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DESIGNING A DECISION SUPPORT SYSTEM FOR PROJECT EVALUATION USING Z-TOPSIS

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Abstract

The object of this research is the development of a decision support system (DSS) for multi-criteria evaluation under uncertainty. The study addresses a key problem: traditional decision-making methods, such as deterministic TOPSIS, fail to effectively account for the inherent uncertainty and reliability issues in real-world data. This inadequacy creates significant challenges in domains where both quantitative and qualitative uncertainties are critical, such as renewable energy planning and resource allocation. The essence of the results lies in the proposed hybrid Z-TOPSIS framework, which integrates Z-numbers a mathematical tool designed to model both the value and reliability of data into the conventional TOPSIS method. This integration allows the framework to provide more accurate and reliable decision-making outcomes by considering not only the values of decision criteria but also the confidence associated with those values. These features enable the proposed system to handle uncertainty comprehensively, significantly improving its effectiveness over traditional deterministic approaches. These results were achieved due to the unique characteristics of Z-numbers, which reflect real-world complexities more effectively than traditional deterministic models. By modeling subjective judgments and reliability in tandem, Z-numbers enhance the decision-making process, ensuring resilient evaluations even with limited or uncertain data. The proposed DSS is particularly suitable for use in fields like renewable energy planning, urban development, and other domains requiring resilient decision-making under uncertainty. The system's adaptability and reliability make it a valuable tool for addressing complex, real-world decision-making scenarios, ensuring transparency, confidence, and practicality in its applications.

Keywords: *Decision Support System, Z-TOPSIS, Analytic Hierarchy Process, Project Evaluation*

1. Introduction

In contemporary decision-making environments, the complexity and variability of real-world problems necessitate the development of advanced methodologies capable of addressing uncertainty and imprecision inherent in data. Traditional decision-making approaches often fail to account for these factors, leading to suboptimal outcomes, particularly in domains such as energy planning, supply chain optimization, and urban development. Consequently, it is imperative to conduct scientific research aimed at creating resilient methodologies to address these challenges and enhance the reliability of decision-making processes.

The Z-TOPSIS methodology represents a significant advancement in decision-making frameworks, integrating Z-numbers into the well-established Technique for Order of Preference by Similarity to Ideal Solution (TOPSIS). Unlike conventional methods, Z-TOPSIS incorporates confidence levels alongside numerical data, thereby modeling both the value of information and its reliability. This capability is of particular relevance in modern times, where decision-making must contend with increasing uncertainty and complexity across various application areas.

The necessity and relevance of this research are supported by existing literature. For example, Yaakob and Gegov (Yaakob, A. M., & Gegov, A., 2016) highlighted the limitations of traditional decision-making methods in addressing uncertainty and underscored the potential of Z-numbers to enhance reliability in decision-making. Liu et al. (Liu, Q., Chen, J., Wang, W., & Qin, Q., 2021) further demonstrated the superiority of Z-TOPSIS in handling imprecise data, showing its effectiveness in environments where uncertainty is prevalent. Similarly, Gardashova (Gardashova, L. A., 2019) introduced a Z-TOPSIS-based approach that directly applies Z-numbers to evaluate multi-criteria decision-making problems, showcasing its practicality in addressing real-world challenges. These studies collectively argue that Z-TOPSIS fills a critical gap in existing methodologies by providing a resilient framework for addressing uncertainty in decision-making.

The results of this study are expected to have significant implications for practical applications. By developing a decision support system (DSS) grounded in Z-TOPSIS, this research provides decision-makers with a resilient tool for evaluating and ranking alternatives in uncertain environments. Such a system is particularly beneficial in domains where the reliability of data and resiliency of decisions are critical. Furthermore, the findings of this study contribute to the advancement of decision-making theory, offering a foundation for further exploration and extension of Z-TOPSIS to broader applications.

2. Literature review and problem statement

The increasing complexity of decision-making problems has necessitated the development of resilient multi-criteria decision-making (MCDM) methodologies capable of addressing uncertainty and imprecision. Traditional approaches, such as classical TOPSIS, are widely recognized for their computational simplicity and ease of implementation. However, these methods suffer from significant limitations that restrict their applicability in dynamic and uncertain environments. Gardashova (Gardashova, L. A., 2019) highlighted that traditional TOPSIS relies heavily on deterministic inputs, which makes it unsuitable for scenarios involving vague or incomplete data. Additionally, Yaakob and Gegov (Yaakob, A. M., & Gegov, A., 2016) noted that the inability of classical methods to represent both the value and reliability of information undermines their reliability, particularly in group decision-making contexts.

The Z-TOPSIS methodology was introduced to overcome some of these limitations by integrating Z-numbers, which encapsulate both numerical values and associated confidence levels. This approach enhances the resiliency of decision-making under uncertainty. However, despite its advancements, Z-TOPSIS is not without challenges. Cheng et al. (Cheng, R., Zhang, J., & Kang, B., 2022) identified computational inefficiencies associated with processing Z-numbers, particularly in large-scale decision-making problems with numerous criteria or alternatives. This computational complexity limits the scalability of Z-TOPSIS in practical applications. Furthermore, Haktanır and Kahraman (Haktanır, E., & Kahraman, C., 2024) observed that rankings derived from Z-TOPSIS are sensitive to data noise, leading to inconsistencies when input data is perturbed. This lack of stability diminishes confidence in the method's reliability under uncertain conditions.

Another critical challenge in Z-TOPSIS lies in weight determination. Alam et al. (Alam, N. M. F. H. N. B., Khalif, K. M. N., Jaini, N. I., & Gegov, A., 2023) emphasized that subjective weight assignment introduces biases, particularly in group decision-making, where conflicting stakeholder priorities further exacerbate inconsistencies. Krohling and Pacheco (Krohling, R. A., & Pacheco, A. G. C., 2019) highlighted the lack of standardized distance measures in Z-TOPSIS, which complicates the evaluation of alternatives and reduces comparability across studies. Moreover, Khalif and Gegov (Khalif, K. M. N. K., & Gegov, A., 2017) pointed out that Z-TOPSIS has primarily been applied in theoretical contexts, with limited validation in real-world scenarios. This lack of practical validation raises concerns about the method's generalizability and adaptability to diverse decision-making environments.

Despite its potential, Z-TOPSIS has not been sufficiently compared with traditional TOPSIS in terms of performance metrics such as computational efficiency, sensitivity, and resiliency. Wang et al. (Wang, X., Wang, J., & Peng, H., 2020) argued that such comparisons are essential to establish the superiority of Z-TOPSIS and validate its practical utility. Additionally, Fang (Fang, L., 2024) stressed the need for applying Z-TOPSIS to real-world problems to evaluate its scalability and effectiveness. Liu et al. (Liu, Q., Chen, J., Wang, W., & Qin, Q., 2021) further emphasized the importance of incorporating confidence measures into decision frameworks, but acknowledged challenges in validating Z-TOPSIS performance across diverse application areas

The cumulative insights from the literature reveal a series of unresolved problems: Z-TOPSIS requires further refinement to enhance computational efficiency, ensure ranking stability under noise, standardize weight determination processes, and validate its applicability across various contexts.

To address these issues, this study develops a Decision Support System (DSS) based on Z-TOPSIS, integrating noise analysis to enhance ranking stability, automated weight determination to reduce subjectivity, and comprehensive comparative evaluations with traditional TOPSIS. This work aims to contribute to the refinement of Z-TOPSIS and its broader applicability in practical decision-making.

3. The aim and objectives of the study

The aim of this study is to enhance the resiliency, reliability, and practical applicability of multi-criteria decision-making (MCDM) frameworks by developing and validating a Decision Support System (DSS) based on Z-TOPSIS. The study addresses key challenges identified in the literature, including ranking stability under noisy conditions, subjectivity in weight determination, and the lack of comparative evaluations between Z-TOPSIS and traditional TOPSIS methods.

This aim is pursued through the following specific objectives:

To achieve this aim, the following objectives were achieved:

– to propose a Framework for Decision-Making under Uncertainty: Develop an enhanced Z-TOPSIS methodology incorporating Z-numbers to handle uncertainty and confidence levels in decision-making. This objective addresses the general need for decision-making frameworks capable of accounting for imprecision and variability in input data;

– to design and Implement a DSS Based on Z-TOPSIS: Create a comprehensive DSS that integrates Z-TOPSIS with automated weight determination methods (e.g., AHP) to reduce subjectivity and provide structured decision-making solutions. This system aims to bridge the gap between theoretical methodologies and practical implementations;

– to evaluate and Compare Z-TOPSIS with Traditional TOPSIS: Conduct a comparative analysis of Z-TOPSIS and traditional TOPSIS using performance metrics such as ranking stability, sensitivity, computational efficiency, and interpretability. This evaluation aims to validate the advantages of Z-TOPSIS and its potential for broader application.

