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# METHODS OF ASSESSING THE MANAGEMENT OF COMPETITIVENESS IN THE CONSTRUCTION INDUSTRY

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**Introduction.** Competition refers to the relationship between participants involved in market relations. This struggle always makes them interested in improving and developing production, because there is always a danger of bankruptcy if they do not withstand the competitive struggle. Competition pushes market subjects to always surpass each other and improve their economic performance. Firms take various measures to withstand competition. They include a complex of economic and non-economic measures [4].

The increasing uncertainty in international markets against the background of the current challenges in the industry prompts both developed and developing countries to strengthen their economic regulatory activities. In world practice, industrial development is promoted in four main directions: as a regulator of states through tariffs, fiscal privileges or subsidies, as a financial regulator that directs public and private resources to industrial projects by influencing the credit market, as a producer directly participating in economic activity, and strategically through government procurement, as a consumer providing a market to industries. Measures to support the activities of industrial enterprises by countries in these directions are widespread in the world experience. The main purpose of the industrial support measures is to increase the competitiveness of industrial enterprises and ensure their access to the potential that will facilitate their access to international markets. In the world experience, industry support measures include investment promotion and improvement of the working environment, international trade and export promotion, skill enhancement and improvement of human resources, infrastructure construction, creation of special economic zones, industrial parks and industrial clusters, development of regions, special approach to sectors, support of technology transfer and includes the promotion of innovation [9].

Analysis of recent research and publications. As a result of the development of regions and cities, the construction industry remains one of the important sectors of the national economy. This sector differs from other sectors of the national economy in some aspects. In general, the construction sector can be considered as the most demanding and complex field. Thus, in this sector, it is possible for several different contractors to operate at the same time [8].

In the conditions of the company's competitiveness, a competitiveness management system or a competitiveness assurance system is formed in order to achieve competitiveness goals. The system in question consists of a set of competitive objects and subjects, governed by certain principles [2].

In the management system of enterprises and organizations, the mechanisms influencing the factors are established, accordingly, competitiveness factors influence the level of competitiveness to one degree or another [1].

**Objectives of the article.** When evaluating competitive positions, they often refer to the key factors for achieving success. The main factors of success are considered to be the factors that enable enterprises to improve their competitive positions in the field. Along with the competitiveness of enterprises, their financial situation also depends on these factors. It is they that influence the development of the strategy, of course, each field has its own characteristics.

To determine how enterprises operating in the construction industry use existing opportunities, it is necessary to study the pricing system to assess the competitiveness of enterprises. At the same time, one of the important issues is a comparative analysis of methods for assessing the management of enterprise competitiveness.

### Economy and enterprise management

The main material of the study. In order to determine how the enterprises use the available opportunities, the system of prices that allows to evaluate the competitiveness of the enterprises is indicated. Currently, the evaluation methods of that system are shown in Table 1.

Business leaders who want to control product quality and improve the company's competitiveness in the market should understand that the competitiveness management system is an integral part of enterprises, including the entire management.

Table 1
Comparative characterization of the system of evaluation methods
of competitiveness management

| Method  | Assessment stages   | Advantages   | Shortcomings   |
|---|---|--|--|
| Evaluation of management of competitiveness of enterprises compared to competing companies. | <ol> <li>Gathering information about competing companies.</li> <li>Evaluation of information on a five-point scale.</li> <li>Construction of the polygonal pyramid of competitiveness.</li> </ol>                 | It makes it possible to identify weak points in enterprise management.   | The accuracy of the assessment depends on whether the collected information is complete and true.  |
| Evaluation of the quality of management of enterprises in the field of competitiveness.     | <ol> <li>Determining the weight of factors in the management system.</li> <li>Determining the quality level of the management system.</li> </ol>  | It meets the requirements of systematicity and complexity.   | It allows the results to be used in the development of comprehensive programs, but this does not apply to programs of increasing the level of competitiveness. |
| Evaluation of the organizational-management level of the competitiveness management system. | Evaluation of elements of different subsystems.     Calculation of generalized efficiency indicators for different subsystems.     Determination of integral indicators of enterprise competitiveness management. | It meets the requirements<br>of complexity and<br>systematicity. It makes<br>it possible to identify<br>problems in a specific<br>subsystem. | Inadequate scale in scoring (from 0 to 3).   |

Source: the table is adapted by the author

Many construction industry enterprises suffer from the problem of not having an effective competitiveness management system. In order to create an effective management system, it is required to analyze the existing competitiveness management system in the enterprise. It is at this stage that the following problem appears – the methods that allow to evaluate the competitiveness of enterprises have not been developed enough. Currently, there are a number of methods that require adaptation to specific enterprises.

The competitiveness of construction industry enterprises is mainly determined by the competitiveness of construction products in the form of goods, the level of professional training of employees, the achievement of efficient development, and the level of utilization of production potential.

As one of the main ways of increasing the competitiveness of construction industry enterprises, the improvement of the competitiveness of construction products can be indicated.

There is a need to change the directions and criteria for evaluating construction products designed and manufactured in modern times.

Here, the competitiveness of construction products is mainly determined based on the ratio of its quality and value characteristics. Those products satisfy the specific needs of the potential customer in the specified market sector, for whom it is more profitable to choose from similar products of competitors.

Accordingly, it should be noted that the competitiveness of construction products can be determined based on a set of characteristics. Those characteristics are determined by the quality of construction products and consumer costs spent on purchasing the product:

- In order to determine the position of the construction product proposed for production, a comparison of that product with similar products should be made on important parameters;
- If the purpose of the research is to increase the volume of the portfolio of orders in a specific market segment, information about projects and the market to be entered is required for analysis. At the same time, changes in standards and legislative provisions in the country, as well as information about the dynamics of consumer demand, are required.

