development. In the article, we will focus on the following important aspects of personnel management:

1. Selection - how you hire a person in the company today determines what problems you may face tomorrow. A good employee who is qualified and nurtured alone cannot ensure increased sales and revenues. Outstanding data does not yet mean that he will effectively realize them.

The result of successful management is how much the employee's potential will be utilized by the company. Just because a person can benefit the company doesn't necessarily mean they will. This requires appropriate environmental conditions, both macro-economic (socio-economic and political-psychological environment in the country) and especially microeconomic relations within the company.

2. The second factor is no less relevant - the employee's involvement in business processes. Only a loyal employee cares about the well-being of the company and does everything to solve the set tasks. Efforts made, under effective management, return to them in the form of increased personal income. The mentioned internal corporate relations are mutual, as family members take care of each other, and if the employee feels the support and attention from the company, under appropriate management conditions, he does the same.

On the contrary, a low level of engagement leads to indifference, resulting in low productivity and missed opportunities. At this time, the employee cares less about the well-being of the company, and can often pose a threat to its sustainable functioning.

Naturally, it is impossible to choose the best of the best from the beginning, because engagement is not a personal trait of a person. It is a characteristic of the relationship with the employees of the organization, which is formed during the work process. Therefore, for the sustainable development of the business, managers at all levels must pay attention to this and work to deepen the relationship with the company's personnel in terms of engagement.

3. Trust is a factor that is often underestimated. But that is the basis of business development. Without it, it is impossible to successfully manage both business and personnel. In other words, “Trust is the belief that an employee will do what is expected of him at a particular moment and not do what is not expected.

Suppose you visit a beauty salon for a haircut. You expect to find a good stylist there who will do his job with integrity. Expect them to give you time and attention, treat you with courtesy, and consider your wishes for a new hairstyle. As a result, expect to love the result of her labor – a new hairstyle. You don't want him to start solving personal affairs in the process of fulfilling his duty, to show carelessness, not to take into account your wishes and, for example, to cut your hair much shorter than necessary. It is mentioned that if you had known, you would not have come to him from the beginning.

If the stylist meets your expectations, you will be satisfied. Your sympathy will increase and it is natural to trust him. There is a high probability that you will come to this salon again and may even recommend it to a friend. This is how the attitude towards a specific specialist and company is formed, whether it is a doctor or a craftsman, a lawyer or a driver.

Good service and goods motivate the client to visit the business facility again. It can be said that the role of such customers is crucial in the success of the company, who recommend you to new customers and advertise you.

Modern technologies allow us to get information about the product we are interested in with the help of social networks. Therefore, it is trust that is an invaluable resource with which competition takes place. This phenomenon has not changed since the beginning of business and the origin of society. In the sea of information flows, every company has its image in the eyes of the user. The client also turns to the object in which he has more confidence. For example, Apple products deserve more trust than other less-known brands.

Often, companies themselves create excessive customer expectations, and if they fail to meet them, they lose trust. For example, with an advertising company, you not only attract the attention of consumers but also create a certain mood in them. As a result, if the quality of service or goods does not justify - trust decreases. Your product may be better and cheaper than similar products of competitors. But if the customer does not get what he expected - trust will disappear.

There are many nuances in personnel selection and management that we cannot take into account in advance. For example, if the candidate you select has no experience working in a similar position, he may have superficial ideas about his future work. At first, it may seem that he likes the proposed work.

But, after looking into the details, he begins to see what he could not see before. As a result, he reevaluates that the said place is not so pleasant and continues to work without enthusiasm. Consequently, it does not achieve tangible results, which is why the employer is often disappointed.

It is important to consider that the client's trust in the company is formed in the process of relations with the employees. You may have good service and an attractive advertising campaign that will attract the attention of a potential customer. But if the employee does not serve them well, listens indifferently, does not give the desired answer, or talks rudely, then the customer's expectations will not be met. They will lose confidence in your company and be less likely to come back. For example, the "Georgia" hypermarket has an attractive advertising company and a good location, which helps to attract customers. However, the level of service is debatable.

For the customer to remain satisfied, first of all, the employee must be satisfied with his work and be well-intentioned towards the organization. Therefore, if you want to gain the trust of customers and the public, you must first manage to gain the trust of the employee, which is determined by their level of engagement. There are different manifestations of trust.

- Trust among employees. It is difficult to work in a team whose members you cannot trust. For the company to develop successfully, employees must perform their duties in a timely and quality manner. The ideology of unanimity is what distinguishes the culture of Eastern countries. Japanese management stands out in this regard. With the right positioning and appropriate goal setting, shared goals built on trust bring employees closer together and motivate them to take collective action.
- Trust between employees and management. As a rule, at the interview stage, company management sets certain expectations for future employees regarding work in the company. If the employer fails to live up to this expectation, then the employee's trust in the company falls. For example, if the boss does not fulfill his promises, shows subjectivism, and treats the staff undeservedly, trust and respect for managers decrease, which directly affects the security of the business.
- Trust between employees and the company. The degree of trust in the organization directly depends on the actions of the employees. If each employee, manager, or shareholder fulfills his/her duties well towards the company and other employees then trust increases. This, in turn, leads to employee engagement, which contributes to customer satisfaction and, accordingly, business success.

In personnel management, the following requirements are relevant to the employee:

1. To be positive to do the job;
2. To the tasks and challenges of the organization;
3. To follow ethical and moral standards, to have professional skills;
4. Each specialist, as a professional athlete, must work on himself and constantly improve his qualifications;
5. Be customer-oriented, evaluate the company's products from the customer's point of view;
6. To be distinguished by sociability, to have the ability to listen and convey information, to be attentive to those around you;
7. Managers should have leadership qualities, the ability to manage people, be able to motivate the group to achieve goals, be distinguished by strategic thinking, could predict long-term plans and the ways to achieve them, choose reasonable decisions to mitigate threats;

At this time, it is important to have an environment of high social responsibility in the company.

Conclusion

Therefore, appropriate working conditions and a socio-psychological environment are necessary for the successful realization of human resources. In the context of effective management, the correct selection of the employee, his involvement in business processes, and a high degree of trust are the prerequisites for the security and sustainable development of the business object.

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UDC 658

STRESS MANAGEMENT AS A PART OF ORGANIZATION MANAGEMENT

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Abstract. Stress in the workplace is one of the main reasons for the deterioration of health, reducing the productivity of an employee in an organization. As a result, the efficiency of both the employee and the company as a whole decrease. Stress management is one of the mechanisms for ending stress in the workplace or minimizing its consequences. In this paper, we find out not only the causes of stress but also ways to deal with them.

Keywords: stress management, efficiency, productivity, management standards.

Introduction. In many sources, the authors translate this concept of “stress management” as stress management. However, stress management includes both managing oneself and one's behavior directly at the moment of stress and overcoming the negative consequences of stressful situations [1, 2].

Stress management is a very topical issue. Many companies strive to match the modern lifestyle, which implies constant movement, development, and striving for something new, but all this is impossible without staff. Managers expect too much from their subordinates, they need full dedication to work. The fear of letting the boss down, not coping with the task, and not having time to complete the task are one of the frequent psychological stresses that lead to employee stress. This is shown by a study conducted in the UK in 2007: “Psychological conditions in the workplace” [3].

The results showed:

- About 1/7 of people consider their work very stressful;
- In 2005/6 about half a million people in the UK reported that the level of stress at work is the cause of various diseases (heart, musculoskeletal system, gastrointestinal disorders, sleep disturbances);
- Anxiety and depression are among the most common complaints, affecting 20% of the UK's working population;
- Stress affects employee absenteeism, the average number of days on sick leave is 30.1 days; this is much higher than the number of sick days due to other illnesses (21.2 days);
- About 11 million workdays were missed by workers due to stress in 2005/6. Workplace stress affects [4]:
- Obligations of the employee to the organization;
- Staff performance and productivity;
- Staff turnover;
- Level of attendance;
- Customer satisfaction;
- Image and reputation of the organization;

- The possibility of litigation.

Stress can have a huge impact on some people, as well as on the whole team as a whole. For example, if a colleague is absent for an extended period due to illness, then this affects the workload and morale of the rest of the company's staff. So what can help a company get rid of stress at work? Specialists often use in their practice a management standards system that defines the area of stress in the workplace, and controls or eliminates its source. The goal of each standard is to achieve the conditions of an ideal organization [2-3].

Consider each of the 6 areas and their standards [3]:

1. Requirements - employees can cope with their job responsibilities. "Ideal organization" - the organization sets achievable goals, taking into account the time of work; compares the skills and abilities of the employee to the task, each employee is focused on one area of work.
2. Control - employees can control their workflow. "Ideal organization" - the employee determines the necessary pace of work, employees are motivated to use their skills, take the initiative about work, and also develop their abilities, employees are given the right to determine their break time, and employees are consulted on their style of work.
3. Support - Employees receive information that meets the requirements and the necessary support from colleagues and superiors. The "Ideal organization" - the organization has a policy - to support its employees, the system does its best to encourage managers to help the staff, employees know that they can get support from management positions, and employees regularly receive constructive feedback.
4. Interpersonal relationships - employees have good relationships with colleagues. "Ideal organization" - the organization promotes a friendly atmosphere, tries to avoid conflicts and ensure justice in the workplace, the team shares the necessary information, the system is aimed at motivating managers to monitor the psychological climate in the group, take measures to eliminate the source of the conflict.
5. Role - employees understand their role in the organization. "Ideal organization" - such an organization guarantees an individual approach to each employee and does everything possible so that employees understand their roles, responsibilities, and functions. In such organizations, employees are helped to feel important.
6. Changes – Employees are aware of organizational changes ahead of time. "Ideal organization" - the organization promptly offers employees information about changes in the structure of the organization and explains the reasons, and, also, provides the opportunity to influence the decision, employees are notified of the right to influence changes.

The Workplace Stress Management Standards describe a risk management approach that includes several features that can significantly reduce or eliminate the causes of stress.

Consider the risk assessment algorithm [4]:

1) Prepare the organization for risk assessment;
2) Find out what area of management standards this problem belongs to;
3) Determine who and how may be harmed (data collection). Such data can be:

- the results of the investigation of the facts of industrial diseases;
- data on disability due to illness for the last year;
- information obtained as a result of surveys;
- information on staff turnover, as well as obtained as a result of conversations upon dismissal;

- results of work optimization studies or requirements/availability studies;
- statistical information about employee assistance and counseling programs.

The sequence of actions is as follows:

1. Evaluate (look at problems and find solutions). There are 2 options for assessing stress:

- 1 – self-assessment – use a checklist or questionnaire, also: try to identify activities that can cause significant and prolonged stress, evaluate the effectiveness and appropriateness of harm prevention measures taken so far, take additional measures to deal with problems associated with distress, if necessary, periodically review the results of the evaluation;

- 2 - survey - an assessment questionnaire allows you to consolidate information to facilitate understanding of stressors; access to approved questionnaires is on a commercial basis; you can also use specialized resources outside the company.

2. Document the discovery (develop and implement an action plan). The most important result of the work done is the action plan. Only this will help managers to control the effects of stressors and minimize the consequences. By the plan, it is necessary to document specific actions and deadlines, the document must be approved by the head of the enterprise. In a successful organization, it is a continuous process, that regularly uses evaluation data to optimize or reorient the intervention strategy.

3. Control execution.

Methods of dealing with stress are carried out with the help of certain programs compiled according to the management standards system. Every program is based on principles.

- First, it should be remembered that the personal problems of the worker cannot be ignored, since there are no clear boundaries for him that separate the stress at work and home.
- Secondly, it is very important not to allow stress to spread to the team.
- Thirdly, only the person himself can cope with his problem. Many professionals can participate in his stress management program, however, if there is no return from the victim, then the measures will not be effective.
- Fourth, managers should monitor stress levels in the workplace. The organization should contribute to a favorable psychological climate in the team. Stress in the workplace is closely related to an unfavorable psychological climate in the team.

Depending on the problem, the following ways to eliminate stress in the workplace can be suggested:

1. Conversation with the employee;
2. Use the following rules when solving problems:
   - Allow the employee to speak out, to find out what worries him; however, do not solve problems that are not related to work;
   - if stress is related to character, then you need to find sources;
   - if the problem is serious, do not rush to help without consulting with specialists; for example, you can contact the human resources department or the health department;
   - after a sufficient period, you should re-talk with the employee and find out how the situation has changed;
   - if the stress is about personal problems, then you can't distribute information to other employees;
3. Change in work schedule (flexible schedule, holidays, free Saturdays);
4. Training and consulting (information and referral, employee assistance programs, employee support groups, pre-retirement programs, post-retirement programs);

5. Programs of communication and recreation (physical culture and sports, circles, choirs, theater groups);
6. Medical care for employees;
7. Financial assistance (borrowed funds, non-taxable settlement accounts).

It is necessary to use all means to ensure the psychological comfort [4] of each employee in the workplace.

Conclusion. The main task of stress management is to protect and enhance the health, well-being, and productivity of both the entire team and each employee. This task can't be accomplished without an understanding of the nature of stress and how it affects people and organizations, and without a well-planned program that will mitigate and, more importantly, prevent the harmful effects of stress.

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UDC 369

INTERNATIONAL EXPERIENCE – MODELS OF SOCIAL PROTECTION IN EU COUNTRIES

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Abstract. The paper discusses the approach of EU countries regarding social programs that should promote the existence of citizens under equal conditions. It also addresses the issues that can strengthen the social dimension of Europe given the current challenges.

Responsibility for social policy rests with individual member states. Additionally, the principle of subsidiarity in the European Union protects member states from unwanted interventions in national autonomy to act and organize.

The development of democracy is directly related to the presence of active citizens in the country. As more citizens participate in democratic processes, the government assumes increased responsibility for managing the country. Accordingly, it is a moral obligation of the citizen to make maximum use of the opportunities given by the constitution and the law and to be actively involved in the management of the state or even their city or municipality. According to the Constitution, Georgia is a social state that takes care of strengthening social justice, social equality, and social principles in society (Constitution of Georgia, 1995). "It is the unshakable will of the citizens of Georgia to establish democratic public institutions, economic freedom, a social and legal state, and to ensure universally recognized human rights and freedoms." Georgia is facing a challenge, and I believe that the social models, experience, achievements, and state approach of EU countries will be useful for Georgia's social policy.

Keywords: social policy; social policy of EU countries; social models.

Introduction. After the collapse of the Soviet Union, Georgia became an independent state. Despite the sharp controversy in the field of politics and public life, most of the population of Georgia chose the path of European development. For a country to join the European Union, it must meet the so-called "Copenhagen criteria", which means democratic principles of social organization, freedom, existence, and respect for human rights and the rule of law. The living conditions and rules of the European Union imply a much higher level of employment, decent average and minimum wages, pensions, high-quality healthcare and education available to all, and decent social security (Tsagareli A., Berekashvili B., Zhorzholiani G., Chivadze T. Why Europe - how do people live in European countries?" 2022).

European integration is first and foremost an economic success story: starting with the establishment of the Economic Community, the establishment of the customs union, and the completion of the internal market - the free movement of goods, services, capital, and workers. - Before the establishment of the Economic and Monetary Union by the Maastricht Treaty, which entered into force in 1993. Socio-political successes, on the other hand, are modest: individual measures in certain areas, but no institutionalization of individual areas of responsibility. However, the crises of the recent past (financial crisis 2008/09, refugee crisis 2015, COVID-19 pandemic 2020/21), as well as the challenges of the future (climate change, digital change), show more clearly that the EU is sustainable and can be sure of the support of its citizens. , if it also takes care of the social rights of EU citizens, fights unemployment and poverty, and supports equal opportunities.

The question of how Europe's social dimension can be strengthened considering the current challenges was the main theme of the Portuguese Presidency of the Council of the European Union in the first half of 2021. "Time for action" - ambitious goals were agreed upon at the EU Social Summit in Porto in May 2021 (Manfred G. Schmidt, 2015: Europäische und National Sozialpolitik). By 2030, at least 78% of the population aged 20 to 64 should be employed. Each year at least 60% of adults must participate in further training. In addition, the number of people at risk of poverty and social exclusion should be reduced by at least 15 million. A look at the comparative indicators reveals the task that the European Union has before it. According to Eurostat, the European statistical office, the EU average employment rate in 2020 was 72.4%, the training rate was 9.2%, and around 91 million people across the EU were at risk of poverty and social exclusion.

The improvement of the working and living conditions of the employees in the society was already set as a goal of integration in the Treaty establishing the European Economic Community of 1957 ("Treaties of Rome"). This goal of integration is also found in subsequent Union treaties, such as the Treaty of Maastricht (1993), the Treaty of Amsterdam (1999), and the Treaty of Lisbon (2009). For the European Union, the basis for action is Articles 145-150 and 151-166 of the Treaty on the Functioning of the European Union, abbreviated as TFEU. Based on this, the Union can adopt legislation, usually the so-called Directives that define a specific goal.

The competence of the European Union includes the following areas:

- Improving the working environment, especially to protect the health and safety of employees,
- Working conditions of employees, social security and social security,
- Equal opportunities for women and men in the labor market and equal treatment in the workplace;
- Fight against social exclusion.

Together with the European Social Fund (ESF), the EU has a financial instrument to promote employment and social inclusion. The ESF supports various measures to prevent and combat unemployment. This is intended to improve employment opportunities, especially for vulnerable youth, the long-term unemployed, and migrants. In addition, the EU particularly supports programs that focus on equal treatment of women and men, prevention of any form of discrimination, and sustainability.

Baden-Württemberg, one of the wealthiest regions in the EU, also benefits from the European Social Fund: in the 2014-2020 funding period, projects in the state such as providing skilled workers were financed with EFS funds for a total of 260 million Euros.

A brief overview of European social policy

Political scientist Manfred G. Schmidt describes European social policy selectively and fragmentarily. He sees the reasons for this in the limited competence of the European Union in social policy, in the instruments available to the European Union, and the limited financial resources (Renate M. Sozialpolitik im Europäischen Vergleich 2010).

➢ Regulatory activities in the fields of social security, labor law, and anti-discrimination

The limited competence of the European Union in social policy is because European social policy has developed mainly in close connection with the free movement of workers: the internal market. Accordingly, regulatory activity is focused on the areas of social security, labor law, and anti-discrimination. In the field of social security, above all, regulations have been adopted that help shape the EU-wide labor market and promote freedom. The EU has adopted regulations on the movement of workers, for example, that "mobile" EU citizens do not lose social protection (old age, health, disability insurance) when settling in another EU country. EU labor law requirements include setting minimum standards of working hours (e.g., maximum weekly working hours), workplace safety regulations (e.g., for the use of hazardous substances), or regulations for the protection of young people at work, parental leave, or partial. - Working hours. EU anti-discrimination regulations aim to ensure fair and equal treatment of men and women in the workplace and fundamentally challenge discrimination based on ethnic origin, religion or belief, disability, sexual orientation, or age.

- **Modernization of social policy in European countries**

With almost half a billion inhabitants, the European Union covers a large part of the European continent. As diverse as the 27 EU member states are, they still face common challenges, such as demographic change, changing work structures, and a new gender balance, which calls into question the framework conditions of social protection systems. In this context, people often talk about the modernization of social protection systems, which includes adapting the systems to social changes. Since 2000, the dynamics of the Lisbon Strategy have also led to a strategic review of European social policy. According to this, Europe should not only become the most competitive region in the world by 2010 but also commit to greater social cohesion. This was based on the guiding principle of "modernizing the European social model". Thus, the program of the "new" European social model became the common strategy of the European Union. With the "Open Method of Coordination" (OMC) tool, the experience should be transferred between EU member states and mutual learning of policies should be made possible. The concept of the European social model is interpreted differently in the discussion, for example, as a historically developed value culture that can connect the various social systems of enlarged Europe, rather than a possible Europeanization of social policy. However, this concept is also understood as a central element of the European integration process, in which social cohesion serves as a means of economic development. This testifies to the need to contribute to the knowledge about the prerequisites and ways of action of different social systems with the help of proven concepts. The different institutional characteristics of European security systems and the wealth of reform initiatives in the field of social policy place great demands on political decision-makers and administrations when it comes to knowledge transfer (best practices) and policy learning. The report on which this text is based aims to contribute to this transfer of knowledge. It describes the organization of different social security systems and their institutional change by classifying them into different models (Palme, Nelson, Sjöberg, Minas 2009). This classification makes it possible to identify the differences and similarities between the systems and their potential implications for inclusion in the labor market, combating poverty and exclusion. This report compares European social systems based on current empirical data.

Models of social security systems Even if the classification always involves simplification of institutional structures, they can form a good starting point for socio-political analysis. Classification can be done according to different dimensions. Based on the structuring of old age and health insurance, Palme/Korpi developed five ideal types (Christine Probst-Dobler M.A. "Soziales Europa – EU-Sozialpolitik Verantwortung, Möglichkeiten und Grenzen").

1. In the targeted model of the welfare state, minimum social benefits (eg in the form of social assistance) are provided after means testing. Additional claims must be covered by private or professional group-related systems.
2. The voluntary model supported by the state is based on voluntary insurance systems, from which insured persons receive social benefits. The role of the state is mainly limited to regulatory and supervisory functions. In connection with this model, reference is sometimes made to the Ghent system, i.e., H. Voluntary, publicly subsidized, and union-administered unemployment insurance system found today in Sweden, Denmark, and Finland.
3. Social benefits in the basic security model are quite low and consist of one-time payments. Eligibility is based on either individual contributions or the principle of citizenship. The model represents a universal system and is found in Ireland, Denmark, Holland, and Great Britain.

4. In the fourth model, the state corporate model, the right to social benefits is organized according to the occupation (i.e., includes only the working population). Benefits depend on contributions paid and are adjusted accordingly based on previous earnings. However, they can vary significantly between occupational group-oriented insurance systems. For example, we can cite Austria, Belgium, France, Germany, and Italy.
5. A comprehensive model combines universal citizenship rights with income-based rights for working people. It combines the basic security model with the state-corporate model.

Among the European countries, Sweden and Finland are especially associated with this model of social security.

The social security systems in Greece, Portugal, and Spain have both similarities and differences with the corporate model. Thus, the Southern European countries share their fragmented structure with the corporate model and the central role of the family in the care of the so-called "principle of subsidiarity." However, there are clear differences in the quality of social protection systems. Therefore, it is difficult to assign the EU member states of Central and Eastern Europe to the common welfare state model, although a historical connection between some Central and Eastern European countries and the state-corporate model can be identified, which is recognizable at the organizational level.

Social protection systems can influence social inclusion in different ways. Social benefits protect against poverty and the negative effects of low income through sufficient income, and various types of rehabilitation and/or training programs can help people return to work. However, social security can also lead to dependency on social benefits and thus contribute to social exclusion, e.g., there are no employment promotion programs. Therefore, the focus of this report is on monetary benefits as well as activation measures. The distribution of responsibilities and the role of various interest groups such as the insured, employers, and the state were also discussed.

Social care. Social assistance is another key example, as reintegration policies increasingly target social assistance recipients. However, these regulations are usually implemented locally. Social assistance is aimed at low-income households, and in most countries, it means lower benefits than those from existing social security systems. Since social assistance is intended only to cover a minimum standard and provide a dignified existence, absolute social assistance rates vary considerably between countries, especially between the 'old' and 'new' EU member states.

Germany, Luxembourg, and Denmark have the highest rates of social assistance, followed by Finland, Ireland, the Netherlands, Sweden, the United Kingdom, Italy, Austria, and Belgium. In these countries, the costs of rent payments are included, in whole or in part. Significantly lower rates of social assistance exist in Poland, Hungary, Estonia, and Bulgaria.

Social protection models of EU countries. The national system of social protection in EU countries differs from each other. Each state followed its path of political formation, and their experiences have common features and interpretations. Four main models dominate in the EU countries: Continental, Anglo-Saxon, Scandinavian, and Southern European.

The continental or Bismarckian model implies a close relationship between the level of social protection and the longevity of professional activity. Its basis is social insurance, which is financed by the contributions of the insured. Austria, France, and the Benelux countries work with this model.

The principle of the mentioned model is based on the number of insurance contributions. In addition, the social assistance system is based on the principle of assistance, not insurance.

In Germany, the main place in the social security system is social insurance, which is divided into compulsory and private insurance subsystems.

The principle of insurance is financed by the contributions of the members of the insurance association. An employed person contributes a certain part of their salary to the insurance fund, and they are entitled to receive funds corresponding to the amount of compensation as needed.

The principle of the provision states that persons with special merits rendered to the state receive assistance from the state budget. In turn, this budget is filled with tax fees. When the principle of insurance cannot be used, it becomes necessary to protect this principle.

The principle of allowance states that people who cannot take care of their difficulties by themselves can all help themselves with this principle of social assistance. The people mentioned benefit from funding from the state budget.

In Germany, the work of the social security system is controlled by the state which monitors the enforcement of the law and controls their financial and commercial activities. In Germany, there is self-governance of insurance organizations, which contributes to strengthening social stability and solidarity. The said self-government provides a fruitful relationship between the insurer and the insured better than the state system.

Great Britain and Ireland work with the Anglo-Saxon model. According to this model, every person has the right to minimum social protection. Every person must have a guaranteed income that will meet their needs for food, housing, and medical services. Unlike the German model, which implies professional justice, the principle of the Anglo-Saxon model is national solidarity and equality. The financing of such a system of social protection is carried out by insurance contributions and common tax fees. Living allowances and healthcare for families are financed from the state budget, and other social allowances are financed from employers' and employees' insurance contributions. In contrast to the German model, the Anglo-Saxon model provides for rather low social benefits. This model is characterized by income verification to receive the allowance. The Anglo-Saxon model does not work in the same way in all countries. In England, health services are funded by the state and benefit all citizens, while in Ireland, only low-income citizens benefit. The unified social system of England is divided into two major subsystems.

State social insurance includes pension insurance programs, disability insurance programs, occupational accident insurance, maternal assistance, social assistance, and temporary unemployment insurance.

State healthcare provides all citizens with state medical services, as well as long-term resident foreigners.

In Great Britain, the funding of the social security system is divided into health and insurance. Health care is financed by 90 percent of the state budget, and social insurance is financed by the insurance contributions of wage earners and renters. Accident and family allowances are also fully financed from the general tax.

In this way, all the costs of the English social security system are covered by a single social tax, which is applied to a defined area of need.

The Scandinavian model operates in Denmark, Sweden, and Finland. The principle of social services is based on the equal rights of citizens, security, and benefits financed by taxes. Social security is a legal right of a citizen. The principle of the Scandinavian model is that assistance should be determined not by employment and insurance contributions, but by the availability of all citizens of the country. This is due to an active redistributive policy. The mentioned model works to increase the well-being of the population. The main source of financing is the unified tax system, although a certain share comes from insurance contributions. The Scandinavian model is universal - it includes all layers of the population. It is solitary and all citizens participate equally in the financing, considering their incomes.

