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The role of global economic change in the transformation of Georgian management

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Abstract. This study examined the impact of global economic changes, particularly European integration, on the transformation of management practices in Georgian enterprises. It highlighted how foreign investment, international standards, and technological innovations have reshaped corporate structures and management strategies. The methodology included both quantitative and qualitative analyses, focusing on sectors such as agriculture, pharmaceuticals, and IT, which attract foreign investment and engage in international economic activities. Data was gathered through surveys and financial reports to explore management transformations spurred by European integration and foreign managers' influence. Key findings showed that foreign managers and Georgian specialists educated abroad have been crucial in modernising management practices by introducing international best practices adapted to local conditions. Adopting European standards has significantly improved operational efficiency and competitiveness, especially in quality-sensitive industries. However, challenges remain, particularly for small and medium-sized enterprises (SMEs), which face financial constraints in investing in staff training and new technologies. Resistance to change among middle management and employees further complicates the transition to innovative management approaches. In particular, Georgian companies must focus on building robust internal leadership and management talent to reduce reliance on external expertise. This includes creating ongoing professional development programs, fostering a culture of innovation, and ensuring that knowledge transfer from foreign managers to local teams is effective. Additionally, developing strategies to overcome resistance to change will be critical. Expanding research across more industries and incorporating objective performance metrics will provide a broader understanding of global economic changes in Georgia management practices

Keywords: regional business practices; impact of foreign experience; leadership strategies; joint ventures; European integration

Introduction

Global economic changes continue to significantly impact national economies, causing profound transformations in various sectors, including governance. As a country actively integrating into European and global markets, Georgia faces challenges and opportunities accompanying these changes. The signing of the Association Agreement with the European Union (EU) and the Deep and Comprehensive Free Trade Agreement (DCFTA) was a catalyst for these transformations (EU-Georgia deep and…, 2016). The introduction of European business standards and deepening economic integration create new requirements for management approaches and strategies.

The relevance of the topic is determined by the fact that the changes caused by international agreements require Georgian enterprises not only to modernize existing management methods but also to develop new strategies that meet international standards. In particular, economic integration with the EU puts pressure on enterprises to adapt to new rules and procedures, which requires management changes. In addition to political and economic agreements, the presence of foreign managers working in branches of international companies or joint ventures has a significant impact on changes in management style in Georgia. Their experience and management techniques play a key role in modernizing Georgian management practices. This allows Georgia to borrow international best practices and adapt them to local conditions.

Another important factor is the return of Georgian specialists who have been educated abroad and are implementing innovative practices in leading Georgian companies. Their experience of working according to European and global standards contributes to the rapid development of corporate governance in the country. The problem of the study is the need for an in-depth analysis of the impact of these changes on Georgian management practices to identify key areas for the development of management in the context of global economic changes.

The study of global trends in the sharing economy found that digitalization and intellectualization optimize management processes. E. Panchenko & A. Samoilenko (2023) noted that digital platforms are changing social relations in management. However, legal regulation and business social responsibility regarding sharing models are still under-researched.

The COVID-19 pandemic and globalization have significantly impacted international commerce. L. Smolii *et al.* (2020) observe that globalization increases the influence of major firms and accelerates reshoring. They also emphasize how new technologies have driven trans-nationalization in small and medium enterprises (SMEs). However, the effects of digitalization and reshoring on global economic processes require further research.

Business transformation due to the Ukraine conflict is another key focus. V. Vergeles & D. Baiura (2020) highlight digitization and reorganization as primary adaptation strategies, emphasizing the importance of digital technology for process optimization. Nonetheless, there is still a gap in studying digitalization's long-term effects on business resilience during conflict. Global economic developments have caused significant changes in the economy and society. L. Batyuk & T. Reznitska (2021) note that globalization has transformed labour markets and income distribution, exacerbating inequalities. They also identify paradoxes in globalization that require further exploration, particularly its effect on national competitiveness.

Research on globalization's impact shows that digitalization and international trade have driven economic growth through innovation and global value chains.

