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PROBLEMS AND PROSPECTS OF FINANCIAL MANAGEMENT DEVELOPMENT IN AZERBAIJAN

PROBLEMAS Y PERSPECTIVAS DEL DESARROLLO DE LA GESTIÓN FINANCIERA EN AZERBAIJÁN

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ABSTRACT

After the collapse of the former USSR, Azerbaijan restored its independence, but arose problems related to financial system development, financial services market formation, as well as the need in increase of efficiency of financial resources usage existed, issues that still remain. Considering this, the main aim of the research is to analyze the development and implementation of the strengthening mechanisms of the financial management in Azerbaijan in present conditions. The main method of the research is statistical analysis on financial market development in Azerbaijan, and on this basis the possible effect of financial management was researched. The generalization method was used in determination of the tools of financial strategy of the economy subjects in Azerbaijan and a scheme of this mechanism was given. Under the conditions of the non-stable finances the anti-crisis measures and activity strategy of financial management was explained. The negative impact of Covid-19 pandemic on economics of Azerbaijan is analyzed, focus mainly on the financial sector. By approaching the topic from the global experience in perspective and based on the real results of the state financial policy during the last 20 years, several advices are provided on the acceleration of the financial services market development, improvement of the financial management, and development of the risk mechanisms in implementation of the investment and innovation projects.

Keywords: Azerbaijan, financial management, perspectives of development, problems of financial management.

RESUMEN

Después del colapso de la antigua URSS, Azerbaiyán restauró su independencia, pero surgieron problemas relacionados con el desarrollo del sistema financiero, la formación del mercado de servicios financieros, así como la necesidad de aumentar la eficiencia del uso de los recursos financieros, problemas que aún persisten. Teniendo esto en cuenta, el objetivo principal de la investigación es analizar el desarrollo y la implementación de los mecanismos de fortalecimiento de la gestión financiera en Azerbaiyán en las condiciones actuales. El método principal de la investigación es el análisis estadístico sobre el desarrollo del mercado financiero en Azerbaiyán, y sobre esta base se investigó el posible efecto de la gestión financiera. Se utilizó el método de generalización en la determinación de las herramientas de estrategia financiera de los sujetos económicos en Azerbaiyán y se proporcionó un esquema de este mecanismo. Bajo las condiciones de las finanzas no estables, se explicaron las medidas anticrisis y la estrategia de actividad de la gestión financiera. Se analiza el impacto negativo de la pandemia de Covid-19 en la economía de Azerbaiyán, centrándose principalmente en el sector financiero. Al abordar el tema desde la perspectiva de la experiencia global y con base en los resultados reales de la política financiera estatal durante los últimos 20 años, se brindan varios consejos sobre la aceleración del desarrollo del mercado de servicios financieros, la mejora de la gestión financiera y el desarrollo de los mecanismos de riesgo en la ejecución de los proyectos de inversión e innovación.

Palabras clave: Azerbaiyán, gestión financiera, perspectivas de desarrollo, problemas de gestión financiera.

INTRODUCTION

Effective financial management and by extension resources management of the company governs solution of multiple complicated issues and problems. Over the decades there were formed several theoretical and practical approaches and mechanisms making for primary objectives of the companies under the market environment and organization of its activity in regard to its peers. The long and short of it, financial management must certainly provide thoughtful steps and the use of more productive tools in the implementation of certain areas of activity, which, in the end, can bring predictable profits for the company (Nyamita et al., 2015).

If we shortly review the formation processes and evolution of the financial management, we can state that in the early 20th century in the USA the fever took place, and frequently encountered problems are related to the management of the financial resources of the company and these factors served for the development of financial management as a more effective tool for solving these problems. In the future, the scope and functions of financial managers expanded, and they more penetrated other strategic areas of their companies and, first of all, those areas that played a key role in ensuring the success and stability of the company in the market became distinctive.