According to this model, the state redistributes social benefits from the well-off part of the population to the relatively poorer category. The Swedish state has recently reorganized social institutions to the norms of the European Union.

The Southern European model is based on the area of caring for relatives and family. The level of social security is relatively low. The leading role is played by the family and other institutions of civil society. The system is periodically improved. This model operates in Italy, Spain, Greece, and Portugal (Apparatus of the Parliament of Georgia. Models of social protection in the EU countries. 2011).

It is difficult to attribute the social security system of Georgia to any European social security model. However, since 2006, social assistance programs have been operating in Georgia, which has brought Georgia's social protection system closer to the Anglo-Saxon model

Conclusion. In principle, responsibility for social policy rests with individual member states. In addition, the principle of subsidiarity in the EU protects member states from unwanted EU interventions in national autonomy to act and organize. The principle of subsidiarity, enshrined in Article 5 of the Treaty on European Union, states that the EU can only act in areas where it does not have exclusive competence if its action is more effective than national, regional, or local action.

Thus, regarding the existing social policy in Georgia, the EU countries have a different approach, and the fact is that it is more useful and acceptable for citizens as well as for the welfare of the country.

One of the ways of increasing the effectiveness of social policy in Georgia is to consider the implementation of some aspects of the policies of the European Union countries in the reality of Georgia. Most importantly, the approach of European countries to work and attitude to work has shown us that the state's approach, and as a result, the democratic existence of the country, cannot be only theoretical by arranging the part, but the most important thing is its correct implementation in practice.

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QUALITATIVE ASSESSMENT OF MANAGEMENT IN CORPORATIONS

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Abstract

Qualitative assessment of management in corporations and the direction of its improvement is one of the difficult and at the same time necessary processes. It has established itself on a large scale in all Georgian corporations and other fields: economy, politics, and legal relations. It is necessary to note that the implementation of the general principles of qualitative assessment of management in corporations and directions for its improvement, in various fields, helps all levels, starting with the leadership of the highest link, to accurately and efficiently conduct activities in business and other directions.

Keywords: management, corporation, qualitative assessment.

Introduction

In the quality assessment of the management in corporations, it is important to carry out current affairs qualitatively and operationally. In the process of managing a corporation, management must focus on the relevant laws, functions, and forms of purposeful human activity. Today, it is known that technologies are developing at an unprecedented speed, therefore, in the activities of corporations, the management should work tirelessly with the service personnel to achieve the set goals and improve the quality indicators. He must systematically think about new information, ideas, and solutions. What will further contribute to the improvement of qualitative indicators and the achievement of new successes?

Consequences and their Judgment

In modern conditions, such phrases as "quality of work", "quality of planning", and "quality of service" are used. The terms "enterprise management degree", "personnel management degree", "marketing management degree", and "production management degree" are less common. The reason lies in their vagueness and the methodological difficulty of establishing semantic boundaries. With the accumulation of knowledge, these concepts are continuously refined. The quality of enterprise management is a complex, universal concept. Modern management lacks its generally accepted definition and its content is not established. In practice, the quality of management is evaluated indirectly - by the achieved results of activities. Therefore, often in publications management quality is identified with management efficiency and effectiveness. The relevance of this topic is determined and conditioned by the fact that the problem of quality in the market economy is the most important factor in improving the standard of living, and economic, social, and ecological security.

Quality is a comprehensive concept that characterizes the effectiveness of all aspects of activity: strategy development, production organization, marketing, etc. The purpose of this work is to assess the quality of management in the organization. To achieve the goal of the research, the following tasks must be performed:
1. theoretical aspects of management quality assessment in the enterprise should be taken into account;
2. To evaluate the quality of management in the corporation.
A Theoretical aspects of enterprise management quality assessment. The concept of formation, management, quality, goals, and objectives of the quality management system in the enterprise.
The slogan "from quality management to management quality", which is gaining more and more popularity among specialists, marks the further change of management paradigms. Today, the quality of management is a factor in the enterprise's systematic organization, ensuring its market success, competitiveness, and the "health" of its economic condition. When interpreting management quality, the authors are guided by the provisions and quality definitions established by MS ISO 9000: 2000, what quality means. 1. Quality means the essential clarification of a "thing" (according to Hegel), due to which it differs from other things, 2. The perception of quality is subjective. 3. A certain content of a "thing" is manifested in different ways, it depends on the conditions of reality (situation, "presence"). The essence of this concept refers not only to subjects but also to areas of activity, elements of the management system, and results of activities. Vinurokov V.A. In the article "Management quality is the basis of the modern management paradigm", it is noted that management quality has a dual character:
• On the one hand, the quality of management determines the operating modes of the enterprise within its capabilities and their impact on the efficiency of processes. It can be considered a function of numerous and different internal factors: the professionalism of managers, the effectiveness of communications, the managerial decision-making system, and the presence of modern technical means.
• On the other hand, it is manifested in the level of market opportunities of the enterprise, which is expressed in the degree. What goal the objective function will achieve and whether it depends on the satisfaction of social needs or the utility of the produced goods?
To improve the quality of the enterprise, new and special models of managing the activities of organizations have been established in management, which are based on the representation of production as a system. Production as a system is a structure, the elements of which are interconnected and in relationship both with each other and with the external environment of the organization. The internal structure of the factory reflects the goals and values of the people working there and ensures the sequence of processes in the organization. The "external environment" of the enterprise is not a sphere of direct influence on the part of the management, but through its influence, it can change the behavior of the enterprise. The modern approach to the management of production activities is based on the consideration of the internal processes occurring in production and their inseparable connections with the outside world. In such a case, all problems of factory management are dealt with through management processes, Interrelated management actions aimed at making decisions to achieve production goals. Enterprises strive to fulfill their goals. For this, they need to move intensively. Business movement is the only way to success. One movement is not enough, they need the right direction. If production moves in the right direction, its performance improves. They can improve the products or services produced in the enterprise, bringing these products and services to the customers. The quality indicator of manufacturing activity shows the change over time between two manufacturing plants.

Thus, quality is considered as the degree of conformity and improvement at all stages of production operation. The goals and objectives of the improvement of the work in the enterprise are based on the results of the evaluation of the level of customer satisfaction and the performance indicators of the production activity. To improve the performance of the organization, the management must participate in this process, at the same time, it is important to use all the necessary resources to achieve the goals. To "activate" the mechanisms for the improvement of the production activity, the following actions must be carried out.

1. Determination of the goal of each production employee for continuous improvement of products, processes, and systems.
2. Organization of periodic evaluations to identify areas for improvement instead of established quality criteria.
3. Continuous improvement of product quality and efficiency of all current processes.
4. Encouraging preventive action.
5. Ensuring proper training for all production employees and continuous improvement of methods and tools.

Improving the productivity of employees and increasing their productivity should be a natural need of all employees. which is mainly related to the accumulation of production experience and the expansion of the level of knowledge in the field of their activity. In many cases, performance improvements are the result of putting the body in a relatively less stressful state and expending less energy. It is also rewarding to continuously improve the quality of the systemic process, in which the whole team participates and which requires organizational and methodological influence, which mainly aims not only to improve the working conditions of service personnel but also the necessary satisfaction of customer requirements. TQM practices have shown, that many years of quality improvement have produced significant results and key areas or areas for improvement have been identified; which will contribute to the necessary satisfaction of customer needs.

Improvement of product design processes and success is achieved through continuous quality innovation through extremely careful study and forecasting of existing and potential future customer needs, Thus, improving the quality of a new product is more about the formation of new needs than simply improving the user and existing features.

Conclusion

The quality of management in corporations and its improvement is the direction of the organization, and a high level of management qualification to achieve personnel management. Many corporations require a major reorganization of business approaches and changes in management methods. Assessment of the enterprise and management is the initial stage of its development, finding ways to improve business processes, and determining the strengths and weaknesses of the organization. From the beginning of the 21st century until now and in the future, determining the quality of products and services has been the main factor of competitiveness. which determines the competitiveness of production, which accordingly affects the development of the economy. Therefore, it can be said that quality management helps to solve not only the problems of individual entrepreneurs, but it is related to the general national problem of raising the standard and quality of life of the population. In general, corporations must develop the ability to constantly offer consumers more information and to quickly implement such decisions. which will bring some success in the long term. Business success mainly depends on practical experience, knowledge, and its correct application in practice. Such an approach will make it easier for the manager to see the direction of the corporation, and the organization and to achieve the set goals more effectively.

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FEATURES OF LOGISTICS IN CONSTRUCTION AND THE WAYS OF IMPROVING THEIR EFFICIENCY

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Abstract

Market transformations at the end of the twentieth century led to the emergence of a new direction in the economy - logistics. It reflects all the complexity of the processes and boils down to the fact that logistics is the science of managing economic flows in the areas of production and circulation. In logistics, a very developed toolkit has been formed, the main purpose of which is to ensure the competitiveness of each enterprise. Logistics determines the behavior of an entrepreneur from the purchase of the necessary resources to the implementation of the results of activities, clearly calculating each operation. The logistics toolkit is universal and applicable in all areas of economic activity. At the same time, logistics covers more and more different sectors of the economy and gradually acquires specific industry features. Among them, is the construction sector, which is one of the most labor and capital-intensive sectors. It is aimed at the logistics of multi-cycle construction production. For this purpose, much material information and financial flows will be used. Even in insignificant investment and construction projects, a lot of enterprises and organizations take part, the number of which is growing significantly with the increase in construction volumes. Accordingly, it becomes more difficult, and sometimes even impossible, to control all the processes associated with the construction of large facilities. At present, the problem is being solved by creating a logistics system involving participants in the construction industry in the movement of all types of flows, but it also requires a more efficient approach.

Keywords: logistics, flow, supply chains, innovation, production, resource building

Introduction

Each industry has its specifics that must be taken into account to achieve positive final results and the effective use of logistics concepts. A good example would be to compare the development of logistics in industries such as construction and industry. The logistics of an industrial enterprise in its development goes through several significant, standard, and traditional stages (stages):

1. Warehousing and transportation of finished products;
2. Customer service, order processing, warehousing, stock management of finished products, transportation, that is, all the logistics functions performed in the distribution of finished products are integrated. The main emphasis in logistics management is on reducing logistics costs:
3. The result achieved at the previous level is added to the delivery of raw materials, materials to the enterprise, sales forecast, inventory management of materials, work in progress, purchase of

raw materials, materials, and design of logistics systems. The evaluation of the functioning of the logistics of the enterprise is carried out based on comparison with quality standards;

4. At this stage, all functional areas of logistics are integrated, and enterprises enter the global level of work, taking into account the laws of different countries. Logistics also covers customs operations, continuous unified documentation is being introduced, and the need for a "third party" (in logistics intermediaries) is increasing.

One of the many distinguishing features of the construction industry from other industries is that construction is the most material-intensive and labor-intensive production. At the same time, it should be taken into account that the features of the construction industry determine the absence of the first two stages.

First of all, it should be noted the variety of forms and methods of construction, depending on the functional affiliation of the construction object, which, in comparison with industrial enterprises, change their location and specific purpose, which is directly related to their logistics support. Such objects include plants, factories, roads, power plants, ports, residential buildings, etc. Therefore, the use of logistics should take into account the functional purpose of the construction object. The development of logistics in construction begins with the improvement and reengineering of supply processes, the integration of logistics functions: transportation and storage of materials, inventory management, both at the level of individual facilities and at the level of the organization as a whole, procurement management, and supplier relationships. The main decisions in the field of supply of a construction company must be decided based on total costs, taking into account compliance with quality standards.

The second stage in the development of logistics is associated with the use of a logistics approach in the organization of construction products, and the logistics integration of supply and production. At this stage, the basic concepts of logistics, such as timeliness, high-quality production, and several others, are applied to the production processes of a construction company. The consequence of this feature of logistics in construction is the orientation of the benchmarking of the logistics of a construction enterprise to industrial enterprises that assemble any objects, for example, engineering production.

The third feature of logistics in construction is related to the fact that a construction company is rarely the manager of the logistics process. It is considered as a consumer in the logistics systems of manufacturers and suppliers of materials and components. This feature is a consequence of insufficient attention to the opportunities that logistics can provide in the field of cost optimization. With the traditional organization of logistics processes at the initial stage, construction organizations require a clear formulation of logistics service standards. We are talking about such procedures as order execution time, level of logistics costs, reliability of supplies, etc. Knowledge of these indicators will make it possible to change the logistics processes in the supply and make the controlling system of the logistics system transparent.

The fourth feature of logistics in construction is the widest opportunities for logistics outsourcing, in particular, in supply. For a construction organization, most of the operations in the performance of the logistics functions of transportation, warehousing, inventory management, and procurement are auxiliary processes. By the concepts of core competencies and reengineering, an enterprise needs to establish the best source of competitive advantage by making key processes as efficient and lean as possible and outsourcing non-key ones.

The outsourcing of logistics functions in supply requires a revision of the policy towards suppliers to gain additional competitive advantage. The concept of M. Porter, improved by his followers, suggests taking into account the so-called sixth force, i.e. business dependence on companies whose products are complementary of one another - the principle of synergy. This assumption changed the thinking of managers. As an object of optimization, value chains began to be considered, which gave a greater result compared to an isolated consideration of individual companies participating in this chain. If companies operate independently of suppliers and customers, then the areas of intersection tend to increase costs and inefficiencies. Supply chain management is recognized as a factor of competitive advantage.

The development of outsourcing in the supply of a construction company can be carried out in two ways:

1. Part of the logistics functions are performed by the enterprise itself, while the other part is outsourced. For example, a construction company independently carries out procurement operations and has its material warehouse, where it manages stocks, but transfers transportation to a transport company. It is possible to involve a warehouse operator who organizes responsible storage of individual materials. As a result, the first option of outsourcing in construction provides for the partial involvement of logistics operators to perform certain logistics supply functions.
2. Attracting a logistics provider that performs complex logistics functions. He purchases materials, interacts with suppliers, stores part of the materials, organizes a multi-product supply of materials to construction sites by the construction schedule, and manages stocks of materials. This option for organizing logistics processes does not exclude the transit form of delivery of individual materials to facilities. The logistics provider organizes and executes logistics processes in such a way that the total costs in the supply chain are optimal.

Competitive advantages created by logistics become the most tangible thanks to optimization solutions aimed at reducing logistics costs, the time of logistics cycles, and increasing the reliability of the supply chains. For example, the main decisions that can be made in the supply chains of building materials are of interest.

To optimize costs in the supply chain of building materials, including a logistics provider that performs a set of logistics functions, various decisions are needed, which are made by both the serviced construction company and the logistics provider. In particular, the construction company is required to formulate requirements for the organization of logistics services, which are determined by the plans and schedules of construction work, the specification determined by the construction technology, as well as the cost, time, and quality characteristics of the expected service. The remaining decisions are assigned to the logistics provider. It should be noted that in the absence of a provider, these decisions are made by the procurement and logistics services of the construction company, which are almost always ineffective compared to the decisions of logistics providers, which can be divided into three groups:

1. Solutions aimed at organizing service (formation and dispatch of single and multi-item batches of deliveries to construction sites, organization of delivery along routes, taking into account the range of materials, their compatibility when transported in one vehicle, and the number of serviced objects, stock management in on-site warehouses) ;
2. Decisions on relationships with suppliers. Coordination of the parameters of the current and insurance stocks, application of stock management strategies, forecasting the consumption of materials to control the shortage, evaluating the service in terms of order execution time, quality of materials, estimating logistics costs;
3. Decisions made by the provider to manage their warehouses, and available transport. Warehouse solutions relate to the micro-design of a warehouse, determination of storage areas, acquisition, acceptance, and shipment, and organization of personnel work. Transport solutions cover the

release of rolling stock on the line, maintaining it in working condition, organizing the work of personnel, and updating the fleet of vehicles.

All of the above confirms that construction logistics implies the material and technical support of construction production by managing material, information, and financial flows to build an object with optimal resource costs and the successful sale of finished products (object). It is the readiness of products (real estate) that should be considered one of the main features of construction logistics.

Each investment and construction project is individual in nature and, accordingly, requires an individual approach both in terms of work organization and logistics. Based on this, an important feature of construction logistics is also due to the localized nature of production and the final type of product, which, in the form of a completed object, is immovable, and its sale is carried out at the construction site. At the same time, for the entire period of construction, there is a mixing of the means of production and labor. All this requires additional costs for transportation and installation of the necessary equipment and machinery, arrangement of workplaces, etc. As a result, the mobility of the products of labor requires the mobility of the means of labor.

To reduce costs in the organization of the construction process, ready-made structures are often used, made at the relevant enterprises, for example, reinforced concrete structures at reinforced concrete products factories or in house-building plants, metal structures at specialized metal structures plants, windows, and doors at woodworking plants, etc. The use of ready-made elements in the construction of buildings and construction provides a high level of mechanization and automation of construction.

Based on its characteristics, the implementation of construction projects is not limited to the production process, and its commercial side is of great importance. Therefore, the activity of the subjects of the construction complex, as a rule, consists of two directions:

1. Commercial implies not only the purchase of the necessary material resources but also the implementation of the completed construction object, i.e. sale of real estate based on its purpose;
2. In the framework of production activities at the present stage, the following four basic logistics concepts are used: SCM (Supply Chain Management); MRP (Material Requirements Planning); ERP (Enterprise Resource Planning); JIT (Just in Time Inventory).

Of the above, the first concept, SCM (Supply Chain Management), occupies a key position in the construction, since the enterprises of the construction complex often operate independently of each other and they need to be connected using a logistics system so that they all become an integral part of the supply chain. A supply chain is three or more economic units involved in external and internal flows of products, services, finances, and information from source to consumer. In the case of construction production, depending on the size and significance of the object, the number of entities in the supply chain can reach a very large number.

MRP (Material Requirements Planning) in construction must ensure the uninterrupted supply of construction goods. It implies: Satisfying the need for material resources when planning construction; Maintaining a minimum level of inventories, primarily at the construction site; Planning construction operations; Planning procurement operations, and scheduling the delivery of the necessary resources to the construction site at a minimal cost.

ERP (Enterprise Resource Planning) makes it possible to effectively plan the commercial activities of an enterprise, including the financial costs of equipment upgrades and investments in construction projects. It allows you to strengthen financial control, improve the turnover of cash flows by managing loans and creditor accounts; Optimize cash management by automating settlements with suppliers; Maximize the return on capital investments through effective management of fixed assets, incl.

unfinished capital construction. In addition, the ERP system includes human resource management i.e. management of all enterprise resources while MRP is limited only to material ones.

JIT (Just in Time Inventory) is the most important factor in the rational use of material resources, reducing costs and maintaining construction time; this is the synchronization of the process of supplying material resources and the calendar schedule of construction production. It is characterized by minimal, and in some cases, zero stocks of material resources, construction in progress, primarily at the construction site; Reducing logistics cycles, effective information support, and relationships for the purchase of material resources with a small number of reliable suppliers and carriers. The high quality of the objects being built.

However, with all the variety of concepts, methods, and decision models, there are no universal recipes that would optimize costs in any supply chain. Each supply chain has its characteristics, taking into account which of the most appropriate methods and decision-making models should be chosen.

The building complex (the largest subject of final consumption of material resources) faces the most acute task of choosing effective forms of their acquisition and rational use. For machines and equipment in solving these problems, a large role belongs to the development of leasing, for materials and building structures - the effective organization of material flows, which is associated with the use of logistics methods in the practice of material support. For materials, building structures, and parts, the rationalization of material flows is of paramount importance to minimize the costs associated with them, which predetermines the feasibility and necessity of using logistics methods in providing construction with materials as an effective scientific tool for managing the formation and movement of material flows.

Therefore, in modern conditions, the logistics approach to material fulfillment is of particular relevance, which is aimed at optimizing all flow processes and increasing the efficiency of organizing the entire material fulfillment system. Logistics covers both the sphere of production and the sphere of exchange of material goods. It is aimed at creating and controlling the activities of a unified system for managing production and marketing, financial and economic calculations, and processing the necessary information. Logistics uses specific concepts and mathematical models that allow a generalized form to solve the issues of organizing production, purchasing raw materials, transporting them, marketing finished products, etc.

The building materials market and the capital construction industry are now those sectors of the economy in which there are already sufficient conditions for the use of logistics solutions in the organization of material flows, including the movement of goods:

- the highest (compared to other markets of means of production) level of competition is observed in the building materials market;
- enterprises of the building materials industry have significant reserves of unused production capacities, and many of them are ready to cooperate with buyers to fully utilize them, based on meeting the increased requirements from the demand side;
- a significant part of the material flow in the investment process is formed within the construction complex and completely depends on the actions of the links and divisions of this complex, their choice of rational decisions, and their consistent implementation;
- the material flow in construction as an end-use sector of a part of the social product, starting outside it, ends with the moment of using material resources in the process of creating (renovating, repairing) fixed assets. In industry, the material flow does not end with the creation of a finished product in a given production but is only transformed in its movement into another production as an element of working capital. Therefore, the application of logistics in construction does not apply to the product of labor in this industry;

- the material flow in construction during the creation of an object has a clearly expressed productive heterogeneity in the process of the construction cycle. As a rule, the composition of materials at each stage of the cycle changes (during the production of fundamental works, the construction of walls, roofs, internal works, the construction of communications, etc.). Therefore, for each stage of the construction cycle, logical solutions adequate to it are needed, which can fundamentally differ from each other. In other words, if in the industry the starting point for a logical decision is the product, then in construction it is the stage of the building cycle;

- the material flow in construction continuously changes its spatial orientation as the production of work moves from one object to another or branches out in space during the simultaneous construction of several objects. It follows from this that for the same materials, the manufacturer of works must use different logical solutions, which does not exclude their coincidence in similar conditions. The concept of logistics includes a system of more rational planning, organization, and control in the areas of production and exchange of products to better meet consumer demand.

The implementation of logistics concepts leads to:

1. reducing or even abolishing the storage of materials and semi-finished products (such a system of interconnection between the supplier of raw materials and the manufacturer is established, in which raw materials and semi-finished products are supplied directly to the place of product consumption in the right quantity, at the right time without warehousing, etc.);
2. minimization of transport costs (the routes of transportation of materials and structures are optimized, in which transport costs are minimized, the delivery process is accelerated, etc.);
3. reduction of downtime;
4. ensuring sustainability to various changes in the external environment, including demand.

However, two situations can negatively affect the construction process:

- when there are not enough building materials in the required volume;
- when building materials are in abundance. This situation is especially undesirable if the construction is carried out once.

It is the logistics approach that provides ways to ensure the efficiency of the enterprise, i.e. achieving the best result at the lowest cost by optimizing flow processes. Although individual logistics tasks have been solved before, in modern logistics they have received a single theoretical basis, which opens up the possibility of effectively solving many new, more complex tasks, taking into account a wider range of factors. Being one of the largest subjects of final consumption of material resources, the construction complex should be most interested in effective forms of their acquisition and rational use, therefore, improving the material and technical support of construction enterprises is an effective “internal” reserve for increasing the efficiency of construction enterprises.

Thus, logistics as a science of optimizing flow processes serve as the basis for increasing the efficiency of managing the logistics system, and the logistics methodology allows for systemic rationalization of complex production systems, which equips enterprise managers with modern methods of increasing the organization of production systems and allows you to effectively gain competitive advantages.

At this stage, the decisive role in the constant increase in the level and, accordingly, the efficiency of managing flow processes in the construction industry belongs to innovative logistics. The latter represents the most important part of logistics as a science and its corresponding field of activity, aimed at constantly improving the forms and methods and, accordingly, the results of managing flow processes by introducing logistics innovations into existing network structure management systems. Thus, if the main set of problems of basic logistics is focused on ensuring the achieved level of the daily management of flow processes then the main purpose of innovative logistics is increasing the level, and therefore the efficiency of the flow processes of basic logistics through the introduction of regular, more professional logistics innovations.

Despite the close relationship between these two components of logistics, innovative logistics has a certain composition of goals and objectives that are different from basic logistics. Existing studies of theoretical and functional issues of using innovative logistics emphasize their great efficiency, including in the construction industry. Even though the main attention is paid to innovative logistics mainly in the form of a complex of logistics innovations recommended for optimizing flow processes in various fields, the goals and objectives of innovative logistics proper in most works are not distinguished from the general activities of basic logistics structures, since the development of the theory and methodology of balanced interaction and the development of basic and innovative logistics for a long time was not considered sufficiently relevant.

Insufficient attention to the specific problems of innovative logistics leaves unresolved such urgent tasks as determining the possibility and degree of expediency of implementing modern rather complex and labor-intensive logistics innovations by the construction organizations themselves, as well as the effectiveness of attracting third-party organizations, such as innovative service structures; achieving the optimal ratio in the curricula in the preparation of logisticians of knowledge and skills related to basic and innovative logistics, which is extremely important for the adaptation of specialists to real goals and the profile of various logistics structures, the establishment of productive interaction between developers and users of logistics systems in the process of their creation, development, etc. The construction industry and the building materials market are a sector of the economy in which there are already conditions.

Conclusion

1. In modern conditions, the logistics approach to material fulfillment is of particular relevance, which is aimed at optimizing all flow processes and increasing the efficiency of organizing the entire material fulfillment system. Logistics covers both the sphere of production and the sphere of exchange of material goods. It is aimed at creating and controlling the activities of a unified system for managing production and marketing, financial and economic calculations, and processing the necessary information.
2. At this stage, the continuous improvement of the level and efficiency of managing flow processes in the construction industry is attributable to innovative logistics. The latter represents the most important part of logistics as a science and its corresponding field of activity, aimed at constantly improving the forms and methods and, accordingly, the results of managing flow processes by introducing logistics innovations into existing network structure management systems.
3. Although some problems of logistics were solved before, however, in modern logistics they received a single theoretical basis, which opened up the possibility of effectively solving many new, more complex problems, taking into account a wider range of factors. Being one of the largest subjects of final consumption of material resources, the construction complex should be most interested in effective forms of their acquisition and rational use, therefore, improving the material and technical support of construction enterprises is an effective "internal" reserve for increasing the efficiency of construction enterprises.
4. Modern production and logistics are developing by three main trends: customer orientation, specialization in core competencies, and the increasing penetration of information technology into business. One of the most rapidly developing concepts is the concept of Supply Chain

Management - supply chain management. This concept is a holistic business concept that integrates the entire set of logistics functions and combines advanced organizational principles and the capabilities of modern information technologies, improving planning accuracy through unified information channels. With the help of information technology, it became possible to implement one of the main ideas of supply chain management - information coordination and synchronization of demand and supply. It is integration and coordination that fundamentally distinguishes supply chain management from traditional concepts of intercompany cooperation.