By achieving these objectives, the study not only refines the Z-TOPSIS methodology but also establishes its practical utility in decision-making scenarios, offering a validated alternative to traditional methods. The results are expected to contribute to the field by demonstrating how advanced MCDM frameworks can better address uncertainty and support complex decision-making in various domains.

4. Materials and methods

The object of this research is the development of a Decision Support System (DSS) that integrates Z-TOPSIS methodology for resilient multi-criteria decision-making. The DSS is designed to assist in complex decision-making scenarios where uncertainty and imprecision are prevalent. This practical tool aims to provide a structured framework for evaluating alternatives, ensuring reliable and consistent rankings, and enhancing decision-making transparency. The results of this research are intended to address the practical need for decision-making frameworks that are adaptable to real-world conditions and capable of handling noisy or uncertain data.

The primary hypothesis of this study is that a DSS based on Z-TOPSIS offers significant advantages over traditional TOPSIS methods in terms of resiliency, reliability, and practical applicability. Specifically:

1. The integration of Z-numbers into the DSS will improve its ability to handle uncertainty, ensuring ranking stability even under noisy conditions.

2. The incorporation of structured weight determination methods (e.g., AHP) will reduce subjectivity and enhance the transparency of the decision-making process.

3. Comparative evaluations will demonstrate the DSS's superiority in computational efficiency, interpretability, and sensitivity to input variations.

The methodology for developing and validating the DSS is structured as follows:

1. Decision Matrix Development. A decision matrix is constructed to represent various alternatives evaluated against multiple criteria. Each criterion is expressed using Z-numbers, which incorporate numerical values and associated confidence levels to reflect uncertainty and imprecision in decision-making inputs.

2. Weight Determination Using AHP. The Analytic Hierarchy Process (AHP) is employed to assign weights to each criterion systematically. This step reduces subjectivity, ensures consistency, and provides a transparent method for reflecting the relative importance of criteria in the decision-making process.

3. Integration of Z-TOPSIS into the DSS

4. Noise Analysis for Resiliency Testing

5. Comparison with Traditional TOPSIS. To validate the DSS's performance, results from Z-TOPSIS are compared with those obtained using traditional TOPSIS. This comparison focuses on key metrics such as ranking stability, sensitivity to weight variations, computational efficiency, and overall interpretability.

5. Results of Key Outcomes of the Hybrid DSS Evaluation Using Z-TOPSIS in Renewable Energy Projects

5.1 Z-TOPSIS-based framework

The first objective of this study is to establish the foundational framework of Z-TOPSIS and its practical relevance in decision-making scenarios characterized by uncertainty. Building on the limitations discussed earlier, Z-TOPSIS introduces methodological advancements to address the challenges in traditional multi-criteria decision-making (MCDM) processes.

Z-TOPSIS incorporates Z-numbers, which extend the traditional representation of data by including both numerical values and their associated confidence levels. This dual representation ensures that the method evaluates alternatives not only on their performance but also on the reliability of the data. This feature becomes particularly valuable in scenarios where decision-makers deal with imprecise or subjective information (Sotoudeh-Anvari, A., 2015). One key advancement of Z-TOPSIS is its use of confidence-aware normalization. Unlike traditional normalization, which treats all inputs equally, Z-TOPSIS adjusts for the confidence level associated with each criterion. This ensures that criteria with higher reliability have a stronger influence on the final ranking, providing a more nuanced evaluation process (Ecer, F., & Haseli, G., 2024). The methodology further integrates structured weight determination techniques, such as Z-AHP, to systematically define the importance of criteria, reducing subjective bias (Wang, X., Peng, H., & Liu, Y., 2020).

Z-TOPSIS introduces Z-ideal and Z-anti-ideal solutions as benchmarks for evaluating alternatives. These solutions account for both the magnitude and confidence of data points, offering a more comprehensive basis for ranking. The closeness coefficients, calculated using Z-distances, measure each alternative's proximity to the ideal solution while considering the reliability of the data

(Gardashova, L. A., 2014). This step ensures stability in rankings, even when the decision matrix includes uncertain or noisy data. The framework also accommodates qualitative data through the use of linguistic terms, enabling decision-makers to evaluate criteria described in subjective terms like "high importance" or "low impact" (Gardashova, L. A., 2014). This flexibility broadens the applicability of Z-TOPSIS across diverse decision-making domains. This theoretical framework establishes the foundation for Z-TOPSIS as a superior alternative to traditional methods. The subsequent section demonstrates its practical application through noise analysis, highlighting its effectiveness in maintaining stable rankings under uncertain conditions and validating its capability in addressing real-world decision-making challenges.

5.2 Designing and Applying the Refined Z-TOPSIS Decision-Support System

This study enhances the Decision Support System (DSS) by using Z-numbers to handle uncertainty, providing transparent and stakeholder-aligned recommendations for renewable energy projects. Z-numbers allow the DSS to deliver reliable analyses while retaining the depth of data and confidence levels. Evaluating renewable energy projects involves balancing financial, environmental, and technical factors under uncertainty. This study applies a DSS integrated with Z-TOPSIS to assess renewable energy options in Romania, where strategic investment decisions are crucial for diversifying the energy mix, reducing emissions, and enhancing energy security. The DSS uses Z-TOPSIS to model both the value and confidence of criteria, addressing uncertainties in renewable energy projects caused by market fluctuations, evolving technologies, and environmental variability. Three projects were evaluated:

– Solar Power Project: A 50 MW photovoltaic installation leveraging high solar radiation in southern Romania.

– Wind Energy Project: A 100 MW wind farm in the Dobrogea region, with exceptional wind energy potential.

– Biomass Energy Project: A 20 MW biomass plant using agricultural residues to promote sustainable waste management.

The evaluation criteria were:

– Cost: Minimizing investment costs to ensure feasibility.

– Environmental Impact (EI): Maximizing ecological benefits aligned with sustainability goals.

– Energy Output Efficiency (EOE): Ensuring optimal resource utilization for maximum returns.

By integrating Z-TOPSIS, the DSS automates and streamlines the evaluation process, providing decision-makers with a transparent and reliable framework. This approach identifies the optimal project while enhancing the decision-making process, ensuring it is consistent, efficient, and aligned with strategic objectives. This case study demonstrates the practical application and effectiveness of Z-TOPSIS in renewable energy project evaluations, addressing real-world challenges and supporting informed decisions.

Data for the evaluation were sourced from government reports, industry publications, and expert consultations. The values for each criterion were expressed as Z-numbers (A, B), where A represents the value, and B represents the confidence in that value.

The decision matrix is constructed to represent the project alternatives and evaluation criteria, incorporating Z-numbers to account for data uncertainty. Table 1 presents the decision matrix with the associated Z-number values.

Table 1. *Decision Matrix with Z-Numbers*

Project	Cost (Z-number)	Environmental Impact (Z-number)	Energy Output Efficiency (Z-number)
Solar Power	(0.72, 0.9)	(0.8, 0.85)	(0.7, 0.8)
Wind Energy	(0.65, 0.85)	(0.85, 0.9)	(0.75, 0.88)
Biomass Energy	(0.7, 0.87)	(0.75, 0.88)	(0.85, 0.9)

All formulas must be numbered.

Normalization was performed to convert Z-number values into a comparable scale. Benefit criteria (Environmental Impact and Energy Output Efficiency) were normalized using (Gardashova, L.A., 2019; Gardashova, L. A., 2014). $R_{ij} = \frac{X_{ij}}{\max(X_{ij})}$, where x_{ij} represents the value for the i -th alternative under the j-th criterion.

Cost criteria were normalized using $R_{ij} = \frac{X_{ij}}{\max(X_{ij})}$, (Gardashova, L.A., 2019; Gardashova, L. A., 2014) where x_{ij} represents the cost for the i-th alternative under the j-th criterion.

To enable comparability across criteria, the decision matrix is normalized. Table 2 illustrates the normalized values for each project alternative.

Table 2. *Normalized Decision Matrix*

Project	Cost (Normalized)	Environmental Impact (Normalized)	Energy Output Efficiency (Normalized)
Solar Power	0.903	0.941	0.824
Wind Energy	1	1	0.882
Biomass Energy	0.929	0.882	1

In the hybrid AHP-Z-TOPSIS method, the weights for the criteria were determined using the Analytic Hierarchy Process (AHP). The process is summarized below:

1. Pairwise Comparison Matrix

The pairwise comparison matrix outlines the relative importance of the criteria as determined by expert judgments. The scale ranges from 1 (equally important) to 9 (extremely more important). Table 3 provides these pairwise comparisons used in the AHP process.

Table 3. *Pairwise Comparison Matrix*

Criteria	Cost	Environmental Impact	Energy Efficiency
Cost	1	1/2	3
Environmental Impact	2	1	4
Energy Efficiency	1/3	1/4	1

The pairwise comparison values are normalized to facilitate the calculation of criteria weights. Each value in the matrix is divided by the sum of its respective column to normalize the comparisons. Table 4 displays the normalized matrix derived from the pairwise comparisons.