Among the functions of financial management there are a number of areas became to be under close attention and the subject of professional activity of financial management over the past 50-70 years: 1) scrupulous and fundamental analysis of the reporting period and the mistakes made in the activities of the company in the market; 2) miscalculations and mistakes in relation to their main competitors; 3) audit and detection of financial irregularities in the cycle of financial flows and resources of the company; 4) comprehensive analysis and assessment of the financial condition of the company; 5) analysis and assessment, the adequacy of the applied mechanisms and tools for preventive measures to counter risks and minimize them; 6) assessment of the financial attractiveness of the investment component of the company in the market; 7) analysis and assessment of the financial and investment strategy of the company; 8) efficiency of management of assets and fixed assets, property of the company; 9) the adequacy and professionalism of top management and, in general, the personnel of the company under the conditions of instability, difficulties in the market environment and in the context of global transformation.

The similar problems are typical for developing countries, including Azerbaijan, which began to conduct an

independent economic policy after the collapse of the former USSR, where administrative and centralized forms of enterprise management predominated. At the same time, financial management wasn't addressed, and all issues were resolved by administrative resources. However, under the conditions of market relations, it became necessary to form certain approaches and tactics on the effective management of financial flows, and in connection with this, elements of financial management were developed in Azerbaijan as well. However, up to the present the issues of financial control and allocation of financial resources are mainly provided by centralized means, i.e., with the help of budgetary appropriations and subsidies. Moreover, market relations deepen in the country year after year, the financial services market develops, as well as the capital market does, the movement of private capital and the development of market companies are intensified. Furthermore, the corporate approaches as well as corporate mechanisms and principles on financial management develops. The development processes of the financial management institute in Azerbaijan come upon the initial stage, and in-depth study of the global experience in this sphere is demanded taking into consideration the specific features of formation and development of the financial market in the county, as well as of the strategic objectives, priority directions of national economic development in the country at the turn of 20th century.

All these factors stipulate the fundamental study of mechanisms and tools of the financial management, which is more over related to formation of the strong and solid foundation of the financial capital and their effective use in the activity of the company. Taking the above into account, the goal of this paper is to analyze the problems of financial management development in Azerbaijan. The main functions and principles of financial management are given by the generalization method. Based on the methods of analysis and comparison, the mechanisms of development of the financial system and their renewal in the context of the challenges of the modern era are justified. For this different methods were used: comparative analysis, synthesis, generalization, and statistical methods. Formation of the financial strategy was modeled taking into account 8 interrelated elements of the conceptual foundations of financial management. Under the conditions of the modern market economy of economic subjects the mechanisms and tools of financial strategy that can benefit in more efficient management of financial flows are schematized. Then, by explaining the problems of the financial system and financial services market in Azerbaijan, the measures required in these directions were defined.

DEVELOPMENT

Literature review

Effective use of the financial resources at enterprise level, financial management functions and activity principles of implementation of the more developed mechanisms in financial flows management were researched in the work of Khominich et al., (2016). Management of financial assets of the economic subjects in the context of global threats, problems on development and implementation of financial strategy, different mechanisms are reviewed by Grozdanovska et al., (2017). It has been established that, increase of financial resources flexibility, taking measures in accordance with financial market conditions, and increase of financial management expertise of an enterprise are of great importance (Keliuotyt -Staniul nien & Kukar nait , 2020).

Other important issue is understanding of strategic importance of the financial management and its adequate assessment. Under the market economy conditions one of the main terms is to provide optimality of the financial management functions in the successful activity of an enterprise (Laux, 2013). On the other hand, greater responsibility falls on financial management in enterprises under the anti-crisis conditions. The article by Masharsky et al., (2018) covers the important issues on optimal organization of the financial resources use by the enterprises, and financial management functions and role in determination of the measures arising from the crisis.

Alkaabi & Nobanee (2019) analyzed the role of financial management in the development of financial services market, justification and realization of large projects on economic subjects, formation of alternative financing and investment sources were assessed. On the other, different authors have researched the issues on optimization of financial management activity, improvement of the mechanisms implemented in accordance with tasks they face under the new challenges conditions, and the optimal organization of financial assets (Savina & Kuzmina-Merlino, 2015; Vasylieva et al., 2018).