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COVID-19 IMPACT ON CHANGES IN THE SEX-AGE STRUCTURE OF THE POPULATION OF GEORGIA

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Abstract: The Covid-19 crisis has been a major challenge for almost every state. It completely changed the lives of people - millions of people became ill and hundreds of thousands died. The study of the demographic structure of the population is very relevant, which at the present stage is dictated not only by the peculiarities of the socio-economic development of the country but also by the demands of economic integration in the world economic space. At the same time, it is very important to identify specific mechanisms of population growth. The demographic factor of the population influences the formation of labor potential and largely determines the development and distribution of the productive forces of the country. The paper discusses the demographic structure of the population, which on the one hand is affected by several complex demographic processes, thus, in general, this or that real indicator of the population is obtained, and on the other hand, influences the nature of growth. The paper presents a statistical analysis of the events and processes caused by the COVID-19 pandemic in Georgia, which had an impact on the change of the sex-age structure of the population. It is noted that the COVID-19 pandemic has had a significant impact on demographics although it is not yet possible to fully assess them, some conclusions can already be drawn.

Keywords: COVID-19 pandemic, sex-age structure of the population, birth rate, mortality, life expectancy, natural and migratory balance

Introduction

The coronavirus pandemic has affected almost all aspects of socio-economic life in all countries of the world. The COVID-19 pandemic has had a significant impact on demographics, but although it is not yet possible to fully assess them, some conclusions can already be drawn. The problems associated with the demographic changes caused by the pandemic and its socio-economic consequences are coming to the fore in the research of scientists around the world.

Consequences and their Judgment

It should be noted that over the past 220 years, the world's population has grown from 1 billion in 1800 to 7.9 billion. The population of the countries of the world is growing, but much more slowly than in previous centuries. If 60 years ago the annual growth was 1.84%, now it has fallen to 1.23%. The reasons are not in global cataclysms, but in the fact that more and more adults prefer to devote time to their careers, travel, and entertainment, and only then do they want to have children. Because of this, the average age has increased from 30 to 37-40 years. Of course, the improvement of housing conditions, medicine, and the entire social component plays a big role (Nikitina, 2021). On average, the world's population grows by 90 million people every year. By the beginning of 2022, the population has increased by more than 12 million people, according to the US Census Bureau's World Population Clock, the global population is currently 7,960,568,062 people, of which 50.5% are men and 49.5% are women. It grows by 140 people every hour, with births exceeding deaths in most countries.

Mankind has repeatedly experienced various epidemics, for example, the Chumi epidemic in the Middle Ages, cholera in the 19th century, Spanish flu in the early 20th century, and many others. It should be noted that overall, pandemics have not slowed down this global population growth. The exception was the Spanish flu of 1918, during which up to 50 million people died in one year (Garrett Thomas A., 2007, Baldwin, 2020, Ojo, 2020). COVID-19 has had a profound global impact, changing Europe and the world in the blink of an eye. Philip Cafaro (Colorado State University philosophy professor and specialist in overpopulation and wildlife conservation) emphasizes that "half a million deaths is a great loss and a great loss to the friends and relatives of the deceased," but believes that Covid-19 is not the first nor the last pandemic that humanity will face.

With the novel coronavirus (SARS-CoV-2) that was discovered in Wuhan, China in December 2019, cases of COVID-19 infection have appeared in several countries around the world since January 2020. Declared a pandemic by the World Health Organization (WHO) on March 11, 2020, COVID-19 is a viral epidemic that has severely affected the entire world (Sohrabi et al., 2020).

Italy became the first country outside of China to be hit hard. The distribution of total COVID-19 cases worldwide was as follows: Americas (0.478), Europe (0.327), Eastern Mediterranean (0.094), Southeast Asia (0.054), Western Pacific (0.027), and Africa (0.020) (WHO, 2020a). In addition, the proportion of deaths was 0.457 (Europe), 0.455 (Americas), 0.037 (Eastern Mediterranean), 0.026 (Southeast Asia), 0.018 (Western Pacific), and 0.008 (Africa) (WHO, 2020a). The number of victims of Covid-19 worldwide has exceeded 5,714,656 people, the world has not experienced such a pandemic for more than 100 years. The virus has caused serious uncertainty and concern around the world.

Many scientists and analysts have not decided whether this virus is artificial or natural. And who is to blame for its rapid spread? If the outbreak of a pandemic is man-made, then who benefits from it, and who wants to get rich from the distribution of drugs and vaccines? How will this affect demographic processes?

Since the beginning of the COVID-19 pandemic, a large number of studies on the demographic problems of individual countries have appeared. They provide a wealth of information on the evolution of the pandemic, its characteristics, and its impact on demographics in various subregions. Research on the impact of the COVID-19 pandemic has focused on various topics such as mortality rates (Bonanad et al., 2020; Bulut, 2020; De Paz, C., et al., 2020; Jin, J. et al., 2020; Meo, S. A., et al., 2020; Roberton et al., 2020) psychological effects (Ahmed, 2020, Cao, et al., 2020; Gorrochategi, 2020; Shrira et al., 2020), as well as disease prevalence (Banerjee et al., 2020; Chen, et al., 2020; DeBiasi et al., 2020; Dolores De Luca, et al., 2020; Huang et al., 2020; Li et al.. , 2020; Liu et al., 2020b, c; Meo et al., 2020; Mustafa and Selim, 2020; Palmieri et al., 2020).

Although there are several studies examining the impact of COVID-19 on Georgia, statistical analysis evaluating the association between age structure and the pandemic is limited. A detailed analysis of the dynamics of the demographic situation is necessary for making political decisions that affect the interests of society. To understand whether the coronavirus has affected the demographic picture of Georgia, it is necessary to analyze the data of the last four years (although it should be noted that at this stage we have little statistical information about 2021 for the country).

To date, the number of coronavirus cases in the world is 396,787,860 people, including 5,760,851 deaths, and the number of recovered is 313,215,309. Georgia ranks 44th in the world in terms of the number of people infected with the coronavirus. As of February 2022, there are 1,325,838 infected and 15,246 dead in Georgia (latest data on coronavirus, Covid-19, 2020). Based on statistical data, we will analyze the current demographic situation associated with the coronavirus pandemic.

Georgia is a demographically aging country that acquired this status back in the 1970s. From 1990-2008, the population of Georgia decreased by 19.5 percent, and from 1975-1990 it increased by 11 percent. As of January 1, 2021, the population of Georgia amounted to 3,728.6 thousand people, which is 0.3 percent more compared to the corresponding period last year. The share of the population aged 0-14 years in the entire population is 20.5%, the share of the working-age population (age group 15-64 years) is 64.2%, and the share of the population aged 65 years and older is 15.2%. (fig. 1)

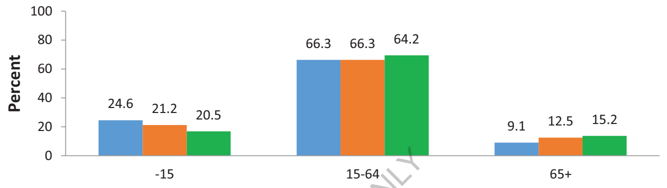

Fig. 1 Population by age (1990, 2000, and 2021) years (%)
Source: www.geostat.ge

In the late 1980s, before the collapse of the Soviet Union, Georgia's birth rate was above replacement level (total fertility rate was about 2.2) and equaled the level of many post-communist countries in Europe. In the first half of the 1990s, the total fertility rate dropped sharply and by the end of the first decade of the 21st century was about 1.5, which is below the replacement level. Since the specified period, this indicator began to increase and in 2015 amounted to 2.2.

The statistics is available from 2005 to 2012 draw attention to the increase in live births, in particular in 2009 and 2014. the growth reached 22.8% and 31.6%, but in recent years there has been a noticeable decline, even though in 2020 compared to 2005 the growth was 0.99% (fig.2)

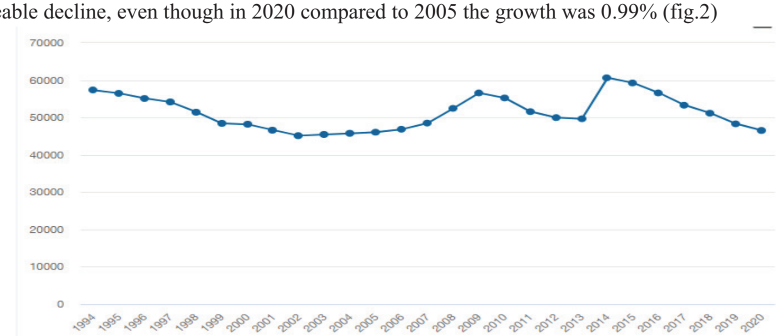

Fig. 2. Number of live births (male)
Source: www.geostat.ge

Growth was observed both in cities and in rural areas. However, experts make pessimistic forecasts regarding the birth rate. According to 2012 data, there were 109.7 boys for every 100 girls. As for subsequent years, the number of boys per 100 girls was as follows: 106.9 in 2014, 104.4 in 2016, 107.9 in 2018, 109.3 in 2020, and 109.1 in 2021, which indicates a regular ratio.

In 2021, the birth rate in Georgia decreased, in just 11 months in 2021, 41,043 children were born. Assuming that about the same number of children were born in December as in November, it turns out that a total of 44,832 children were born in the country in 2021, and this is the lowest number of births since 1994. Over the past 11 months, the natural increase in Georgia was minus 12,401, which is also a record low (bm. ge, 2020) (fig. 3)

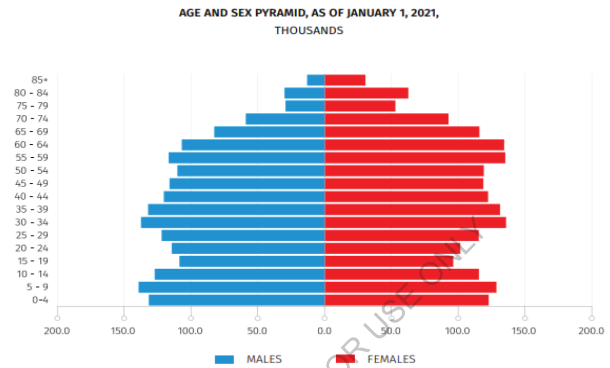

Fig. 3 Population by sex and age in 2021 (male)

Source: www.bm.ge

As for the long-term effects of the coronavirus crisis, most demographers expect fertility to decline as previous research shows people are less likely to have children during times of uncertainty. The role of individual perception in times of uncertainty is already high on the academic agenda of European fertility experts. In an interview with the New York Times, demographer Jennifer Johnson-Hanks argues that "many women of childbearing age were already worried about their future, and now they can increase the fear of unemployment. Such anxiety is unfavorable for the birth of a child" (Juhas, 2020). New data collection may shed more light on this hypothesis shortly. The same can be said about the reality of Georgia.

As of January 1, 2021, the male population was 1,796.2 thousand people, and the female population was 1,932.4 thousand people. Compared to the previous year, the number of men and women increased by 0.3 percent. The sex ratio is 93, which means that for every 100 women there are 93 men.

In 2020, 50,537 people died in Georgia. Among the causes of death, diseases of the circulatory system predominate, accounting for 43.8% of the dead, tumors (16.0%), and respiratory diseases (7.9%). In 2020, the tenth version of the International Classification of Diseases and Conditions (ICD-10) of the World Health Organization added a new cause of death: "U07.1 - Laboratory-diagnosed novel coronavirus disease (COVID-19)". For this reason, 2587 people died in Georgia in 2020, which is 5.1% of all deaths in the country.

Between 1994 and 2020, the death rate in the country ranged from 46,000 to 51,000. Over the past year, the number of deaths in the country has increased by 8%, which represents an unprecedented increase in recent years. In 2020, 50,537 people died in Georgia, of which 3,773 were the direct cause of death from COVID-19, with the highest number of deaths occurring in the age group 65 years and older (fig. 4).

Deaths by Age and Sex, 2020

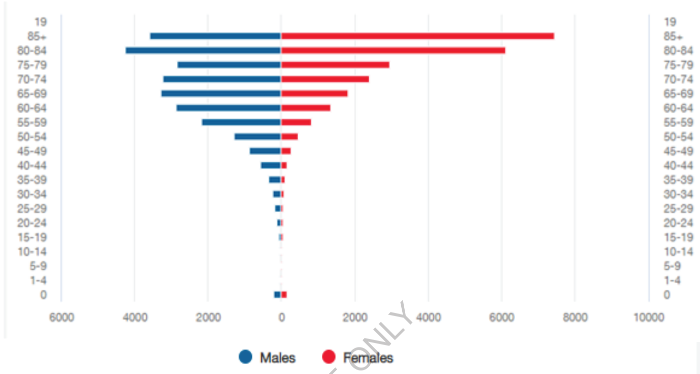

Fig. 4. Number of deaths by gender and age (2020)

Source: www.geostat.ge

According to preliminary data, 59,638 people died in the last 28 years in 2021 (bm. ge, 2020). above the 2020 adjusted figure. This radical increase in mortality is associated with the coronavirus pandemic, as evidenced by the results of our study, which show that the correlation between the number of people and the number of people who died from coronavirus is 0.92, which is quite high. Demographers have provided data showing that cities with more people and stronger social ties have higher rates of COVID-19 (Mogi and Spijker, 2020; Balbo et al., 2020). If we look at the statistics, we will see a similar situation in Georgia, a higher infection rate is recorded in large cities, especially in Tbilisi and Batumi.

Death rates associated with COVID-19 are higher in people over 65 than in younger people, and the impact of COVID-19 disease intensity on community psychology differs across age groups. With age, negative psychological effects such as stress, anxiety, and depression were more common in people over 65 years of age. Specific characteristics of the virus, such as high infection rates and risk of death, affect populations with different age structures differently. For example, the incidence of COVID-19 infection is higher in children and younger age groups, and mortality is higher in the elderly, especially over 65 years of age. Impact of the COVID-19 pandemic on people with chronic conditions such as hypertension and heart failure (Chen Y. et al., 2020; Ip et al., 2020; Polverino et al., 2020; Roncon et al., 2020), diabetes (Bornstein et al. 2020; Guo et al. 2020; Liu et al. 2020c; Zhang et al. 2020c, d) and cancer (Fratino et al. 2020; Zhang et al. 2020a) are more serious. Chronic disease is particularly high in the elderly (Atella et al., 2018; Zhao et al., 2018; NCOA National Council on Aging [NCOA], 2020), as changes in gene expression with aging are considered one of the most important biological factors. events. markers of aging and chronic disease (Mueller et al., 2020).

While there are several studies in the relevant literature examining the impact of COVID-19 from different perspectives, economic analyses assessing the relationship between age structure and the pandemic is limited. In addition, it can be said that most of the existing literature is devoted to comparative and/or econometric analysis. It would be very interesting to study the underlying determinants of morbidity and mortality from COVID-19, but data do not yet allow this.

Within the EU and therefore also in Georgia, one of the important research challenges is to quantify the impact of COVID-19 mortality on trends in mortality and life expectancy. However, this is difficult to achieve due to data quality, lack of data, and time constraints. Despite detailed recommendations from the World Health Organization (WHO), the procedure for testing for COVID-19 and determining the cause of death varies greatly in European countries, with excess mortality analysis remaining the most important area of research.

In all countries, including Georgia, from 2005 to 2019, there was a trend of increasing life expectancy, both for men and women. However, life expectancy declined in most countries in 2020, with the largest overall decline in life expectancy at birth (in years) occurring in Russia (-2.32), followed by the United States (1.98). Bulgaria (-1.75), Lithuania (-1.61), Italy, Spain, England, and Wales were -1.35, -1.27, and -1.02 years, respectively, and for men 69.8 years, those the data for 2020 totaled 73.4 years, for women 77.7 and men 69.1. The decline in life expectancy was caused by an increase in mortality in the country due to COVID-19.

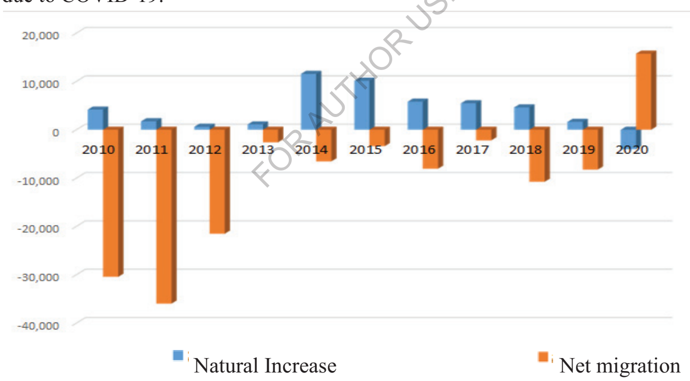

Fig. 5. Natural and mechanical movement of the population of Georgia 2010-2020.

Source: www.geostat.ge

It should be noted that in 2020, for the first time, a negative natural increase (-4,017) was recorded, and in the first half of 2021, the natural increase was (-3,982) people (see Fig.5). However, the population in 2020 increased compared to the previous year, which is the result of a positive migration balance (15,732 people). During 2021, Georgia averaged 123 births per day, but the number of deaths was much higher at 160 per day. After Georgia gained independence, there was no such sharp imbalance between the dead and those born. 2018 - 140 people were born per day, and 127 people died; 2019 - 132 people were born per day; 128 people died; 2020 - 127 people were born per day; respectively, 138 people died. This is the highest number of deaths and the lowest number of births in any full year since 1994.

A positive rate of natural increase was recorded only in two regions of the country: the Autonomous Republic of Adjara (717) and Kvemo Kartli (195). The proportion of deaths from coronavirus was also the highest in Tbilisi (30%), followed by Imereti, Adjara, etc. The lowest number was recorded in Racha-Lechkhumi and Kvemo Svaneti, which is associated with a small population. It is known that the number of deaths from coronavirus has increased in subsequent years, but data by region is not available at this stage.

Migration processes are one of the criteria for changing the sex and age structure of the population. According to the National Statistical Service, in 2020 the number of emigrants amounted to 74,264 people, which is 29.3% less than in the previous year, and the number of immigrants decreased by 7.1% and amounted to 89,996 people, so we got a positive migration balance: 15,732. This was the first positive migration balance in the last 10 years (see Figure 5). which led to population growth in 2020 (despite the negative effects of the pandemic). During the same period, 85.8% of immigrants and 86.2% of emigrants represent the working-age population (age group 15-64). It should also be noted that in 2020, 74.1% of immigrants and 58.4% of emigrants are citizens of Georgia.

Conclusion:

As a result of the study, the following results were obtained:

1. Mortality associated with COVID-19 is higher in people aged 65 and older than in younger people.
2. In different age groups, the impact of the intensity of the COVID-19 disease on the psychology of the community is different. With increasing age, negative psychological effects were more common in people over 65 years of age.
3. Specific characteristics of the virus, such as a high infection rate and risk of death, affect different age groups differently – COVID-19 infection rates are higher in young people, and mortality rates are higher in older people, especially those over 65;
4. Average life expectancy (in years) has decreased in many countries of the world, hence also in Georgia;
5. In 2020, for the first time in the last 10 years, there was a negative balance of natural growth and a positive balance of migration.

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MANAGEMENT AS AN INTEGRATED DISCIPLINE

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Abstract: The article is devoted to the challenges of modern management that must be managed by this organization with idealistic goals to achieve pragmatic results. The development of scientific thinking is mainly a continuous evolutionary process and focuses on changes in the world economic and political landscape, as well as on the goals, strategies, and objectives of organizations as soon as the goals and strategy of the organization change, the specific tasks also change and consequently change the structure and methods of management. A large part of the principles and motivational techniques that were needed yesterday for effective management of the organization is no longer used today. There should be strict rules and principles in the organization on which the staff action plan will be based. Strictly defined rules should create a system that dictates to performers how to act in some kind of situation. People collaborate to achieve common goals effectively, so formal and informal connections to the system need to be explored. There are studying various aspects of social values, motivation, power and authority, organizational structure, leadership, formal and informal connections, job content, and quality of work activities and today we want to introduce these rules to the modern world.

Keywords: management, discipline, modern management, scientific management…

Introduction: Management is a process embarked upon with the sole aim of achieving a purpose. That purpose could be to increase the client base of the firm, develop the knowledge, skills, and capacity of employees, or achieve a specific sales target. Managers placed at the helm of affairs in an organization need to follow due process to set goals and come up with plans on how to achieve results. And both the planning and execution phases involve due processes that the manager must abide by, strictly. Management as a process also involves interrelated activities by which the administration within an organization develops and controls the resources of the organization to achieve targeted results. Several stages indicate that management is a continuous process:

1. Management and the social process
2. Management and the integrating process
3. Management and the never-ending process

Excitingly, management is also a discipline, and there is proof to support this claim. It involves the study of practices and principles required to carry out official administrative duties and also highlights the code of conduct managers need to follow in the discharge of their responsibilities. There are various methods a manager can run the affairs of an organization. And management highlights the different ways and tools available to move the enterprise forward. And, as with other courses of study or discipline, management is also being taught in various institutes and universities around the world. What makes management discipline is the fact that it satisfies the requirements and criteria that other branch of knowledge or courses called discipline, has. One of the conditions involves the transfer of knowledge which management is done by thinkers and scholars who spend the time to conduct research and provide information that guides practicing managers and management students undergoing management training.

Another thing that can qualify management to be a discipline like other fields is if the knowledge is passed on to management students or wannabe managers via education or training programs.

The development of the psychological and sociological sciences made it possible to scientifically study human behavior in the workplace. This gave rise to the so-called behaviorist school of management.

Behaviorism in psychology studies how a specific type of behavior is controlled by a specific stimulus in the environment. Behaviorists first and foremost analyze the preconditions of the environment, the conditions that precede the behavior, and make a person think to react or not. The main purpose of this direction is to analyze and study the driving motives of workers' behaviors and their determinants of relationships with other people. A behaviorist approach to the management process has not only played a positive role in the evolution of management theory but has also helped organizations regulate internal relationships and manage changes. Its most important representatives were: Abraham Maslow, Friedrich Herzberg, Chester Barnard, Rance Likert, Douglas McGregor, William Ouch, and others. They studied various aspects of social values, motivation, power and authority, organizational structure, leadership, formal and informal connections, job content, and quality of work activities. Managers and service staff are members of the same team and are equally interested in the success of the company. To achieve the goals of the organization, people must be able to meet their own needs in the process of labor. Along with increasing the efficiency and profitability of the organization, this is also the main concern of the manager. At the end of the 19th century and the beginning of the 20th century, there were enterprises, which consisted of two "classes" of people. One part was large entrepreneurs, the owners of the enterprise, while the other side was the oppressed workers. In the beginning, they were not difficult to manage, the workers were mostly obedient to the so-called "Kabbalistic conditions" and had to work hard to obtain the food they needed to survive. Over time their demands have increased. Some geniuses, at the instigation of the inner voice, have developed a system and type of management that is still under discussion today. Some organizations were slowly but surely developing some details of management, and for others to be able to handle the competition, it became necessary to change their views on management with the conclusions and guidelines created by scientific research. Management as science begins to form in the late nineteenth and early twentieth centuries. Behaviorism in management involves the use of scientific methods and research to study human behavior. The main purpose of this direction is to analyze and study the driving motives of workers' behaviors and their determinants of relationships with other people. This direction was founded in the 50s of the twentieth century and continues to this day. A behaviorist approach to the management process has not only played a positive role in the evolution of management theory but has also helped organizations regulate internal relationships and manage changes. Its most important representatives were: Abraham Maslow, Friedrich Herzberg, Chester Barnard, Rance Likert, Douglas McGregor, William Ouch, and others. They studied various aspects of social values, motivation, power and authority, organizational structure, leadership, formal and informal connections, job content, and quality of work activities. Abraham Maslow's book “Motivation and Personality” defined motivation as the study of human limit goals; and made three assumptions while studying human nature:

- Humans are living creatures whose ever-increasing needs cannot be fully unsatisfied
- Partially or completely unsatisfied needs motivate people to take action
- There is a hierarchy of needs in which low-level needs are located at the lowest level and high-level needs at the highest level.

The structural and personal elements in the management of the organization were first connected by Chester Bernard. In this construction, however, he considered not the individual himself but his behavior and organization as an open system in which the cooperation of human activities is based on the concept of the ratio of stimulus and contribution. In his only work, “The Functions of an Administrator”, Bernard presented a theoretical model of a cooperative system, the construction which was based on the individual's behavior. In his view, individuals are distinguished by uniqueness and independence, while organizations are cooperative and people themselves have to decide their attitude towards the cooperative system. People collaborate to achieve common goals effectively, so formal and informal connections to the system need to be explored. The power scheme developed by Bernard is based on the authority of a position or leadership, for which subordinates give rulers the right to direct their activities. This process is influenced by decision-making, information communication system, organizational structure, the competence of management staff, employees' perception of their place and role in the organization, their mental and physical characteristics, and the general management style of the organization.

School of Human Relations Management has established several principles precisely as a result of the influence of humanistic psychology. The merit of the representatives of this school is a new vision of their role in motivating the needs of individuals and service personnel. There is a 5-step pyramid that sorts out basic human needs according to hierarchy. These are physiological, security, love and belonging, and appreciation and self-realization. Let's consider each of them:

1. Physiological needs - food, water, clothing, procreation. If these needs are not met then the other needs lose their meaning as the regulation of the human body is violated.
2. Security needs - protection from the enemy, poverty, and disease. If these needs are not met then the regulation of the human psyche is violated.
3. Needs of social contacts - love, friendship, attention, and care. If these requirements are not met then the regulation of a person's social activities is violated.
4. Respect requirements - recognition, achievements, status, prestige. If these needs are not met, then the regulation of human behavior is violated, and human no longer represents value to others or is no longer a full member of society.
5. Self-realization needs - expressing one's possibilities and capabilities. That is, it is the ability to achieve what a person has the potential to achieve. It is directly related to the human spiritual world.

