

The State of Organization of the Management System and its Characteristics

¹ **Narmin Mirzazada**

<https://doi.org/10.69760/gsrh.0250203009>

Abstract:

The development of the economy and its spheres is directly related to a more effective management mechanism, including the use of modern management technologies. In this regard, the management system is of particular importance. The development of various spheres of the economy requires the proper organization of control in the management system, the use of effective management methods, as well as the determination of efficiency criteria. Studies show that the efficiency of the management system reflects the contribution of management activities to the final result of the activities of economic entities. Therefore, the functional purpose of management in the mentioned areas is to ensure the efficiency of the main activity, which is determined by the degree of effectiveness of the organizational system itself in relation to the effectiveness of the management system. In general, the effectiveness of the management system is determined by the degree of implementation of goals and the level of profit, which is its integral indicator throughout the entire period of activity. The transformation of the economy in accordance with market relations necessitates a revision of the management mechanism and leads to conceptual changes in the methods and processes of the management system. The effectiveness of the management of entities, including their structure and activities, is a general direction of view. In this regard, the strategy in the fundamental principle of the management concept is considered one of the important issues in conditions of uncertainty. This approach requires the alignment of management goals and ways to achieve them with the overall strategy.

Key words:

management; risk; method; forecast; income; efficiency

Introduction

A management system is a set of interconnected elements and is a method of implementing management technology, which involves influencing the object in order to change the state of economic entities and the characteristics of processes. The management system includes the following main elements: collectors of information about the state of the management object, a subsystem for collecting and transmitting data, a subsystem for processing and displaying data, a

¹ Mirzazadeh, N. Lecturer, Department of Agribusiness, Management and Marketing, Azerbaijan State Agrarian University, Azerbaijan. Email: narminmirzazada@gmail.com. ORCID: <https://orcid.org/0000-0001-5060-0125>.

subsystem for creating control measures, a subsystem for transmitting control actions. The implementation of the development mechanism of the management system is manifested in the performance of a number of functions: planning, organization, motivation, control, coordination. This complex system is divided into functional subsystems according to the following components: personnel, finance, sales, production, innovation, quality, logistics, strategy. Each functional subsystem of management uses its own methods, techniques, infrastructure, materials, equipment, knowledge and requires certain research techniques and procedures to study the emerging problems. In the most general form, a system is understood as a set of interconnected elements that form a certain integrity, a certain unity. In this case, the development of a new management system, characterized by completeness, reliability, objectivity, repeatability, verifiability, accuracy and to a certain extent innovation, significantly confirms its necessity. The management system manifests itself as a type of activity aimed at developing and improving in accordance with constantly changing external and internal conditions (Stephen R. Tiller, 2012).

The study of management systems requires distinguishing the following directions: marketing, sociological, economic, as well as socio-economic experiments, audit, predictive and planned research, reporting, control studies, design of test facilities, study of product quality, research conducted in various functional subsystems of management, etc. In view of the above, the systematic approach characterizes the direction of scientific knowledge and practical activity based on the study of any object as a complex integral socio-economic system. The main principles of the systematic approach are characterized by the following: integrity, structuring, hierarchical structure, plurality. With a systematic approach based on marketing research, the parameters of products or services are first examined. Then other parameters are determined, namely the need for resources (material, financial, labor and information), the organizational and technical level of the system, the parameters of the external environment, and the parameters of the process are studied. The advantage of the systematic approach is determined by the possibility of a comprehensive assessment of production and economic activities and the efficient organization of the decision-making process at all levels of management (Grover V., Segars A.H., 1996).