In the modern period, the main tasks of the financial management are formation and strengthening of the financial strategy of every enterprise or economic subject, development, and implementation of new effective activity mechanisms for maximum insurance against the global impacts as well as negative impacts of Covid-19 pandemic. Provision of the innovative approaches in this direction, as well as approaches of development and implementation of the innovative financial management mechanisms is addressed in the works of several authors (Baltgailis &

Simakhova, 2022; Kozarezenko et al., 2018; Liubkina et al., 2019; Podhorská et al., 2020). In reliance on modern challenges the authors pay more attention to the importance of optimality increase of the financial management mechanisms and tools, improvement of the management system of financial resources.

Achieving the optimality of the financial strategy in enterprise by the use of digital and high technologies, determination of solution ways of the problems on organization of activity at the level of projected income and profitability is considered more appropriate. Innovative organization of financial management and enhancement of innovative approaches can be effective in these cases. In the work of Pukala et al., (2018) there are researched the importance of the direct foreign investments as important financial resources, strengthening the financial stability of the enterprise of these resources and provision of innovative development, as well as determination of the risks of the financial management activity, and the problems of taking adequate measures in regard on this.

In Azerbaijan effective organization of the financial system, financial services market, and financial management in the context of these factors, started to be research mainly in the last 20 years. Thus, the scientific practical basis in this direction is in the process of formation. The independent financial system and financial mechanisms of the country are new, and progressive examples of global experience were not implemented enough. In the works of a group of researchers there were reviewed the issues on development of financial system and achievement of optimization of the financial strategies in enterprises, enhancement of the financial market. For example, Aliyev (2022) analyzes the financial system of Azerbaijan and its main features and priorities, specifically the level of financial resources use was reviewed. In the article by Mamedov and Namazov (2021) the problems of development of the financial market in Azerbaijan in accordance with global trends were researched. These authors covers the research on financial resources role in the economic development and financial management functions regarding it. Namazova (2020) revealed the problems of regulation of the financial resources use in Azerbaijan, and implementation of more optimal management mechanisms on financial flows. Also, Sadigov (2020) addressed the state role in improvement of the financial management, and the problems on the role of these issues in innovative development role.

Nevertheless, despite these advances there is still need research on the problems of financial resources use in modern period in accordance with the new challenges, and on improvement of the financial management activity

principles in these processes, which are the focus of this paper.

Financial management development in Azerbaijan under current global situation: challenges and opportunities

We preferred to focus on financial system development and financial management problems related to it in the young independent Republic of Azerbaijan while we conduct research in this direction. The issues of effective use of financial resources, and improvement of the financial flows management mechanisms are relevant enough. Because of this, correct determination of the financial management functions, preparation of professional financial managers, development, and implementation of financial strategy of enterprises, optimality of financial flow management systems are of great importance.

Under conditions of the market economy there are understudied elements and factors, which has serious impact on systemic existence and promotion of the market relations, which mostly depend on effective organization of the business function with consideration to developed type of risks as well as financial risks. All these factors demand optimization of the financial management activity and more real calculations and forecasts for the predictability of results of the financial activity of companies. Making major mistakes in these processes can result with default and corporate collapse, which are often found in modern conditions. Besides, enhancement of the global influence and threats in economic and financial processes in the world review the deepening of strength of the developed financial strategies of the company and effectiveness of the investment and innovation projects, in a whole business planning and forecasting, modeling of management processes, and definitely the financial management (Masharsky et al., 2018).

Moreover, it is required the high level of the financial managers and financial management of the company that could take the main responsibility for effective promotion, realization of strategic goals and management of financial resources of the company in the market (Podhorská et al., 2020). Besides, the activity of financial management in companies contribute to strengthening financial discipline and ensure financial stability by characterizing the degree of coverage of reserves and costs by sources of financing, saving resources and raw materials of the company.

This requires maximum optimization of the management processes and control of the movement of financial resources, and the performance of the functional duties of the financial management of the company in a competitive environment, which contribute to ensuring of profitability, which is a key indicator and characterizes the level

of company efficiency. The main component of a market economy is a developed financial system, the connection between the main participants of which is manifested through the movement of financial flows in the market (Purani, 2017). The financial market covers the most important element of the economics redistributing capital between lenders and borrowers, its development has an important influence on the economic growth rate.