E.A. Bespalyy (2023) noted the positive effects on the economy and consumers while highlighting gaps in studying environmental impacts and the need for deeper analysis of digital flows. Georgia's economic strategy shifted due to the COVID-19 outbreak. G. Zoidze & S. Veshapidze (2022) stress the need for stronger public sector management to attract investment and boost exports. More research is needed on fiscal policy's role in long-term economic stability. Globalization has stimulated innovation and integration of national economies into world trade, as noted by M. Chania & R. Putkaradze (2022). However, studies point to insufficient research on the environmental consequences and the impact of digital flows on international markets, which requires additional analysis.

The study aimed to analyse the impact of global economic changes on the development of management approaches in Georgia, focusing on the role of foreign investment and the introduction of technological innovations. The objectives of the study were to analyse the main economic and management transformations taking place in Georgia under the influence of globalization, as well as to determine the role of foreign investment and technological innovations in the development of modern management approaches in Georgian enterprises.

Materials and Methods

The study of the impact of global economic changes on management approaches in Georgia was conducted from January to July 2024 based on Georgian enterprises involved in international economic processes. The main objects of the study were companies from the agriculture, information technology (IT), and industry sectors that actively attract foreign investment and cooperate with foreign partners. The sample of companies was selected based on their participation in international programs and economic integration.

The study consisted of quantitative and qualitative components. The quantitative research was based on the analysis of economic indicators of the enterprises. The data were obtained from statistical reports of the National Statistics Office of Georgia (n.d.). The analysis was carried out using Excel and SPSS software, which allowed to focus on the indicators of foreign investment, enterprise productivity, and innovation.

The qualitative research consisted of a survey of executives and managers of enterprises involved in international economic processes. The survey was conducted through the online platform Google Forms, which allowed to reach a wider audience of respondents. All survey participants provided their informed consent before participating in the study. They were informed about the purpose of the study, its objectives, the types of data that would be collected, and how the data would be used. The respondents agreed to the processing of their data by the current data protection legislation. Confidentiality and anonymity of responses were guaranteed, and no personal information was linked to the answers. A total of 50 responses were collected from middle and senior management. All respondents were aged 30 to 55 with at least five years of management experience. The main questions concerned changes in the management system caused by the implementation of European standards, the use of new technologies, and adaptation to global challenges.

The questions in Google Forms concerned the implementation of the latest management strategies, changes in management approaches, and the role of technological innovations in the transformation of enterprises. The collected responses were processed using the content analysis method, which allowed to identify key trends in the management of Georgian enterprises in the context of globalization.

To complement the study, an additional analysis of open sources related to the activities of the participating companies was conducted, including financial reports and publications in economic journals (AG Georgia, 2023; General Motors, 2023; European Medicines Agency, 2024). This allowed to supplement the data obtained in the quantitative and qualitative research with details on the implementation of strategies for adapting to global economic changes and the use of foreign investment to modernize management processes. Thus, the study was based on a combination of quantitative and qualitative methods, which allowed for an in-depth analysis of the impact of global economic changes on management processes in Georgia.

Results

Global economic changes, which began at the end of the 20th century and continue into the 21st century, have a profound impact on countries actively involved in international economic processes. Georgia, as a country with a relatively small economy and limited resources, is intensively integrating into the global economy, which, on the one hand, opens up opportunities for economic growth and modernization but, on the other hand, presents new challenges and tasks for Georgian companies.

Georgia's independence after the collapse of the Soviet Union marked an important starting point for its integration into the global economy. Since gaining independence, the country has sought international cooperation and participation in global trade. This opened up new opportunities for development, including access to international markets, the inflow of foreign investment, and modernization of key economic sectors. One of the most important stages in this integration was the signing of the Association Agreement with the EU in 2014, as well as the DCFTA with the EU (EU-Georgia deep and…, 2016). These agreements provided Georgian companies access to the largest market in the world, offering new export opportunities.

The signed agreements required Georgian companies to adapt to European standards, especially in terms of quality, management, and production processes. This was not only a stimulus for development but also a challenge for businesses. Local companies had to rethink their strategies, modernize their production facilities, and restructure management to comply with the stringent requirements of the EU. Nevertheless, the opportunity to enter the European market has become a strong incentive for many Georgian enterprises.

Furthermore, globalisation combined with foreign investments has brought significant changes to Georgia's economy, greatly influencing the management style of Georgian companies. One of the main sources of these changes was the introduction of foreign managers who brought international standards and management techniques to local companies. Many of these managers work in the branches of international companies or joint ventures, helping Georgian companies adapt to international business conditions.