If any of these stages are violated, then a person can't be self-realized, and if all the conditions are met, a person reaches the zenith, reveals his maximum potential, and is self-realized. We conducted a mini "social survey" about what management is, not by definition, but at the level of the work process and the ultimate goals. The question was as follows: What is management - the result or change for the better? The probable answers were: Obviously, the research methods are not preserved here, and neither the study field nor the experimental fields are separated, although the ruling and managed people were interviewed separately. The ruling class includes some of the governing positions of TBC Bank, the Association of Clinics Madison, and the Georgian Technical University, and the list of people they manage is as follows:

- Technical University staff
- Also, people employed in non-managerial positions in different organizations
- Also, potential future managers in the form of students studying management

The survey was also conducted on social networks, where people employed in non-managerial positions participated in the survey. A total of 34 people working in managerial positions were interviewed, and the results look as follows:

Options	Quantity	As a percentage
Result	9	26.47%
Changing peoples' lives for the better	5	14.70%
both together	20	58.80%
I find it difficult to answer	0	0

A total of 35 people working in non-managerial positions were interviewed and the results are as follows:

Options	Quantity	As a percentage
Result	5	14.28%
Changing peoples' lives for the better	19	54.28%
both together	10	28.57%
I find it difficult to answer	1	2.85%

Conclusion

Does management relate to people's lives and should staff inside and the client outside be a priority for the organization's management? Here Peter Drucker gives us the answer: "Management is much more than the use of rank and privilege, it is much more than doing things and showing results. Management is about people and their lives.". In our opinion, there is not one organizational structure and one right way to lead people. We need to be able to choose different management styles for different situations and different times that will work effectively in the organization at that moment, however, in terms of ultimate long-term effectiveness, modern management principles have no alternative. Each principle and recommendation should be selected from all modern schools as needed and applied as needed. When and which of them we should use, depends on the manager's instinct. A manager who uses the right method at the right time is what Drucker calls a top-class manager-entrepreneur who is revolutionizing management, but it is a revolution without breakdowns. The companies were led by rather strange managers, and their strangeness was precisely in the correct choice of management principles, they were focused on people, staff, and clients and not on pragmatic results. Focusing on people brought brilliant results.

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ORGANIZATIONAL CULTURE FORMATION TOOLS

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Abstract

Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members. Think of it as the collection of traits that make your company what it is. A great culture exemplifies positive traits that lead to improved performance, while a dysfunctional company culture brings out qualities that can hinder even the most successful organizations. Don't confuse culture with organizational goals or a mission statement, although both can help define it. Culture is created through consistent and authentic behaviors, not press releases or policy documents. You can watch company culture in action when you see how a CEO responds to a crisis, how a team adapts to new customer demands, or how a manager corrects an employee who makes a mistake. Organizational culture affects all aspects of your business, from punctuality and tone to contract terms and employee benefits. When workplace culture aligns with your employees, they're more likely to feel more comfortable, supported, and valued. Companies that prioritize culture can also weather difficult times and changes in the business environment and come out stronger.

Culture is a key advantage when it comes to attracting talent and outperforming the competition. 77 percent of workers consider a company's culture before applying, and almost half of the employees would leave their current job for a lower-paying opportunity at an organization with a better culture. The culture of an organization is also one of the top indicators of employee satisfaction and one of the main reasons that almost two-thirds (65%) of employees stay in their job.

Keywords: Strong and weak culture; culture formation; stress level.

Introduction

Company culture is the shared values, attitudes, behaviors, and standards that make up a work environment. It is about the experience people have at work and how that experience aligns with the external brand and messaging of the company. Culture is what creates the day-to-day experience at a company. And when an organization has a good company culture, employees are engaged, committed, and excited to come to work. And that stretches from brand-new employees up to the leadership team. That's because, in a healthy culture, there are clear expectations. Expectations around how work gets done, why that work is important, and how teams are expected to treat each other. There is also a sense of alignment between the company vision and core values and how those values and vision show up in the workplace.

4 types of company culture

Company culture is difficult to define and can feel like a moving target to get "right." But, in reality, there is no real right way for all organizations. To help get a better idea of how it functions, we can take the four cornerstone types of company culture, as defined by business professors Robert E. Quinn and Kim Cameron:

- Adhocracy culture: Also known as the "create culture," this is a highly innovative and fast-moving environment.
- Clan culture: A highly collaborative company culture that thrives on teamwork.
- Hierarchy culture: As the name suggests, this is a structured work culture that typically follows established roles and processes.
- Market culture: A goal-oriented, high-pressure culture that focuses on output and goal attainment.

As you can see, each of these company cultures is different and is rooted in various core values. You could find great success or struggle with any one of these, depending on your organization's size, structure, and goals. So being able to step back and understand what kind of culture your company currently embraces is an important step in determining where you want to go next. Is the culture you currently have working well, or could it use a different strategy?

5 factors that contribute to organizational culture

Several factors contribute to company culture, including:

1. How the organization treats employees

How a company treats its team members plays a huge role in defining the company culture. For example, an organization that has an employee recognition program? That company is going to have a different culture than an organization where managers take credit for their employees' work.

2. The company's mission

If an organization has a strong mission, it can influence company culture as it gives employees a shared sense of purpose. (It can also lead to better business results. According to research from Deloitte, companies with a mission outperform companies without.)

3. How decisions are made

The decision-making norms within a company can also influence workplace culture. For example, a company that asks for employee feedback when making decisions is going to differ from a company where the CEO makes the call alone.

4. How people communicate with each other

Communication norms also factor into the company culture. Some companies have an open, friendly communication style that leads to strong relationships. Others have a more "keep to yourself" culture that limits non-essential communication.

5. Expectations around work style and volume

How organizations expect their employees to work also plays a major part in company culture. For example, is the atmosphere more laid-back or more of a high-performance culture? Do team members have flexibility in where and when they work? Is work-life balance a core part of the work experience—or are employees expected to respond to work requests on nights and weekends?

One big reason company culture matters so much is that it is important to employees. According to a recent survey from Jobvite, nearly 40% of workers ranked company culture as "very important." Therefore, investing in company culture has a variety of long-term and short-term benefits. Here are a few examples:

Company culture has a direct impact on employee retention

For organizations to succeed, they need to be able to attract and keep top talent—and culture has a direct impact on retention. According to a study from global staffing firm Robert Half, 35% of workers would turn down the perfect job if they didn't feel it was the right culture fit. And a recent Employee Retention Report from the management platform TINYpulse found that employees who rated their company culture poorly were 24% more likely to leave their job for another opportunity within a year.

Company culture can drive employee engagement

When your employees are excited about your company culture, it leads to more engaged team members—and when your team is more engaged, it drives positive results for your business. According to the Gallup State of the American Workplace Report, engaged employees are 17% more productive and have a 41% lower rate of absenteeism than their less engaged colleagues.

Employees want to grow with the company

A great company culture is a culture that invests in its employees' success, well-being, and happiness. And that investment can not only help employees feel better at work but move forward in their careers.

A more positive work environment leads to increased productivity

A good company culture fosters a positive experience at work. And when employees have a positive experience at work, they typically feel better about going to work every day.

On the flip side, toxic company culture can also impact employees in a variety of ways, including:

- **Higher levels of stress.** When employees are working in a toxic culture, it can make them feel more stressed—which can lead to a host of negative outcomes. For example, according to research from Stress.org, more than half of employees miss between one and two days of work per year due to workplace stress. And 31% miss between three and six days.
- **Decreased engagement.** Just like a healthy culture fosters employee engagement, a toxic culture causes engagement to plummet. This can lead to poor outcomes for the employee and the business. According to research outlined in the Harvard Business Review, disengaged workers had 37% higher absenteeism, 49% more accidents, and 60% more errors and defects than their engaged counterparts. And companies with low employee engagement scores experienced a host of negative effects—including 18% lower productivity, 1 % lower profitability, and 37% lower job growth.

Steps to develop a company culture

A strong corporate culture is essential for a company's success. But how do you develop that culture? Let's take a look at the steps for developing company culture:

1. Define your values- Your company's set of values is what dictates all of the elements of your company culture. That includes how people treat each other to what kind of expectations there are around work.

So, when developing your company culture, the first step of the process? Defining your values.

Sit down with your leadership team and clearly define the values you want to incorporate into your company culture. For example, your company values might be sustainability, respect, and transparency. Or they might be kindness, equality, and innovation. Or maybe integrity, honesty, and fairness feel like your core values.

Whatever your values are, it's important to define them from the get-go—because it's those values that will act as the foundation of your company culture.

2. Set goals- You set goals for everything in business. So why not set goals for your company culture?

For example, do you want to build a culture around diversity? First, recognize that building around diversity means creating an inclusive culture. Then, while your goals might include increasing your diversity hiring by 50% in the next 6 months or adding more women to your leadership team, you also need goals on inclusion and belonging. Or maybe you want your company culture to revolve around work-life balance. In that situation, your goal might be to have every employee take at least three weeks of PTO each year. The point is, culture is bigger than any single focus area or goal. But company culture is just a concept until you put it into action. So make sure to set clear goals around the culture you want to build.

3. Ask your team what they want to see in the company culture- Your employees are the people who are most impacted by company culture. So, if you want to create a strong company culture—and retain and attract top talent in the process? Ask your employees what kind of culture they'd like to work in. Send out employee surveys. Ask for feedback on what they like about your existing culture and what they think could be improved. Ask for their insights into what their ideal corporate culture looks like. Then, use their feedback to drive your organizational culture strategy. That way, you can build a culture that not only works for the company but also works for the employees.

4. Develop a plan for working your culture into the day-to-day work experience- As mentioned, company culture is, at the core, about the experience people have with your organization on a day-to-day basis. So, when developing your company culture, it's important to think about how you're going to bring that culture to life in the daily work environment. Again, let's say your company culture is built around diversity. That might mean offering employees paid time off for any cultural or religious holidays they celebrate. Even if they don't fall under your normal paid holiday schedule. Or, using the work-life balance example. You might implement a communication policy that lets employees know they're not expected to respond to work emails after 6 pm or on weekends.

Your company culture is how your employees experience work every day. So, when you're developing your culture, make sure you think about how to work your culture into the day-to-day work experience.

How to evaluate company culture

There are a few different wants to evaluate culture within an organization, including:

1. Ask leaders to describe the company culture
2. Ask employees to describe their experience working at the company
3. Look for alignment between leadership's explanation and employees' description
4. Look for examples of the company's values in the day-to-day workflow
5. Read through employee surveys and exit interviews
6. Look at employee engagement and retention metric

How to improve your company culture

Need more insights on how to improve your company culture? Try these tips:

1. Make appreciation a part of your culture. Employees want to be recognized for their hard work. So, if you want to improve company culture, start by showing them that recognition. According to research from Deloitte, more than half 54% of employees prefer a verbal "thank you" for their day-to-day accomplishments—so simply encouraging your managers to thank their employees is a great place to start.
2. Look for ways to offer flexibility to your employees. When it comes to company culture, there are few things more important to employees than flexibility. For example, according to research from GoodHire, 68% of American workers would prefer to work remotely over working in an office — and 61% would be willing to take a pay cut for the option to continue working remotely. So, if you can, offer your employees work flexibility. That might include remote options, a hybrid work arrangement, or flexibility with their work schedule and hours.
3. Make sure your compensation and benefits are competitive. It doesn't matter what kind of company culture you build — if you're not paying your employees well, you're not going to be able to keep them. If you want to improve company culture, do your research on salary and benefits packages in your industry and area. Then, make sure what you're offering your team members is competitive.
4. Check in with your employees. You can't improve company culture if you don't know what needs to be improved. Regularly check in with your employees and ask them what could improve their experience at work.

Examples of companies with strong organizational culture

There are a ton of companies out there that are building strong organizational cultures. Some examples of organizations known for strong, well-defined cultures include:

- **Warby Parker**. A foundational aspect of Warby Parker's company culture is to "create an environment where employees can think big, have fun, and do good." As such, the company puts together a variety of fun activities at work as well as opportunities for employees to get involved in the community.
- **SquareSpace**. SquareSpace's company culture is about fostering creativity and innovation. As a result, they've gained a reputation as a company where employees are encouraged to speak their minds and share their ideas.
- **Google**. Google is known for its strong company culture (and plenty of perks!) — including the 20% rule. This rule gives employees 20% of their work time to develop new skills and work on whatever they think will most benefit the company.

Conclusion

While company culture may shift over time, it can be guided in the right direction with a little effort from management. Strong organizational culture is not created overnight. It requires work from leadership from day one and needs to be at the forefront of important decisions. However, dedicating the time and effort to create a strong organizational culture will allow you to reap the benefits and point your business growth in the right direction. To support your efforts in creating the right culture that focuses on employee growth and management, TriNet offers full-service HR solutions for small and medium-sized businesses across several industries. Our HR expertise offers compensation guidance, talent management, employee support, leadership training, and even expertise on sensitive issues, so you can create a comprehensive culture that resonates with your employees. Learn how TriNet's full-service HR solutions can help your business today.

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UDC 304

THE IMPORTANCE OF THE DEVELOPMENT OF GREEN INNOVATION AND THE ROLE OF HIGHER EDUCATION IN THIS FIELD

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Annotation. The modern world is suffering from the severe consequences brought to it by the reckless actions of humanity. Not only the ecology is damaged and polluted, but also human spirituality. We got what we deserved, In such conditions, the development of Green Innovation is vitally necessary. The paper substantiates the role of higher education in the development of Green Innovation. The contribution of British and French business schools to solving this problem is analyzed.

Business faculties in universities should promote the teaching in the direction of Green Innovation. Therefore, the external involvement of business schools will give us the best result. Instead of industrial practice, students can be active in external engagement. We should especially encourage their involvement in border or mountainous regions. In these activities, students should have the opportunity to receive credits, as it is implemented, for instance, in British and French business schools.

The hyper-competitive environment in which businesses operate today is radically different from decades past. These changes require a re-evaluation of what knowledge business education provides. The problem exists not only in Georgia but also in developed countries. In order for business schools to remain relevant, they must anticipate the evolution of the business environment and prepare students to successfully enter the rapidly evolving business world, nowadays' and tomorrow's changes. Such a direction is the development of Green Innovation, which will create a green economy and the production of ecologically clean products. Georgia has great agricultural potential. Finally, the goal of the strategy will be to strengthen public goods, increase agro-industrial production, ensure food security, and overcome poverty.

Keywords: Green innovation, green economy, business education, external engagement.

Introduction. The values and norms of the social system have changed radically in the world, serious hazard is stirred toward major structures, and making cardinal decisions becomes necessary. Uncertainty and suddenness are negative shocks that have befallen the entire humanity. The world has faced up with a global economic crisis, which caused a shortage of capital. However, as it is known from the general theory of economic crises, the dynamics of the economic conjuncture are characterized by a rhythm, a decrease is followed by an increase, and we are waiting for such an increase today. The world is slowly coming out of this crisis, but many problems are unsolved, which are in need of making conclusions. It is not clear what kind of economic policy will be implemented in the world. Priorities are in the formative stage. As Dale Carnegie said: Life truly is a boomerang- what you give, you get.

In these conditions, the evolution of Green Innovations becomes more relevant, which should be promoted by higher education, especially by business education. By 2020, the variety and number of business schools worldwide had increased to around 13,000, generating £400 billion a year.

In this paper research of modern British and French professors analyzed, such as Martin Kitchener (Cardiff Business School), Tom Levitt (West London Business School), Lisa Thomas (Marseille Business School, France), also viewpoints of Christopher Bartlett, M. Frostenson, E. Boyer, J.D. Brewer, T. Brigman, M. Burawoy, B. Harley, J. Grant, A. Kaplan, and other American and British scientists are discussed, the research results of Chinese scientists Chen Cheng, Siming Li, Suge Zhang, Shali Liu (Zhengzhou University Business School, Zhengzhou, China) were interesting.

Georgia is in the 47th position among the world's most ecologically clean (green) economies and is placed among such countries as Uruguay and Australia – these data are published by RBC depending on research results of Yale and Columbia University. 132 countries were included in the ranking. Switzerland, Lithuania, and Norway are leading. Environmental Performance Index was compiled as part of the study of 22 parameters, including - water and air quality, environmental impact on human health, forest fund, emission of various harmful substances in nature, etc.

It can be said that business is one of the first interdisciplinary professions. Especially European business schools are traditionally focused on future leaders, managers, and entrepreneurs. These business schools keep spreading the saying that **only businesses that innovate will survive.**

Basic text. The question, that needs to be asked, is what roles the business schools should take. What is the value of an education focused on preparing students, to become managers and innovators? The role of artificial intelligence in management education is expanding. Manufacturing, transportation, retail, finance, healthcare, insurance, education, and virtually every industry for that matter are transforming core processes and developing business models accordingly to take advantage of the inherent benefits of AI. (Singh, S., Misra, R., & Srivastava, S. 2017)

We emphasize that business schools increasingly need to develop and mature intellectual skills, insight, and other human skills such as creativity, rational judgment, and effective communication, this becomes more valuable and demandable. These are not new skills. Rather, they have and should be part of any strong business education. Students of business faculty should have the skill to gather relevant information, analyze business problems according to logical thinking and use problem-solving in the real business world.

Many factors contribute to the aggravation of the situation. Among them, the low level of **mathematical competence among students**, the underestimation of literacy, and the mismatch between teaching, research, and practical relevance (does not correspond to the development of industry), this is especially relevant in the fields of science, statistics, and information technology. (Sircar, S.2009)

In addition to an integrated approach to solving business problems, business schools should focus more on developing critical thinking skills. Many business school students have a limited understanding of the ability to draw logical conclusions from complex ideas, identify complex problems, or present persuasive arguments. (Bunch, K. J.2020)

In order for business schools to remain relevant, they must anticipate the evolution of the business environment and prepare students to successfully enter the rapidly evolving business world and the changes of today and tomorrow. Modern businesses are increasingly looking for graduates who can analyze a problem based on disciplinary knowledge. Many organizations such as IBM, Toyota, General Electric, and Microsoft have changed their focus on management development. They increasingly emphasize the different integration of disciplines and functional departments.

Successful Green Innovation is costly and requires a supportive environment that fosters innovation by seeking stakeholder interests. Chinese scientists: Chen Cheng, Siming Li, Suge Zhang, and Shali Liu chose 468 family businesses, including 147 family firms that metamorphosed from mostly state-owned enterprises and 321 family businesses that were established by family entrepreneurs or in partnership with their relatives. (Chen Cheng, Siming Li, Shali Liu. 2022)

According to their research, restructured family businesses have better opportunities to implement green technologies and innovations thanks to formal start-up institutions. These scholars confirm that entrepreneurial family firms have worse opportunities to manage pollution and corruption problems than restructured ones.

We also used the results of studies of business schools in the United Kingdom (Great Britain) and business schools in France, which were given to us by British and French colleagues Martin Kitchener (Cardiff Business School), Tom Levitt (West London Business School), Lisa Thomas (Marseille Business School, France). They explain that business schools of the future can better increase the public good through expanded engagement. Here we use external engagement as a collective term to include activities that promote interdisciplinarity, the generation and application of knowledge that contributes to academic contributions to solving real-world problems. Our conceptual contribution builds on the recent suggestion that the instrumental strategies of business schools should change with their goal **to maximize the public good.**

As mentioned British scientists confirm that two changes are essential. Firstly, business school leaders need to change their strategic result-oriented focus and confess that business school is not the only provider of values and develop networks of collaborative stakeholders engaged in a mutually beneficial process. Secondly, the changes in the institutional structure of business schools are vital, in order to reduce the reliance on government-run measures, such as sessions and accreditation, as well as the use of journal rankings.

We discussed **Brighton Business School** Legal Clinic, which was founded with purposeful engagement by entrepreneur **Brontie Ansell**. Nowadays it brings together scientists, professionals, graduates, and future men of law. **The Business Clinic at Northumbria University** developed organically through the initiative of its director, **Nigel Coates. Huddersfield Business School** is involved in the rural **highland communities of Ethiopia** (on the Somali Peninsula in East Africa), and this has been a measure of its success over the past 20 years. Students at the school have benefited from impactful research projects in both Ethiopia and other developing countries. **The University Of Liverpool - Management School (LMS),** creates targeted employment in disadvantaged communities and provides vital services across sectors of the economy. **The University of Manchester** has identified Social Responsibility (SR) as a key strategic objective with five priorities. The university's SR implementation commitment is led by the university's director for SR, Professor Hongwei He, who chairs the School's SR Committee.

The research presented in this paper has identified new conceptual and empirical approaches to external engagement. A key driver of intentional change is for business schools to work better to complement their intrinsic value in order **to make a positive contribution to society.** In addition, social and environmental challenges have a common impact on business schools, they must not simply maintain the status quo but focus on new transformations to sustain value creation. Our research is based on a greater focus on future value creation.

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UDC 336.2

THE IMPACT OF DIGITAL TECHNOLOGIES ON FINANCIAL ACCOUNTING AND REPORTING

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ABSTRACT

Fintech is a combination of Finance and Technology which involves the use of modern smart technology like cloud computing, artificial intelligence, big data analytics, machine learning, and robotics in financial services. Financial technology development has influenced nearly all financial service industries, from insurance, and accounting to consultancy, from consumer finance to investment banking. As a result of digital transformation, preparation of XBRL-based structured digital Financial Reports, block-chain trading, and accounting of new digital assets, cryptocurrency has assigned more strategic functions to accountants, financial managers, and auditors while simultaneously supporting and improving the audit process to reduce the risk at the minimum level.

To obtain or retain a competitive advantage it is essential to invest money, and time into implementing innovations. Using the cloud system is part of the basic business infrastructure now. When the entire business model changes so do change the ways of accounting, auditing, and financial reporting that are inevitable components of any business. The integration of modern digital technologies into finances has enabled finance professionals to achieve greater efficiency, work speed, and financial transparency.

Keywords: Financial technologies; Digital Accounting and IFRS; Big Data, Cryptocurrency**;** Block chain; XBRL-standard; Audit; Financial Reporting;

MAIN TEXT

Fintech is a term used to describe companies operating in the financial technology sector. It relates mainly to small start-up companies, which develop innovative technological solutions in such areas as online and mobile payments, big data, alternative finance, and financial management. Fintech is an example of the positive impact of competition and technology, it accelerates to gain a competitive advantage or just to expand the scale of business, starting from start-ups and finishing with big-scale companies F. ex. **PayPal** is one of the most well-known fintech companies, with a transaction volume of $333.8 billion in 2019 (Paypal, 2020)[7].

The 21st Century is the century of accelerated digital transformation. Every field needs some changes and developments. Starting from the changes in management especially in the Industry 4.0 era[8] and finishing by encouraging organizations to sustainable development, to the establishment of a more sustainable ecosystem.

Generally, financial technologies may have a big impact on the accounting and financial reporting

[7] https://financesonline.com/fintech-statistics

8 "Changes in management during transformation of power industry"- A Rzepka, R Borowiecki, R Miskiewicz, Z Olesinski - 2021

system. Companies need to accelerate the implementation process of digital transformation. Especially after the pandemic, it became clear that changing the traditional business model into a new *Remote working adaptative Model* is compulsory, even not by 100 %, but at minimum the **Hybrid Business Model**. This is essential to the survival of each business. They need to adapt to the new environment to make good financial decisions, forecasts that may be the basement for future financial and economic decisions, investment appraisal, or just for good operational management.

Moreover, modern Smart financials and other Technologies have a great impact on each business field. There should be discussed the following effects:

1) **Preparation of XBRL-based Structured Digital Financial Reports;**

2) **Blockchain Technology usefulness;**

3) **The Benefits of using Cryptocurrencies for payment of Financial Services**;

Per Audit company Deloitte "More than 2,300 US businesses accept bitcoin, according to one estimate from late 2022, and that doesn't include bitcoin ATMs. An increasing number of companies worldwide are using bitcoin and other digital assets for a host of investment, operational, and transactional purposes"[9]. Moreover, Crypto provides a new avenue for enhancing a host of more traditional Treasury activities, such as:

- Enabling easy and secure money transfers;
- Strong and easy access control over the capital of the company;
- Managing the risks and opportunities of engaging in digital in- vestments;
- **Stock exchange vs Crypto Exchange**

PwC also has received its financial services fee in cryptocurrencies for the performed audit services;

4) **The Supporting Tool for Anti-money Laundering (AML) procedures;**

Sustainability Enhancement and ecological effect; Due to modern office software systems usage, it is no more necessary to print out many accounting and auditing documents, instead it is possible to keep them safe electronically. Financial technology is enabling smart data input techniques. For example, the document can be scanned and the accounting entry is done with the help of identifying key information like date of transaction, amount, number of items, commodity type, tax paid, supplier name, and nature of expense from the document automatically by the system. **No more paperwork is necessary, just scan all the accounting documents and finish them by electronic signature**.[10]

5) **Big Data Analysis-**more financial services offered quickly and more analyzed, detailed decisions made;

6) **ERP System Development and More Integrated Functions;**

7) **Quick Communication between different functional Business Directions;**

8) **Artificial Intelligence Integration into Business processes;**

9) **Cloud-computing-**saving the place for keeping financial data securely;

10) **New Audit Software for Auditing of cryptocurrency transactions**-as **PwC Audit** company mentions they have already invented the new software "**Our new Halo tool** builds on our suite of **technology auditing solutions to provide audit and other assurance services to clients holding or transacting in cryptocurrency**. In this complex world of blockchain and cryptocurrency, we can also

9 https://www2.deloitte.com/us/en/pages/audit/articles/corporates- using-crypto.html
10 https://caknowledge.com/impact-of-financial-technology-on-accou- nting-auditing/

help companies to seize the opportunities and address the challenges - helping them to implement the processes and controls they will need to obtain assurance reports from their auditors”[11]. Their innovative audit Tool supports clients transacting in many cryptocurrencies, such as **Bitcoin**, Bitcoin Cash, Bitcoin Gold, **Lite-coin, Ethereum, Filecoin,** Ripple**, Tezos**, etc. Additionally, Cryptocurrencies’ are so developed and intensified, that PwC even dedicated the **Global Crypto Tax report[12]**.

11) **Financial Data Consolidation-**Smart Financial Technologies help to consolidate the financial data of group member companies easily and quickly;

12) **Digital Assets Existence;**

As a result of **Financial digitalization**, due to the occurrence of many digital assets transactions, there became necessary to pay much attention to an accounting of the modern type virtual assets; As PwC reports, “Crypto may serve as an effective alternative or **balancing asset to cash**, **which may depreciate over time due to inflation**. Crypto is an investable asset, and some, such as bitcoin, have performed successfully over the past five years”. According to the PwC report 2019[13], there should be some accounting considerations under IFRS for cryptographic assets and related operations.

An Initial Coin Offering (‘**ICO**’) is a form of fundraising that harnesses the power of cryptographic assets and blockchain-based trading. Similar to a crowdfunding campaign, an **ICO allocates tokens instead of shares to investors/subscribers**. These ICO to-kens are not directly related to an ownership interest in the entity, however, they often provide access to a specific platform and can often be traded on **a crypto exchange**. The population of ICO tokens in an ICO is generally set at a fixed amount.[14] (see table 1)

Another important Financial reporting issue should be discussed regarding the **Fair value accounting of cryptographic** assets under IFRS 13. Per PwC report Fair value might be needed in a variety of situations, including (see table 2).

Under IFRS 13 special disclosures must be made in financial statements for Fair values. If the specific disclosures required by the standard are insufficient, IFRS 13 requires additional information to be disclosed to meet that objective. In this case, many **cryptographic assets show a high volatility of prices, and markets might remain open 24/7.** So the time at which a reporting entity values the cryptographic asset might be important.