The purpose of the financial market is to ensure the flow of financial resources from those sectors where there is an excess of funds to those sectors where there is a shortage. Financial instruments that include both financial assets and financial liabilities become the leverage opportunity on the processes of capital allocation processes between different market segments. Financial management acts as a science of financing of organization, acquisition of assets and their management, directed to fulfillment of its mission, achievement of strategic goals and solution of tactical tasks in the current unstable conditions (Alkaabi & Nobanee, 2019). In the context of the financial management the innovations are reviewed as targeted commercialization of the results of the scientific research works, new developed innovations, and business ideas on a long-term horizon (Keliuotyt -Staniul nien & Kukar nait , 2020). At the same time, innovations in the financial management system are characterized mainly from the standpoint of financing and economic efficiency (Liubkina et al., 2019).

Under the new conditions of the growth of the global impacts and risks the modernization of the national economics and more effective normal function of enterprises is required, which involves the search and development of an optimal development strategy (Pukala et al., 2018). With the help of financial management there are developed the certain solutions for achieving the forecasted results and ensuring of the balanced adequacy of short-term and long-term goals of enterprise development with consideration of improvement of the financial management mechanisms (Grozdanovska et al., 2017).

Financial managers have to ensure the growth of the market cost of the shares of the company and income increase, strengthening its place in the trade markets with provision of the efficiency of the marketing policy, taking preventive measures for avoiding bankruptcy and financial ruin, in a whole, achieving the best results in the activity of the company. While improving the existing mechanisms of financial management, it is contributed to effective policy for financing the economic and investment activity of enterprises, managing the formation of financial resources by virtue of the diversified financial resources, optimization of the cash flows of the company and improving the

efficiency of solvency management, reducing commercial risks, maximizing profits and profitability, timely use of insurance instruments.

In the present settings the effective organization of financial management activity which is one of the strategic directions of the economic management system is of crucial significance and possess at the same time both governmental states of regulations and market mechanism (Kozarezenko et al., 2018). Moreover, the financial management has a group of important functions as well as reproductive, distributive and control functions and also such principles as consistency, planning, target aspirations, strategic approaches and etc. In practice, with the help of the effective activity of financial management, it is possible to implement the strategic tasks afflicting market entities, including the rational management of the capital of an enterprise, the targeted use of financial resources and the attraction of the necessary additional funds for the development and expansion of enterprises. Hereafter, the strategic role and function of the financial management is to ensure the realization of the forecasted results in the enterprise with reference to commercially viable indicators. Under the market conditions for the deep study and definition of the key factors influencing the improvement of efficiency of financial management and productive activity of financial managers it is necessary to take into account the different factors which essentially influence the financial stability and commercially viable functioning of the enterprise.

Upgrade the professionalism of financial managers is very important in the subjects of market economy and complex review of the inflationary and risk factors, reliability of accounting and financial reporting, ensuring transparency in the economic and financial activities of the enterprise. In Azerbaijan the issues of financial management development are considered to be new direction as the restoration of independence after the collapse of the former USSR broke new grounds in capacity of self-sustained state design and deployment of monetary affairs, such as formation of strategies of financial management activity with the determination of its mechanisms and tools (Aliyev, 2022). Over 30 years period of restoration of independence Azerbaijan formed more progressive model of economic development of the country under conditions of market relations, where a special place is given to the development of the financial market of the country.

The main foreign exchange earnings and investment flows in Azerbaijan are mainly related to the oil and gas sector (Mammadov & Ahmadov, 2021). The investment volume within 30 years composed about 300 billion US dollar, and these investments were mainly directed to development of the oil and gas industry. In the Table 1 the dynamics of investment in economy of Azerbaijan for 2000-2021 years is captured.