Another important factor in the transformation of management in Georgia was the return of specialists educated abroad. These professionals, having received degrees from leading universities in Europe and the USA, brought modern management practices and strategies that proved beneficial for modernizing local companies. These specialists took key positions in Georgian companies, introducing innovations and helping businesses adapt to the demands of international markets.

Foreign managers working in Georgian companies have become one of the main factors in the transformation of local management. Research has shown that foreign managers working in Georgian branches of international companies or joint ventures have significantly improved management in these companies. At companies like the "Tbilisi Automotive Company" and the "Kutaisi Metallurgical Plant", the introduction of international experience has led to optimized production processes, reduced costs, and improved product quality.

Special attention is given to quality management. For example, at the "Tbilisi Automotive Company", foreign managers introduced Total Quality Management principles, which significantly improved quality control, reduced defects, and increased customer satisfaction. This was an important step in expanding the company's export opportunities, as high product quality is a key requirement for entering international markets.

At the "Kutaisi Metallurgical Plant", foreign managers introduced strategic planning methods, allowing the company to develop long-term growth strategies and improve resource management. This is especially important in the metallurgical industry, where effective resource management is critical to maintaining competitiveness in international markets. Moreover, foreign managers have made significant changes to human resource management in Georgian companies. They introduced new approaches to human resources management, emphasizing employee training and development. For instance, many companies have started developing training programs aimed at improving employee skills, helping companies adapt to the rapidly changing conditions of global markets, as can be seen in Table 1.

Table 1. Number of foreign managers and their impact on Georgian companies

Company	Number of foreign managers	Main changes in management
E-Motors Georgia	5	Optimisation of production processes
Kutaisi Metallurgical Plant	7	Introduction of strategic planning
Agro Holding of Georgia	4	Improvement of logistics processes
GM Farma	6	Introduction of EU quality standards
Georgia IT Innovation Center	3	Innovations in Project Management

Source: created by the authors

The introduction of international management practices by foreign managers has had a significant impact on Georgian companies, allowing them to improve processes and increase management efficiency. This indicates the importance of integrating foreign experience to accelerate modernization. Georgian specialists who have studied abroad also play a significant role in transforming management in Georgian companies. These professionals, educated at leading universities in Europe and the USA, return to Georgia with deep knowledge of international management standards and cutting-edge management practices. Their experience and qualifications have been crucial in modernizing management within enterprises. Research indicates that at "GM Farma", specialists with international education implemented a quality control system based on Good Manufacturing Practices (GMP) standards (European Medicines Agency, 2021). This significantly improved the quality of products and increased export opportunities. Thanks to these standards, the company gained access to new markets, especially in the EU, where product quality requirements are among the strictest in the world.

Furthermore, specialists with international education at the "Agro Holding of Georgia" introduced innovative supply chain management methods, which helped the company improve logistics and increase resource efficiency. This played a critical role in boosting the company's productivity and its ability to compete in international markets, as can be seen in Table 2.

Table 2. Return of specialists and their impact on Georgian companies

Company	Number of foreign managers	Main changes in management
E-Motors Georgia	3	Automation of management processes

Table 2, Continued

Company	Number of foreign managers	Main changes in management
Agro Holding of Georgia	2	Optimisation of supply chain management
GM Farma	4	Improvement of quality control systems
Georgia IT Innovation Center	5	Implementation of innovative management technologies

Source: created by the authors

The return of Georgian specialists with international education contributes to the introduction of advanced management practices, improving product quality and business efficiency. This underscores the importance of investing in education and developing human capital to enhance the competitiveness of Georgian companies on the international stage. The Association Agreement with the EU and DCFTA had a substantial impact on Georgian companies, requiring them to adapt to European standards. These standards cover a wide range of management and production aspects, including product quality, safety, environmental sustainability, and data protection. Georgian companies had to invest significant resources in modernizing their production processes and management structures to comply with these requirements.

At "GM Farma", the implementation of GMP standards became a priority, requiring significant efforts and investments. However, the results were very successful. After the company adapted its processes to EU requirements, its products gained access to new markets, including EU countries, where strict requirements for pharmaceutical product quality are mandatory. This allowed the company to increase export volumes by 30% within two years of implementing the standards.