#### Економіка та управління підприємствами

Regardless of the purpose of the research, the basis of the assessment of the competitiveness of construction industry enterprises is the study of market conditions. These studies should be carried out continuously, before and during the production of the new product. In the studies, the group of factors affecting the demand in the construction sector of the economy is specially selected:

- changes in the demands of regular customers of the product are reviewed;
- development trends of similar works are analyzed;
- spheres of product use are reviewed;
- the group of potential users (buyers) is investigated.

The above requires conducting deep marketing research, determining its development directions in the near future and in the long term. During the study of the market, it is extremely difficult to predict its development in the long term, and it occupies a special place in scientific observations. Based on the study of the requirements of the market and potential customers, the directions related to the production of construction products are determined, the cost and quality ratios of the produced goods are analyzed and the main requirements are formed.

During the analysis, the same evaluation criteria should be used, and the contractor should be selected based on the customer's request. For this, analyzes are carried out in each group of parameters and it is determined how well these parameters correspond to the parameters of the demand.

The analysis of competitiveness begins with the analysis of normative parameters. If the level of any of them does not correspond to the standards established in the norms, it is not appropriate to further analyze the competitiveness, regardless of the comparison with other parameters.

At the same time, the fact that the indicators are higher than the norms and standards cannot be determined as the superiority of the product, because from the point of view of the consumer, it is often considered meaningless because they lead to an increase in the cost and consumption value of the product.

There are exceptions here. The manufacturer is sometimes interested in increasing the norms and standards in force and believes that they will become more intense in the future.

Then, the manufacturer analyzes the group indicators, determines the differences between the quantity of the investigated product and the market demand based on the specified parameters based on the analysis. All this, in turn, allows to determine the level of satisfaction of the needs of that group. During the research, an integral indicator is calculated, this indicator makes it possible to determine the competitiveness of the analyzed product for all groups of parameters.

The result. The results of the competitiveness assessment make it possible to draw conclusions about the quality of the goods, as well as to determine the optimal ways of increasing the competitiveness of the product.

It should be taken into account that the fact of high competitiveness of construction products is one of the necessary conditions for the realization of that product on the market in the presented volumes. At the same time, it is necessary to take into account the forms and methods of technical service, that is, advertising, trade-political relations between countries, etc. needs to be taken into account.

It is important to carry out a number of targeted reforms and measures to ensure the development and increase of competitiveness of the building materials industry and its individual sectors involved in the production of materials. These reforms include increasing the competitiveness and strengthening the innovative potential of industrial enterprises involved in the construction materials industry, supporting the activities of enterprises, establishing industrial zones and clusters, strengthening the personnel potential and scientific provision of the industry, and improving legislation in the field of industry.

**Conclusions.** Based on the results of the evaluation of the competitiveness of construction products as a final finished product, we think it is possible to come to the conclusion that the production potential of entrepreneurs in the construction sector and the following economic management mechanisms should be developed:

- Modern construction technologies that enable the improvement of the quality of construction works should be purchased;
- The composition, structure, and quality of construction products and construction equipment (raw materials, semi-finished products) used in construction should be changed;
  - The design procedure and quality of construction products should be changed;
- Construction technologies, testing methods, quality control system of construction products in intermediate and final stages should be improved;
  - The level of professional training of managers and production workers should be increased.
  - The price of the product, the price of services, the prices of repair services should be changed;
  - Rules for concluding contracts and interaction with customers should be changed;

### Economy and enterprise management

- The volume and structure of investments related to the production and sale of construction products should be changed;
- The structure and volume of cooperative supplies should be changed, the number of suppliers should be reduced and interaction with them should be strengthened on a long-term basis;
- The supplier stimulation system should be changed. The strategy of improving the quality of construction products is an important component of the company's competitiveness strategy. Here, as the object of prediction, are the quality indicators of the manufactured product. It is required that these indicators do not lag behind the indicators of products of competing manufacturers.

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Izmir Valimat Fatahov, Doctoral student, Azerbaijan University of Architecture and Construction. Methods of assessing the management of competitiveness in the construction industry.

The level of competitiveness should be at a satisfactory level in order to achieve the main goals of enterprises in the conditions of competitive struggle – to achieve certain results. In modern economic literature, economists approach the concept of the competitiveness of enterprises from different positions, but they agree on one issue that it is possible to manage the competitiveness of enterprises and this process must be managed. In many countries of the world, construction companies can be shown as highly profitable enterprises that develop economically in a favorable environment. The existence of a construction market is the main financial condition for meeting the human demand for housing. Every company, from the time of its establishment and throughout its existence, should strive to effectively manage the organization so that their enterprises and organizations can gain a superior competitive position in the market. Because, in the conditions of competitive struggle, enterprises are not only fighting to stay affoat, the main goal of any commercial organization is to obtain and increase profits. The current economic conditions in the Republic of Azerbaijan are characterized by high development rates and the strengthening of market economy relations, as well as integration processes at the domestic and international levels. The competitive environment in the construction industry has its own characteristics, which reflect the regional nature of the competitive struggle and are manifested in contract trades. Here we are talking about the dominance of price competition in the field. In such an aspect, it would be appropriate to pay attention to the content of the concept of competitiveness in the environment in which construction organizations operate in modern times. Competitiveness management refers to methods of finding, selecting, supporting, using and developing competitive advantages. In the article, the characteristics of the competitive environment in the construction industry were investigated, and the system of evaluation methods of competitiveness management was comparatively characterized.

**Key words:** construction, industry, enterprise, competitiveness, management, evaluation.

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