Table 1. Dynamics of investment in economy of Azerbaijan for 2000-2021 years, millions of US Dollar.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1441,4	1561,8	2796,6	4326,3	5922,8	7118,5	8300,4	12066,1	16222,0	13033,5	17591,4	21588,9	25777,8	27340,0	27907,5	19547,2	14228,0	14213,3	15221,7	14698,0	13225,9	14890,4
Foreign investments:																					
927,0	1091,8	2234,9	3371,0	4575,5	4893,2	5052,8	6674,3	6847,4	5468,6	8247,8	8673,9	10314,0	10540,9	11697,7	10719,1	10161,1	9120,5	8236,5	7129,1	6125,4	7501,1
Internal investments:																					
514,4	470,0	561,7	955,3	1347,3	2225,3	3247,6	5391,8	9374,6	7564,9	9343,6	12915,0	15463,8	16799,1	16209,8	8828,1	4066,9	5092,8	6985,2	7568,9	7100,5	7389,3

Source. Prepared by the based on the data in <https://stat.gov.az/source/finance/>

Over the last years with reference to enhancement of the negative outcomes of Covid-19 impact to the financial sector of Azerbaijan, investment flow entry to the country decreased. Regarding this the improvement of financial management has emerged as a successful solution to the financial gaps in Azerbaijan. In general, the largest impact of pandemic on financial sector of the country is observed in 3 directions:

1. external imbalance of the country
2. income decrease, externally especially
3. limitation of credit exposure.

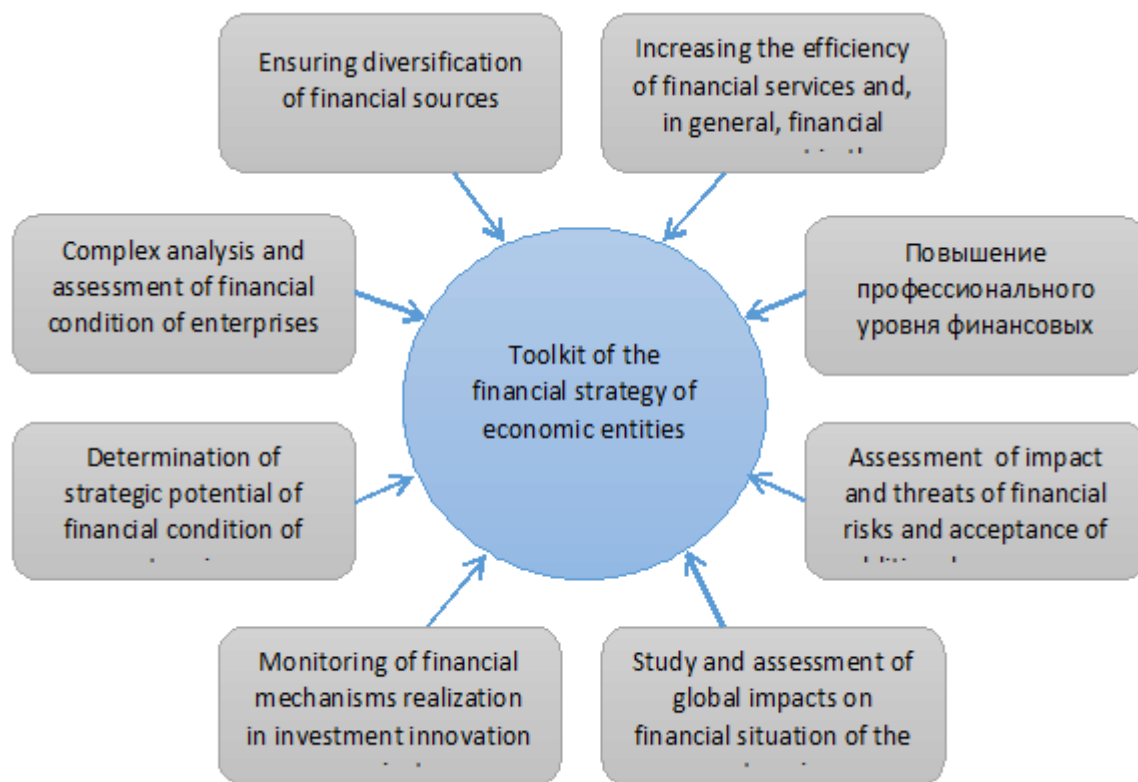
In the backdrop of credit exposure, the financial condition of banks in the country can dump down, and this will force banks to limit the issuance of loans and exert negative influence on economics via credit channel. Decrease in income of business entities will result in increase of credit risk, decrease of demand in financial services and incomes of the financial sector (Mamedov & Namazov, 2021). Under these conditions it is necessary to take additional measures including improvement of the active financial mechanisms and tools used by the financial management in Azerbaijan. As an example, we can show the agriculture sector of the country with the low level of cost effectiveness and revenue position (see Table 2). Although the state subsidies and fiscal provisions are consistently allocated, state support mechanisms are implemented, as well as agricultural fertilizers and machinery are allocated at a preferential price, there are still unprofitable agricultural enterprises.

