

## Секція 5. СОЦІАЛЬНО-ПОЛІТИЧНІ АСПЕКТИ РОЗВИТКУ МЕНЕДЖМЕНТУ

### DIGITALIZATION AS A FACTOR IN SUSTAINABLE DEVELOPMENT

*Alekperova L.A., Senior Lecturer,  
[alekperova.lala@mail.ru](mailto:alekperova.lala@mail.ru)*

*Azerbaijan Architecture and Construction University (Baku, Azerbaijan)*

At the present stage, many developed and developing countries, as well as the business sector, are increasingly raising the issue of the importance of sustainable development and the need to promote this phenomenon. It is customary to talk about sustainable development from the point of view of two approaches:

- exclusively economic - sustainable development is considered as stable economic development, increasing productivity, efficiency, profitability, etc.;

- expanded, social – understanding of sustainable development as the harmonious development of the economy, ecology and society, active participation of the state and business in improving people's lives.

Now there is a division of countries into underdeveloped, developed and developing.

The developed ones are a minority, however, they have a huge impact on the work of the global economic system, and also influence the political life of the world community.

They are at the stage of transition to a post-industrial society, where the main commodity is information.

Developing countries are based on an industrial or agricultural complex.

Economic development is stimulated, first of all, by the growth of material needs, that is, the desire to possess benefits that can bring maximum utility to the individual.

The basis for the sustainable development of the country is comprehensive development of all aspects of socio-economic life. From an economic point of view, promoting the principles of sustainable development is possible through their implementation in enterprises of all types of economic activity.

Sustainable development is gradually becoming a new business strategy, and it is based on advanced technologies in both management and

production.

The concept of digitalization today can be found in a variety of fields of science and practice.

Digitalization refers to the transfer of key company processes into a digital format. In digital transformation, the use of digital technologies improves customer experience, resulting in increased business efficiency, which helps it grow and develop sustainably.

The modern slogan “transition to digital” is well known. For organizations, it is also an effective tool that works in practice and from which both users and business benefit. In addition to all of the above, digital transformation helps improve ROI.

Transformation into a digital economy allows citizens to access services and goods faster and easier.

In business, digital transformation helps to optimize and increase the accuracy of work and involves the transition of companies to electronic platforms.

When moving towards a sustainable development model, companies must take action

Environmental Protection (E), take care of social aspects by integrating these factors in its activities (S), and ensure quality management in its activities (G)<sup>2</sup>.

This set of business management characteristics was first announced in 1987 in the report of the UN Commission on Environment and Development and lies at the heart of the EU concept.

An equally important trend that determines the development strategies of modern companies is digital transformation, which is taking place both globally in the economy and at the level of individual organizations.

As a rule, digital transformation is associated with structural changes in an organization, as a result of which all work processes, value chains and external communications, management and corporate culture are radically changed, and business models are transformed.

Thus, digital transformation affects almost all areas of the company's activities and implies not only the evolution of production technologies, but also a holistic change in the working methods of the entire organization. Therefore, it can be assumed that the developed digital environment in which the company operates will have a positive effect on the implementation of the principles of sustainable development of the organization.

The use of digital technologies was initially seen as a way to improve

the efficiency of existing business models and processes by reducing costs, increasing product quality, reducing production time and optimizing supply chains.

The changes taking place in the economy have an impact on both the external and internal environment of the company, which, going through the path of digital transformation, turns from a classical enterprise into a complex network structure. By further becoming part of the digital business ecosystem, the company gets the opportunity to produce a product more efficiently by combining resources belonging to different market participants.

Today, the digital economy has greatly expanded and evolved, and its impact has become much more fundamental.

Benefits of digital technology development can be used not only as a tool for increasing the efficiency of operational processes, but also as a way to ensure sustainable development.

Digitalization will help reduce environmental risks. One of the elements of the practical implementation of sustainable development strategies in the environmental field can be considered the principle of the best available technology.

Digital technologies make it possible to introduce more environmentally friendly and safe production methods that reduce the negative impact on the environment, in particular the volume of greenhouse gas emissions into the atmosphere.

Digitalization will contribute to social integration, reducing inequality, developing literacy, and improving financial inclusion. Digitalization greatly facilitates access to knowledge, which, unlike material resources, cannot be exhausted. With the help of such a mechanism, the social benefit from the use of knowledge increases.

In addition to reducing environmental and social risks, digitalization can also impact the efficiency of processes related to sustainability management.

The digital environment may also be one of the mediators between non-financial and financial performance of a firm. Companies with high levels of corporate sustainability benefit from this financially in the long term, since increased sustainability entails changes in intangible assets, which, in turn, affects operating performance.

It is advisable to consider the possible effects of digitalization in the following areas:

1. Quality:

- maintaining a unified planning process;
- modeling, analytics (what if...);
- a single “window to the future” as a visualization of the integrated planning process.

2. Quantitative:

1) changes directly affecting financial performance:

- increase in production output;
- shorter cash-to-cash cycle;
- reducing the cost of shipped products;

2) changes that indirectly affect financial indicators:

- reducing the probability of forecast error;
- growth in labor productivity;
- reduction in the number of personnel.

Achieving sustainable development results requires considering the role of digital technologies and their implications.

Digitalization can be a driver of sustainable development.

At the same time, it is necessary to ensure comprehensive management of the effects of digitalization and interaction between various economic actors.

The key role in this case is played by the regulation of the introduction of innovations, namely the preparation and implementation of government programs.

It is also important for companies to predict and take into account the effects of digitalization in business processes and at all stages of the production cycle.

In addition, a prerequisite for sustainable economic development is to increase the level of digital literacy of society and the formation of an adequate perception of innovation.

### **The list of literature.**

1. Курбанов А.Х., Курбанов Т.Х. Управление производством на предприятиях в условиях цифровизации экономики: возможные преимущества и риски. В кн.: Юшаева Р.С.-Э. (отв. ред.) Роль цифровой экономики в укреплении экономической безопасности страны: материалы Международ. науч.-практ. конф., Грозный, 23 октября 2019 г. Махачкала: АЛЕФ; 2019. С. 78–85.

2. Khaled R., Ali H., Mohamed E.K. The Sustainable Development Goals and Corporate Sustainability Performance: Mapping, Extent and Determinants. *Journal of Cleaner Production*. 2021. Vol. 311. DOI: 10.1016/j.jclepro.2021.127599

3. R.K. Isgandarov, Z.R. Asadov, E.V. Alizade. Increasing the efficiency of the application of digital industrial technologies. *Journal "Construction Economics and Management"*. No. 3.2022. Baku. Azerbaijan.