Main Body

Systematic analysis allows you to determine the feasibility of creating or improving an organization, to determine what complexity class it belongs to, to identify the most effective methods of scientific organization of labor that have been used previously. Systematic analysis of the activities of an enterprise or organization is carried out mainly at the initial stages of work on creating a specific management system. This is due to the complexity of the design work on the development and implementation of the selected model of the management system, the justification of its economic, technical and organizational feasibility. Systematic analysis may include a number of important research activities (Zubareva Yu.V., Pilipenko L.M., 2016):

- identification of general trends in the development of the enterprise and its place in the modern market economy;

- identification of the characteristics of the activity of the enterprise and its individual divisions;
- identification of conditions ensuring the achievement of the set goals;
- collection of information for the analysis and development of measures to improve the existing management system; use of advanced practices of other enterprises;
- study of the conditions for adapting the selected reference model to the conditions of the enterprise in question.

The following features are found in the process of systematic analysis:

- the role and place of the enterprise in the sphere of its activity;
- the state of the enterprise's production and economic activity;
- the production structure of the enterprise; the management system and its organizational structure;
- the features of the enterprise's interaction with suppliers, consumers and higher organizations;
- innovative needs; possible relations of the enterprise with research and design organizations;
- forms and methods of motivating employees and paying for their labor, etc.

System analysis begins with the clarification or formulation of the goals of a specific management system, as well as the search for performance criteria that should be expressed as a specific indicator. As a rule, most organizations are multi-purpose. The set of goals is derived from the characteristics of the development of the enterprise and its actual state in the period under review, as well as from the state of the environment. The main task of system analysis is to determine the global goal of the organization's development and operational objectives. Having specific, clearly stated goals, it is possible to identify and analyze factors that contribute to or hinder the rapid achievement of these goals (Liboreiro P.R., 2023).

The study of management systems can be global or local, depending on the level of the problem being studied, the goals and objectives of the study. Global problems, as a rule, are systemic in nature and are studied using general methods. Problems that are limited in scope and have obvious specificity are studied mainly using special methods. General methods are applied within a number of fields: economics, management, sociology, psychology, etc. The study of a narrower or specific problem in a selected field is carried out mainly using special methods applied in the selected direction. For example, in marketing research, methods of studying product demand are used, and in the economics of enterprises, the method of analyzing functional costs is used (Amrahov V., Rahimli F., Mirzazadeh N., Ibrahimli G., Valizadeh H., 2023).

General research methods include: problem control and diagnostics, systematic analysis, expert research methods, modeling and statistical research, analysis and synthesis of concepts. Specific methods include: sampling and sociological research methods, weighted average criteria methods

in supplier evaluation, parametric method, factor analysis, functional cost analysis, financial analysis, budget analysis, costing, timing, photography work hours, methods used to identify the largest costs, and other methods used in functional subsystems of management.

In a modern management system, fundamental research requires a systematic approach, within the framework of which the factors of the external and internal environment of the organization are analyzed, and the organization itself is considered an open, dynamically developing system. Modeling is a method of predicting possible future states of an object, ways to achieve specified parameters using models. The model should be abstract enough to allow for changes by a large number of factors and should be aimed at implementation using existing technical means. In this case, it should be possible to analyze realities at a certain level of development of science and technology, taking into account the activities of a specific enterprise that carries out the forecast. The models used in the study of management systems include: functional decomposition; block model presented in the form of a logical block diagram, functional cost model, factor matrix, cost forecast model, etc. In practice, the results of such modeling are processed using computer technology (Amrahov V.T., Mirzazadeh N.G., Taghiyev M.Z., Muradov R.J., Hamidov A.V., Karimova M.H., 2023).

Expert methods for studying the management system are methods based on the analysis and averaging of opinions and judgments of experts on the issues under consideration by various methods. Often accompanied by the creation of an expert network of special working groups consisting of specialists. The selection of experts is carried out on the basis of an objective assessment and self-assessment of experts, as well as the stabilization of the expert network based on the analysis of their competence (Mirzazadeh N., Zeynalli M., 2024).