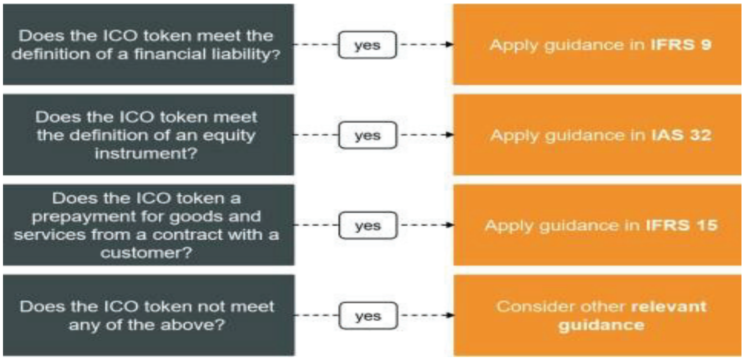
11 https://www.pwc.com/gx/en/services/audit-assurance/publicatio- ns/halo-solution-for-cryptocurrency.html

12 PwC-2021 Global Crypto Tax Report-2022 January. https://www.pwc.com/us/en/services/tax/library/releases-its-2021-global-crypto-tax- report.html

13 https://www.pwc.com/gx/en/audit-services/ifrs/publications/ifrs- 16/cryptographic-assets-related-transactions-accounting-considerations- ifrs-pwc-in-depth.pdf

14 https://www.pwc.com/gx/en/audit-services/ifrs/publications/ifrs- 16/cryptographic-assets-related-transactions-accounting-considerations- ifrs-pwc-in-depth.p

Table 1. Cryptocurrency Accounting by PWC



For example, is the valuation time 11:59 PM at the end of the reporting period, or the close of business on that day? **How is the valuation time determined in groups with subsidiaries in different time zones?** This might represent a significant accounting policy, in which case it would also have to be disclosed in the notes to the financial statements.[15]

inventory held by a broker-trader applying fair value less costs to sell accounting	expense for third party services paid for in cryptographic assets
cryptographic assets classified as intangible assets in cases where the revaluation model is used	expense for employee services paid for in cryptographic assets
revenue from the perspective of an ICO issuer	cryptographic assets acquired in a business combination
disclosing the fair value for cryptographic assets held on behalf of others	cryptographic assets held by an investment fund (either measured at fair value or for which fair value is disclosed)

Table 1. Cryptocurrency Transactions by PwC

Source: PwC Cryptocurrency reports 2019-05y.[16]

Digital Accounting Impact on Sales Revenue Virtual Transactions

Financial technologies, especially selling new financial virtual products, make it more difficult to account for or audit. The issuing entity should consider whether the ICO token issued is, in substance, a

15 PwC Report-" Cryptographic assets and related transactions: accounting considerations under IFRS"-2019-05.
16 PwC Report-" Cryptographic assets and related transactions: accounting considerations under IFRS"-2019-05.

contract with a customer that should be accounted for under the **International financial reporting standard (IFRS) 15**- Revenue from Contracts with customers. IFRS 15 would apply if (1) the recipient of the ICO token is a customer, (2) there is a 'contract' for accounting purposes, and (3) the performance obligations. To determine whether a contract with a customer exists, an entity should consider whether **the whitepaper, purchase agreement, and/or other accompanying documents create 'enforceable rights or obligations**. [IFRS 15 App A]. This assessment might be challenging where the documentation pro- vided by the issuer is not well defined. As there is discussed in the PwC cryptographic report, 2019, **the whitepaper** is a concept paper authored by the developers of a platform for prospective investors. So, the **w**hitepapers are not the same as a standard legal contract or other offering documents.[17]

Furthermore, after analyzing **Digital accounting** new issues under IFRS, there should be also mentioned **how far** financial technologies influence **financial reporting preparation and auditing process**. For example, the digitalization of Financial statements in the USA was established quite earlier, like the usage of the **XBRL system**. Financial statements are a vital part of economic and business life. Moreover, creating digital, unambiguous, accurate, and reusable versions of financial statements is one of the core capabilities of the XBRL standard.[18]

CONCLUSION

In Summary, in the conditions of Global Digitalization, modern market requirements are changing rapidly. More and more, companies try to gain and maintain a competitive advantage by implementing and adapting digital financial solutions that will help them. Nowadays, as the 21st century is the century of big data, also in the field of financial reporting, they need to be solved immediately to make a proper financial decision. The primary issue in big data analysis can be regarded 3 main challenges: a) Variety of Data sources, b) Velocity (the rate at which data is being generated), and c) volume (the amount of data generated). In financial business reporting, as in other areas, taking on the **massive flow of information that comes with doing business with manual workflows is becoming difficult**, now it's time to implement more financial technologies in finances. By implementing more powerful and innovative smart digital transformation technologies such as digital accounting, artificial intelligence, robotic process automation, and advanced data analytics, finance leaders are redefining the financial accounting and reporting, audit process to achieve efficiency, speed, accuracy, and financial transparency that create together high quality.[19]

Within the finance function, the use of these smart modern technologies may reasonably be considered *financial technology* or ***fintech***, and they establish a significant component of data-driven, value-focused **business models**[20].

As for Financial technology's impact on **Auditing,** the demand and dependence from internal or external auditors, or regulatory auditors on new financial technologies is increasing quickly. This enables auditors to spend time more **on risk identification and assessment** rather than spending time on less routine procedures. Cognitive technologies, which include artificial intelligence, machine learning,

17 PwC Report-" Cryptographic assets and related transactions: accounting considerations under IFRS"- 2019-05.
18 https://www.xbrl.org/the-standard/what/financial-statement-data/
19 https://planergy.com/blog/how-the-use-of-technology-can-improve- financial-reporting/
20 https://planergy.com/blog/how-the-use-of-technology-can-improve- financial-reporting/

speech recognition, natural language processing, and robotics, help **in the digital analysis** of a big chunk of data that cannot be performed by several audit teams.

The audit conducted based on extensive big data churning will be able to identify more pitfalls, will be able to fix more risks, and will be revealing more inconsistencies about the company.

The data classification also needs to be changed – one is structured and the other is unstructured. The robotics can easily analyze the structured data to filter the inconsistencies, which can then be made part of audit samples. This will enable the **collection of audit evidence** from diverse sources and enable the expression of a strong and clear audit opinion about the true and fair view of the financial numbers.

Finally, when the technological digital transformation has changed every industry, accounting, and auditing are no exception. Robotics is being used to do the accounting free of manual intervention; Whereas machine learning and artificial intelligence are helping identify the patterns and generate the exception reports which leave the auditor with specific "grey areas", where an investigation is sought, removing the necessity of sampling either randomly or by judgment[21]. All these factors improve not only the quality of financial services significantly, but also enhance business performance.

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UDC 332.01

CLUSTER POLITICS OF REGION DEVELOPMENT: THE BEST PRACTICES OF USA

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Abstract

The article analyses the experience of the successful development of regional clusters in the USA. We describe the best practices of the cluster policy of the following states: Minnesota, Oregon, Massachusetts, and South Carolina. We show the change in the role of managing subjects during the evolution of regional business clusters. We prove the need for training facilitators within the framework of professional cluster management. We suggest a system of organizational roles for ensuring inter-firm cluster interactions. The article is intended for researchers in the regional economy, cluster policy, and experts engaged in the management and development of regional clusters.

Keywords: regional economy, clusters, cluster policy, cluster approach, facilitator, thematic cluster

Introduction. Thematic clusters are a new trend that requires understanding and adjusting the standard approach of cluster policy. The experience of the European CLOE project (which is an inter-cluster cooperation network in the field of cluster management existing since 2004) shows that thematic tools do not have to cover the activities of the cluster as a whole; they may be selective. For example, participants in this network hold regular thematic workshops (interactive seminars) on specific topics related to cluster management and involve representatives of clusters and experts from different EU countries. During the workshop, scientists, experts, and practitioners discuss various innovations and best practices in cluster management, while establishing informal contacts.

Cluster Policy: US Experience

In the United States, different states pursue a rather specific cluster policy. For example, in Minnesota, the cluster approach (as in several Asian countries) is seen as a framework concept for all economic policies. At first, the cluster approach was applied to solving one, albeit a complex, problem - the development of knowledge and competencies of the workforce demanded by business - but gradually began to be used in almost all areas of the state economic policy, becoming the basis of the regional development strategy. In this regard, the lessons learned by the Minnesota authorities deserve special attention. First of all, according to experts, it is important to form a common language for dialogue between regional leaders of government, business, and civil society (the language means unambiguously understood terminology, identical ideas, and expectations), which increases the role of training programs and discussions at the preliminary stage of cluster projects.

Further, Minnesota's cluster leaders proceed from identifying key regional needs to formulating cluster development programs. Thus, the activity of clusters is initially aimed at solving the systemic problems of the region. Of particular importance for the success of clusters in the region are its institutional assets, in particular, the headquarters of large corporations, the involvement of which requires special efforts. An important role at the stage of preliminary work on developing a cluster development strategy for the state was played by such a tool for obtaining primary information as an interview in the "director-director" format (CEO2CEO), which made it possible to increase the level of confidence of the interviewees and obtain realistic data.

In turn, the experience of the state of Oregon shows the key importance of discussion platforms for stakeholder communications and the development of agreed plans and solutions. So, in the early 2000s. the Oregon Business Plan was created - an annual forum of experts, politicians, and businessmen to develop state economic development policies. Between the holding of this forum, its organizing committee conducts interviews and focus groups, based on which specialized reviews are prepared. In addition, Oregon has a regional cluster network, which includes representatives of business clusters developing in the state.

As experts emphasize, speaking on behalf of a cluster rather than a private company, the participants in this network begin to interact not as competitors in the market, but as partners. It is in this format that regional cluster development strategies become possible, within the framework of which it is necessary to coordinate the interests of different clusters. In addition, cluster networks are easier to attract the attention of federal politicians and regulators, as well as regional authorities. In addition, it was at this level that complex issues were raised and received certain solutions, which are simply impossible to solve at the level of individual clusters; it is, in particular, training of professional personnel, marketing, and branding of the region, etc.

As the experience of the Massachusetts high-precision manufacturing cluster shows, a private regional coordinating institution can play an important role in the process of cluster formation; in this particular case, we are talking about the Institute of Innovation. It was this structure, on the one hand, that allocated the funds of regional grants to specific startups within the cluster; on the other hand, it cultivated the leadership and cohesion of the cluster stakeholders. For example, a prerequisite for supporting new projects within the cluster was the participation of other cluster members in it, as well as a positive impact on the competitiveness of the cluster as a whole.

The main lessons of the Massachusetts industrial cluster (which serve as the basis for future best practices) are related to the emphasis on increasing the intensity of interactions between:

- the internal stakeholders of the cluster (much more than with other actors in the region);
- regional grant programs should be based on realistic cluster needs;
- special attention should be paid to the non-financial support of cluster members from the intermediary institution.

In the state of South Carolina, a special body also played a key role in cluster development - the State Competitiveness Council branded New Carolina, which initially included more than 100 representatives of small and large businesses, regional authorities, universities, and nonprofits. This body was created in 2005, and in 2013, the organization of a regional Competitiveness Network was required, which included clusters located in South Carolina. Thus, from the stage of supporting individual clusters, the state has evolutionarily moved to the coordination of inter-cluster initiatives and cooperation.

In addition, the experience of this state shows:

- the importance of balancing the short and long-term goals of the clusters (in particular, the vagueness of long-term goals has become one of the main reasons for the stagnation of the tourism cluster of South Carolina);
- the feasibility of introducing paid posts of infrastructure (service) personnel, as the experience of attracting volunteers was not entirely successful;
- informing about the activities of the cluster, its projects, participants, initiatives, and achievements should be carried out in a constant mode of PR activity and be informal in nature of the so-called "story-telling".

The need for a professional cluster secretariat is also confirmed by the experience of clusters in the North Rhine-Westphalia region (Germany). These infrastructural bodies include 2-10 employees and perform a wide range of functions, from database management (for products, customers, partners, events, etc.) to the organization of training, presentation, and PR events.

The evolution of professional cluster management

TABLE 1. THE LIFE CYCLE OF A PARTICULAR CLUSTER

Facilitator Options	Potential Cluster	Growing Cluster	Mature Cluster
Functions	Attracting new members, Stimulating communications Network shaping, Building trust Development of relations with authorities and partners, Promotion of a cluster idea.	Involvement of local stakeholders, Intensification of cooperation and collaboration, Building confidence The development of the entrepreneurial activity, Cluster brand formation.	Diversification of the wound, Inter-cluster cooperation Integration into global value chains, Development of an international brand cluster.
Competencies	Fundraising Event Management Lobbying.	Relationship management and marketing, Branding Knowledge management Stimulating business initiatives and innovations.	Full cycle innovation management, Business process integration Cluster Reengineering International branding.

Source: Compiled by the author (Ingstrup, Damgaard, 2013; Jungwirth, Grundgreif, Müller, 2011)

As the results of analysis of the best practices of 33 clusters from 23 EU countries have shown, professional cluster management is becoming increasingly important, and the training of relevant specialists (their function is also called the "facilitator", that is, an intermediary in the field of interactions) is one of the key areas of activity institutions of regional development. For example, in Serbia, where more than 40 business clusters have been created, education and training for facilitators are an important function of the Cluster Chamber, a specialized organization for supporting cluster initiatives.

The facilitator training program is based on an interdisciplinary approach (from project management to psychology and emotional intelligence), a combination of theoretical and applied knowledge, and the involvement of local and foreign experts.

Both the functions and the competencies of cluster facilitators corresponding to them differ depending on the stage of the life cycle of a particular cluster (Table 1).

Cluster organizational role system

Many scientists note a high degree of uncertainty in the distribution of positions in modern clusters. The intercompany division of labor within the cluster creates a system of organizational roles, from the position of which the cluster can be understood as a meta-firm, i.e. a company combining several companies that carry out certain interrelated activities. The examples of the Spanish cluster of ceramic manufacturers (Molina Morales, 2005) and the Danish biomedical cluster (Gjerding, 2012) include the following key organizational roles:

1. Knowledge generators (companies and organizations focused on research and development, professional education and training, and commercialization of innovations).
2. Facilitators (intermediaries in the interactions between participants and stakeholders of the cluster), including GR coordinators (a special category of facilitators whose function is to establish and strengthen ties with authorities and regulators of individual markets.
3. Cluster managers (clusterpreneurs, ie entrepreneurial firms within the cluster), including three groups of entities:
   - Industrial entrepreneurs whose activities are associated with the creation of goods and their delivery to markets;
   - Service entrepreneurs whose business is concentrated in the field of services and supply of turnkey solutions (starting from repair and IT business and ending with legal support, marketing, and finance);
   - Commercial entrepreneurs who act as intermediaries between producers of goods and services, on the one hand, and sellers (wholesale and retail trade) or consumers, on the other;
   - Social entrepreneurs implementing non-profit projects in the social, cultural, or environmental fields.
4. Marketers and sales agents whose functions are associated, on the one hand, with the analysis of market niches and opportunities for the development of new types of business in a cluster or the release of new goods and services; on the other hand, with the promotion of products, branding, advertising and PR-activity, logistics, and sales management.
5. Ambassadors - “ambassadors” of the cluster in the external environment, promoting the idea of the cluster in the local community and on a larger scale, as well as contributing to the formation of a positive image of the cluster.

Conclusion

1. Foreign experience shows that thematic cluster policy should not be opposed to industry or technology models as an unconditional alternative.
2. Thematic clusters require fundamentally different management based on distributed leadership when leadership in different areas of the cluster's activity belongs to different organizations and does not cause conflicts between them.

3. The proposed system of key organizational roles allows us to advance in solving the difficult problem of leadership within the cluster, which arises in connection with the specifics of cluster development.

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UDC 332.1

DESTINATION MARKETING AS A MODERN APPROACH TO THE MANAGEMENT OF THE TOURIST REGION

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Annotation

A new approach to the management of the tourist region - the marketing of a destination is being considered. The marketing approach assumes that the product that needs to be formed by the needs and expectations of potential "consumers" - tourists. The destination must be promoted, and its development - managed. The article presents the main objectives of marketing, defining the structure of both a product and a product, which are the stages of strategic marketing planning in the formation and development of a destination.

Keywords: tourism, destination, the tourist region, destination marketing.

UNWTO identifies tourist destinations as a central element in the process of forming and delivering tourist products [1]. The main element of the tourist system is the territory that attracts a tourist, where he makes his trip, and where he spends a certain time - a tourist destination (according to the UNWTO definition). Tourist destination as a complex phenomenon includes tourist attractions, tourist infrastructure, and related services.

One of the results of the active development of tourism in the world is an increasing number of destinations accessible to tourists, with an ever smaller individuality of individual vacation spots, and increasing competition between tourist centers. In the face of global competition, when tourist destinations become easily replaceable, destination authorities are included in the real battle for the attention and resources of tourists [1-3]. In the foreign practice of tourism management, it was understood that destinations should be engaged in marketing with the same efforts as enterprises are engaged in marketing their goods and services.

Tourist destination marketing can be defined as a management process in which destination and business management bodies determine target groups of tourists (current and potential). In addition, they establish communication with them to find out and influence their desires, needs, motivation, preferences, and relations that are associated with the adoption of numerous travel decisions; as well as form and adapt the tourist product to the needs of tourists and to achieve their maximum satisfaction.

The UNWTO data show that to attract one foreign tourist, which provides an average of 1,000 euros to the country's economy, governments spend from 3 to 10 euros on non-commercial advertising of the tourist product. By this, the average amount of budget funds allocated in European countries for the promotion of a tourist product is 31.7 million euros [4].

A widely spread worldwide marketing approach to destination management has not been adequately reflected in the practice of Georgian tourism. In Georgia, tourism resources are often advertised, rather than creating an integral unique tourist product, target groups are not allocated among potential tourists, and destination brands are not formed.

Although its share of Georgia today in world tourism development is minimal, according to UNWTO forecasts, the potential of our country allows, with an appropriate level of marketing activity and tourism infrastructure, to receive up to 12-15 million foreign tourists per year and receive significant foreign exchange earnings [3]. Georgian territories need to learn to create unique popular tourist products, properly allocate their segments of tourists and focus on meeting their needs, and create brands as a basis for promoting a destination.

Destination marketing is a particular part of a wider area management concept - territorial marketing. Territorial marketing is marketing in the interests of the territory, its internal subjects, and also external subjects whose territory is interested in the attention and actions of which. It is carried out to create, maintain or change the opinions, intentions, and behavior of residents and non-residents in the person of individuals and companies regarding the given territory [6]. The founder of the territorial marketing concept, Philip Kotler, states that territorial marketing is successful when the main target audiences - residents and businesses, are satisfied with their region, and when the region meets the expectations and needs of visitors and investors [2]. This is a philosophy of territory management, which contributes to its socio-economic development by meeting the needs of individuals and economic actors in resources for living and/or conducting activities in the territory without reference to a specific level of territorial education (region, country, city) [5].

Before the concept of territorial marketing and destination marketing appeared as its part, the “sale” of territories was the dominant form of regional promotion. However, destination marketing is a much more complex activity in contrast to the “sale” of territories, which in general terms represents the use of various types of advertising. Tourist destination marketing is part of the overall concept of territory development and works towards integrated sustainable socio-economic development.

Destination marketing is aimed at achieving a set of goals:

- Strategic analysis of the resources and policies of the territory to determine the potential and role of tourism in shaping the overall sustainable development of the region, including the possible economic impact of tourism, social, environmental, etc;
- Analysis of the tourist resources of the territory, analysis of the state and expectations of the main actors of the destination marketing - government, business, residents;
- Identification of the most attractive segments of the tourist market for the territory, analysis of their needs, expectations, and motivation;
- Development of a comprehensive destination product that meets the expectations of target segments of tourists;
- Creation of new and improvement of existing tourist attractions of the destination;
- Development and implementation of a destination promotion complex;
- Formation and management of the brand and image of the destination;
- Formation and maintenance of a strategic partnership of government, business, and residents for the successful development of a destination;
- Increasing the attractiveness of investments and implementation of investment projects in the field of tourism and hospitality in the destination area.

The basis of a marketing approach to managing a destination is to consider a tourist destination as a product. The territory where the tourist travels and spends a certain time is a key element of the tourist system. The territory, the visit of which is the goal of the tourist is the destination. However, not in itself the territory as a physical place attracts a tourist? Tourists are attracted by what is in this area. Destinations are integrated, integrated products.

As a product, the destination consists of several key blocks:

- Attractions of the destination - something that directly attracts tourists (natural attractions, cultural, historical, etc.);
- Tourism industry - infrastructure. The traditional view of the destination as an exclusively geographical area (country, city, island) is now superseded by an approach based on consumer perceptions based on the purpose of travel, cultural environment, experience, etc. For example, London is a tourist destination for German businessmen, and Europe - for Chinese tourists who come to plunge into another culture. For some tourists, the destination (as the purpose of travel and destination) may become a specific sanatorium or a hotel complex. On the other hand, some destinations are separated by administrative boundaries but are perceived and consumed by tourists as part of a single product (for example, the Alps). However, in any case, the destination has a specific territorial link, in most cases, it coincides with administrative and political boundaries, but this is not necessary;
- A product in tourism is a sensation that a tourist gets through consuming a combination of products and services. For a tourist, a destination is a single set of all components of its products and services, as well as associated expectations and sensations. The tourist perceives the destination holistically. As a complex product, the destination includes [3]:
- Attractions (natural and cultural, natural and artificially created, special events);
- Infrastructure (accommodation, catering, shops, and other tourist services);
- Availability - (transport, economic, visa, etc.);
- Events, activities (all activities that a tourist can do during his stay in a destination);
- Ancillary services (banks, telecommunications, health care, law enforcement, etc.);
- Available packages - a decorated package of destination offers, purchased through marketing intermediaries - tour operators, travel agents, airline companies, etc.

Most destinations can be classified as city destinations, beach destinations, alpine destinations, village tourism, exotic destinations, eco-tourism, etc.

It is important to understand that the aggregate of tourist resources is not yet a tourist product of a destination. The product should represent a finished complex, attractive to the target segment of tourists. All elements of the product must comply with the current state of tourist demand. The composition of the main tourist product in its quality and quantity must be sufficient to attract tourists.

Destination product consists of 3 levels:

1. The main product is why a tourist visits a destination and what a destination can offer him. At the heart of tourism, as at the heart of any product, is the satisfaction of certain people's needs. For tourism, these are the requirements for relaxation, self-expression, gaining knowledge, stress relief, etc. The destination offers the tourist several attractions that can satisfy these needs,

2. Associated product - that which provides consumption of the main product, but has no independent value for the tourist. These elements include the tourist infrastructure: accommodation system, power supply system, transport,

3. An additional product is something that is not created specifically for tourists but is consumed by them since for some time they become part of the territory (street lighting, security system, banks, etc.). The tourist perceives the destination as a whole, so even such elements become an integrated part of the product and, with inadequate quality, can destroy even a product with a high-class and attractive main product.

The marketing approach to the destination involves the development of an integrated product of the destination, which will be presented to the tourist as a whole. All elements of a destination product must match. All product levels must match each other and the needs of the target segment. With a multi-segment approach, when the destination has several fundamentally different in their motives, requirements, and expectations of tourist segments, it is necessary to develop a product for each of them.

By analogy with goods and services, there are 2 levels in the destination product - the product by design and the product in real performance. The basis of any tourist product is the need to meet a specific need, the so-called intention, that is, its focus on solving a specific need. For a destination, it is not the representation of tourist resources that matters, but the benefits to the tourist. An example of the main product of a destination is the possibility of self-testing and self-realization through extreme sports; recuperation and rest from the city bustle in the beauty of pure nature, etc.

f the concept of a destination product appears as its semantic content side, then its form is determined by the product in real performance - it is a certain set of attractions that allow you to realize the concept, that is, to satisfy a certain tourist need - beaches, ski slopes, museums, architecture, sanatoriums, etc. It is important to take into account that the mountains themselves are not an attraction for skiing enthusiasts, appropriate ski slopes are necessary.

As you can see, the destination is not just a collection of tourist resources. A destination is a product that, for the success of its implementation, should represent a single, interconnected complex that can meet the needs of tourists. The basis of destination marketing is the formation and development of a sought-after competitive product of a destination.

The main mistake in the process of development and promotion of a tourist destination (destination marketing), especially in Georgian practice, is that this process is not systemic, but is a set of unrelated activities implemented by various actors (government, business) in the absence of interaction. In this case, it is as if potential tourists are independently offered to create a single product and destination image based on tourist resources and fragmentary information. Destinations should do what organizations have been doing for many years - strategic marketing planning. Strategic marketing planning involves the development of a route to achieving long-term goals, taking into account the demands of the market and the resources of the territory. It is necessary to develop a plan that will link the goals and resources of the destination with the changing capabilities of the surrounding market and social environment. Through strategic marketing planning, it is determined what tourist resources the destination has, what kind of tourist product can and should be developed based on them, whom this product is aimed at, how it will be promoted, and what resources are needed for this.

It is necessary to distinguish the marketing strategy of the destination (marketing plan) and the overall strategy for the development of tourism in the region. Marketing is only part of a larger tourism development activity, which includes infrastructure development, optimization of legislation, distribution of financial flows, the attraction of investments, etc. The marketing strategy determines who are potential tourists, what product, and with what characteristics will be most in demand with them, There is a destination for the development of this product, and how the product will be promoted.

The destination is one of the most difficult objects for management and marketing since it is a complex set of relations between internal participants and foreign markets [8]. The complexity is also associated with the diversity of participants (public sector, various types and directions of business) in creating and selling a tourist product of the territory. The strategic interests of the participants (residents, government, business) may be fundamentally different. "Consumers" (potential and real tourists) perceive the destination entirely as a single set of resources, products, services, and people. The destination marketing strategy should integrate the interests of “consumers” and other participants in the process of producing a destination product - for tourists, residents, entrepreneurs, investors, and tour operators.

Strategic marketing planning within a range of tasks and constraints.

First, traditional strategic marketing is designed exclusively for corporate planning. He sets himself all the tasks. Destinations - a conglomeration of attractions, enterprises of the tourism industry, residents, and authorities, each of which has its own goals. Often these goals do not have to control all aspects.

Secondly, the product of the organization is a combination of various tourist products and services. Tourists, on the other hand, perceive and evaluate goals, often without demarcating individual goods and services. Strategic planning requires putting in order of multidirectional goods and services into a single interconnected complex.

Thirdly, strategic planning must be related to the fact that the organization must fully control its product. In the field of marketing, the main marketers (tourism management authorities) have control over only a part of the product, the remaining parts of the product are owned and operated by a whole set of various organizations and companies.

