

Section: Economics

Huseynov Akbar

Doctoral Student of the Turiba University

Scientist of Institute of Economics, ANAS

Baku, Republic of Azerbaijan

PROBLEMS OF LACK OF RESOURCES IN INCREASING RISKS IN BUSINESS

There is always a possibility of risk in a newly established business. Although various studies have been conducted on this issue, the problem of why the lack of resources creates serious economic difficulties in the production process after one stage is still relevant. The production process in business is directly dependent on raw materials, capital, technology, and human resources. In the effective use of resources, the legislation of the state in the field in which the business entity operates, tax conditions, licensing, political and economic situation, the approximate number of potential buyers, etc. issues should not be overlooked.

The company must have sufficient supplies of raw materials before the production process and generally predict in advance how much they will need. Long-term contracts must be concluded with economic entities that will regularly supply the company with raw materials (depending on certain conditions, this may be short-term, taking into account the stability of the political and economic environment in the country), and must fulfill their obligations (timely and flawless financial transfers).

In order to succeed in a start-up business, it is necessary to be close to the raw material points in a sustainable production process. Geographical distance from raw material points important for production is undesirable for companies.

In addition, it is important that the roads between the two routes are in good condition. Otherwise, the cost of the product may increase by 2 times.

Investment in the company can be in different forms. Small and medium-sized business entities are more inclined to state support and soft tax policy. Of course, large multinational corporations are also always in favor of liberal reforms, but they are more independent than before due to a certain influence in the market of goods and services, skilled workforce, and a large volume of circulating capital. Large business structures have an existing weight in the market economy, a well-known brand, and due to their regular customers, serious economic threats are not felt in the performance of their activities in the medium or long term. Unexpected counter-effects are often prepared, but any step that harms economic interests, wrong investments, excessive domestic spending, launching anti-companies in the media sector, imposing sanctions for any faults by states and international organizations can destroy the assets of companies. can be significantly reduced within a day. Such issues of international capital flow are widely investigated by business subjects preparing to invest and necessary decisions are made.

Although new technologies and their efficient use in the production process are not available to all business subjects, they are a very important factor in increasing or decreasing the cost of the product. As mentioned above, in some developing countries there are business spheres that are not ready for the introduction of new technologies. The increase in technological capabilities, the robotization of the production process promises maximum profit in some areas. The staff of a hotel operating in Japan is made up of robots. A notable example of the use of service robots in the frontline in the hospitality industry is the Henn-na Hotel, in Japan [2]. This factor caused the hotel to quickly become famous in the world and become a residence of foreign tourists as a brand. A question arises here - Can this step have the same effect in all countries? Of course not. Any place where artificial intelligence is applied is directly dependent on the country's

political and economic stability, tourism attractiveness, transportation facilities, general prices, and in short, all micro and macro measures implemented in the country.

Effective use of human resources depends on the activity of the human resources department, which operates in many companies today. Their main task is to attract experienced workers to the company who can be useful in the future. Because each department in the company has its own special task, and the management team cannot perform each detail separately. The company that meets with potential personnel considers various details in the employee. First of all, the business entity's experience in the field of activity, relevant education in this field comes to the fore, because the company needs an employee who can give him maximum benefit. Bringing someone who has no experience in the field of activity creates additional training costs, or the process of learning the job with the practical help of other employees takes a certain amount of time. Another issue here is the process of quick adaptation to the company. Even sometimes qualified personnel working in well-known companies cannot quickly adapt to the new environment. Here, everything depends on the moral support of department heads and the management team as a whole. Inefficient use of human resources has always been and will be one of the reasons for increasing risks in business. Some researches illustrates that human resources risks is depend on labor turnover, employee health, productivity also [1].

References

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