Table 2. Financial results of agricultural enterprises activity in Azerbaijan.

	2000	2005	2010	2015	2016	2017	2018	2019	2020	2021
Number of operating enterprises, unit	2158	1782	2043	1659	1592	1608	1641	1471	1024	1035
including:										
worked by profit	1026	1579	1869	1530	1488	1512	1560	1376	880	880
worked by loses	1132	203	174	129	104	96	81	95	61	70
Total profit, thsd.manat	-3315	5892	27658	39763	75246	62815	96917	92696	104016	171197
Total profitability, percent	-19,2	9,1	16,7	11,3	20,3	14,1	20,1	17,2	19,4	27,2
Profit (loses (-) in crop production, thsd. manat	-616	2769	8855	20241	40268	32235	56577	68795	69321	127159
Profit (loses (-) in animal-breeding production, thsd. manat	-1753	3117	13021	19993	31330	24356	19048	10481	27180	32557
Profitability of agricultural production sale, percent	-14,6	9,0	13,4	11,3	19,4	12,9	16,2	15,3	19,0	26,4
of which:										
crops production	-7,0	41,5	30,0	36,0	43,5	25,5	40,4	35,7	29,2	51,7
livestock	-23,2	5,4	10,5	7,1	11,8	8,0	5,9	3,4	9,5	8,5

Source. Prepared by the based on the data in <https://stat.gov.az/source/agriculture/>

Because of this, economic subjects should consider the objective realities of modernity and provide the development of a new financial strategy which could stand against the global impacts and negative inner factors, and thereby to diversify financial flows and sources. In regard to this there is reviewed a number of tools which could become the basis of financial strategy of economic subjects in modern conditions (see Figure 1).



Picture 1. Toolkit of the financial strategy of economic entities in modern conditions.

Under the existing circumstances with the lasting financial fever and difficulties after the global financial crisis and the negative consequences of Covid-19, it is demanded to improve the conceptual foundations of the financial management of the enterprise. In this regard, it is possible to model the Conceptual Fundamentals of Financial Management (CFFM) from eight interrelated elements: $CFFM = f \{S1, OT, SC, BC, FP, MM, FM, SS\}$, where: S1 is interest of participants, OT – hierarchy of financial management system objectives, SC – category system, BC – basis (fundamental) concept system, FP – financial processes, MM – scientific and practical toolkit (methods, models and tools), FM – financial mechanisms and SS – supporting subsystems. Due to this model, it is possible to conduct complex study and assess the adequacy of the financial management level of the enterprise.

The preparation of the financial strategy is based on a new management paradigm, that is, a strategic management system (Sadigov, 2020). In the process of preparing the financial strategy of the company, the principles of preparing and making strategic financial decisions are used: 1) considering the enterprise as an open social economic system capable of self-organization; 2) consideration of the basic strategy of operational activity of the enterprise; 3) superior targeting of strategic management of financial activity to entrepreneurial style; 4) separation of dominant spheres of strategic financial development; 5) ensuring the flexibility of the financial strategy; 6) providing the alternative of strategic financial choice; 7) application of new technologies in financial activity; 8) consideration of the level of financial risk in the process of making strategic financial decisions; 9) relying of financial managers on the professional apparatus in the process of implementing the financial strategy and 10) ensuring the compliance of the financial strategy of the enterprise with the organizational structure and organizational culture of the financial activity.