Strategic marketing for a destination will be successful subject to several positions:

1. The presence of an authority responsible for the process of planning and implementing a marketing destination. For the success of the marketing strategy implementation, the role and capabilities of this body in the management of marketing initiatives are crucial. The most common European marketing practice is international or tourist organizations — tourism development tips, tourist offices, etc. [4]. However, in close cooperation and with the support (including financial) local tourist industry. This is a permanent organization. Such a public-private partnership is the most effective destination marketing management model. He has official powers and administrative resources. In Georgia, this model has not yet received the distribution.

2. Interconnectedness and consistency. Since marketing is aimed at numerous actors - the government, businesses, and residents, that is, it is crucial to meet the goals of the overall strategic marketing objectives. Marketing goals can be successful. If each participant implements his strategy, he will not receive a holistic product, will not form a holistic image, and will not express the desire to visit it. Mutual understanding and agreement should be reached at the planning level, therefore, when developing a marketing strategy, it is necessary to involve market participants.

3. The product should be developed strictly from the standpoint of attractiveness for the target segment of tourists. It is necessary to exclude the subjective assessment of the resources of participants in the process of marketing planning. The best option is to base the strategy on the results of marketing research of the tourists themselves.

4. Marketing plan and destination strategy should not be a formal official document. This is in the first stage - a working plan of action. For all interested parties, including residents.

The intensive development of tourism in the world forces us to pay attention to its possibilities and Georgian territories. Tourism, possessing one of the highest rates of multiplication of income and employment in its own and related areas, is a sector that can become a “point of growth” and a basis for the sustainable development of the entire region. When developing tourism in the territory, it is fundamentally important to understand that the mere availability of tourist resources does not make the territory attractive for tourists. Destinations in their formation and development require a marketing approach. A tourist region (destination) is a specific product that needs to be formed, which needs to look for a target market segment that needs to be transformed to the needs of "consumers", which needs to be positioned and differentiated from competitors, which needs to create an attractive image. The marketing approach can ensure the success of a destination even with the initial minimum amount of tourist resources.

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UDC 330

THE QUALITY OF EDUCATION IN THE INFORMATION SOCIETY

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Abstract

The article is devoted to the problems of assessing the quality of education and its increase in the conditions of a new information society - knowledge society, - taking into account the demands on the labor market (not only knowledge, literacy, competence, and skills of specialists). Therefore, the quality of education is considered both from the point of conformity of the state educational standard, educational costs, and the requirements of educational bodies and institutions and from the point of view of consumers, the degree of satisfaction of client's needs, and cost characteristics.

The peculiarities of the educational systems of the information society are taken into account, in particular, the main ones: the implementation of the state educational standard of the new generation, the objective specification, the real result, the specific educational goal, the competence approach, key abilities (communicative, informational, mathematical, information technology, creative, creative, environmental, entrepreneurial, ergonomic, aesthetic, etc.).

The necessity of creation and use of system maintenance based on adaptive training and the competence approach, statistical signs and characteristics of training, and dynamic support (control) of each step of training is accented. With the inclusion of elements of different levels of training, which are personal-oriented.

Demonstrated the need for high-quality analytics to predict the quality of education, for full, timely, quality monitoring of the learning process, as well as educational management.

Keywords: education; quality; information society; knowledge.

The problem of the quality of education, and the quality of the functioning of the educational system is relevant because of the set of factors conditioned by the needs of not only the society, and the educational paradigm, but also the requests of individuals, both legal and physical. Persons who already have experience in business interaction based on standards, contracts, requests, and contracts of consumers.

The quality of education is a category and social. It determines the effectiveness of the educational process in the information society and its relevance to the needs of various social and professional clusters [2]. The quality of education is formed under the influence of the state of educational activity of educational institutions: the content of education, the forms, and meth-ods of instruction, the material and technical base, and the personnel that ensure the development of the competencies of students. The dynamism of modern society, its markets, in particular, the labor market, forms a request not only for knowledge but also for the competence and skills of specialists.

Quality is absolute, it has a relative value. An absolute, idealized concept of quality promotes the development of an educational institution, it is an image concept demonstrating the desire to achieve the highest standards of education.

Relativity of the concept of quality lies in the fact that it is not an attribute of the educational process, and services: quality arises when the educational products (service) meet the requirements of the SES, regulatory documents, programs (the quality of the level "educational service corresponds to the State Educational System - SES"). As a relative concept, quality is considered for compliance with the CRP and for matching the consumer needs of this educational service in an information-rich society, in a knowledge-based society.

At the same time, the consumer and the producer of the educational service often can not mutually agree on their goals and requests. As a result, of which the educational institution is obliged to consider the quality of education from the point of view of the educational institution, and in terms of its clientele, and consumers (satisfaction level their needs, and the cost of education).

Undoubtedly, the effectiveness of such an information society as an educational system can not fail to correlate with the quality of life of citizens: higher attention of the state, and society to education, costs for it are higher and the quality of education, higher education quality is higher and the educational needs of society.

But in Georgia, so far, there is no set of effective measures, criteria, and procedures for regular systematic assessment of the quality of the work of educational institutions (organizations). Many institutions are hindered by "autonomy", independence in determining educational programs, absence of an external evaluation, others - "significant dependence", including on external assessments, the third - "excessive diversity" that prevents the formation of a system of objective relevant estimates [4, 5].

Despite the importance of external evaluations of education, the role of "internal", consumer assessments of educational information and the education system itself is growing in the information society [7]. They expand the educational opportunities of institutions, their abilities in self-control and self-improvement in conditions of openness of education, productive dialogue of its systems (institutions) with other systems (institutions), and the entire community.

Much here depends on the independence and competence of teachers, tutors, leaders, and parents.

What are the indicators, and their number for the relevant evaluation of the educational institution, and the system? - They are often difficult to determine, without regard for regionality, cultural characteristics, and sometimes stochastically enough. This reduces their information and prognostic value.

There must be a mechanism of "minimal sufficient need" or "reasonable minimum".

Another problem solved in the information society when assessing the quality of education is the informational openness of decision-making and their discussion in the society with possible adjustment of the results of the quality assessment. So far there are no independent professional and public structures for informing, broad discussion of the problems of education. A transition to a model for supporting the quality of education (from the quality control model), to developing a system of methodological recommendations, tools for assessing the student's achievements, and their public discussion in the information society.

Evaluation scales used in determining the quality of the educational process and its result are directly related to the methodology used. A distinctive feature of the educational systems of the information society is the work on the new generation SES, in which the objective specification, the results-orientations, the concretization of educational goals, the competence approach [1] with key capabilities:

- Communicative (receiving-transfer, updating of information);
- Infologic (mathematical), especially when solving practical problems;
- Information technology (wide use of ICT);
- Creativity;
- Ecological, financial (business), ergonomic and aesthetic.

This applies to both functional skills (decision-making in a real-life situation, independent and organized), and so-orbit-oriented characteristics and skills (planning and conducting independent research, creativity in its conduct, reflexivity in teaching, teamwork, etc.). At the same time, general educational results-reference points from subject to subject do not change, in contrast to their content and methods (technologies) of achievement [12, 13]. There is, in fact, a single system of coordinates of results, and decision-making related to qualitative levels of material mastering (problem statement - knowledge actualization - application of knowledge) and quantitative levels ("ignorance - partial knowledge - full knowledge").

The development of quality assessment tools leads, in our opinion, to the emergence of systemic performance requirements. New criteria, indicators, scales, procedures, technologies of planning, research, and analysis of the quality of the learning process results appear.

The high growth rates of information flow in the information society, the emergence of new specialties, and the change in the paradigm, models, and methods of teaching led to the need for widespread introduction into the educational process not only automated information and management systems and complexes for the learning process but also for systems for assessing and monitoring the quality and effectiveness of this process.

The development and implementation of such solutions, in turn, require the creation of a system for providing adaptive learning based on a competence approach [14]. Adaptive knowledge control is based on the evaluation of statistical characteristics and learning characteristics, dynamically, at each step of training. In the adaptive model of the control of the learning process, to increase its effectiveness, elements of different levels of training are included, which in turn take into account the basic personality traits (person-oriented).

This can be traced, for example, to such common tools as testing and test analytics.

The development of IT leads to the necessity (possibility) of developing effective systems that allow us to study individual learning paths [11]. Such models provide information for analyzing the quality of training, and process management [3].

The formation of a learning quality model with dynamic, configurable parameters can provide the maximum estimating ability of the system. In such a model, the evaluation of the quality of education is a decision to move to the next productive level of education. It is based on the current values of the parameters of the learning process.

To increase the effectiveness of the process of assessing the quality of learning and its manageability, it is necessary to implement instrumental environments that can extract information from the distributed knowledge base (learning system), which is necessary and sufficient for evaluating the individual learning path in the conditions of a continuous increase in the volume of information, the need for its independent production, assimilation. On the other hand, it is spurred on by the development of the IT society, open learning.

Under the impact of new requirements for education in the knowledge society, there is a constant modernization of educational systems. It is important to keep the traditions. Therefore, it is difficult to compare quality assessment systems. An effective approach is to identify the trends that are observed in the system of assessing the quality of different countries and taking into account the most productive and structured, taking into account the completeness of processes and the attainability of the goals.

The problem of assessing the quality of education is a systemic problem that must be necessary and sufficient for assessing the individual educational trajectory in the conditions of a continuous increase in the volume of information, and the need for its independent extraction, and assimilation. On the other hand, it is spurred on by the development of the IT society, open learning.

Under the impact of new requirements for education in the knowledge society, there is a constant modernization of educational systems. It is important to keep the traditions. Therefore, it is difficult to compare quality assessment systems. An effective approach is to identify the trends that are observed in the system of assessing the quality of different countries, and taking into account the most productive and structured, taking into account the completeness of processes and the attainability of the goals.

The problem of assessing the quality of education is a systemic problem that must be considered in terms of the totality of assessments and scales reflecting the degree of conformity of the results achieved not only with the criteria and standards of educational standards but with the expectations of students and institutions of society.

Although the methods of monitoring (evaluation) "from within" (from the teacher, institution, and educational authority) have traditionally developed, the problem in the information society is the study of self-education, self-assessment of educational activities, scientific and methodological support of this problem, training of relevant specialists. This is a problem not only institutional (licenses, certification, accreditation, certification, inspection), it is the problem of society, the whole society, and all consumers of educational services and knowledge. This is the problem of expert experts, expert commissions of state, municipal bodies from education, an effective partnership of the society, management bodies, public organizations, and various councils (observers, trustees, parents, etc.).

But still, the most important criterion is satisfaction:

- consumers of the quality of education of graduates, their starting qualification; educational institutions level of SES, educational programs, provision;
- the qualification structure of the graduates and the actual output corresponding to this structure;
- reduction of costs for retraining personnel, etc.

Analytics is required for analysis, obtaining a forecast of the quality of teaching and educational processes, for complete, timely, quality monitoring [10]. In conditions where there are no clear rules, or instructions for assessing the quality of education, the need for analytics increases. It is important for educational management or the pooling of efforts of companies for development (survival, sustainability), and protection of interests. In difficult crisis conditions, qualitative analytics should be used.

But who should predict (analyze) the effect of the choice of the educational system? - Analytical methods: monitoring [8], system analysis [9], cognitive and situational analysis. It is actually with a lack of information [6].

Automation of business processes is also important. Always relevant, but often carried out "superficially". As a consequence, it is accompanied by an unstable analysis of the quality of education. The analyst will find the relevant solution: he owns the tools, and the problem (at the content level). The main tasks of the analyst:

- Collection and analysis of primary information, analysis of the causes of poor quality, negative trends in the management of education leading to a decline in quality;
- Organization of command and effective resources and a well-targeted and focused work;
- Identification (description) of processes that affect the quality of education;
- Modeling of interactions with business (in particular, B2B, B2C);
- Documentation support (in particular, XML), office processing (in particular, OpenOffice);
- Development of legal regulations and measures to improve quality, in particular, motivation of personnel and personnel;
- Definition of priorities and objectives, strategy, tactics, and technologies for assessing and achieving results.

Training can't be effective without effective business analytics, effective planning, attracting investment, meeting the requirements of the SES to the starting level of the SES, and achieving regional characteristics of the entire educational process. It should provide the graduate with competitiveness, business qualities, eco-logical thinking, social adaptation, fulfillment of universal values, motivation for quality education, effective management, and monitoring.

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THE PROCESS OF GLOBALIZATION AND PROBLEMS OF TRAINING SCIENTIFIC PERSONNEL IN GEORGIA

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Abstract: The situation in science and the direction of its development in the country is largely determined by the relationship between the following two spheres - science and education. The scientific potential of the country depends on its heritage, how it is developing, and also, what is the staff training system in the field. The next step is outlining the priorities on the directions of the application of the scientific potential and the development of science. The article briefly describes the state of science in Georgia, the dynamics of its development, and the system and practice of staff training in this field. For determining the direction of the development of science it is necessary and important to determine the mechanisms for assessing the activities of the scientists, to develop a methodology for the productivity of scientific groups, and, more importantly, to define the scientific products’ evaluation criteria of the scientific products. All the above-mentioned will assist the process of the commercialization of scientific research and the internationalization of higher education.

Keywords: Georgian science, education, researcher, bibliometrics, citation index.

Introduction. Science and education, while being quite a problem for small countries, present, at the same time, a rather strong leverage for the country’s development. Therefore, small countries, like large ones, always care about the development of these two spheres. How they manage to do it depends on the peculiarities and specific features of these countries. Georgia is one of those small countries, which has old traditions, and rather impressive scientific potential, wherein the science management authorities constantly care for outlining the directions and establishing the criteria for materializing such potential. This process was accelerated during the period of the country’s transition to a market economy. The views of scientists also evidence that the transition to a market economy greatly contributed to this process. "Despite many difficulties, Georgia had enough intellectual potential, the employment of which under conditions of the respective market institutions could provide society with great payoff" [1, p. 25].

Results. In 1990, 240 scientific institutions, including two academies of sciences, 27 universities, 215 scientific research institutes, and 3 scientific research centers, were operating in Georgia. Over 27 thousand people were engaged in the scientific activity at these institutions [2, p.6.]. Many research organizations, owing to limited financing and, consequently, due to the restricted use of resources, could not be economically effective for a small country. It was not a secret for the science management authorities and a need for science reorganization was gaining in importance. At the very first stage of reforms, the number of scientific research organizations reduced with a respective decrease in scientific personnel. By 2005, the number of scientific research institutions accounted for 150, employing 16 thousand of people [2, p. 10].

Scientific establishments in the country were functioning within the system of the academy of sciences, ministries, and departmental organizations. The academies of sciences and agencies are used to finance research organizations and grant orders for work. Thus, the number of applied research significantly increased in scientific activity. However, due to the departmental affiliation of scientific research institutes the management of science under a single system became quite ineffective. The fact that the problem could not be solved by quantitative methods only very soon became obvious. In addition, scientific research institutes also participated in the training of scientific personnel. They had post-graduate departments and dissertation committees (dissertations defense councils).

The transition to a market economy accelerated the integration of education and research. The year 2005 initiated a new stage of reforms. It envisaged the establishment of research priorities in the activities of scientific research organizations and the reorganization of the national system of education. A three-stage education was introduced; the post-graduate studies and the two-stage system of granting academic degrees were annulled; a doctoral academic degree was introduced; the regulatory framework of the system of higher education changed. The objective of the reform was to accede to the European educational space.

The training of scientific personnel became a prerogative of universities. Doctoral programs became operative and dissertation committees were re-established in universities. Universities, however, had only teaching functions. This created contradictions in the matter of conducting research and training personnel. The necessity of integration of training with research became obvious. At the next stage, the national system of science disintegrated and universities incorporated scientific research institutes. The scientific research institutes started to take a more active part in the training of personnel. This is how the systems of science and education became united in a single space within the country.

However, the low budget and scanty financing greatly interfered with the development of science. According to the 2010 statistics, only 0.86% (0.3% of the GNP) of funds was allocated for the development of science from the State Budget, which significantly lags behind similar world figures (1.7%) [6]

In the same years, the number of people engaged in science also reduced. Research institutes joined state universities without changes in financing. Low financing and law remuneration became the principal bar to getting interested in science. The number of people seeking a doctoral degree decreased as well. Lately, the number of graduates who were granted an academic degree has dramatically reduced.

In parallel, the demand of research organizations and universities for scientific personnel is growing.

The demand for scientific personnel is increasing every year. In recent years, the number of universities and the volume of research work have increased. Currently, there are 33 state and private universities operating in Georgia, which carry out research activities. Scientific-research institutes, which joined the universities as a result of the reform of the field of science, are involved in their research activities. More than 50 such scientific research institutes and centers operate in the country. The number of researchers does not change over the years. In 2019, 10,191 people were employed in research, and in 2021, 12,030 people were. Among them, 8393 have a doctor's degree, and 3324 have a master's degree. In the same year, only 434 people were awarded doctorate degrees in the country [6].

The process of globalization, while accelerating the internalization of science and training, has also increased the requirements for the qualification of scientific personnel. The activation of joint scientific personnel training programs has become a necessity. Also, the introduction of the mechanism for assessing the activity of the academic staff engaged in science, namely the application of up-to-date scientific performance assessment techniques, is of urgency.

The efficiency of the scientific activity is measured by the application of its results. However, the indicator of the scientific activity assessment is not just the manner of the research application in the practical activity, but also the number of the scientists using the said in their research activities, i.e. the disposition of the relative field of science to the outcome of the research. In this regard, an assessment indicator, like a Citation Index, is widely used. The said indicator describes the value of the usage of works, printed in internationally exchanged scientific magazines, collections of scientific works, and collections of reports of international scientific conferences, by other scientists. There are numerous databases describing the index values of scientific publications. Namely, Web of Science (Clarivate Analytics), STNInternational, Physical Review, etc. These databases contain greater volumes of information compared to the sectoral databases and respectively, they have more users in the form of scientists and scholars/researchers of various countries. Georgian scientists started to show their active interest in the said databases only in 2006, as soon as the issues of attestation of the scientific-research institutions and respectively, that of the assessment of the scientific activities of the scientific personnel became part of the agenda. The work carried out in this direction has shown that the said database contained only those publications of the Georgian scientists that were printed abroad. Namely, the works that were printed in magazines and work collections in the English language. Respectively, several cited articles were low. The values have not changed in years. This means that only the articles by the same authors are registered. Namely, of those authors that can print their articles or works in foreign publications. Besides that, retrieved materials about the Georgian scientists have revealed that a high citation index was shown by the category of the scientists that have printed publications in the English language, while the same index was low for the category with printed publications in the Russian language. It should be noted as well, that publications of Georgian scientists mostly belong to the fields of Physics and Biology. Regretfully, it should be noted as well, that Georgian publications are not yet listed in the impact factor magazines.

As research shows, the number of publications is high in the fields of physics, astronomy, mathematics, chemistry, medicine, and engineering. (Scopus.com). Accordingly, the citation rates of Georgian scientists in these fields are also high.

In recent years, a group of scientists from Techinformi has been actively working on issues of evaluating the scientific activity of Georgian scientists. For research, the group selected and used the information reflected in the scientific information databases of the Techinformi, as well as the information of international databases - Scopus and Scimago Journal & Country Rank (SJR). According to the SJR database, the most cited scientific journal articles are in the fields of medicine, mathematics, computer science, biology, genetics, and molecular biology. The average number of citations per document is 2.48 in the field of medicine, 1.25 in computer science, 2.15 in engineering, and 1.36 in biology, genetics, and molecular biology journals. [7].

What is the hindering factor of listing the said in international magazines? 1) First of all, the language barrier. In Georgia, magazines are mostly printed in the Georgian language. 2) Due to poor financing, the Georgian publishers cannot provide the mentioned databases with the magazines. Often the publishers face difficulties in preparing their publications according to international standards, therefore, the area of distribution of these magazines is small; 3) the small amounts of research financing have an impact on the quantity of the scientific articles; 4) the level of the involvement of the Georgian scientists in the international cooperative researches is low; 5) Researches conducted in Georgia often do not correspond to the topics of the international researches and respectively, the interest to the former is low, etc.

The use of Scopus databases for research is of interest since the database contains information according to Elsevier publications, systematized and sorted by categories. The information is divided according to scientific fields, indicating the documents and authors; the number of citations of the author's works is also given. The number of publications of professors and professors of the state universities of Georgia reflected in the Scopus database show that in 2021, the most publications in the fields of physics and astronomy were up to 7,000, mathematics - 3,000, medicine - more than 2,000, engineering - 2,200, etc. Publications of social sciences, humanities, and multidisciplinary sciences are less represented. [7].

According to the database, most documents belong to the faculty and researchers of Tbilisi State University, followed by the number of works of the faculty and scientists of Georgian Technical University, etc.

Information from other international databases can also be used for analysis. But they differ not only in the number of information sources and completeness of information but also in their structure. Searching for information in databases is easy, but the analysis process is complicated by the various classifiers of information. Therefore, the group of researchers performed the work of interlinking the classifiers of the databases.

The use of SJR databases is effective for evaluating the scientific activity of scientific teams and scientists in the research process. In the database, scientific journals are grouped by subject areas, specific subject categories, or countries. It is possible to compare the ratings of the countries and analyze them separately. The DB indicators provide an opportunity to evaluate and analyze specific scientific fields.

In addition to the work on the compatibility of the classifier headings, a group of researchers developed effective collective indices for the assessment - citation of the activity of scientific collectives and scientists. In the wake of the expansion of the fields of scientific research and the development of science, the indicators of scientific activity of scientists increased; therefore, the adjustment of the developed methodology became a must, which was coped with at the following stage of the research process. Based on the adjusted methodology, analysis was conducted according to the information on the registration of works of scientists affiliated with state universities in international databases. [3]

Analysis of the mentioned information indicated a strong dependence on technological development on the level of financing of R&D projects. Analysis of such attitude is very necessary and important. The analysis should not disregard patent information. Analysis of patents requires the use of uniform classifiers. The basis of the International Patent Information Classification (IPC) is to sort the subject matter according to the sectoral-functional principle, while the basis of scientific classifiers is the subject areas of research. This makes it difficult to determine the relevance of the subject headings of the research. Therefore, the work on the compatibility of classifiers done by the Techinformi research group will significantly contribute to this process.

In the research process, according to the information analysis, it was concluded that the monitoring and assessing of the performance of the R&D tasks at all stages of such activity required the setting up of a relevant information system, which would serve as a more effective information basis for assessing the scientific potential [4].

Conclusion. The information system is very important for a complete analysis of the state of science, and the decision-making about the personnel training conditions and needs.

The system should also include patent information of Georgian researchers reflected in international databases. The creation of such a system at Techinformi will be based on the data from international databases of scientific projects and patent information, in particular, the Scopus database that 44 million patent records from the US Patent & Trademark Office, the European Patent Office, the Japan Patent Office, the World Intellectual Property Organization, and the UK Intellectual Property Office.

Due to all the abovementioned, the Georgian publishers avoid the extra expenses and provide international databases with the magazines. ISI Web of Knowledge database allows us to define the total quantity of the sources used in the articles and number of the Georgian publication within them. But, due to the language barrier, proper Georgian articles cannot be seen. Due to all the above mentioned, the existing citation index makes it impossible to assess the scientific activity of Georgian scientists. If we want the citation index fully reflects the existing situation in Georgian science, we should create a Georgian citation index of the scientific publications. The basic values for the creation of the said index already exist. Such is the existing database of scientific publications in the Institute Techonform of the Georgian Technical University. Besides that, the abstract publication of the Techinform Institute *Georgian Abstracts Journal (GAJ)* and a database created on its basis, can serve as a basis for generating a citation index. It should be said that the GAJ lists a great number of scientific-technical and natural sciences magazines published in Georgia. That is why, in our opinion, the use of such databases for generating a relevant citation index shall be more appropriate.

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UDC

PARADIGMS DETERMINING THE FORMATION OF THE ENTREPRENEURIAL POTENTIAL – OF GEORGIA'S YOUTH

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Abstract

In the first decades of the XXI century, the system of social and labor relations is facing unprecedented challenges from the external environment. This is globalization, constrained by the challenges of the Covid-19 pandemic, economic growth based on the increasing role of knowledge, as well as the revolutionary development of information and communication technologies.

The solution to the acute problem of employment in the population is increasingly linked with the concepts of self-employment, entrepreneurship, entrepreneurial potential, and employment corresponding to the demand of the world labor market.

Therefore, in the short term, a real way to solve the problem of unemployment is to promote the development of small and medium-sized enterprises, and business entities, which today is the most important direction of economic reforms in Georgia. The effective functioning of these reforms is directly related to the identification, formation, and development of an entrepreneurial mentality and thinking, and subsequently the entrepreneurial potential of unemployed youth, with the creation of an appropriate educational base and support for entrepreneurship at the state level. Therefore, the study of the entrepreneurial potential of the population is of great importance for planning the activities of the country's entrepreneurial policy as a whole.

The relevance of this topic is due to the need that arises in the transition to a mixed economy to take into account entrepreneurship as a factor in the development of productive forces with all the ensuing consequences, namely: opportunities and directions for development and satisfaction of the need for self-realization of the individual, both in useful creativity and in recognition by society.

Keywords: Self-employment, youth entrepreneurial thinking, youth entrepreneurial potential

INTRODUCTION

In economically developed countries, entrepreneurship is recognized as the driving force of the economy, and the degree of its development depends on the formation and implementation of entrepreneurial potential. Being a kind of labor potential, entrepreneurial potential nevertheless has specific features, determined both by the nature of a particular type of entrepreneurial activity and by the characteristics of a particular economic system.

The entrepreneurial potential is a fundamentally new and relevant research topic, especially for countries with developing economies, since until recently the labor behavior of an entrepreneur has not been the subject of its study.

The entrepreneurial potential of an individual has been studied by economists over the past decades in the context of entrepreneurship, understood as an activity to create economic innovations, a form of implementation of the role function, as the end product of economic creativity.

The economic needs of modern society have made adjustments to the structure of entrepreneurial potential - such elements as professional knowledge, innate and acquired abilities, innovative potential, as well as functional skills and qualifications have appeared in it. Its purpose is to disclose the content of the economic category entrepreneurial potential, the specifics of its formation, and the most effective use in practice, which implies:

- Identification of the essence of entrepreneurial potential as an economic category;
- Consideration of the factors for the formation of entrepreneurial potential;
- Identification of the peculiarities of the formation of entrepreneurial potential in the economic reality of Georgia.
- Determining the conditions for the effective use of entrepreneurial potential.

The subject of our research is the problems and conditions for the formation and effective use of entrepreneurial potential in Georgia.

The object of research is the study of the entrepreneurial potential of young people.

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METHOD

The methodological basis of the work research is the systematic approach of research, scientific abstraction, synthesis and comparison, and statistical methods of analysis.