Brainstorming in the management system is a method of activating the creative activity of participants based on the spontaneous expression of ideas formulated and expressed by the participants in a concise and clear form. This method is based on the free combination of ideas. The nominal group technique method is based on the principle of limiting interpersonal communication. Group members express their proposals independently and independently of others in writing. At the next stage, each participant provides information about the essence of their project, and the presented options are considered by group members without discussion and criticism. Then each member of the group again independently of the others lists the considered ideas in writing. The method allows you to organize the joint work of the group without limiting the individual thinking of each participant. The weighted average criteria method is effective for experts to evaluate a number of alternatives and options for poorly structured decisions (Amrahov V.T., Mirzazadeh N.G., Guliyeva K.N, Gazanfarova J.V., 2024).

The study of management subsystems is carried out using a number of general scientific and private scientific methods: personnel, production, quality, finance, marketing, logistics. The methods used are specific for each functional subsystem. Thus, to study the financial management system, coefficient analysis is used to calculate financial stability, liquidity, creditworthiness, etc.,

and Pareto methods are used to study quality management. A systematic approach allows for a comprehensive analysis of problems arising in any area of work - in the technological chain, warehouse, distribution of funds, etc., and to analyze management issues arising in various functional subsystems together.

For example, the problems of a company's sales decline, and therefore its net profit, can be associated with both the low quality of the products sold (quality management subsystem), and improper storage, transportation (logistics), etc. Determining the true cause of the sales decline requires a systematic study of one of the functional management subsystems using special methods. In fact, in real situations, there are several reasons for the decline in sales. Therefore, in addition to methods for diagnosing problems and developing anti-crisis measures, a manager using modern research methods should also have methods for planning, forecasting, and preventing negative development trends in his arsenal. Special scientific methods of studying management systems used to analyze the financial management subsystem, determine the risk level of investment projects, and identify weaknesses in the organization's economic activities are methods of economic analysis. Research methods play an important role in the study of management systems (Paul H. Cheney, Gary W. Dickson., 1982).

The professionalism of the manager consists in mastering modern methods of analysis, planning and forecasting of financial and economic activities, determining their relationship with aspects of marketing activities. The activities of the financial manager include: general financial analysis and planning; providing the enterprise with financial resources; management of sources of funds; distribution of financial resources (investment policy and asset management). Economic research of management systems can be carried out on the basis of financial analysis, budget, accounting and audit data. The financial result implies the difference between income and expenses, and the financial problem is a critical discrepancy between the desired and actual financial condition of the object of control.

Conclusion

When studying the problems arising during the financial and economic activities of economic entities, one of the most effective planning tools can be the use of the “cost-volume-profit” model, ratio analysis, comparative analysis of projects, and budgeting. Accounting, as an economic method of studying management systems, provides information for economic and financial analysis, and auditing ensures the reliability of such information. The balance sheet is the main reporting and analytical form of a legal entity. Comparison of balance sheets at the beginning and end of the reporting period allows you to obtain important information about the management system of the enterprise for the reporting period, to prevent possible problems in its financial condition. The balance sheet is obtained as a result of accounting, which is a systematic description of the relationships of a number of elements - assets, liabilities, property. Nowadays, it is not enough just to fulfill the production plan, it is necessary to think about how to sell the manufactured product and make a profit.

Economic studies of management systems are necessary to analyze the risk and determine the future prospects of the organization. Statistical, expert and combined methods can be used to identify the risk. Considering this technique, it is important to pay attention to the statistical method. Risk analysis begins with identifying its sources and causes. Risk is measured as the probability of a certain level of loss. Thus, as an acceptable risk, the threat of complete loss of profit from a particular project or economic activity in general can be eliminated. Critical risk is associated not only with the loss of profit, but also with the lack of expected income from which the costs will have to be covered at its own expense. The most dangerous for an economic entity is a catastrophic risk that leads to the bankruptcy of the organization, the loss of investments or even the personal property of the entrepreneur. The essence of the statistical method is that the statistics of losses and profits of the enterprise are studied, the scale and frequency of receipt of economic income are determined, and a forecast is made for the future. Profit is understood as the economic profitability and efficiency of expenses, calculated as the ratio of profit to the costs necessary to obtain it. The main tools of the statistical method of calculating risk are variation, dispersion and standard deviation. Variation is the change in the quantitative assessment of a characteristic when moving from one situation to another. Dispersion is a measure of the spread of the actual value of a characteristic from its average value.