The process of developing a financial strategy includes the formation of purposeful management decisions that ensure the development, assessment, and implementation of a prospective development program of enterprise finance. The results of the strategic financial analysis should be used while preparing the financial strategy of the enterprise. While forming the information security system of strategic financial analysis, the industry characteristic and organizational-legal forms of the enterprise, the degree of diversification of financial activity and other conditions must be taken into account. The strategic management of the financial activity of the enterprise is in purposeful nature, i.e. it considers

the certain ways of setting goals and their achievement. A clearly defined strategic goal becomes the basis for taking management decisions on the main directions of the development of the financial activity of the enterprise, increasing the efficiency of financial activities in the long-term perspective, to a powerful means of its coordination and control.

Strategic risk management of the enterprise is a specific sphere of financial management, and it plays an important role in the strategic financial management system in terms of ensuring reliable achievement of the goals of the financial activity of the enterprise. Neutralization of the negative consequences of financial risks is one of the main directions of ensuring the financial security of the enterprise. Neutralization is carried out with the help of various financial mechanisms which are divided to internal and external mechanisms in the financial management strategy practice. The system of internal mechanisms of the neutralization of financial risks stipulates the use of a group of methods: 1) avoid risks; 2) limiting risk concentration; 3) hedging; 4) diversification; 6) risk sharing; 7) storage. The external mechanisms of neutralization of the financial risks means the system of their insurance methods by special insurance companies. The interaction of the enterprise with insurance companies is established based on an agreement regulating the mutual rights and obligations of the insurer and the insured under the terms of insurance of different types of financial risks. Thus, one of the main tasks of developing a strategy for ensuring financial security of the enterprise is to maximize the level of profitability of private capital at the given level of financial risk.

Considering the above, we summarized a group of problems and their solution ways, based on the experience gained, from the point of view of features of the development of the financial system and especially in terms of improving financial management in the Republic of Azerbaijan over the past 20 years:

- The level of development of the financial services market in Azerbaijan has not yet entered the intensive phase, and because of this it is important to take more effective measures.
- There is a need to renew and maximally improve the existing mechanisms of the financial system in the context of global challenges.
- Intensification of the development processes of the financial management institute in Azerbaijan is required, so it is important to expand measures for the training of professional financial managers and their activities in market economy subjects.

- There should be a national concept on the formation and development of a class of financial managers who can ensure the operations with higher income and profitability in the conditions of a market economy.
- There should be taken measures to adapt the economy subjects and enterprises engaged in entrepreneurial activity to the international standards of the financial strategy and to increase the level of financial management.
- Considering various risk factors, the integrity and transparency of accounting and financial reports should be ensured for the national economy subjects to operate efficiently in the context of global threats.
- There should be formed a professional financial management team for each of such kind of projects and scientific technical, and economic justifications should be carried out to ensure the efficiency of the investment and innovation projects in the country.
- The features of financial management organization at entrepreneurship and business subjects should be adapted to new challenges and improved maximally in modern times.
- The measures on insurance of healthy competition and transparency in economy should be taken to intensify the attraction of foreign investments into the country.
- There should be provided professional financial managers and insurance of development and implementation of the competitive financing mechanisms on the basis of more flexible and efficient modelling of the enterprise activity in Azerbaijan.
- There still remains the demand on management of the financial flows in the country, management of the financial sources at the enterprise level, and measures on optimal determination of the financial management functions in regard of this.

CONCLUSIONS

In the modern period, the issues of improving financial management and its operating mechanisms need to be updated in the context of global fiscal meltdown and under the influence of the negative consequences of Covid-19. It is required to develop and apply more efficient and optimal mechanisms in the activities of financial management, which could ensure the efficiency of managing the financial resources of economic entities and stable financing of activity of enterprises.

In Azerbaijan there is a need to improve the investment environment and attractiveness, and thereby ensure the dynamism of attracting foreign direct investment in the post-pandemic period. The implementation of more rational and adequate models of financial strategy as well

as the development with the further realization of financial strategy of economic subjects under the existing circumstances will help to solve a lot of the problems detected. Also, more adequate and preventive measures are required to minimize commercial and operational risks in the management of financial resources, investment flows and other assets of enterprises for which a rigorous analysis and evaluation of the effectiveness of financial management at the enterprise level is necessary in order to provide the profitability and productiveness of enterprises under conditions of the market economy.

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