Georgian companies in the agricultural sector were also at the centre of transformation under the influence of agreements with the EU. The "Agro Holding of Georgia" which actively operates in international markets, had to undergo certification according to European food safety standards. For this, the company needed to modernize its quality control systems and introduce new production management methods. These changes allowed the company to access new markets and significantly improve its position in international trade. However, the adaptation process involved high costs for staff training, acquiring new equipment, and optimising supply chains.

Adapting to EU standards also affected industrial enterprises. For example, the "Kutaisi Metallurgical Plant" implemented environmental sustainability standards required by the EU for export activities. This necessitated the introduction of new waste processing technologies and improvements in resource management. Despite the high costs associated with implementing these standards, the company was able to enter new markets and enhance its reputation as an environmentally sustainable enterprise. The impact of EU Agreements on Georgian Companies can be seen in Table 3.

Table 3. Impact of EU agreements on Georgian companies

Company	Key changes after signing EU Agreements
GM Farma	Implementation of GMP standards
Agro Holding of Georgia	Certification for European food safety standards
Kutaisi Metallurgical Plant	Compliance with environmental sustainability standards
Georgian IT Innovation Center	Introduction of EU data protection standards

Source: created by the authors

Agreements with the EU have played a crucial role in transforming Georgian companies, pushing them to adapt to strict international standards. These changes have opened new export opportunities for Georgian enterprises, increasing their competitiveness in international markets.

Despite the positive results of implementing international standards and innovative management approaches, Georgian companies continue to face several challenges. One of the key problems is the lack of qualified personnel capable of adapting enterprises to new conditions and standards. Many companies struggle with training employees in new technologies and management methods, which slows the process of implementing changes (Akhmetova *et al.*, 2024). In addition, the introduction of new standards and technologies requires significant financial investments, which is a serious barrier for many SMEs. It is generally limited in accessing finances and cannot afford large-scale investments in modernizing production processes. As a result, many Georgian enterprises face the problem of insufficient preparation for adopting international standards, limiting their competitiveness in the global market. Moreover, resistance to change from employees is another challenge. In many enterprises, especially those that have used outdated management methods for a long time, employees resist the introduction of new approaches. This requires additional efforts from managers in change management and raising awareness among employees about the benefits of new technologies and methods.

For example, the "Kutaisi Metallurgical Plant" encountered significant resistance when implementing environmental sustainability standards. Middle management and workers feared that the introduction of new standards would lead to job cuts or deteriorating working conditions. As a result, the implementation of changes took longer than expected and required additional expenses for staff training and managing resistance. Challenges in implementing international standards can be seen in the Table 4.

Table 4. Challenges in implementing international standards

Problem	Number of companies facing the problem	Main difficulties
Lack of staff training	4	Need for additional training and education
High cost of technology implementation	3	Expenses on purchasing and maintaining new systems
Resistance to change	2	Opposition from middle management

Source: created by the authors based on Understanding the challenges of international norms and standards (2024)

The implementation of international standards faces several challenges, including a lack of qualified personnel, high technology costs, and resistance to change. Overcoming these challenges requires investing in staff training and developing effective change management strategies (Pererva & Myronova, 2023).

One of the key factors for the successful adaptation of Georgian companies to global economic changes is the development of human capital. In the context of globalization and integration into international markets, qualified employees are the most valuable asset of companies. However, Georgian companies face a shortage of staff capable of working under new management and technological standards. Georgian companies are increasingly investing in employee training and development programs. Many companies send their managers to training and educational programs abroad to learn advanced management methods and implement them in their companies. For example, "GM Farma" organized a series of training sessions for its managers in EU countries, where they studied GMP standards and methods for their practical implementation.

However, access to such educational programs remains limited for SMEs. It often cannot afford to invest in staff training, reducing their ability to adapt to new conditions. This problem requires government support and international cooperation to provide access to educational resources for all categories of companies. The key directions for human resource development in Georgian companies can be seen in Table 5.

Table 5. Key directions for human resource development in Georgian companies

Development direction	Main objectives	Examples of implementation
Training and skill development	Preparing employees to work with new technologies	EU standards training, educational programs
Leadership skills development	Improving managerial competencies	Leadership development programs for managers
International internships and exchanges	Implementing international management standards	Internships and knowledge exchange with European colleagues

Source: created by the authors based on K. Khupenia (2023)

Human capital development is a key factor in the successful adaptation of Georgian companies to global changes. Investing in staff training and skill development will help companies better handle the challenges associated with implementing international standards and innovative technologies.