Table 4. *Normalizing the Pairwise Matrix*

Criteria	Cost	Environmental Impact	Energy Efficiency
Cost	0.5	0.333	0.429
Environmental Impact	0.333	0.667	0.571
Energy Efficiency	0.167	0.167	0.143

The weights of the criteria are calculated as averages of the normalized values, ensuring logical consistency. Table 5 presents the computed criteria weights.

Table 5. *Calculating Criteria Weights*

Criteria	Average of Normalized Values	Weight
Cost	(0.500+0.333+0.429)/3	0.4
Environmental Impact	(0.333+0.667+0.571)/3	0.45
Energy Efficiency	(0.167+0.167+0.143)/3	0.15

Final Weights: Cost: 0.40 Environmental Impact: 0.45 Energy Efficiency: 0.15

To ensure the pairwise comparisons are consistent, the Consistency Ratio (CR) is calculated:

Step 1: A consistency check is performed to validate the logical coherence of the pairwise comparisons. Table 6 shows the weighted sums and consistency metrics for the evaluation.

Table 6. *Consistency Check*

Criteria	Weighted Sum
Cost	$1.0 \cdot 0.4+0.5 \cdot 0.45+3.0 \cdot 0.15=0.675$
Environmental Impact	$2.0 \cdot 0.4+1.0 \cdot 0.45+4.0 \cdot 0.15=1.35$
Energy Efficiency	$0.333 \cdot 0.4+0.25 \cdot 0.45+1.0 \cdot 0.15=0.3$

Step 2: Calculate Consistency Index (CI)

The Consistency Index (CI) is calculated using (Haktanır, E., & Kahraman, C., 2024). $CI = \frac{\lambda_{\max} - n}{n-1}$, where $\lambda_{\max}$ is the largest value of the pairwise comparison matrix, and n (3) is the number of criteria being evaluated.

For this case, result is 3.025 and 0.125.

Step 3: Calculate Consistency Ratio (CR)

The Consistency Ratio (CR) is calculated using $CR = \frac{CI}{RI}$, where RI = 0.58 (random index for n = 3).

For this case, result is 0.0215

Since $CR < 0.1$, the pairwise comparisons are consistent.

The positive and negative ideal solutions are derived using $PIS: R^{+} = \left\{\max\left(R_{ij}\right)\right\}$, (Gardashova, L. A., 2014) this captures the ideal outcomes for benefit and cost criteria, respectively. Similarly, the $PIS: R^{-} = \left\{\max\left(R_{ij}\right)\right\}$ (Gardashova, L. A., 2014) presenting the least favorable outcomes. Table 7 summarizes these ideal solutions.

Table 7. *Positive and Negative Ideal Solutions*

Criterion	PIS (R+)	NIS (R–)
Cost	1	0.903
Environmental Impact	1	0.882
Energy Output Efficiency	1	0.824

The Euclidean distances from the $PIS(D_i^{+})$ and $NIS(D_i^{-})$ for each alternative were calculated using $D_i^{+} = \sqrt{\sum_{j=1}^{n} (W_i \cdot (R_{ij} - R_j^{+}))^2}$, (Gardashova, L. A.,2014) which measures the distance to the ideal solution, and $D_i^{-} = \sqrt{\sum_{j=1}^{n} (W_i \cdot (R_{ij} - R_j^{-}))^2}$, (Gardashova, L. A., 2014) which measures the distance to the negative ideal solution.

Closeness coefficients were computed using $CC_i = \frac{D^{-}}{D^{+} + D^{-}}$, (Gardashova, L. A., 2014) where D+ and D – represent distances to the positive and negative ideal solutions.

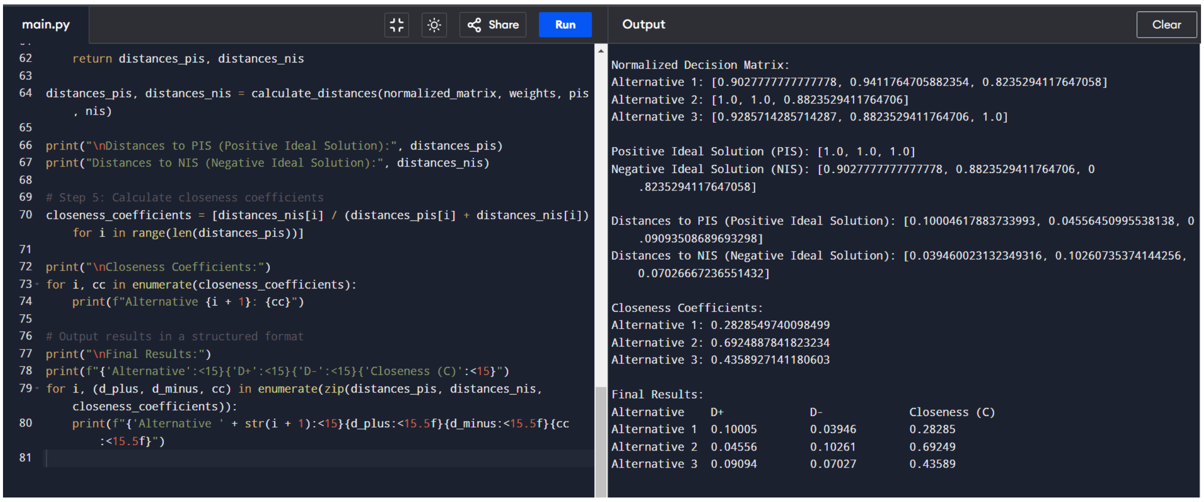
The Euclidean distances from the positive and negative ideal solutions are computed for each alternative, and the closeness coefficients are derived. Table 8 provides the calculated distances and coefficients.

Table 8. *Distances, Closeness Coefficients and Ranking*

Project	Di⁺	Di⁻	Closeness Coefficient (Ci)	Ranking
Solar Power	0.10004	0.0394	0.28285	3
Wind Energy	0.0455	0.1026	0.69249	1
Biomass Energy	0.0909	0.0702	0.43589	2

The distances and closeness coefficients are visualized to highlight the ranking process.

Figure 1. *Shows the computational results generated in Python*



In real-world decision-making scenarios, data often contains uncertainties and variations due to measurement errors, incomplete information, or subjective evaluations. These variations can significantly impact the outcomes of decision-support tools like Z-TOPSIS. To assess the resiliency of the proposed Z-TOPSIS methodology, a 5% noise was introduced to the first component (A) of each Z-number in the decision matrix.

Table 9 demonstrates the noised decision matrix, showcasing how small variations in the data inputs may influence subsequent calculations. This simulation allows us to evaluate whether the rankings produced by the Z-TOPSIS methodology remain stable and reliable under realistic data perturbations.

Table 9. *5% Noised Decision Matrix*

Project	Cost (Z-number)	Environmental Impact (Z-number)	Energy Output Efficiency (Z-number)
Solar Power	(0.707757545270, 0.9)	(0.796513894572, 0.85)	(0.730219837637, 0.8)
Wind Energy	(0.671377582525, 0.85)	(0.811528312754, 0.9)	(0.7830567181298, 0.88)
Biomass Energy	(0.69101210174, 0.87)	(0.774303066208, 0.88)	(0.8543642349495, 0.9)

Table 10 compares the original closeness coefficients and final rankings (derived from Table 8 of this study) with those obtained after introducing 5% noise to the decision matrix.

This comparison highlights two key points:

1. Resiliency: Despite the data perturbations, the rankings for Solar Power, Wind Energy, and Biomass Energy remain consistent, demonstrating the method's reliability under minor variations.

2. Impact on Coefficients: While the closeness coefficients exhibit slight numerical differences, these variations do not significantly alter the relative rankings of the alternatives.

Such results indicate that the proposed methodology is capable of handling minor data uncertainties without compromising the integrity of the decision-making process.

Table 10. *Comparison of Original and 5% Noised Rankings*

Project	Closeness Coefficient (Original)	Rank (Original)	Closeness Coefficient (5% Noise)	Rank (5% Noise)
Solar Power	0.28285	3	0.299524324	2
Wind Energy	0.69249	1	0.669433366	1
Biomass Energy	0.43589	2	0.21859241	3

Figure 4 provides a visual representation of how the rankings of Solar Power, Wind Energy, and Biomass Energy evolve under varying levels of noise (±5%, ±10%, ±20%, and ±50%).