Correlation is a relationship between traits that consists in changing the average value of one of them depending on the change in the value of the other. Correlation can be positive or negative. If the average value of any trait changes in the same direction as the value of another trait, they are called positive correlations. If these changes are multidirectional, there is a negative correlation between these traits.

It is known that the level of income or cash flow largely depends on the growth rate of the market and the relative share of the organization in this market. At the maturity stage and the last stage of the life cycle, successful activity generates cash, and at the stage of economic development, the absorption of the money supply occurs. If the growth rate of the market is high compared to other markets, then the organization that places its units in the appropriate area can achieve a return on investment in a very short time. Therefore, it is considered expedient to use all the research methods tested and successfully used in management as a means of forecasting cash flows and forming a strategic development portfolio. Diagnostics of the general condition of subjects, modeling, forecasting, quantitative calculations, expert assessment methods are widely used in various functional subsystems of management and have their own characteristics. The example of using research procedures of expert assessments and diagnostics in the management subsystem always retains its importance. Therefore, regardless of which functional subsystem the manager works in when investigating the activities of subjects, he must master certain established research methods, have the ability to formulate and put forward independent hypotheses, prepare research tasks and implement them in conditions of limited time and money.

Studies show that the organization of the management system is closely related to determining the efficiency of the organization's management system. The organization of the management system

is formed with the aim of improving the elements of the economic management mechanism, the criteria for assessing and stimulating high results of the production activities of the organization's divisions. Determining the organizational parameters of the real state of economic entities and assessing the possible increase in the efficiency of the organization's management system requires the determination of the appropriate parameters. The efficiency of the organization's management system is characterized by various economic forms and indicators.

References

- Amrahov V., Rahimli F., Mirzazadeh N., Ibrahimli G., Valizadeh H. (2023). Satisfying the consumer demand for agricultural products: Possibilities and its prediction. *Scientific Horizons*, 26. 7. P. 160-170
- Amrahov V.T., Mirzazadeh N.G., Guliyeva K.N, Gazanfarova J.V. (2024). Economic Effectiveness and Forecasting of Scientific Activity in Azerbaijan. *International Journal of Religion* 5 (7), 422–430
- Amrahov V.T., Mirzazadeh N.G., Taghiyev M.Z., Muradov R.J., Hamidov A.V., Karimova M.H. (2023). Modeling and forecasting of production an agricultural. *Journal of law and sustainable development* v.11, n.7.
- Grover V., Segars A.H. (1996). The relationship between organizational characteristics and information system structure: An international survey. *International Journal of Information Management*. Vol 16 (1). Pp 9-25
- Liboreiro P.R. (2023). Labor market distortions in major emerging-market economies: Some CGE estimates. *Economic Journal of Emerging Markets*, 15(2), 129–142.
- Mirzazadeh N., Zeynalli M. (2024). Improvement of information provision of small business in the agricultural sphere. *Journal of Economics*. Volume:1, issue:1. P. 23-27
- Paul H. Cheney, Gary W. Dickson. (1982). Organizational Characteristics and Information Systems: An Exploratory Investigation. *The Academy of Management Journal*. Vol 25. No1. Pp 170-184
- Stephen R. Tiller. (2012). Organizational Structure and Management Systems. *Leadership and Management in Engineering* 12(1):20-23
- Zubareva Yu.V., Pilipenko L.M. (2016). Problems of running agribusiness and directions for their solution. *Fundamental Research*. No. 12-4. P. 858-862

Received: 12.07.2025

Revised: 13.07.2025

Accepted: 28.07.2025

Published: 30.07.2025