The global economy has undergone significant shifts over the last few decades, particularly in terms of increased interconnectedness, technological advancements, and the rapid expansion of international trade. These changes have fundamentally altered the way businesses operate worldwide, and Georgia is no exception. Globalisation has opened up new markets, fostered foreign investment, and accelerated the introduction of modern management practices in Georgian enterprises.

As a small but strategically positioned economy, Georgia has faced both opportunities and challenges in adapting to these global economic changes. The country's economic growth has been driven largely by foreign direct investment (FDI) and the liberalisation of its market, which has encouraged international trade and investment. These global shifts have brought modern business practices, technological innovations, and new management approaches to Georgian enterprises, particularly through the influence of multinational corporations and joint ventures.

FDI has been one of the most influential factors in shaping the modern management landscape in Georgia (Hayes, 2024). Since its independence, Georgia has actively pursued foreign investment to boost economic growth, modernize infrastructure, and develop its business environment. This strategy has had a profound impact on the way management is practiced in the country.

Foreign investors have not only injected capital into the Georgian economy but also brought with them international management standards and practices. Multinational companies operating in Georgia, such as British Petroleum in the energy sector and Heidelberg Cement in construction, have introduced Western-style management techniques that emphasise efficiency, innovation, and performance-based outcomes (Carpenter, 2016). These companies have set benchmarks for Georgian enterprises, encouraging them to adopt more structured, transparent, and competitive management approaches.

One of the key changes that foreign investment has driven in Georgia is the shift from traditional, hierarchical management structures to more decentralised, flexible systems. This shift has allowed Georgian companies to become more agile and responsive to market changes. In addition, foreign companies often focus on the development of human capital, investing in the training and upskilling of their workforce, which further strengthens the management capabilities within Georgian enterprises.

The influence of foreign managers working in Georgian subsidiaries or joint ventures has also played a crucial role in this transformation. These managers bring with them international experience, which is invaluable in helping local businesses navigate the complexities of global markets. In sectors such as banking, telecommunications, and logistics, foreign managers have introduced advanced management tools, including enterprise resource planning systems, customer relationship management systems, and performance management frameworks. These tools have streamlined operations, improved decision-making, and enhanced overall efficiency within Georgian companies.

The introduction of technological innovations has been another major driver of change in the management practices of Georgian companies. Globalization has accelerated the diffusion of technology across borders, allowing even SMEs in Georgia to adopt cutting-edge solutions that enhance productivity and competitiveness.

One of the most significant technological trends impacting management in Georgia is the rise of digitalization. Many Georgian companies have embraced digital tools to optimize their operations, reduce costs, and better serve their customers. For example, the adoption of cloud computing solutions has enabled businesses to store and access data more efficiently, collaborate remotely, and scale their operations without significant upfront investments in IT infrastructure. This shift towards digitalization has been particularly important in sectors such as retail, where e-commerce platforms have enabled Georgian companies to reach a broader customer base both domestically and internationally.

Moreover, automation has started to play a significant role in improving the efficiency of Georgian enterprises. In industries such as manufacturing, agriculture, and logistics, companies are increasingly using automated systems to streamline production processes, reduce human error, and minimise operational costs. This, in turn, has allowed Georgian enterprises to compete more effectively in international markets, where efficiency and quality are key differentiators.

However, while technological innovations have brought numerous benefits, they have also posed challenges for Georgian companies, particularly in terms of workforce adaptation. Many employees lack the necessary skills to operate advanced technologies, which has created a skills gap that needs to be addressed through targeted training programs. Companies that have successfully implemented technological innovations, such as the "Georgian IT Innovation Center", have invested heavily in employee training, ensuring that their workforce is equipped to handle new technologies.

Globalisation has not only impacted the structural and technological aspects of management but also brought significant changes to corporate culture in Georgian enterprises. Traditionally, Georgian companies operated with a hierarchical, top-down management style, where decision-making was centralised, and authority was concentrated in the hands of a few senior managers. However, the influx of foreign investment and the exposure to international business practices have gradually shifted this dynamic.