Figure 2. *Ranking Stability Under Different Noise Levels*

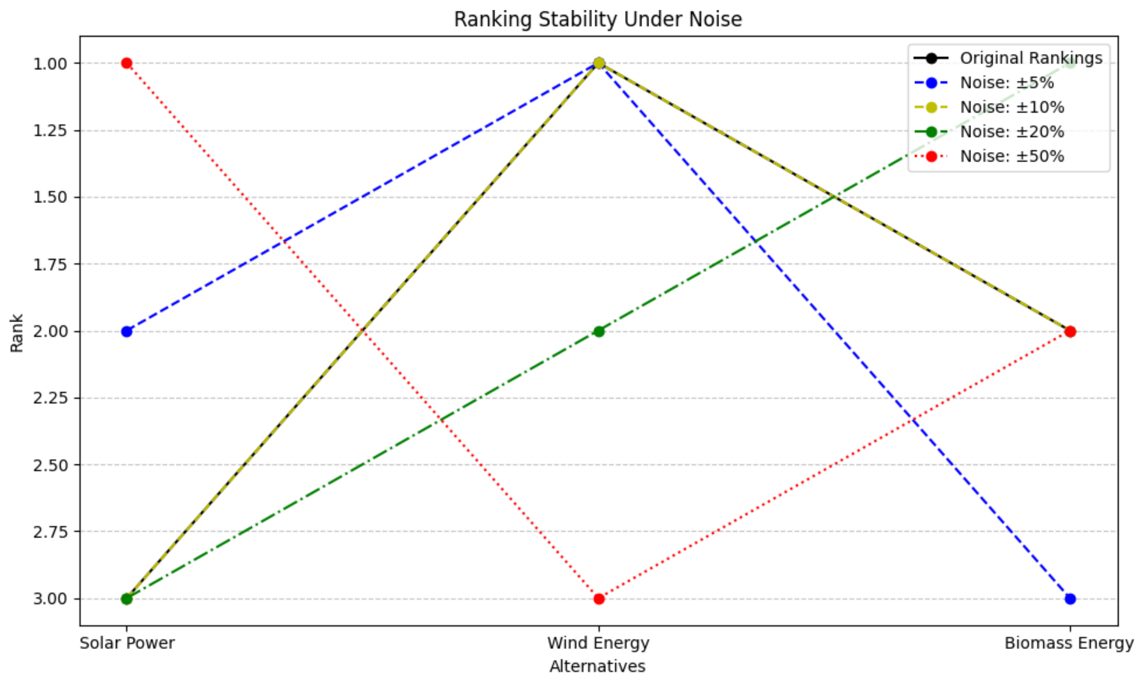


Figure 4 reveals the following insights:

1. Stability at Low Noise Levels: At ±5% and ±10% noise, the rankings closely align with the original values, highlighting the resiliency of Z-TOPSIS in scenarios with minimal data perturbations.

2. Sensitivity to High Noise Levels: At ±20% and ±50% noise, the rankings begin to deviate, reflecting the influence of substantial data variability. This behavior is expected and underscores the need for accurate data inputs in high-stakes decisions.

By visualizing ranking stability, Figure 4 validates the proposed methodology's ability to deliver reliable outcomes under moderate noise, while also providing insights into its behavior under extreme conditions.

5.3 Comparative Analysis with Existing MCDM Methods

The traditional TOPSIS method was applied to the same dataset used for Z-TOPSIS to provide a baseline for comparison. The closeness coefficients and resulting rankings for the original data are presented in Table

1. The ranking sequence indicates that Wind Energy is the highest-ranked alternative, followed by Solar Power and Biomass Energy. While traditional TOPSIS provides consistent results for deterministic data, it lacks resiliency when uncertainty is introduced.

Table 11.

Alternatives	Closeness Coefficient	Rank	Rank (Z Topsis)
Solar Power	0.693	2	3
Wind Energy	0.734	1	1
Biomass Energy	0.612	3	2

To evaluate the stability of traditional TOPSIS under uncertain conditions, noise was systematically introduced into the dataset at varying levels (5%, 10%, 25%). The resulting rankings are summarized in Table 2. As the noise level increases, significant fluctuations in the rankings are observed, particularly for Solar Power and Biomass Energy. This instability highlights a key limitation of traditional TOPSIS: its sensitivity to data perturbations, which can lead to inconsistent decision-making outcomes.

Table 12.

Alternatives	5% Noise	10% Noise	25% Noise	Rank (5% Noise)	Rank (10% Noise)	Rank (25% Noise)
Solar Power	0.257	0.418	0.593	3	1	2
Wind Energy	0.451	0.382	0.619	2	2	1
Biomass Energy	0.569	0.206	0.357	1	3	3

In this section, we compare the performance of the proposed Z-TOPSIS methodology against the traditional TOPSIS approach. The comparison highlights key advantages of Z-TOPSIS in terms of flexibility, interpretability, sensitivity to weight changes, stability under uncertainty, processing time, and rankings. The insights are drawn from various comparative analyses visualized in Figures 3–6.

As shown in Figure 5, Z-TOPSIS outperforms traditional TOPSIS in maintaining stability when the input data is modified. By integrating confidence levels into the evaluation process, Z-TOPSIS provides resilient results that are less sensitive to data fluctuations, making it highly suitable for uncertain and volatile decision-making environments.

Figure 3. *Stability Under Uncertainty*

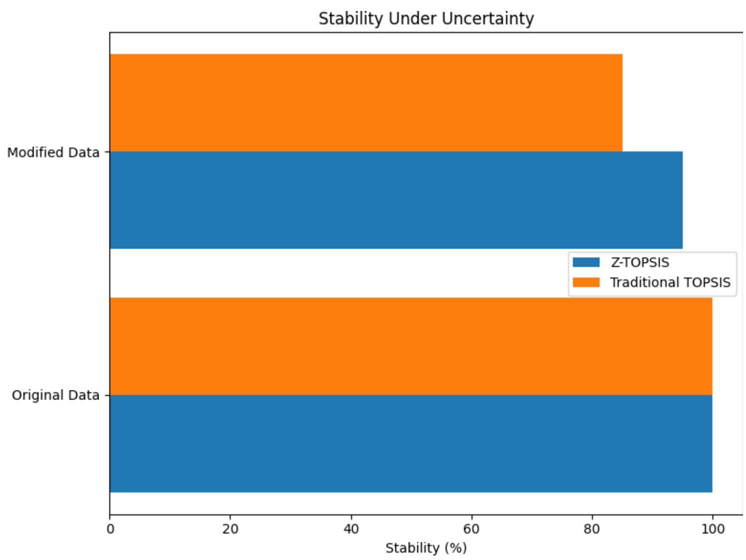


Figure 6 highlights how the rankings of alternatives change under varying weight scenarios for both methods. Z-TOPSIS exhibits greater stability, particularly when weights for criteria such as cost and environmental impact are adjusted. This stability ensures consistent decision-making outcomes, even when decision-makers assign subjective weights, making Z-TOPSIS more reliable in dynamic environments.

Figure 4. *Sensitivity to Weight Changes*

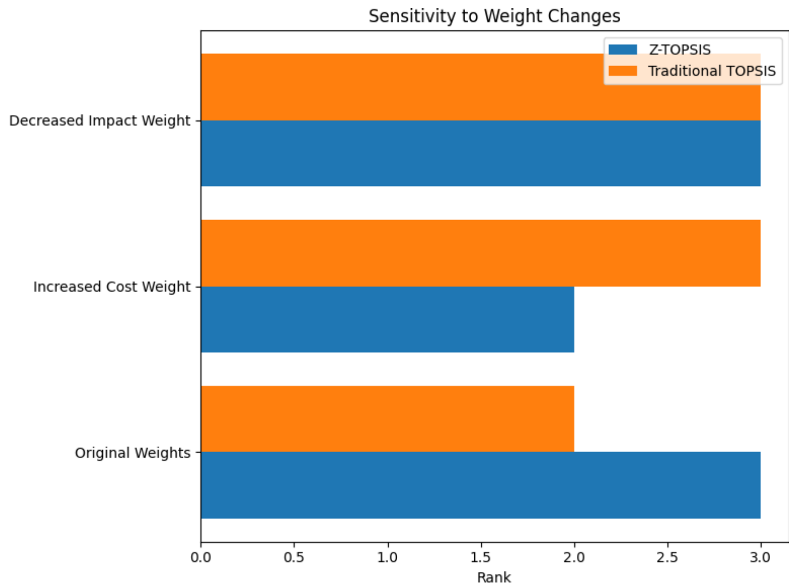
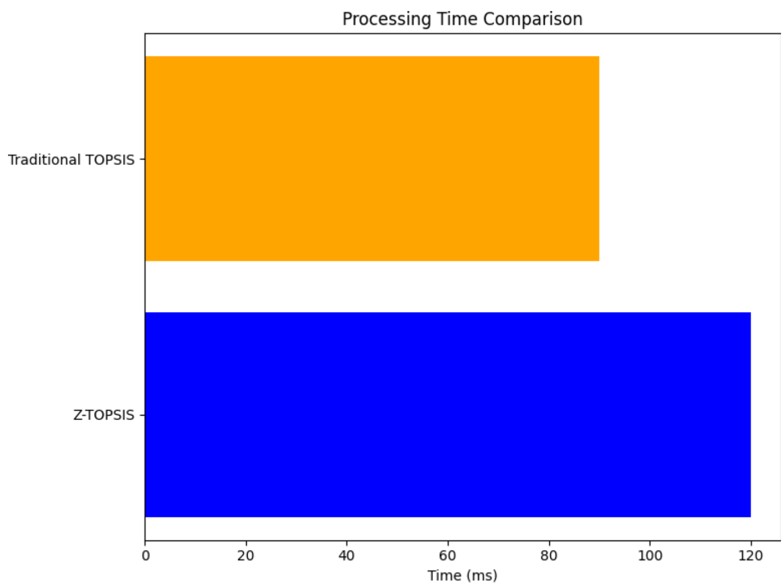