The research information base is of our general conclusions and judgments are:

1. Methodology of the globally recognized research organization Global Entrepreneurship Monitor (GEM) which includes a questionnaire survey of target groups from 100 observed countries and studies the attitude of the population towards entrepreneurship. (Lezhava, Brekashvili, & Melua, 2015)
2. The processing of primary and secondary studies and systematic reviews conducted by foreign scientists on the implementation of successful entrepreneurial activity, including the study of the predisposition of the entire Georgian population to entrepreneurship, conducted by the Global Entrepreneurship Monitor (GEM) - the world-recognized research organization Global Growth 2014 (Lezhava, Brekashvili, & Melua, 2015).
3. A large-scale study in the format of the project "Support to Youth Entrepreneurship in Georgia", in cooperation between Georgia and the HEDC Economic Development Center, conducted in 2015. The goal of the project was to develop youth entrepreneurship in Georgia and expand its access to financial resources. Within the framework of the project, seminars, discussions, training, and a competition for grants were held in seven regional cities (Association of Young Economists Georgia, September 15, 2015).

4. A study of the predisposition of youth entrepreneurship conducted by Tbilisi State University. Javakhishvili in 2017, the target group of which was student youth aged 18-24. The study was developed based on the methodology presented in the research report Global Youth Entrepreneurship Monitoring GEM (Natsvlishvili, 2015).
5. Research conducted by M. Kutrtanidze in 2021-2022 in the framework of the doctoral program of the Georgian Technical University, dedicated to the formation of a modern business mentality among young people. As part of the study, 236 young people aged 15 to 31 were interviewed by random sampling to determine the relationship between the entrepreneurial attitudes of the participants, the type of thinking, the level of business intelligence and potential, and their personal qualities (Kurtanidze, 2022).
6. Data from the National Statistical Service of Georgia on the state and trends of employment and self-employment of the population of Georgia in 2016-2021 (Sources of Geostat).

FINDINGS

An analysis of these studies showed that being a successful entrepreneur in Georgia is enviable - 75.9 % of the young working-age population believe that entrepreneurship is a good career choice, but in fact, only 7.2 % of them are going to start or already have their own business (company). The motivation for entrepreneurial activity caused by necessity-need (48.6%) is almost equal to entrepreneurial activity caused by opportunity (opportunity driven) (50.6%) (Kurtanidze, 2022).

Compared to EU and non-EU countries, the percentage of Georgia's population is high, which believes that

1) Starting a business is a good career choice,
2) Successful entrepreneurs have a high status in society,
3) Attention to entrepreneurship and, therefore, recognition in society is high. (Kurtanidze, 2022; Lezhava, Brekashvili, & Melua, 2015).

Despite this, involving young people in the private sector, and increasing their motivation and activation is a difficult task. It is well known that youth is an important force for developing countries, and the state itself should be interested in realizing its potential by participating in economic activity. However, these studies have shown that due to ignorance of the efforts of the Georgian government to promote entrepreneurship, young people living in the regions have a low level of motivation and a nihilistic attitude toward starting their entrepreneurial activity, which is explained by several factors - for example, many of them have a business idea but cannot attract financial resources and ways to find a market subsequently for the implementation of the product. Labor migration is also a significant factor - most active young people move to big cities, preferring to reveal their abilities there or go abroad, and most of them stay there. This leads to a shortage of educated and highly qualified personnel in the region (Tchanturia, & Shubitidze, May 25-26, 2018).

The second serious obstacle to successful and long-term self-employment of the population of Georgia is the high level of clandestine unemployment - this category includes, in our opinion, most of the categories of the unemployed population and the population outside the labor force. (See Tables 1 and 2).

According to the National Statistical Office of Georgia, in 2021, for every 1000 people of the economically active population aged 15 years and older, there were 204.9 unemployed - 22.2%, although according to surveys, about 40% of the population perceived themselves as unemployed (Kurtanidze, 2022; Natsvlishvili, 2015; Tchanturia & Shubitidze, May 25-26, 2018). Interestingly, self-perceptions of unemployment among people often do not correspond to the level of employment determined by the official statistical methodology in Georgia. For example, a certain part of the population that does not have the desired “decent” job, but earns additionally at a temporary job, considers itself unemployed. In the Georgian labor market, these are certified taxi drivers, small traders engaged in retail trade, the population of regions employed in agriculture, private teachers - tutors, etc. According to official statistics, they are not unemployed but create an impressive army of hidden unemployment. It should be noted that the positive trend of increasing employment and self-employment of the Georgian population in recent years (2019-2020-2021) was somewhat negatively affected by the Global Pandemic.

Table 1

Distribution of the population of Georgia aged 15 and over by the type of economic activity, 20016-2021 in urban areas[22]

City, thousands of people	2016	2017	2018	2019	2020	2021
Total active population 15+	1725.4	1714.0	1728.9	1729.8	1706.2	1704.7
Labor force	1006.1	977.9	957.6	937.6	920.4	922.3
Busy	756.2	732.3	762.7	766.6	733.7	717.3
Employees	625.7	609.7	631.4	634.8	599.7	585.8
Self-employed-self-employed	127.6	122.1	130.8	131.4	133.4	131.0
Unknown	2.9	0.5	0.4	0.4	0.5	0.6
Unemployed	249.9	245.7	194.9	171.0	186.7	204.9
The population outside the labor force	719.3	736.1	771.4	792.2	785.9	782.4

Table 2

Distribution of the population of Georgia aged 15 and over by the type of economic activity, 2016-2021 in rural areas

In the village, thousands of people	2016	2017	2018	2019	2020	2021
Total active population 15+	1284.0	1298.3	1305.4	1307.3	1312.3	1305.6
Workforce	647.6	663.5	647.7	635.2	603.3	611.4
Busy		554.6	533.6	529.3	508.2	500.1
Employees		259.6	272.1	262.7	245.5	243.6
Self-employed-self-employed		294.6	261.3	266.4	262.5	256.2
Unknown		0.3	0.2	0.1	0.2	0.3
Unemployed		108.8	114.1	105.9	95.2	111.3
The population outside the labor force		634.9	657.7	672.2	708.9	694.2
The unemployment rate, percentage		**16.4**	**17.6**	**16.7**	**15.8**	**18.2**

[22] Source: https://www.geostat.ge/en/modules/categories/683/Employment-Unemployment

The government cannot solve the problem of unemployment only by increasing employment in the public sector, this will lead to an increase in bureaucratic costs burdening the economy. Therefore, the solution lies in strengthening the private sector.

As can be seen from Table 1, the ratio of employed in the public and private sectors over the past decade has changed slightly in favor of the latter - according to Geostat data for 2016-2021, more workers employed in Georgia were self-employed or employed in small and medium-sized enterprises, in agriculture and retail, etc.). Of the 1.7 million people (2021, see 1) of the total employed population, only 0.131 million (7.7%) are officially self-employed. As it turns out, the majority of the population that is nominated for the category of the unemployed population and the population outside the labor force - they make up 56.5% and 51.6% of the urban and rural working-age population, respectively, (not satisfied with the place of work, (or employed informally) believing that they do not correspond to their education and social status, which leads to a steady increase in the level of informal employment, which in turn negatively affects the state budget.

One of the most important tasks of these studies was to study and analyze the integration of the unemployed into the labor market and identify what should be effective assistance from the banking, financial, educational, and public sectors.

Entrepreneurship is a very complex system that reveals the relationship between social values, individual characteristics, and various forms of entrepreneurship. Entrepreneurship is a kind of mediator between socioeconomic conditions, social values , and new jobs.

The study of entrepreneurial disposition-attitude among the unemployed young population is based on the following main indicators:

- Social values and attitude of the target society towards entrepreneurial activity
- Assessment of individual characteristics of potential entrepreneurs
- Perception and evaluation of the entrepreneurial ecosystem. (Kurtanidze, 2022).

The results of the survey show optimistic expectations and positive attitudes of young people towards entrepreneurship and entrepreneurial activity. An interesting material for analysis is the fact that the majority of respondents have a desire to start their own business (86.8%), although such a number of those who want to be engaged in entrepreneurship, in our opinion, is explained by the phenomenon of "motivation of entrepreneurial activity caused by necessity-need" (Tchanturia & Shubitidze, May 25-26, 2018).

According to respondents, the first three main obstacles to starting a business are: 44.5% of respondents believe that the main obstacle to starting a business is limited opportunities/information/funding; 26.4 % consider the lack of knowledge, experience, training, and education to be the main obstacles to starting a business, and 14.2% of respondents consider the unfavorable production and competitive environment in the country to be the decisive obstacle.

The results of the survey provide information on potential sources of acquisition of individual skills needed for entrepreneurship. Most of the respondents believe that they lack the knowledge and experience to start a business. 58.7% of respondents believe that such skills are generated in the process of working in an enterprise/organization, 21.3% believe that these skills can be obtained during training, and only 4.9% of respondents believe that socialization in a business environment develops the skills necessary for entrepreneurship. 70.2% of the surveyed able-bodied youth personally know people who have started entrepreneurial activities in the last two years. Acquaintance with entrepreneurs and successful examples of their activities have a positive effect on the entrepreneurial intentions of the respondents and their attitudes toward the entrepreneurial process. Through personal contact with entrepreneurs, young people can gain knowledge and experience in entrepreneurial activities. Research also proves that it is advisable to conduct entrepreneurial education in such a way that the educational process includes extended contact with young successful entrepreneurs. In addition, it is recommended that higher and professional educational institutions in entrepreneurial education increase the component of practice and internships in enterprises.

Public opinion surveys and Geostat data show that the general public has a positive attitude towards the private sector of the economy (https://www.geostat.ge/en/modules/categories/683/Employment-Unemployment).

Discussion

From the foregoing, it follows that the formation of entrepreneurial potential in Georgian society, and especially among unemployed youth, should be carried out primarily by raising the level of motivation and changing consciousness, including entrepreneurial personal and psychological skills - a low level of psychological readiness for the entrepreneurial activity of the population was defined as one of the main constraining factors in the development of the private sector in Georgia is what, other things being equal, occurs in the process of development of society and the economy, so that all sectors, including public, educational, non-governmental and private, actively work on developing and stimulating the unemployed population towards self-employment and self-sufficiency. This task is complex and requires the development of a coherent and long-term strategy. Young people should get acquainted with examples of success and believe in their strengths. The correct formation of entrepreneurial potential is significantly influenced by close contact with successful entrepreneurs, with their way of work and life. Thanks to these contacts, young people will be able to acquire knowledge and experience, the proper incentive and motivation for starting an entrepreneurial activity, which will form their personal and psychological readiness for entrepreneurial activity.

Projects and programs to support and stimulate small and medium-sized businesses, which are implemented and are being implemented by international donor organizations and the government of Georgia, are important and diverse and contribute to solving specific problems in certain periods.

RESULTS & CONCLUSION

Based on the foregoing, we can conclude that the formation and implementation of the entrepreneurial potential of the population is a complex problem and involves complex solutions, of which we propose the following -

- Increasing the level of entrepreneurial education and knowledge
- Working with the private sector and creating opportunities for mentoring.
- Identification of priority areas for starting a business at the regional level by the requirements of the local and export markets.
- Expanding access to finance for start-up small businesses conducting permanent research on the formation and development of entrepreneurial potential in society, which will be based on the personal transformation of the psycho-social readiness of the population, which will positively affect employment statistics in modern Georgia.

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UDC 657

INTRODUCTION OF RESPONSIBILITY ACCOUNTING SYSTEM IN GEORGIAN COMPANIES

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Abstract: The article discusses the responsibility accounting cost system because, for the development of business in post-Soviet countries, it is important to introduce the method of responsibility accounting cost system, which establishes a system of control and accountability. It also requires skilled personnel which increases its value and it is also the mechanism by which costs and revenues are recorded and reported to top management for effective decision-making. In addition, it gives freedom to the responsibility center management and/or performers to enhance their skills to reduce costs and increase the organization's revenue and therefore profits. The article uses secondary data to determine the fields of activity of companies by stratified sampling method and also uses primary data by random sampling method through the survey. From the obtained data, the authors believe that it is desirable to raise awareness and introduce the mentioned system in local companies.

Keywords: direct and indirect costs; Distribution base for indirect costs; controllable expenses; responsibility centers;

Introduction

The capabilities of a large company, as a whole, are necessary to manage its departments or divisions. Departmental management accounting has two main objectives. The first is to create a department accounting system, the manager determines the information to evaluate the profitability or performance of the department. Second, create a responsible accounting system to control costs and expenses and evaluate the work of managers responsible for their management.

Related literature

The departmental accounting system is an accounting and information system that records the activities (business) and financial information of these departments. Large organizations cannot plan, organize and control through only one centralized accounting system. Because of this, corporations are divided into many departments or centers of responsibility, such as shipping and procurement, sales, manufacturing, and other departments. Many companies also apply decentralization according to the type of primary product or service provided. For example, the company Microsoft has separate Windows, Xbox, and Microsoft Office departments. Each of these departments, in turn, represents a responsibility center that is an identified segment within the company, whose head has the authority and accountability for the activities and assets of this unit. (Wild & SHaw, 2012)

Each responsibility center has its accounting system, based on which reports are compiled for internal and external users, and how profitable and effective the activity of a particular department is. This report allows you to compare the budget data on the costs and revenues of a particular responsibility center with actual results, and evaluate and analyze individual deviations (changes).

Responsibility center reports should only include controllable costs because department heads are not authorized to manage costs incurred for activities outside of their delegated authority.

Management uses these reports to evaluate the performance of departments and make decisions such as whether to merge several of them or cancel any of them to improve both the financial and non-financial results of the corporation in the future. (Horngren, Sundem, Burgstahler, & Schatzberg, 2014)

Depending on what types of activities the responsibility center has the right to carry out, they are classified as cost, income, profit, and investment centers.

In evaluating the performance of a department, management always considers what type of responsibility center a particular department represents. Centers that generate income and incur costs are profit centers. The performance of their managers is measured by their ability to generate maximum income at minimum cost. Investment centers are additionally responsible for the effective management of assets, and the performance of their managers is assessed by using the center's assets to maximize profits. The department that only incurs costs and does not receive revenue is the cost center, and its leaders are responsible for controlling costs, and therefore for keeping them in the desired range. The manufacturing department of a manufacturing company and its service departments, such as finance, advertising, and purchasing departments, are cost centers. They need to be serviced as they provide services such as maintenance and operations to all other departments. (Horngren, Datar, & Rajan, 2012)

Accounting **for department expenses**, it should be borne in mind that when an enterprise calculates profits by departments, there may be resistance to these calculations when trying to regularly allocate expenses to operating (production) departments. About direct and indirect costs, as you know, direct costs are costs that can be attributed to the cost object. **Direct costs** are included directly and in full in the costs incurred for the facility. This structural subdivision is the object of expenses in the accounting of expenses by departments. (department, branch, department, shop, etc.) For example, the wages of those employees who are employed only in one specific structural unit and spend all their working time here will be directly and fully included in the costs of this object (department, unit). (Kharkhelauri, 2017) **Indirect costs** are costs incurred for the benefit of the general and not just one specific department. It is impossible and/or undesirable to trace these costs to each department (there would be more cost to track them than the benefit gained from such identification). For example, if there are several departments in the same building, then they all use their lighting, ventilation, heating, etc. Indirect costs of this kind need to be distributed among departments according to their share of the use of this common good so that we get real information about the profitability of each of them.

In the ideal case, the distribution of indirect costs is carried out according to one common cause-and-effect relationship for costs, that is, you first need to determine the basis for the distribution of costs, since there is no standard rule for calculating the base, because the allocation of costs is based on several factors, and the importance of these factors varies from agency to agency and organization.

The cost allocation requires a decision to be made and the staff agrees to that decision, when the allocation process is perceived as unfair, employee dissatisfaction increases. Therefore, it is important to carefully develop and explain the system for allocating costs between departments.

We often fail to identify a causal relationship that is common to the entire organization. We then allocate each indirect cost separately according to the basis that is more appropriate for determining the benefit share. Measuring the proportion of benefits derived from indirect costs to a department can be difficult.

Suppose a company wants to allocate all indirect costs among three different departments according to their footprint. To allocate this cost, we first calculate the share of the area occupied by each of them in the entire building, then divide these costs among the costs accordingly. Of course, whichever department occupies part of the entire space, should be assigned the appropriate share (percentage) of the costs. When the distribution of indirect costs is completed, they have then divided accordingly from the total profit of the departments to determine the net profit of each of them. But the distribution of all indirect costs on one common base often does not make sense. Indirect wages, as the salaries of those employees who, in our case, serve all three departments, should be distributed by the fact that these employees trust the services of each department. For example, the salary of a trainer, which is spent by employees of all three departments, should be distributed by hours of work. If these trainings are held in each department, but if the training groups are staffed by employees from all three departments, then this cost is divided according to the share of employees in each department.

As for the building rent, depreciation, property tax insurance, and other expenses, as we mentioned above, they will be distributed according to the share of the area occupied by each department in the whole building. In addition to this, there is another area that all departments use. For example, parking, ground floor, stairwell, etc. The cost of maintaining and storing this space is desirable depending on the number of users and/or the flow of employees in each department. This method can be used to allocate maintenance costs for elevators.

To receive expenses and/or revenues from the service department, operations departments (enterprises) need support/assistance from departments such as human resources, finance, advertising, and purchasing. These types of departments are usually expense departments, which means they don't generate income. A departmental cost accounting system can summarize and report the costs incurred directly by service departments to achieve a specific goal. The system then allocates the costs of the service departments to the operating (production) departments that benefit from their services. This goal is achieved, for example, by the traditional two-stage cost allocation method. First, let's split the serious production overheads into one most appropriate distribution across departments. Then we will allocate the indirect costs of the department for manufactured products or services rendered through the sales base.

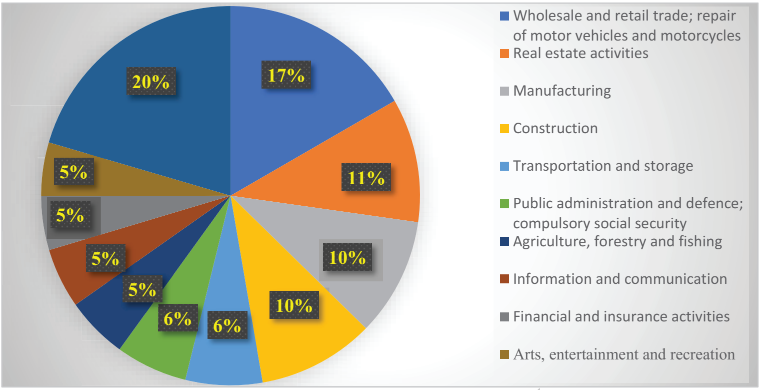
The introduction of international accounting standards in the post-Soviet space is being successfully implemented, including in Georgia. In parallel with this process, for the effective management of organizations, it became necessary to introduce approaches and concepts of management accounting, which are based on the best practices of doing business in countries with developed market economies.

Consequences and their Judgment

We conducted a relevant study to determine how the cost accounting system is being implemented in Georgian companies by responsibility centers.

The research is based on the principle of stratified selection, namely: from the data posted on the official website of the Ministry of Georgia at www.reportal.ge, where companies are grouped according to the types of economic activity they carry out, we selected companies from ten regions.

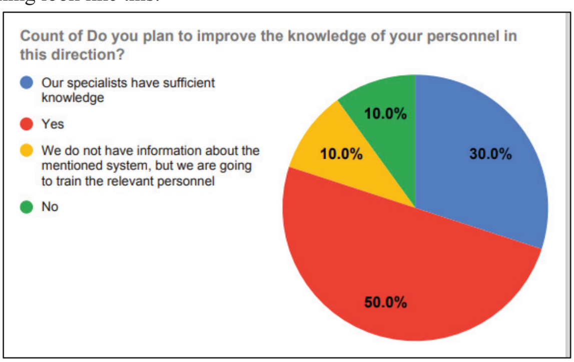
The companies were selected based on the information of the Statistical Service of Georgia, from the areas with the highest specific share in the gross domestic product. (Geostat, 2022)



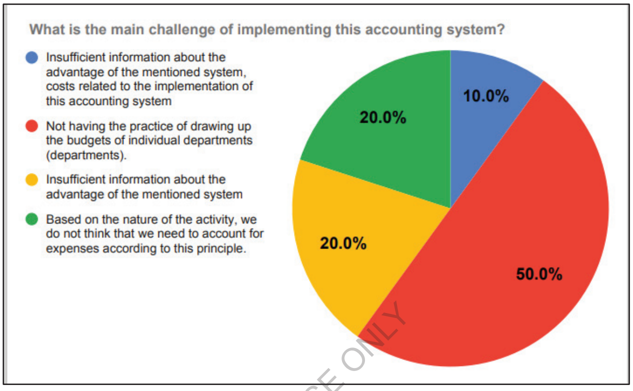
We selected 5 companies based on the principle of group selection and sent the questionnaire. 22% of the respondents said to participate in the survey (did not answer).

The purpose of the survey was to determine the awareness of the cost accounting system according to the responsibility centers; Study the state of its implementation and determine the reasons hindering the implementation process.

As a result of the survey, it was determined that 10% of the respondents use a cost accounting system based on responsibility centers, and less than a year has passed since the transition to this system. 10% are not at all familiar with the mentioned cost accounting system, and 20% are partially familiar with it. Whether the companies plan to improve the knowledge of their personnel in this direction, the answers and their ranking look like this:



Although only 10% of respondents use this accounting system, 30% believe that their team has enough information and knowledge in this direction and they no longer need any kind of training. When asked whether they plan to implement the mentioned accounting system in the company, only 10% gave a positive answer. The result of asking the question to find out the reason for this attitude is as follows: 50% of respondents name the main challenge of implementing the mentioned system: Not having the practice of drawing up the budgets of individual departments, Although 40% of respondents are large companies. Half of them believe that there is no need to account for these features according to the principle of expenses. It should be noted that their importance Arts, entertainment, and recreation belong to the field.



Conclusion

To make optimal decisions for the effective management of companies, it is necessary to have a complete and detailed description of expenses, their grouping, distribution, and redistribution according to different signs. One of the successful systems for this is the implementation of the cost accounting system based on responsibility centers.

As can be seen from the results of our research, this process has just started in Georgia. The top management of the companies is not familiar enough, or not at all familiar with the mentioned accounting system. They do not know the advantages of this system compared to a single, centralized accounting system, so they do not plan to switch to this system shortly.

It should also be noted that a certain part of the respondents is ready to train and improve their knowledge in this direction. Which will undoubtedly contribute to the successful activity of companies and the development of business in general.

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UDC 65

THE ROLE OF MARKETING IN SMALL BUSINESS DEVELOPMENT

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Abstract

The article discusses the current issues of improving the marketing activities of small businesses focused on development, the specific features of small businesses, and the reasons arising from it, which complicate the use of marketing tools in small enterprises. The absence of a theoretical marketing model for small businesses, the limited amount of financial resources, and relatively high requirements for the qualifications of those employees who are assigned marketing functions lead to the limitation of marketing in the activities of small businesses. All this is reflected in marketing research, merchandising, price sales, and communication policies, as well as marketing organization and control. Directions for improving small business marketing under existing resources and recommendations for their use are given. Tools for making small business marketing more effective are discussed, including the use of low-cost marketing communications technologies; marketing research in terms of their limited financial support; At the end, there are suggestions of a recommendatory nature, which should be focused on by the management of small enterprises in the process of perfecting marketing activities.

Keywords: Small business, marketing, marketing tools, marketing constraints

Small business, as an institutional sector of the economy, has dominated developed countries both in terms of number and volume of production for many years. In developed countries (including EU countries), small and medium-sized enterprises have a large share of operating enterprises, creating more than 50% of the total turnover of the business sector and two out of every three jobs in the private sector. In the countries of the Organization for Economic Co-operation and Development (OECD), more than 99% of companies are small and medium-sized enterprises and on average they create 2/3 of the gross domestic product (GDP). In developing and transition economies, small and medium enterprises represent more than 90% of the total number of enterprises, although their share in GDP is generally quite low - in many cases less than 20%.[1]

Due to its public, economic, and social importance, the development of small businesses in Georgia has received a lot of attention from the government in recent years. Important reforms were implemented, including economic reforms, the main goal of which is to liberalize the economy, Reducing administrative barriers and tax burdens, improving government services, fighting corruption, and creating a favorable environment for doing business and foreign direct investment in other ways. A clear confirmation of this is the "Produce in Georgia" program, within the framework of which a micro and small entrepreneurship promotion component focused on the promotion of entrepreneurial activities in the region has been developed. This has been successfully implemented since 2015, and taking into account the results of the 2018 competition, 9,203 beneficiaries were financed, and the amount of co-financing was 47 million. It amounted to more than GEL [2]. And in 2020, within the framework of the program, 6,212 projects were supported, the total investment of which is more than 61 million GEL. If in the short term priority issues for small enterprises are financing deficit, accounting and tax accounting, and administrative barriers, for the long term there are other priorities - Further development of business adjusted to tough market conditions, strengthening of competitive positions using marketing tools. Today, the modern consumer is focused on relatively complex products, and the demand for product quality has increased. This forces small businesses to revise their assortment, develop new types of products, and take care of their advancement in the market, to find ways to attract customers. Many entrepreneurs seriously think about establishing a perfect service in the direction of marketing, raising the qualifications of employees, and business ethics by modern requirements for successful activities in the marketing environment.

A small business has several characteristics. In particular, the small number of employees, limited production scale, and high level of risk. As a rule, a small business is mainly owned by one person and he is responsible for the results of business activities. The peculiarity of small businesses is that their marketing activities are significantly different from the similar activities of large companies, so small business owners experience certain difficulties when using general marketing methods.

For small businesses, it is necessary to introduce marketing as the main function of the enterprise, because it provides a competitive advantage for the customer in the fight with large companies. However, it should be noted here that the marketing goals of small business representatives are not always to fight for customers of large enterprises, and the transition to another size category is not included in the development plan of a small enterprise. In this regard, it is interesting that the Classification of small businesses given by R. Sidorchuk from the point of view of marketing [3], in which three types of small business are distinguished:

1. “Local” small enterprises, the purpose of which is not to transfer the business to another, higher category (for example, individual enterprises, catering, hotels, etc.). Such enterprises belong to family enterprises that operate in the local market and their activities depend on the specifics of the given market and are built on personal relationships with suppliers, district administration, and other structures. "Locality" protects small enterprises of this category from other, "outside" competitors, therefore, to satisfy local customers as much as possible, they optimize their goods and services, and their marketing efforts are aimed at maintaining positions in competition with local enterprises employed in the same field.
2. “Satellite” small enterprises acting as suppliers of large enterprises. In this case, their success depends on the activity of the partner large enterprise. This has both positive and negative sides. On the one hand, such cooperation provides small enterprises with orders, and on the other hand, small enterprises cannot offer similar goods and services to other customers due to a possible conflict of interest. For the marketing of such a small enterprise, it is important to ensure constant control of the satisfaction level of the partner-company subdivisions.
3. “Dynamically developing” small enterprises - they are the most vulnerable, they are not protected either by the local specifics of the market or the relationship with a large partner. Their activity and development are associated with high risk and depend on the possibility of expanding the market demand, therefore, the main resource when confronting competitors is marketing and the offered goods, And an innovative approach to service is taking place.