Many Georgian companies have started to embrace a more open, collaborative, and participatory management style, influenced by Western business models. In sectors such as finance, hospitality, and technology, companies have adopted flatter organisational structures that encourage innovation, creativity, and employee engagement. This cultural shift has been especially evident in companies with a large foreign workforce or those that are part of multinational corporations.

One notable example is the "Agro Holding of Georgia", where the introduction of participatory management practices has led to significant improvements in employee morale and productivity. By giving employees more autonomy and involving them in decision-making processes, the company has been able to foster a culture of accountability and innovation. This shift towards a more inclusive management style has been instrumental in driving the company's growth and competitiveness.

In addition, globalisation has brought a greater emphasis on corporate social responsibility (CSR) in Georgian companies. Many multinational companies operating in Georgia have introduced CSR initiatives that focus on environmental sustainability, community engagement, and ethical business practices. This has encouraged local companies to adopt similar initiatives, helping to improve their reputations and build stronger relationships with stakeholders.

While globalisation has brought many benefits to Georgian enterprises, it has also created challenges that need to be addressed. One of the main challenges is the increasing competition from foreign companies. As Georgia continues to open its market to international players, local companies face pressure to improve their management practices, enhance their efficiency, and meet international standards.

Another challenge is the need for continuous innovation. In a rapidly changing global economy, companies must constantly evolve to stay competitive. This requires a strong focus on research and development, as well as the ability to quickly adapt to new technologies and market trends. Georgian companies that fail to innovate risk falling behind their international competitors, particularly in industries such as technology, manufacturing, and agriculture.

At the same time, globalisation presents significant opportunities for Georgian companies to expand their operations beyond the domestic market. By adopting modern management practices, leveraging foreign investment, and embracing technological innovations, Georgian enterprises can increase their competitiveness and tap into new markets across Europe, Asia, and beyond. This is particularly relevant in the context of Georgia's strategic location, which positions the country as a key hub for trade and logistics in the South Caucasus region.

Furthermore, the increasing integration of Georgia into global value chains offers new opportunities for local companies to collaborate with international partners. Joint ventures, strategic alliances, and partnerships with multinational corporations can provide Georgian companies with access to new markets, technologies, and expertise. These collaborations can also help Georgian companies improve their management capabilities and adopt best practices from leading global firms.

The study highlights the significant impact of global economic changes on the development of management approaches in Georgia. The influx of foreign investment, the introduction of technological innovations, and the influence of globalisation have reshaped the way businesses are managed in the country. Georgian companies, particularly those that have embraced international management practices and invested in technological advancements, have been able to enhance their competitiveness and expand their presence in global markets.

However, the challenges associated with globalisation, including increased competition, the need for continuous innovation, and the skills gap in the workforce, must be addressed to ensure the sustainable development of Georgian enterprises. Investing in human capital, fostering innovation, and building stronger partnerships with international companies will be key to overcoming these challenges and ensuring the long-term success of Georgian businesses.

The future of management in Georgia will largely depend on the country's ability to adapt to the rapidly changing global economy. By continuing to attract foreign investment, embracing technological innovations, and developing a skilled workforce, Georgian companies can position themselves as competitive players in the global marketplace. The ongoing process of modernization and integration into the global economy presents a unique opportunity for Georgian enterprises to thrive and contribute to the country's economic growth.

Discussion

The discussion of the results focuses on the impact of global economic changes on the transformation of management practices in Georgia. In the context of deeper integration into the European economic area and active attraction of foreign investment, Georgian enterprises have faced the need to quickly adapt to new standards. In particular, the introduction of foreign management approaches and technological innovations has become a key factor in business modernisation.

The internationalisation of management processes, especially through the involvement of foreign managers, has contributed to improving the quality of management, increasing the efficiency of production processes, and creating more flexible corporate structures. The return of foreign-educated professionals has further strengthened these processes, allowing for the adaptation of international best practices to local conditions. However, these changes have also brought new challenges to businesses, such as the need to invest in staff training, overcoming resistance to change, and the high costs of adopting new technologies (Shtal *et al*., 2024).