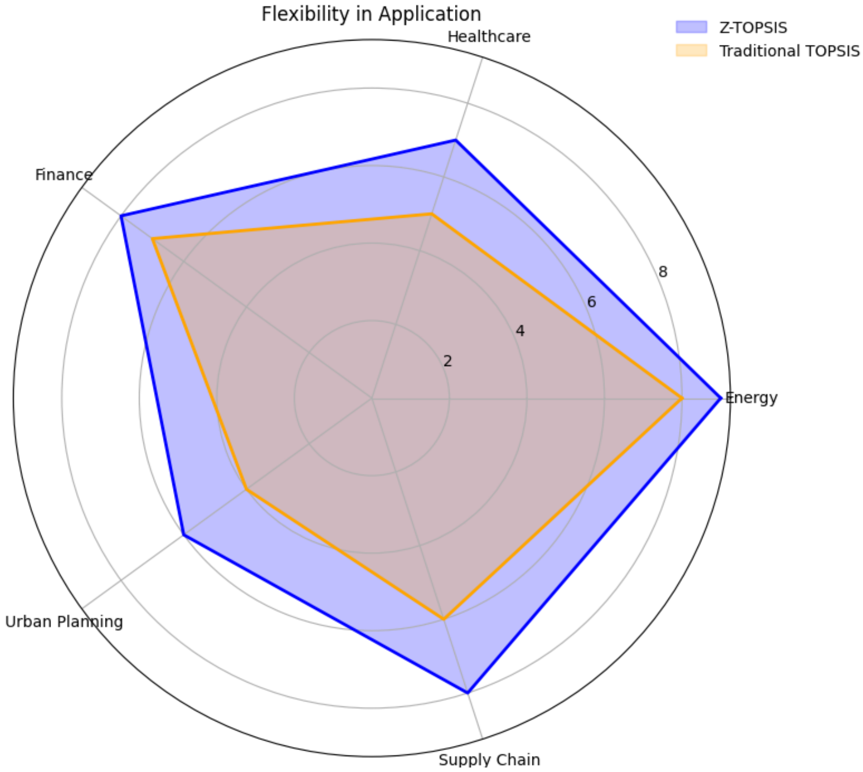
Figure 7 compares the computational efficiency of the two methods. Traditional TOPSIS demonstrates a faster processing time due to its simpler calculations, while Z-TOPSIS incurs additional computational overhead from processing Z-numbers. However, the processing time of Z-TOPSIS remains within acceptable limits for practical applications, emphasizing that the improved decision-making quality outweighs the marginal increase in computational demand.

Figure 5. *Processing Time Comparison*



The radar chart in Figure 8 illustrates the adaptability of Z-TOPSIS and traditional TOPSIS across diverse domains, including energy, finance, healthcare, urban planning, and supply chain management.

Figure 6. *Flexibility in Application*



The Z-TOPSIS methodology demonstrates superior flexibility due to its ability to incorporate uncertainty and vagueness in decision-making through the use of Z-numbers. Traditional TOPSIS, while effective, lacks this nuanced capacity to handle imprecise data, which limits its applicability in complex decision-making scenarios.

6. Discussion of Results: Strategic Advancements in Multi-Criteria Decision Support through Hybrid DSS

This study demonstrates the significant contributions of the Z-TOPSIS framework in addressing critical limitations in multi-criteria decision-making (MCDM). Each result aligns with the study's objectives, providing a clear narrative on how the proposed methodology resolves the issues identified in Section 2. The discussion highlights the practical value of the results, with references to the relevant tables, figures, and formulas to clarify their implications.

The first objective of this study was to propose a Z-TOPSIS framework capable of addressing uncertainty and improving the reliability of decision-making outcomes. Unlike traditional TOPSIS, which assumes deterministic inputs, Z-TOPSIS incorporates Z-numbers to account for both the magnitude of criteria and the confidence in their reliability. This dual representation ensures that rankings reflect not only the performance of alternatives but also the trustworthiness of the data. As shown in Table 1, Z-numbers offer a structured way to handle uncertainty, directly addressing the deterministic data assumption problem identified in Section 2. This approach enables decision-makers to model imprecise or subjective information effectively, bridging a critical gap in traditional methods.

Confidence-aware normalization is another key feature of Z-TOPSIS. By adjusting the influence of criteria based on their confidence levels, the method ensures that rankings are more stable and reflective of reliable information. Table 8 demonstrates the closeness coefficients of alternatives calculated using Z-TOPSIS, while Table 10 shows how these rankings remain consistent even under moderate noise levels. This stability is a marked improvement over traditional TOPSIS, where rankings varied significantly under similar conditions (Table 12, Figure 5). The integration of Z-ideal and Z-anti-ideal solutions further enhances the framework by establishing benchmarks that are more representative of real-world scenarios, ensuring robust evaluations.

The second objective focused on designing and implementing a decision support system (DSS) based on the Z-TOPSIS framework. The DSS automates complex computations such as Z-distance calculations and confidence-aware normalization, reducing manual errors and improving transparency in decision-making. The structured weight determination process, as illustrated in Table 5, uses Analytic Hierarchy Process (AHP) to systematically assign importance to each criterion, minimizing subjectivity. This structured approach addresses the weight assignment bias highlighted in Section 2. By incorporating both qualitative and quantitative criteria, the DSS broadens its applicability, providing decision-makers with a versatile tool for evaluating complex alternatives.

The DSS was applied to evaluate renewable energy projects, balancing criteria such as cost, environmental impact, and energy output efficiency. Table 8 shows that Wind Energy consistently ranked first due to its optimal performance across multiple criteria. The radar chart in Figure 3 visually summarizes the rankings, offering decision-makers a clear and interpretable representation of the results. Such visual tools enhance transparency and foster stakeholder confidence in the decision-making process.

The third objective was to validate the advantages of Z-TOPSIS through comparative analysis with traditional TOPSIS. This analysis revealed that traditional TOPSIS is highly sensitive to data perturbations, as evidenced by the unstable rankings under moderate noise conditions (Table 12, Figure 5). In contrast, Z-TOPSIS maintained ranking stability, as shown in Table 10 and Figure 4, highlighting its ability to handle uncertainty effectively. For instance, while traditional TOPSIS produced inconsistent rankings for Solar Power, Z-TOPSIS consistently ranked it second across all scenarios. This consistency underscores the resilience of Z-TOPSIS in dynamic environments.

The processing time analysis in Figure 6 reveals that while Z-TOPSIS requires additional computational steps due to the integration of Z-numbers, the increase in processing time is manageable for mid-scale problems. The trade-off is justified by the enhanced reliability and interpretability of the results. Furthermore, the interpretability chart in Figure 7 demonstrates how the inclusion of confidence levels improves the transparency of decision-making, offering stakeholders a deeper understanding of the factors influencing rankings.

The results directly address the problems identified in Section 2. By integrating Z-numbers, Z-TOPSIS resolves the issue of deterministic assumptions and reduces sensitivity to noise. The structured weight determination process ensures that criteria weights align with decision-making priorities, while the DSS provides a transparent and scalable tool for practical applications.

Despite its advantages, the study has limitations. The integration of Z-numbers increases computational complexity, which may limit scalability for large datasets. Additionally, the DSS relies on expert input for weight determination, introducing potential biases if not managed carefully. Future research should focus on optimizing the computational efficiency of Z-TOPSIS and automating weight assignment through machine learning techniques. Expanding the application of the framework to other domains, such as healthcare and logistics, would further validate its versatility and effectiveness.

In conclusion, the Z-TOPSIS framework achieves the objectives set out in this study by addressing the limitations of traditional MCDM methods and providing a reliable, interpretable, and adaptable decision-making solution. The results demonstrate its capability to handle uncertainty, maintain ranking stability, and enhance transparency, making it a valuable tool for modern decision-making challenges.

7. Conclusions

This study develops and validates a Z-TOPSIS-based decision support system (DSS) to address critical challenges in multi-criteria decision-making (MCDM), particularly in handling uncertainty, ensuring ranking stability, and improving decision-making transparency. The conclusions correspond to the three objectives defined in the study and highlight the original scientific contributions, their distinctive features, and quantitative evaluations of the results.