Based on the above, it is clear that it is very important for "dynamically developing" small enterprises to wisely use systematic marketing based on scientific methodology. However, unlike large enterprises, several reasons make it difficult to use marketing in small enterprises. Such reasons can be mentioned:

1. There is no theoretical model of marketing for a small enterprise.
2. Lack of financial resources, which is caused by relatively less income, high costs, and insufficient credit, forces a small entrepreneur to reduce the costs of marketing activities as much as possible.
3. Requirements for qualifications of employees engaged in marketing activities are very high. When a small enterprise suffers from a lack of resources, it cannot hire a highly qualified marketer, and cannot provide marketing staff.

Due to the above, small enterprises have limited opportunities for marketing activities. In particular: in marketing research, they cannot use expensive methods to get information, their research is spontaneous; are limited in terms of offering diversified goods (limited assortment); In principle, they do not have minimum resources for creating a new product and promoting it on the market; They cannot participate in "price wars" with large companies, they use the discount system to a limited extent; The implementation of the sales policy is limited since it does not have a wide distribution network compared to large enterprises; has a limited budget for advertising activities, which is why it cannot carry out a large-scale advertising campaign, it is difficult to select a specialized advertising agency, it does not have access to such tools for promoting goods on the market as PR-company, image promotions, and others;

Despite the listed limitations, in the conditions of reasonable management of the small business, marketing can become effective if efforts are made to concentrate on the advantages of small enterprises, for example, the ability to make quick decisions, the ability to quickly adapt to changes, freedom of action, mobility, direct contact with customers, and others. Therefore, the marketing capabilities of a small business are reflected in its ability to quickly respond to changes in demand. In this case, small business representatives will be able to quickly rearrange production and release new products, unlike large companies. A small enterprise, depending on the interests of a specific customer, is always ready to change the standard model of goods, and thanks to this, it competes very successfully with large enterprises that offer high-quality, but mostly typical goods. Therefore, a close relationship with the buyer and a quick response to his wishes is the main competitive advantage of a small business. To take full advantage of this advantage, it is necessary to constantly monitor changes in consumer preferences through market research. It should be noted that despite not having a developed marketing program, small business representatives intuitively carry out marketing research, using such means as talking to customers to find out their wants and preferences; Analysis of the number of daily purchases and sales; Marketing intelligence to find out the characteristics of the work, salary, and price levels of competing enterprises.

In conclusion, it should be noted that despite the listed limitations in practically all areas of marketing activity, small business marketing can be quite successful in terms of opening the company's development potential. In our opinion, when organizing marketing activities, small business owners should pay attention to the following issues:

- marketing activities should be focused on the opportunities caused by the competitive advantages of small enterprises;

- to effectively use low-budget technology tools;
- to jointly solve marketing problems, business relations should be established with other small enterprises;
- Use popular search engines to advertise their products.

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UDC 330.34

THEORIES OF ORGANIZATIONAL CULTURE AT ITS MODERN STAGE OF DEVELOPMENT

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Abstract. Organizational theory is the sociological study of the structures and operations of social organizations, including companies and bureaucratic institutions. The organizational theory includes the analysis of the productivity and performance of organizations and the actions of the employees and groups within them.

Economists, business analysts, and academic researchers who study organizational theory are interested in understanding the dynamics of a successful business. They may evaluate the importance of the professional and social relationships among employees and structures between business leaders and their staff that encourage productivity in the workplace. [3]

Edgar Shane, a prominent scholar in the field of organizational culture research, notes that organizational culture is “a pattern of shared key assumptions that the group has explored in the problem-solving process and that has worked so well and effectively that it has been validated by group members. They will be passed on to the new members of the group as the right way of perceiving, thinking, and feeling the events in problematic situations." In his book "Organizational Culture and Leadership", Shane admits that culture is a set of key assumptions that define what people pay attention to, what different occurrences and objects mean, how they react emotionally to current processes, and what actions they need to take in different situations.[23]

Keywords: Organisational behavior**,** Organisational culture, Modern stage, development.

Hall’s Model

Different cultures are known to have different values. You can tell the difference between the two. The culture model provides the parameters within which group behavioral patterns can be described and analyzed. The model is used by members of cultural groups. The comparative model allows you to compare the culture of a country with another culture. The manager or consultant has the opportunity to compare the behavior of members of one cultural group with the behavior of members of another cultural group.

Hall's model differentiates between high- and low-context cultures. High-context cultures are strongly influenced by shared experiences, relationships, and connections.

High-context culture shows the following characteristics:

- Relationship

[23] Schein, E. H. (1992). Organizational Culture and Leadership: A Dynamic View. San Francisco: Josey-Bass. (8-9)

- "The Japanese are debating this question. "They believe that intelligent human beings are still capable of revealing the essence of a long conversation based on the context that the speakers are carefully observing." - wrote Stuart Hall in 1983. Relationships are moderate (economic), fast, and effective in routine situations. [24]
- High-context cultures use a much wider range of means of expression in making contacts/relationships, compared to Anglo-Saxon culture. The Japanese can communicate extensively using nonverbal hints and non-linguistic expressions. Where there is any doubt about the context, they can specify their opinion by facial expression. Non-verbal sounds also often replace proper words.
- People are authorized and personally responsible for the actions of their employees/subordinates. Tolerance between managers and employees is mutual. For example, if an employee makes a mistake that is not directly related to the manager, if the latter notices that he is unable to correct it himself, he may recklessly solve the problem himself. Such an attitude generates more loyalty from the employee.
- Negotiations tend more toward verbal agreements than writing.
- The inner and outer circles are sharply separated. The inner circle includes family members, then clan, and organization members. Foreigners are usually treated as an outer circle.
- The culture patterns are rooted deeply and change slowly.

Low-context cultures show opposite characteristics:

- Relationships are comparatively short-lived, and deep personal interests are less appreciated.
- The hints should be clear and the issuer may be less dependent on the recipient making conclusions based on the context. Members are less dependent on the use of nonverbal hints.
- The authorities are blending into the bureaucratic system and it is difficult to identify those personally responsibly.
- Negotiations tend more toward verbal agreements than writing. For low-context cultures, a written agreement is considered a final and legal agreement and there is little desire to review it. A mindset fixated on accuracy can be confusing to someone with a high-context culture. Chinese, participating in negotiations describe the situation as follows: Americans put a lot of effort into one word or one sentence of the contract. Sometimes they argue over one non-serious concept all week. Then they have to go to their lawyers for approval of the work done. Their lawyers are unceremonious nosey people and they like to find a bone in the egg.
- The inner and outer circles are less separated.
- cultural patterns change quickly.

Hofstede's Model

Hofstede[25] noted that the culture is the mix of social game rules, passed on by the society members to the new members and this book finds its dwelling in their minds. It is the deep layers of culture, a kind of unwritten order, that address the major issues of public life. In 1980, he conducted a study on value orientation, beginning a whole new era with this move.

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24 Stuart Hall (1932) - Professor of Irish Sociology and Cultural Theorist

25 Geert Hofstede (1928) - Danish social psychologist, a pioneer in the study of modern nations.

Value analysis defined four factors that describe culture as a relatively independent characteristic. These characteristics can be considered as cultural dimensions, i.e. they are expressed in all areas of social life: education system, family life, and organizational structures. [2]

Characteristics defined as a result of the study:

- Individualism - collectivism;
- Masculinity - femininity;
- Short-term and long-term orientation;
- Hierarchy/power distance;
- Avoid uncertainty.

The most popular of the listed dimensions are collectivism and individualism. One of the most important results of Hofstede's research was to find a link between the individualization of society and the level of economic development. Even though the version of causality between these two variables has been fundamentally shaken by the dynamic economic growth of collectivist countries, analysts of the collectivism/individualism concept still consider the individualism trend in the economy to be meaningful. [1]

Masculinity-femininity is an indicator of how the roles of men and women in society are defined, whether there is a "natural" distribution of responsibilities between women and men, and whether such a distribution of roles is passed down from generation to generation. Does the education of girls and boys differ? Their role in the family, about children? How different are their clothes? Do they visit the same places? Do they have the same rights and duties?

In the context of equal distribution of gender roles, culture is considered feminist; peace and caring are highly appreciated here; If the roles are unequally distributed, the culture is considered masculine - here are appreciated achievements, the struggle. Otherwise, these cultures are referred to as care-oriented and achievement-oriented cultures.

Masculine (masculine) cultures are characterized by sharp segregation of male and female social roles; professions and fields of activity of men and women are clearly defined; A woman's life is more strictly regulated than that of a man, and for violating the rules, she faces a heavier punishment than a man; Society is plunged into masculine values: the vastness, grandeur, and power are valued; demonstrating success is considered a good tone. In feminist cultures, the values that are traditionally associated with the role of a woman are primary: modesty, comfort, and safety; caring for others, especially for the weak; focusing on relationships and not a business; It is not the "biggest" that is considered beautiful, but the smallest and most graceful; it is the belonging to a group that is important.

In terms of masculinity-femininity, even the neighboring cultures are distinguished from each other, for example, the cultures of the Netherlands and Scandinavian countries are considered to be feminine, Germany, Switzerland, and Austria - are strictly masculine, the culture in Thailand - is feminine, and it is masculine in Japan, etc.

The characteristic of an **uncertainty attitude** shows how well society adapts to unexpected, heterogeneous situations - it easily adapts to such uncertainty if it has feelings of anxiety and discomfort.

Considering this dimension (as well as others) is of great importance not only in business, politics, and international relations, but it also defines, for example, the principles of education in cultures characterized by the pursuit of avoiding uncertainty; the teacher is considered to be a person, having answers to all questions, whereas it can never be doubtful and learning and teaching are fact-oriented.

Short-term and long-term orientation - Representatives of some cultures plan their activities for a long period and are ready to wait a long time for the result and the remuneration for the work done. What matters to them is not the time of completion of the work, but the high quality of the final result. Such cultures (China, Japan, South Korea, etc.) value parsimony, stubbornness, and respect for social obligations. Western cultures pay particular attention to time, though of course not all are the same. In the United States, for example, lifestyle is "time dictated", and the pace of life is very fast, while in France, and Italy, life can be considered less "dependent" on time.

According to the hierarchy/power distance characteristic, cultures differ in their attitudes towards hierarchy, and the decision-making process. Should everyone have equal voting rights? Should the manager have the right to make an independent decision if necessary? It is the distance between parents and children, teacher and student, leader and supporters, and the king and his subordinates. The idea of equality of people is important for some cultures, but the distance of power is small. In other cultures, it is common to need a strong leader who will solve a variety of problems. Power distance is great here, they don't think that people are (or should be) equal here. It is believed that the distance of power is smaller in northern and western Europe than in southern and south-eastern Europe. There is a difference even within one country.

"The Cultural Web"

In 1992, Johnson, Scholes, and Whittington (Scholes, Johnson, & Whittington, 1992) developed the so-called " Cultural Web" and identified six elements in it, which, according to the authors, create an organizational culture to some extent, influence its formation and, thus, can be used to describe organizational culture. According to Johnson and Scholes, these six elements form the so-called "Paradigm" - a pattern or model of the work environment, what the organization is, what it does, and what its mission is.

Six elements of "The Cultural Web":

- Stories - Stories about past events, about specific people that employees talk about inside and outside the organization. Such stories clearly show what the organization and its members appreciate and value.
- Rituals and Routine - The daily behaviors and activities of people, being approved as right and accepted. It defines what kind of behavior is expected in the organization in each situation and what is valued by management.
- Symbols - elements of the company's visual identity, including company logo, office design, employee dress code, etc.
- Organizational Structure - In this case, it means the structure defined by the formal, written form of the organigram, as well as the unwritten, informal power and influence, indicating whose contribution is most valued in the organization. In general, this element refers to the hierarchy of positions in the organization, the principles of subordination, responsibilities, and the redistribution of authority.
- Control systems - this element means how the organization and its employees are controlled; what performance control processes exist and are in place within the company, e.g. financial systems, quality management systems, rewards, etc.?
- Power structures - this means who are the decision-makers in the organization, and who has the most influence on the organization and its activities. Furthermore, this element also looks at how

power is distributed in the organization, how centralized is it, or how dispersed it is.

Reynolds Theory

Reynolds, a famous Canadian scientist, once said that the definitions of organizational culture given by researchers were outdated (e.g., Kennedy, Ansoff, Hofstede, etc.) and suggested 14 independent definitions:

- External and Internal Accents: the external accent is on clients or any externally interested individuals, while the internal accent is on the organization's internal activities, such as committee meetings or reports.
- Tasks and social support. This definition shows the organization's vision of whether the completion of the work is more valuable for them or the social needs of the employees.
- Risk and safety. It shows how prepared the organization is for change and how capable it is of adapting to new programs and procedures.
- Conformity and individuality: the degree to which different and individual behaviors of employees are obtained at work and in social life.
- Individual and group rewards. The organization should reward all members of the group equally or individually for their contributions.
- Individual and collective decision-making: the extent to which decisions are made individually or in groups, in which decisions are summarised by each person in the group.
- Centralized and decentralized decision-making: decisions are made by those in a key position or directly by those responsible for a particular task.
- Improvisation and planning: the organization relies on improvisation from all directions if it has complex outlines to anticipate future situations.
- Stability and Innovation. The method by which an organization leads the production of selected goods, services, and procedures.
- Collaboration and competition: this is an individual member's attitude towards their work style - internal competition between employees in the organization, with each other, or external competition with foreign companies.
- Simple and complex organization: the degree of complexity of formal and informal structures, as well as the internal political process of the organization.
- Informal and formal procedures: this includes the quality of formal tendency in all procedures and decisions. The more formalized the procedure, the more vast, precise rules, and procedures as well as work forms and written documents are used to examine current actions. The more informal the procedure, the more superficial and partial decisions are made. Relatively minor issues for the organization are addressed with little or no discussion.[4]
- High and low loyalty: loyalty quality in the organization in comparison with other relevant groups.
- No awareness and knowledge of organizational expectations: a quality that determines employees' awareness of the work done and their expectations and fulfillment of organizational goals.[26]

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THE IMPACT OF GLOBALIZATION ON INTERNATIONAL ECONOMIC RELATIONS

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Abstract. Globalization is, first of all, the process of interconnecting, mutual relations, and mutual influence of the world regions and zones, countries, peoples, and individuals. Nation-states are facing the greatest challenge today. In general, the state has a monopoly on the use of force within a certain territory. And the solution to global economic problems requires more political units.

Globalization changes world culture in two fundamental ways. Many researchers consider that cultural globalization is an event of Americanization. In the last decades of the last century because of the information revolution and sharp and rapid development of communicative technologies internationalization of economic life was accelerated and strengthened. It's impossible to talk about globalization without mentioning the events that are around us every day. People often misunderstood the essence of modern globalization, which is followed by the confrontation of opinions and, in fact, by deadlock of the good discussion. The topic of discussion today is not only globalization but economic, political, social, and cultural globalization separately. Each of them is a different part of one event, but they have one base.

Keywords: Global International System, Transnational Organizations, Digital Revolutions

Introduction. The role of individual states is somehow diminished in the global international system, but it is the fact that in the modern world, it is impossible to isolate any country. It is true that to maintain their cultural traditions and identity and as well as to gain a proper place in the international system, small countries face a certain problem.

Nowadays, the world's technologies have changed; transnational organizations are closely linked to the political, social, and cultural aspects of globalization. And the most important point which we want to highlight is the fact that all these have resulted digital revolution.

Nowadays, the globalization of Georgian society became more argent and topical. Today's economic situation makes us think about the country's future. Globalization can be considered as a chance for the country to be involved in the world's economic and political processes, improving its living standards and future development.

Discussion. To consider the globalization process generally, it is necessary to establish its basic aspects such as political, economical, social, and cultural globalization, each of which is a different direction of one event.

Globalization is, first of all, the process of interconnecting, mutual relations, and mutual influence of the world regions and zones, countries, peoples, and individuals.

Nation-states are facing the greatest challenge today. In general, the state has a monopoly on the use of force within a certain territory. And the solution to global economic problems requires more political units. For example - European Union, illegal trade with drugs, or the fight against AIDS. These are the main problems, that has got regional, transnational, and global significance, and the decision of which requires the joint effort of the countries.

The quality of economical, scientific, technical, legal, and informational interdependence of national farms has reached a level when at least three principal new events became unavoidable:

1. From the fragile relations of more or less connected countries the world economic community has been transformed into a united, total economical system, where national societies became a part of the united world economic body**;**

2. Under globalization roles between national and world economic relations were exchanged;

3. Globalization objectively leads us to the weakening of the regulated functions of the nation-state. It should be mentioned that globalization does not mean only economic processes. There are different means for determining the level of globalization.

In the second part of the XX century, an unprecedented task was faced with mankind - it became necessary to identify new mechanisms for regulating the global economy, ecology, and other spheres. The process of transformation of the millennium organization of the nation-state organization of the world society into a new form began. Mechanisms of global regulation are looked for in the frame of the United Nations, as well as within the International Currency Fund, World Bank, and World Trade Organization. Different projects were put forward from strong regulating structures to the idea of creating world governance. Of course, this does not mean that the nation-state, as a regulatory mechanism of internal and international relations, has already exhausted itself: it will exist for a long time but, this time, not as all almighty and sovereign governor, but as one of the links of the more complicated mechanism regulating global economical and other processes**.** It seems that such a mechanism is gradually acquiring network features: the governments are a key point of the global governance network, and this network, excluding states, includes international public and intergovernmental organizations, transnational corporations, global business elites, like Davos Forum, etc.

Globalization changes world culture in two fundamental ways. Many researchers consider that cultural globalization is an event of Americanization. In the last decades of the last century because of the information revolution and sharp and rapid development of communicative technologies internationalization of economic life was accelerated and strengthened. [27]

Modern global culture, first of all, brings technological civilization to the world. Its cosmopolitanism is mainly based on the largest technological base with a high-level communication system that creates tightly interconnected economical, social, and cultural links. Such universal cultural processes do not have a specific historical basis, nor a specific, characteristic rhythm and sequence of development. Cultural globalization in third-world countries and non-western society is a more sensitive issue. It established here new elements and values that are completely alien to the local culture.

Nowadays, such powerful cultural phenomena as music, cinematography, art, sport, and clothing are the products of the global market. Such commercialization, which leads to the impairment of cultural values, is a negative process. There is a danger of loss of many of the cultural characteristics of the country because it is not accepted by the global, commercial market. The culture of the nation feeds much more valuable and different interests and aspirations.

The process of economical globalization leads to the collapse of national state sovereignty as a result of the impact of new super-national structures - global economical education and associations of transnational governing financial structures and religious cultural unions. The most significant tendencies of the globalization process are:

[27] Abralava A, Global-innovative problems of economy and business, Publishing house, "Universali", Tbilisi., 2014 P 311

- The world economy's growth at a very high rate;
- Structural and geographical changes in the world economy;
- The tendency of unparalleled economic development of countries in terms of economic and technical progress;
- Transnational process expressed in transformation of the huge corporations into the elements of the world economy;
- Creation of integrative regional economic blocks that become important for the world economy.

Finally, it may be said that the main criteria for world economic development are: production efficiency, the social orientation of the economy, expenditure for education, an increase of accruals from national income, and the development of the economy.

The positive side of globalization is that its different aspects allow small countries to introduce their culture and national traditions to the whole world which can be considered as a mean of promoting their economical productivity.

It's impossible to talk about globalization without mentioning the events that are around us every day. People often misunderstood the essence of modern globalization, which is followed by the confrontation of opinions and, in fact, by deadlock of the good discussion.

The topic of discussion today is not only globalization but economic, political, social, and cultural globalization separately. Each of them is a different part of one event, but they have one base.

The business is characterized by an analytical prognostic approach to unsustainable socioeconomic factors (change of government, frequent changes in tax system, competition, etc.), and the more appropriate this approach, the more stable the business. Many factors can be used to research these factors in Georgian business reality. At the same time, we took advantage of the research methodology presented in the works of famous scientist B. Gleiseer. The method is designed to form an impartial concept based on data collecting, analysis, and generalization of results. Data collecting and processing provides the possibility of formulating hypotheses and then making theoretical conclusions. The main essence of the method is to be explained by the behavior of an individual (entrepreneur) in this socio-cultural environment. As a result of research, we can create logical categories that are used for the explanation of the business reality.

A good entrepreneurial and investment environment significantly affects the business, as it directly affects the efficient distribution of resources. Due to the strong global competition and the dynamic economic development process business demands are changing rapidly. Accordingly, the entrepreneurial and investment environment is a very important factor in the business. The situation in Georgia in this regard is thoughtful and leads to the feeling of instability. The showing in 2023 is 54th among 196 countries. Despite this fact, there are the principal problems remaining in a separate field that prevents the increase of competitiveness of the private sector and long-term economic growth. Nowadays, it remains a problem to provide free competition on the market, as well as problems with insolvency, settlement of trade disputes, and other issues related to business. The existing difficulties worsen the entrepreneurial environment, reduce the trust of the investors and make the local business less efficient. It is important not only to register but also to maintain business. [28]

[28] https://forbes.ge/blogs/globalizatsiis-donith-saqarthvelo-msophlioshi-54-e-adgilzea/

Georgia has one of the highest indicators in the world but businessmen think that there are still some directions in the country where the situation must be improved. The State should take effective steps to correct the existing defects and to make a long-term stable and attractive investment environment. For this purpose, several legislative and institutional changes are necessary to maintain business.

It can be said that the aspiration for globalization is a characteristic of the development of humanity; strong states make their politics expand their spheres of influence.

Globalization as a single system can be divided into several types: economical activity, political, informational, ecological problems, fight against crime, terrorism, etc.

Economical globalization can be divided into two main types: market globalization and globalization of products. Financial globalization develops at the fastest rate among many forms of globalization, whose objective basis is the internationalization of production and capital movement. Financial globalization is the basis of the rest of the types of globalization, which became the main feature of the world economy.

Under globalization the politics that are commanded to economics undergo adaptation and it does not define the development of the economy. On the contrary, the economy now defines political relations. This circumstance gives preference to countries with a highly developed economy.

The basis for the formation and further development of the global economic system is a liberal economy, market economy, and open economy. The market economy cannot form a socially oriented global system because the economic model of economic development is based on the concept of demand and provision which is far from social justice. Market economy as the core of the mixed economic system acquires sociality through state regulation.

The main basis of the globalization process is the liberalization of international relations. The trend of globalization is based on the concept of an open economy, which belongs to those countries that are actively involved in the whole spectrum of international economic relations, they are:

- International trade;
- International trade of capital;
- Currency financial and credit relations;
- International migration of workforce;
- Scientific technical contacts and relations, etc.

One of the most problematic issues today is the influence of globalization on social and economical development.

In parallel with social and economic development in the last decade, globalization has acquired particular importance. The economic conception dominates in the approach to globalization that involves the integration of national, and international economies, by way of international trade, foreign direct investment, capital flows, migration, and technological progress.

Nowadays Georgian national economy is in the process of integration with the world economy that develops global processes. As a result of globalization processes the world economy is becoming more and more involved in the national economy. It defines the future, norms, and standards of its development, but does not have influence and does not change the importance of the national state. The globalization process is a transition process for developing countries, developed countries, and countries with transitional economies.

Georgia is an active participant in the multilateral trading system, which has more advantages because in this case the trade liberalization is based on mutual concessions. The country's trade policy aims at obtaining favorable positions on the global market for economic objectives such as elimination of discriminatory impacts of external force, obtaining and maintaining competitiveness, access to major export markets, attracting investments, etc.

Georgia's ability to fulfill the role of transit country attracts the attention of the international community. Georgia's geopolitical and geo-economical location is a subject of international interest. Of course, Georgia's transit role in participation in the globalization process is important. Together with the increase in cargo, investments, and information flows, the quality of Georgia's integration into the world economy will be increased.

To be integrated into the global economy Georgia made liberalization of trade, and concluded international agreements for Free International Trade with Turkey and CIS.

After getting acquainted with the national characteristics of their partners the international entrepreneurs should get recommendations on how to interact with each other, analyze what they can expect from what they see, and how they differ from and like each other. There are some areas, where two nations can reach an agreement.

The success of international business defends on the factors as follows:

- Type of relations with the partner;
- Knowledge of business relations;
- Ability to make necessary impressions about partners;
- Ability to understand the motivation of the partner.

As a result of the increase of interdependence and interpenetration between national economies in modern global conditions, the state border as an economic category loses its significance as a historical-legal category but it does not disappear but becomes more liberal in terms of movement of the different factors.

For the development of international business, it is necessary to define the national cultural models of different countries, analyze them, and participate in the integration processes.

International business means the establishment of business contacts and their deepening, making new combinations in production, supporting them to invest resources, finding new markets, and creating of new products. [29]

Cultural stereotypes of ***Islamic states*** mean the creation of an atmosphere of obscenity, friendship and trust, orientation to work and its result, refraining from confrontation and criticism of others, respect for the use of secret force, pride, elevated emotionality, etc.

Georgians are characterized by loyalty to traditions. They are oriented toward the development of interpersonal relationships. They easily agree on partnerships in business relations. Georgians are characterized by impulsiveness, less pragmatism, and mutual care. Georgians are solely in making a decision. [30]

As results accumulated in the achievement of modern scientific technical progress and business development, the contours of the future business are expressed. This is natural that it raises new possibilities and demands for companies and businessmen involved in international entrepreneurial relations. Tomorrow's leader will be obliged to look at the extraordinary possibilities in advance, the type of 'Global Manager' must appear, which will fit any country, will know the languages and traditions of different countries, and will not have national advantages.

On the background of world events and globalization, almost every organization that has the desire to conduct international entrepreneurial activities has to conduct international entrepreneurial activities,

[29] Jolia G, International Economic Relations, Publishing house "Georgian Technical University", Tbilisi 2015, P 437
[30] Cultures and Organizations, Software of the Mind. Geert Hofstede and Gert Jan Hofstede 2011, P. 40

to think about the creation of an appropriate organizational culture. When the companies' activities go beyond the national fields and communicate in many countries all over the world, their corporate culture is particularly affected by the national characteristics of different countries.

Conclusion. According to the above mentioned, finally, it is possible to say that globalization has a both positive and negative impact on the economical and political development of different countries, regardless of whether this country is developed or far behind the other countries in the international arena, economical and political processes of the globalization improves the situation of some of the countries, while in some cases it worsens the situation. However, it is indisputable that involvement in the economic and political processes of globalization for any country today can be considered a step forward in improving their future development and living standards.

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