O. Mihalache and H. Volberda (2010) exploration of how emerging economies adapt their management practices and business models also shares similarities with this study. Both investigate the role of foreign investment and technology in reshaping management strategies in response to new economic conditions. O. Mihalache and H. Volberda, however, took a more generalised approach to business model innovation across various emerging markets, examining broader trends in how companies pivot in the face of global economic pressures. In contrast, this study narrows the focus to Georgia's specific experience, particularly how foreign managers and European integration have spurred changes in local management practices. The study delves into the nuanced impacts of European investment and guidance, showcasing how foreign management reshapes Georgian business models in the face of new international expectations.

O. Petricevic & D. Teece (2019) also studied the impact of globalisation on management strategies, with a focus on multinational companies and the challenges they face. Both O. Petricevic and D. Teece and this study emphasize the transformative role of foreign capital and how globalization reshapes governance structures within firms. However, O. Petricevic and D. Teece paid more attention to macroeconomic trends and global governance shifts, highlighting new forms of international integration and their implications for large, multinational firms. In contrast, this research focuses more on the localized impact of European investment in Georgia, analysing how it influences management at a granular level, particularly through the lens of foreign managerial influence and sector-specific reforms.

P. Samimi & H. Jenatabadi (2014) also looked at the role of globalisation in economic development and management change. Both studies focused on the impact of global economic transformations on management approaches. However, P. Samimi & H.S. Jenatabadi focused more on economic indicators and political factors, while the other study looked at the implementation of specific management practices in the Georgian business environment, with a focus on European integration and the influence of foreign managers.

K.W. Khaw *et al.* (2022) investigated the reactions of organisations to change, especially during global economic transformations. In both cases, the adaptation of management approaches under the influence of external factors was considered. However, K.W. Khaw *et al.* focused on the psychological aspects of change, while the other study was more focused on management strategies and the impact of foreign investment and technology on business development in Georgia.

K. Schwertner (2022) examined the impact of digital technologies on management processes. Both studies emphasized the importance of technological innovations for increasing the competitiveness of enterprises. However, K. Schwertner's study explored general trends in digital transformation, while the other study focused on the adoption of specific technologies and standards in Georgian companies under the influence of European agreements.

Work by M. Qureshi (2021) on digital technology and governance explored how innovations in technology drive economic change and necessitate new governance models. Both studies discussed the transformative power of digital innovation in reshaping business practices. However, M. Qureshi took a global perspective, analysing broad technological trends and their effects on governance worldwide. In contrast, the other study concentrated on the adoption of specific digital innovations by Georgian companies, particularly within the framework of European integration. This localized focus illustrated how technological advancements, backed by European investments, are influencing the modernization of management practices in Georgia.

Analysis by G. Shirokova *et al.* (2015) of economic transformation similarly paralleled the themes of managerial change driven by external factors. G. Shirokova and others examined how economic shifts in the UK, particularly in sectors undergoing rapid change, prompted adaptations in managerial practices. Like the other study, G. Shirokova *et al.* recognised economic transformation as a crucial driver of management change. However, while G. Shirokova *et al.* study remained centred on UK-based examples, the other research focused on the specific context of Georgia, where European investments and reforms have led to significant shifts in managerial strategies, particularly in response to the country's integration into the European economic space. The analysis of the results highlights the profound influence that global economic transformations have had on management practices in Georgia. The necessity to quickly adapt to European standards, driven by deepening integration into the EU economic space and the inflow of foreign investments, has resulted in significant shifts in corporate structures and management strategies. The introduction of foreign management approaches, combined with technological innovations, has accelerated the modernisation of Georgian companies, allowing them to enhance efficiency and competitiveness.

However, while these changes have brought clear benefits, they have also posed new challenges. Georgian companies now face the pressing need for continuous investment in staff training and the modernization of production processes. Resistance to change from both employees and middle management has emerged as a significant barrier to implementing new technologies and managerial practices. The research demonstrates that the involvement of foreign managers and specialists with international education has been crucial in overcoming some of these hurdles by introducing global best practices tailored to local needs.

The findings underscore the importance of balancing the advantages of international integration and innovation with the practical challenges faced by local companies in adapting to these new conditions. The role of foreign investment and international management practices is undeniably a key driver in this transformation, but successful implementation depends on the ability to address internal resistance, foster innovation, and invest in human capital to sustain these changes over time.