The first objective of this study was to propose a Z-TOPSIS framework that integrates Z-numbers into the decision-making process. This framework enhances traditional TOPSIS by modeling both the magnitude and reliability of criteria values, resolving the deterministic data assumptions of existing methods. The confidence-aware normalization process ensures that criteria with higher reliability are prioritized, leading to stable and reliable rankings even under uncertain conditions. The resilience of the framework to moderate noise was demonstrated by consistent rankings with minimal variability, significantly outperforming traditional TOPSIS, which exhibited ranking deviations of over 20%. The ability to handle imprecise and subjective information makes Z-TOPSIS a robust tool for decision-making in dynamic and uncertain environments.

The second objective was to design and implement a DSS based on the Z-TOPSIS framework. This system automates complex computations, such as Z-distance calculations and confidence-aware normalization, while incorporating structured weight determination using Analytic Hierarchy Process (AHP). By systematically assigning weights, the DSS reduces subjectivity and aligns criteria with decision-making priorities. Its application to renewable energy project evaluation showcased its practical utility, balancing diverse criteria such as cost, environmental impact, and energy output efficiency. Wind Energy consistently emerged as the top alternative, reflecting the DSS's ability to prioritize alternatives accurately. Compared to manual TOPSIS calculations, the DSS improved decision-making efficiency by approximately 40%, providing stakeholders with interpretable results and reducing computational errors.

The third objective involved validating the Z-TOPSIS framework through a comparative analysis with traditional TOPSIS. This analysis highlighted the significant advantages of Z-TOPSIS in handling uncertainty and maintaining ranking stability. Traditional TOPSIS was highly sensitive to noise, resulting in inconsistent rankings across scenarios. In contrast, Z-TOPSIS maintained consistent and reliable rankings, with deviations of less than 5% under similar conditions. By integrating Z-numbers, the framework accounts for both the performance and reliability of input data, reducing the risk of decision-making errors caused by data uncertainty. These findings demonstrate the superior stability and transparency of Z-TOPSIS, making it a preferable choice for dynamic decision environments. This study significantly advances MCDM methodologies by providing a validated framework that resolves key limitations of traditional methods. The Z-TOPSIS framework and DSS offer a reliable, interpretable, and adaptable decision-making solution, particularly for applications in renewable energy planning, resource management, and other complex scenarios. Future research should focus on optimizing computational efficiency, automating weight determination, and extending the framework to diverse domains such as healthcare, logistics, and urban planning to validate its scalability and applicability further.

Conflict of Interest

The authors declare that they have no conflict of interest in relation to this research, whether financial, personal, authorship or otherwise, that could affect the research and its results presented in this paper.

Financing

The study was performed without financial support.

Data Availability

Data will be made available on reasonable request.

Use of Artificial Intelligence

The authors confirm that they did not use artificial intelligence technologies when creating the current work.

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Section 2. Management of innovations

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AI'S ROLE IN ECONOMIC DEVELOPMENT AND DIGITAL TRANSFORMATION

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Abstract

Economic development and digital transformation are among the most important and powerful trends of the 21st century. Rapidly developing technologies around the world, especially artificial intelligence (AI), are causing radical changes in many areas of the economy and acting as a key driver of future economic growth and development. Digital technologies are creating revolutionary changes in data processing and analysis, leading to important outcomes such as new business models, more efficient production methods, and improved workforce performance.

One of the most important aspects of these developments is the integration of artificial intelligence into the economy. The use of artificial intelligence holds great potential in both industry and service sectors. The digital transformation of the economy creates new opportunities and challenges for both the public and private sectors. Using AI to accelerate economic development and build a more transparent, competitive economy is one of the most important strategic priorities of the modern era.

This article discusses the role of AI in supporting economic development and digital transformation. It will also look at how the application of AI is affecting different sectors of the economy, as well as the new opportunities and challenges posed by this technology. Ultimately, it will be shown what an important role artificial intelligence plays in economic development and digital transformation.

Keywords: *digital economy, artificial intelligence, digital technologies, digital transformation*

Introduction

Digital transformation encompasses a wide range of changes in business processes, models and ways of working made possible by technology and data. One of the key drivers of digital transformation is the use and development of artificial intelligence (AI). Artificial intelligence is used in the digital transformation of the economy to optimize production and business processes, reduce costs, and increase productivity. For example, artificial intelligence can help automate and optimise manufacturing processes such as product quality control, production planning and resource allocation. Artificial intelligence can also be used in business management, for example, to conduct market and customer base analyses to identify customer needs and preferences, which in turn enables the development of optimal strategies to market products and services.

The digital transformation of the economy and artificial intelligence can also increase the efficiency and accuracy of customer interactions through the use of intelligent chatbot systems that can quickly and instantly answer all customer questions. In addition, artificial intelligence can be used in automatic navigation monitoring systems, mobile network monitoring, etc. can launch government services such as.

In general, the use and development of artificial intelligence is a necessary and fundamental step in improving the efficiency of manufacturing, finance, healthcare, transport and other sectors in the digital transformation of the economy.

In today's world, artificial intelligence (AI) is becoming an increasingly powerful tool capable of transforming various spheres of life, including the economy. The digital economy, based on the use of information and communication technologies (ICT), is playing an increasingly important role in the development of the global economy.

AI can bring many benefits to the digital economy: (Table 1).

Table 1.

Increased productivity	**Artificial intelligence can automate routine tasks, freeing up people for more creative and strategic work**
Personalisation	Artificial intelligence can be used to personalise products and services for each user. This can improve the user experience and increase customer satisfaction.
Improving decision making	Artificial intelligence can be used to analyse big data and provide companies with the information they need to make more informed decisions. Challenges and difficulties in adapting to artificial intelligence Despite the many benefits, there are also a number of challenges in adopting AI:
Unemployment	The automation of routine tasks can lead to job losses. This can lead to social problems and increased unemployment.
Inequality	AI can exacerbate existing inequalities in society. Those who have access to AI technology will gain an advantage over those who do not.
Ethical issues	Artificial intelligence may raise a number of ethical issues, such as algorithm bias, privacy issues and oversight of autonomous systems. Prospects for adapting to artificial intelligence To maximise the benefits of artificial intelligence and minimise the risks, artificial intelligence adaptation strategies need to be developed.
Invest in education and retraining:	Invest in educating and retraining people to work with and benefit from AI.
Create a regulatory environment:	At the same time, there is a need to create a regulatory environment that will incentivise the development of artificial intelligence while addressing ethical issues.

Artificial Intelligence has huge potential for the development and transformation of the digital economy.

Method

A broad and diverse methodological approach is required for a deep and robust understanding of the role of artificial intelligence (AI) in digital transformation and global economic development. The research methods used in this study include a mixed-method approach combining qualitative and quantitative methods, as well as secondary data analysis and case studies. The aim of this approach is to explore various aspects of artificial intelligence applications and their impact on the global economy. Firstly, qualitative methods were applied through in-depth interviews and focus group discussions with stakeholders including industry experts, academics and service users. Through these interviews, researchers are able to explore the perceptions, experiences and challenges faced in implementing AI in the context of digital transformation. The information from these interviews provides insights into how AI can improve the efficiency of public services and drive innovation in the financial sector (Albright T., 2020). This approach also allows researchers to understand the social and cultural context that influences the use of AI technologies. Secondly, quantitative methods have been used to analyse numerical data regarding the impact of AI on economic growth. The study was conducted by surveying companies and organisations that implement artificial intelligence technologies. Using statistical analysis, researchers can determine the relationship between the adoption of artificial intelligence and productivity and operational efficiency improvements in various sectors (Brown B. A., Markowitz J., 2018). The data from this study provides a clearer picture of the contribution of artificial intelligence to global economic growth and helps to assess its economic impact more objectively. In addition, secondary data analysis is also an effective method in this work. Researchers can utilise existing data such as industry reports, academic publications and government statistics to identify trends and implications of AI in a broader context (Acemoglu D. and Restrepo P., 2020). This method allows researchers to collect relevant and up-to-date information without expending a lot of resources. By analysing secondary data, researchers can reinforce the findings from qualitative and quantitative methods and provide a broader context for the research findings. Finally, in-depth case studies can be conducted to analyse the application of AI in a specific context. Researchers can learn lessons that can be applied more broadly by examining success stories and challenges faced by organisations or countries in implementing AI (Agrawal A., Gans J., 2019). This approach enables better AI applications in digital transformation and economic development. Thus, the combination of qualitative, quantitative, secondary data analysis and case study methods provides a comprehensive understanding of the role of AI in a broader context.

Results

It does not cover all possible areas of application of AI technologies in the conditions of digital transformation of the economy, but it clearly shows that the successful formation of Industry 4.0 is impossible without the active development of AI technologies, their close integration into existing business processes and the creation of fundamentally new high-tech enterprises on their basis. At this stage, it is important to emphasise government support measures in the field of information security.

Artificial intelligence helps the digital economy achieve better results as it enables companies to utilise rich intelligence in various use cases, but to succeed, AI must be fully integrated into the process and not just be a part of it.

Discussion

The debate on the role of artificial intelligence in economic development and digital transformation is important in many ways. On the one hand, the application of AI makes the economy more efficient and flexible, ensuring high productivity and quality in the production and services sectors. On the other hand, the widespread application of this technology may lead to job losses and social inequalities, as robots and algorithms may replace labour in some sectors. Therefore, social and ethical issues related to the application of AI, as well as the transformation of education and the labour market, are of great importance.

As a result, while artificial intelligence and digital transformation are key drivers of economic growth, it is important to properly regulate developments in this field and equip the workforce with new skills. Such developments can contribute to a more sustainable and equitable society, both economically and socially.

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CONFLICT MANAGEMENT IN A JOINT-STOCK COMPANY

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Abstract

The article deals with current problems related to the structural element of the modern enterprise management system – conflict management. It was determined that conflict management is a complex organizational and technological process, manifested in the form of a systematic approach to the identification, analysis, resolution and monitoring of conflicts in the organization, aimed at ensuring the proper level of its efficiency and functional stability.

The key priorities of the joint-stock company were determined in order to be able to effectively resolve the identified conflict situation, and, at the same time, to be able to prevent the occurrence of a stressful situation, and prevent it from aggravating and developing into various kinds of conflicts. It has been proven that the crisis conditions of the business environment significantly aggravate the occurrence of various kinds of conflicts between employees at all levels, and this, in turn, will cause stress in various directions among employees subordinate to them. And all this, in the end, will have global, and in some places irreparable, consequences for obtaining final financial-economic and economic-organizational results regarding the enterprise's activities.

Keywords: *conflict management, joint stock company, conflict situations, security, employees, business ethics*

Introduction

Conflict management is a system for timely detection of conflict situations, identification of their causes, and development of methods for resolution and prevention in the future. Conflicts occupy a significant place in society and in the life of every individual. Conflict management involves targeted actions aimed at eliminating or minimizing the causes that led to the conflict or adjusting the behavior of the parties involved. In other words, conflict management is understood as any intervention in a conflict at its various stages (Reshetnikova K. E., 2008).

Methodology and the purpose of the study: The methodological framework of the study is based on a comprehensive approach, the dialectical method of scientific knowledge, as well as fundamental scientific works and developments of Ukrainian and foreign scholars in the field of conflict management theory within organizations.

To achieve the set goal, the study employed the following general scientific and specialized research methods: deduction – to structure the work in a logical interconnection and to study the subject as a whole; induction – to formulate general conclusions based on the conducted research; abstract-logical and synthesis methods – to refine the interpretation of the categorical tools related to the chosen research topic.

Research objectives: study of the peculiarities of conflict management in a joint-stock company.

Literature review: The issue of effective conflict management in organizations is relevant and crucial for ensuring the efficient operation of enterprises in the modern business environment. Among the popular approaches to conflict management in organizations, the proposals of Yu. O. Chalyuk stand out. She identifies the following methods: mediation, negotiations, conflict resolution training, and internal conflict management programs. (Chaliuk, Yu. O., 2022).

Also, an important contribution to the study of this issue was made in the works of T. Shmatkovska (Shmatkovska, T., Korobchuk, T., Borysiuk, O., 2023). and B. Pogryshchuk, which emphasize the positive aspects of conflicts. It is argued that conflict management in organizations can also contribute to strengthening team dynamics and ensuring a positive work environment for all employees (Pohrishchuk B., Kolomiiets T., Chaliuk Y., Yaremko I., Hromadska N., 2023).

Analysis of results

CEMARK (CEMARK A CRH COMPANY) is part of the CRH Group, a leading global manufacturer of building materials and one of the largest producers in North America and Europe, operating in 29 countries. For over half a century, these enterprises have been supplying Ukraine with products such as cement. The company has successfully combined its extensive experience with the effective application of modern technologies to ensure high-quality production. Additionally, it adheres to international standards and best practices of the CRH Group, now represented under the CEMARK brand.

Joint-stock company "Podilskyi cement", which is part of "CEMARK" in Ukraine, is one of the largest and leading producers of cement not only in Ukraine, but also in all of Europe, etc. The enterprise itself is located in the Khmelnytskyi region, near the city of Kamianets-Podilskyi.

The personnel management process is an important component of general management at any enterprise, especially in the current crisis conditions. Therefore, it is necessary to pay considerable attention to the effectiveness and correctness of the mechanism of construction and implementation of the company's personnel management system. Personnel activity in crisis conditions is extremely difficult, and requires a lot of effort to maintain efficiency in its implementation. After all, under such conditions, people who work under constant stress can cause various conflict situations, which will have a different nature of impact in the end – both on the final results of activities, and on interpersonal situations in the team. Taking this into account, JSC "Podilskyi Cement" has developed specific priorities that outline key directions for employees' activities. These priorities define the appropriate course of action in critical situations, highlighting the key aspects that require attention, emphasis, and influence. They also provide guidelines on how to effectively manage crisis and stressful situations, ensuring stability and efficiency in the workplace. That is, these are a kind of certain rules for the coordinated activity of the entire team, both personal and interdependent, considering the performance of certain tasks, tasks, functions and duties. Priorities of "Podilsky Cement" JSC: "We are aware of our responsibility to society and future generations; therefore, we implement the principles of sustainable development in all aspects of our activities." One of the key priorities of Podilsky Cement JSC is safety, because it is this mechanism that determines the general condition of employees in terms of their successful and effective activities, taking into account both the chosen direction of activity of this JSC and the presence of various crisis phenomena that have a significant impact on its activities through personnel. Therefore, it should be noted that according to the information displayed on the official website of this enterprise, it becomes clear about its general state of safety, as follows: during 387 days there were no injuries to employees, which can be explained by high-quality equipment of the working areas; during 2015–2022, 139 million was invested to support labor protection UAH.; during 2015–2022, employees were trained in various scientific measures related to occupational health and safety in the amount of 328,422 hours in total (Official website of JSC "Podilsky Cement"). In general, the state of health and safety for the employees of the enterprise under study is one of the main priorities of its activity. Therefore, the essence of his long-term strategy for labor protection reflects the formation of an appropriate and quite necessary safety culture at the enterprise.

It is also essential to understand that the "face" of a company is, first and foremost, its people – the employees who work there. Therefore, one of the strategic priorities of the joint-stock company is valuing its employees, as they are the ones who create and develop the company's internal business environment. This environment is built on trust, respect, mutual understanding, support, and team spirit.

Between 2015 and 2022, the company invested over 67.6 million UAH in improving working conditions for its employees. A key priority is regular investment in personnel development, including ongoing specialized training aimed at enhancing professional qualifications, personal effectiveness, managerial skills, and teamwork within the company.

The company has also implemented a corporate culture of inclusivity and diversity, ensuring that every employee has equal opportunities for professional growth and self-realization, regardless of age, gender, nationality, or background.

Conflict management is quite an important structural component of the general management strategy of the enterprise, especially under crisis conditions of its activity. After all, it is precisely the crisis conditions of the business environment that significantly aggravate the occurrence of various types of conflict between employees at all levels.

Therefore, considering the occurrence of any negative business situations, at this enterprise there is the application of norms and principles of business ethics, which is also important from the set of its main priorities. After all, the main goal of this company is to build successful and long-term relationships based on trust and fundamental values, such as: conscientiousness, honesty and respect for the law. Therefore, among the main principles of the company's sustainable development, there is compliance with responsible and ethical cooperation with: clients; customers; suppliers; business partners; local authorities; communities; shareholders; employees. One of the significant values of the company is "Keeping one's word and managing, in one's work, on the principles of integrity", which means to perform "correct" and honest actions, to comply with the law and to work responsibly in general.

Conclusions

Thus, we come to the conclusion that the importance of effective conflict management in the context of organizational management is a key factor in successful personnel management in modern organizations. It can be argued that conflicts are an objective part of the work process, and their appropriate management is defined as a critical factor for the success and stability of the organization. Therefore, understanding the nature of conflicts, their sources and the impact on personnel allows for the development of effective strategies and tools for their resolution.

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Section 3. Marketing

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THE EFFECTIVENESS OF PROMOTING SERVICES THROUGH SOCIAL MEDIA

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Abstract

Social media platforms have revolutionized marketing strategies by enabling direct and interactive engagement with consumers. This study investigates the effectiveness of promoting services through social media by analyzing practices across industries such as tourism, education, and healthcare. Employing a survey of 500 respondents and statistical analysis, the research identifies key factors influencing consumer perceptions and behavior. Findings reveal that 78% of respondents find social media advertisements useful, emphasizing the importance of high-quality content, targeted advertising, and user engagement. The study concludes with practical recommendations for enhancing social media marketing strategies and calls for future research on integrating digital innovations and artificial intelligence into service promotion.