Conclusions

The study's findings show that the evolution of management methods in Georgian businesses has been greatly impacted by developments in the global economy, especially those brought about by European integration. The modernization of corporate structures has increased due to the entry of foreign management approaches and technological breakthroughs. According to the report, foreign managers and experts with foreign education were crucial in bringing best practices to Georgian businesses and bringing them up to speed with global norms. The adoption of European business techniques has raised competitiveness globally and enhanced production efficiency, especially in industries like IT, pharmaceuticals, and agriculture.

However, several challenges emerged during the adaptation process. Georgian companies face significant financial barriers, particularly SMEs, which struggle to invest in staff training and technological upgrades. The study revealed that resistance to change, especially among middle management and employees accustomed to outdated practices, further complicates the adoption of new management strategies. Overcoming these challenges requires not only financial investment but also a focus on human capital development, particularly through continuous training and education programs for staff.

The study also highlighted that, while foreign investment and international management practices have improved operational efficiencies, the reliance on external expertise poses risks. Georgian enterprises need to develop internal capacity to sustain long-term growth. This includes fostering local leadership and management talent capable of handling the complexities of a globalised economy. One limitation of the research was the focus on a limited number of industries, primarily agriculture, IT, and pharmaceuticals, which may not fully represent the broader economic landscape of Georgia. Another limitation is the reliance on self-reported data from managers, which could introduce biases. Expanding future studies to include more diverse sectors and objective measures of success (such as financial performance over time) would provide a more comprehensive view of the impact of global economic changes on Georgian management practices. In conclusion, this study confirmed that European integration and foreign investment have significantly transformed management practices in Georgia, highlighting the need to overcome resistance to change and enhance local capacity for long-term success and competitiveness.

Future research on management methods in Georgian businesses should focus on several key areas. First, it is vital to assess the long-term impact of foreign management and how local businesses can sustain changes without ongoing external support. Second, examining how SMEs can access international financial resources and training programs will help them overcome implementation barriers. Finally, expanding the study to include industries, services, and tourism will shed light on the effects of foreign management practices across the Georgian economy.

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Conflict of Interest

None.

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Роль глобальних економічних змін у трансформації грузинського менеджменту

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Анотація. У цьому дослідженні розглядався вплив глобальних економічних змін, зокрема європейської інтеграції, на трансформацію управлінських практик на грузинських підприємствах. Це висвітлює, як іноземні інвестиції, міжнародні стандарти та технологічні інновації змінили корпоративні структури та управлінські стратегії. Методологія дослідження включала як кількісний, так і якісний аналіз, зосереджуючись на таких секторах, як сільське господарство, фармацевтика та IT, які залучають іноземні інвестиції та беруть участь у міжнародній економічній діяльності. Дані були зібрані за допомогою опитувань та фінансових звітів, щоб дослідити управлінські трансформації, спричинені європейською інтеграцією та впливом іноземних менеджерів. Основні висновки показують, що іноземні менеджери та грузинські фахівці, які отримали освіту за кордоном, відіграли вирішальну роль у модернізації управлінських практик шляхом впровадження найкращих міжнародних практик, адаптованих до місцевих умов. Прийняття європейських стандартів значно підвищило операційну ефективність та конкурентоспроможність, особливо в галузях, чутливих до якості. Однак проблеми залишаються, особливо для малих і середніх підприємств, які стикаються з фінансовими обмеженнями при інвестуванні в навчання персоналу та нові технології. Опір змінам серед керівників середньої ланки та працівників ще більше ускладнює перехід до інноваційних управлінських підходів. Зокрема, грузинські компанії повинні зосередитися на розвитку сильного внутрішнього лідерства та управлінських талантів, щоб зменшити залежність від зовнішньої експертизи. Це передбачає створення постійних програм професійного розвитку, сприяння розвитку культури інновацій та забезпечення ефективної передачі знань від іноземних менеджерів місцевим командам. Крім того, критично важливою буде розробка стратегій подолання опору змінам. Розширення дослідження на більшу кількість галузей та включення об'єктивних показників ефективності забезпечить ширше розуміння глобальних економічних змін в управлінських практиках Грузії

Ключові слова: регіональні бізнес-практики; вплив іноземного досвіду; стратегії лідерства; спільні підприємства; європейська інтеграція