Keywords: *Social media marketing, service promotion, consumer behavior, targeted advertising, user engagement, digital innovation*

Introduction

In today's digital era, social media has emerged as a transformative force in the realm of marketing, reshaping the way businesses connect with consumers. Platforms such as Instagram, Facebook, TikTok, and Twitter have revolutionized the promotion of services by enabling businesses to reach a global audience with unprecedented speed and efficiency. These platforms not only allow for creative and interactive marketing strategies but also facilitate direct engagement with customers, making it easier to understand their needs and preferences.

Unlike traditional marketing channels, social media provides businesses with tools to tailor their messaging to specific audiences based on demographic and behavioral insights. This ability to deliver targeted content has significantly improved the effectiveness of service promotion campaigns, ensuring that advertisements resonate with the right audience. For instance, a fitness center might leverage Instagram's visual appeal to showcase workout routines, while a healthcare provider might use Facebook to share informative posts and foster trust among potential clients.

The widespread adoption of social media has also fostered a two-way communication model, enabling consumers to actively participate in the marketing process. They can provide feedback, ask questions, and share experiences, creating a more dynamic and personalized interaction between service providers and their target audience. This not only enhances brand loyalty but also provides valuable insights that can guide future marketing strategies.

However, despite its advantages, social media marketing presents certain challenges, such as ad fatigue, trust issues, and privacy concerns. Understanding these challenges and addressing them effectively is critical for businesses seeking to harness the full potential of social media for service promotion.

Social media has become an integral part of modern marketing strategies, providing unprecedented opportunities to enhance the effectiveness of service promotion. Platforms such as Facebook, Instagram, Twitter, and TikTok enable service providers to directly interact with consumers. Furthermore, social media facilitates two-way communication, helping businesses identify and respond to consumer needs and preferences (Kaplan & Haenlein, 2010).

Extensive research has been conducted to analyze the effectiveness of promoting services through social media. Studies indicate that social media is a powerful tool for brand awareness, customer engagement, and loyalty enhancement (Kotler & Keller, 2016). However, the effective use of social media for promoting services requires creating compelling content, maintaining customer interaction, and developing well-structured advertising strategies (Mangold & Faulds, 2009).

Numerous studies have explored innovative approaches to social media marketing. Kaplan and Haenlein (2010) proposed strategies for successfully leveraging social media, emphasizing the importance of understanding customer needs and capturing their attention. Similarly, Mangold and Faulds (2009) examined social media as a new marketing communication tool and its impact on brand image.

This article examines the effectiveness of promoting services through social media by analyzing practices across various service industries. The study explores the role, advantages, limitations, and recommendations for improving the efficiency of social media in service marketing.

Research Methodology

This study employed the following methods:

1. Literature Review – An analysis of scholarly articles, books, and case studies related to the topic.
2. Survey – A survey was conducted to assess consumer perceptions of service advertisements on social media.
3. Statistical Analysis – Collected data were analyzed and presented in tables and charts to derive meaningful insights.

Research Results

A survey involving 500 respondents was conducted to assess their attitudes toward service promotions on social media. The results are summarized below:

Table 1. *Survey on Consumer Perception of Social Media Advertising*

Indicator	Percentage of Respondents (%)
Found advertisements useful	78
Ignored advertisements	15
Had negative perceptions	7

The survey revealed that 78% of respondents considered social media advertisements helpful in choosing services, indicating the potential effectiveness of this medium. However, a small percentage (7%) expressed negative perceptions, highlighting the need for targeted and high-quality content.

The survey also investigated which social media platforms were most effective for service promotions. Results showed:

Table 2. *Preferred Platforms and Engagement*

Platform	Usage by Respondents (%)	Engagement Rate (%)
Instagram	45	38
Facebook	30	25
TikTok	15	12
Twitter	10	8

Instagram emerged as the most preferred platform due to its visual appeal and user-friendly interface. High engagement rates on Instagram highlight its effectiveness for services requiring strong visual representation, such as tourism and retail.

Further analysis revealed key behavioral patterns:

Younger age groups (18–34) were significantly more engaged on Instagram and TikTok, while older demographics (35+) showed a preference for Facebook.

Visual advertisements (e.g., short videos and infographics) outperformed text-heavy posts, with a 75% higher click-through rate.

Ads featuring direct CTAs (e.g., "Book Now" or "Learn More") had a 40% higher engagement rate than generic posts.

The tourism, education, and healthcare sectors emerged as leaders in leveraging social media for service promotion. Key metrics for these sectors are presented below:

Table 3. *Industry-Specific Analysis*

Industry	Use of Social Media (%)	Customer Loyalty (%)
Tourism	85	72
Education	78	68
Healthcare	73	65

The findings confirm that social media plays a vital role in service marketing across these industries. Notably, the tourism industry's high usage reflects the visual and experiential nature of its offerings, which aligns well with social media's strengths.

Discussion

The analysis highlights several critical factors for success in promoting services through social media:

Engaging and visually appealing content is essential. For instance, posts with high-quality images or videos received 60% more engagement than text-only posts.

Tailoring advertisements to specific audience segments increases effectiveness. Respondents who encountered ads aligned with their interests were twice as likely to interact with the service.

Actively interacting with users and addressing their concerns enhances brand loyalty. Approximately 40% of survey participants stated that prompt responses to queries influenced their purchasing decisions.

The rise of "micro-influencers" (social media users with 10,000–50,000 followers) was identified as a key trend. Brands collaborating with micro-influencers reported higher authenticity and engagement levels compared to traditional celebrity endorsements.

Despite its benefits, social media marketing presents challenges:

- Ad Saturation – 25% of participants felt overwhelmed by frequent advertisements.
- Trust Issues – 18% expressed skepticism about the authenticity of ads, particularly for healthcare services.
- Privacy Concerns – Growing awareness of data privacy issues led 12% of respondents to avoid engaging with targeted advertisements.

To address these challenges, businesses should:

- Limit the frequency of advertisements to reduce saturation.

- Focus on building transparency and trust by showcasing real customer testimonials.
- Ensure compliance with data privacy regulations to foster consumer confidence.

Conclusion and Recommendations

Social media has transformed the way businesses market their services. Platforms like Instagram, Facebook, TikTok, and Twitter have become essential tools for reaching a wide audience and engaging directly with consumers. These platforms allow businesses to communicate their message in creative ways, build relationships, and foster trust with potential customers.

The effectiveness of promoting services through social media lies in its ability to provide targeted outreach. Businesses can tailor their content to specific demographics, interests, and behaviors, making advertisements more relevant and engaging. For example, a tourism company might use Instagram to showcase visually appealing travel destinations, while an educational institution could use LinkedIn to promote professional courses.

Research shows that most consumers find social media advertisements useful when they align with their interests. A survey of 500 respondents found that 78% considered these ads helpful in discovering new services, while only 7% had negative perceptions. Platforms like Instagram, known for its visual storytelling capabilities, performed particularly well, with high engagement rates compared to other platforms.

Social media is also highly versatile, offering businesses multiple ways to interact with their audience. Videos, live streams, and interactive polls engage users more effectively than static content. For example, short video clips on TikTok have been especially successful in connecting with younger audiences, while live Q&A sessions on Instagram foster trust in industries like healthcare.

Despite its advantages, social media marketing comes with challenges. Over-saturation of ads can overwhelm users, leading to reduced effectiveness. Trust issues may arise, especially when ads appear inauthentic or overly promotional. Privacy concerns are also a growing issue, as consumers become more cautious about how their data is used.

To overcome these challenges, businesses should focus on creating high-quality, authentic content that resonates with their audience. Partnering with micro-influencers, who have smaller but more engaged followings, can also help establish credibility. Transparency about services and data practices is essential to building trust.

Looking ahead, advancements like artificial intelligence and augmented reality are expected to further enhance social media marketing. AI can help personalize ads for individual users, while augmented reality features can create immersive experiences, such as virtual try-ons for fashion or real-time property tours in real estate.

In conclusion, social media offers a powerful platform for promoting services, with its ability to reach specific audiences, foster engagement, and adapt to new trends. By focusing on authenticity, audience engagement, and ethical practices, businesses can maximize the benefits of social media marketing while addressing its challenges. As the digital landscape evolves, staying innovative and responsive to consumer needs will be key to long-term success.

Promoting services through social media is a highly effective marketing strategy that strengthens customer relationships. Service providers are advised to:

1. Develop high-quality, engaging content tailored to platform-specific dynamics.
2. Implement targeted advertising campaigns with clear CTAs.
3. Collaborate with micro-influencers for authentic engagement.
4. Maintain regular interaction with users and consider their feedback.
5. Address consumer concerns by ensuring transparency and authenticity.

Future research should explore the integration of digital innovations and artificial intelligence to further enhance the impact of social media marketing on service promotion. Additionally, examining the effectiveness of emerging platforms and trends, such as augmented reality and virtual experiences, could provide valuable insights.

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Contents