# THEORETICAL BASIS OF INCREASING THE EFFICIENCY OF MANAGEMENT OF INDUSTRIAL ENTERPRISES

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#### **Annotation**

The scientific work of scientists in improving the efficiency of management of industrial enterprises has been theoretically studied. In describing the development processes of management of industrial enterprises, the real object is presented in the form of two systems, namely, managerial and managed.

**Keywords**: Management efficiency, capacity, economic potential, research, management system, system structure, real sector, evaluation criteria, financial resources, analysis and forecasting.

#### Introduction

There is a lot of research on the targeted use of modern statistical methods to improve the management of industrial enterprises around the world, comprehensive statistical assessment and forecasting of economic potential on the basis of integrated indicators, as well as economic capacity building. Also, due to the improvement of the modern management system, attention is paid to ensuring the innovative development of enterprises, improving the criteria for modern assessment of innovative potential of enterprises, the use of methods of systematic analysis of innovation and economic potential. The development of economic potential and management of innovative activities of industrial enterprises in the world, as well as structural changes in the economy of enterprises of leading countries and the further improvement of relations are among the main scientific issues of our time.

In Uzbekistan, too, systematic work is being carried out to ensure the effective use of economic potential in the activities of various property-based industrial enterprises, to assess the effectiveness of management, statistical analysis of enterprise activities through management capacity. In addition, the Action Strategy for the further development of the Republic of Uzbekistan for 2017-2021 sets priorities such as "deepening structural changes, increasing the competitiveness of enterprises and increasing export potential." Effective implementation of these tasks requires improving the use of econometric and statistical methods in assessing the economic potential of enterprises, systematic analysis and forecasting of management efficiency.

In our country, it is important to increase the efficiency of management of industrial enterprises. Indeed, the industrial sector is the basis for ensuring sustainable economic growth, increasing export earnings, prioritizing the development of small business and private entrepreneurship, as well as social crisis, ie employment, increasing incomes and, ultimately, improving living standards.



Today, industrial enterprises are characterized not only as a rapidly developing industry, but also as a stable increase in exports, attracting foreign investment and modernization and technological renewal of production processes.

In recent years, the volume of industrial production in the country is growing rapidly and its share in the country's GDP is growing significantly. According to statistics, in 2021, the share of this sector in GDP was 27.8%, an increase of 0.3% over the previous year. It is known that today a lot of research has been conducted in foreign countries on the concept of improving the efficiency of management of industrial enterprises, its components, indicators of its evaluation. However, at the local level, almost no research has been conducted that fully covers the specifics of the development of the real sector of the economy and based on it developed scientific and practical proposals on the concept of economic potential of enterprises, its assessment indicators and mechanisms for economic development.

Based on the above considerations, in our opinion, it is necessary to scientifically formulate and theoretically reveal the economic essence of the concept, structure and evaluation of indicators of economic potential for industrial enterprises, taking into account the essence, structure, specific features of development of industrial enterprise management. considered appropriate.

According to V.S. Spirin's approach, "economic potential is determined by a set of resources that contain available and unused resources."

According to BA Reisberg, "economic potential explains the efficient use of all available limited resources of the enterprise to maximize profits and is a key component of the potential of production and the economic system."

In the works of local scholars, economic potential is also interpreted as "economic potential is the resources, opportunities, means and resources that can be used by the organization to achieve goals in a particular field, to solve the identified tasks."

Uzbek scholars have approached the concept of "economic potential" as follows: "The economic potential of an enterprise means all the material and labor resources and intangible assets that fully support the economic process that takes place in it."

Based on the above interpretations of economic potential, they can be divided into two areas:

economic potential is a set of available resources;

economic potential is the ability of these productive forces to achieve certain results.

In the first case, the concept of "economic potential" is approached only in terms of resources. This does not allow to fully reveal the comprehensive economic essence of economic potential. In the second case, the focus is only on the results of the use of economic potential.

In the theory and practice of any business entity, the target direction is mandatory, but it can not be achieved without economic growth and development, efficiency and competitiveness, resource capacity, which are the sources and means of achieving the set goals.

In this context, we believe that a third distinct approach to the concept of economic potential of industrial enterprises can be given by combining the above directions. In this approach, it is advisable to take into account the ability of industrial enterprises to make maximum use of available resources and achieve the specified efficiency.



In some scientific economic studies, there are similar interpretations of this approach to the economic potential of the enterprise. In particular, Professor VV Kovalev understood the economic potential of the enterprise as the ability of the enterprise to achieve its goals using the available material, labor and financial resources.

In his scientific work, RV Marushkov interprets economic potential as the ability of an enterprise to operate long-term and achieve strategic goals using the existing system of resources.

In the scientific work on the economic potential of industrial enterprises, the following approach is given: The economic potential of an enterprise reflects the "ability" formed as a result of the interaction between labor assets, fixed assets, working capital, intangible assets and land resources.

Based on the above, he gives the following definition: "The economic potential of an enterprise is the ability to use the available resources wisely, to interact with the external and internal environment, to achieve sustainable growth and to achieve strategic goals, a common ability and available capabilities." Economist VN Shchepetova gives the following approach in terms of economic potential of commercial enterprises: "Economic potential is the ability of an enterprise to achieve its goals based on the effective use of all available resources in the context of the interaction of external and internal environmental factors."

From the analysis of theoretical views and scientific ideas given by economists on the concepts of "potential", "economic potential" and "economic potential of enterprises" can be concluded:

To date, there is no scientifically and economically based holistic concept of "economic potential of enterprises";

The concept of "economic potential of enterprises" should be formed based on the specifics of each industry;

Thus, taking into account the above theoretical concepts and scientific ideas on the concepts of "potential", "economic potential", "economic potential of the enterprise" and the specific development and operation of the industry, the following definition of the economic potential of industrial enterprises.

The economic potential of an industrial enterprise is the ability to form long-term sustainable development through the efficient and rational use of available resources and to form, identify and meet the demand for industrial products in the market in the process of interaction with the external environment.

In international practice, methodological rules have been developed for the formation, statistical assessment, analysis and forecasting of the economic potential of enterprises based on different ownership, which ensures the interdependence of different scientific schools and areas and the reliability of the results.

The Action Strategy for Further Development of the Republic of Uzbekistan for 2017-2021 also identifies priorities such as effective use of the potential of enterprises of different ownership, ensuring the production of competitive products and increasing export potential.

The analysis of existing approaches to the statistical study of the economic potential of the enterprise is the most objective systematic approach among them.



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In its implementation, there are systematic analyzes such as special systems, a set of methods, system analysis and object research through the analysis of these systems.

The essence of the studied concept is multifaceted and multidimensional and its components are not disclosed, there are significant differences in the interpretation of this category and the terminology base is still insufficiently developed, which requires clarification of the conceptual framework for studying the economic potential of the enterprise.

In describing the development processes of management of industrial enterprises, the real object is presented in the form of two systems: manager and controllable (control object).

The general structure of management systems of multi-industry enterprises is shown in Figure 1. It includes endogenous variables:  $\vec{x}(t)$  – input effects (task) vector;  $\vec{v}(t)$  – external environment effects vector;  $\vec{h}'(t)$  – error signal vector;  $\vec{h}''(t)$  – vector of control effects; exogenous variables:  $\vec{z}(t)$  – S system case vector;  $\vec{y}(t)$  – the vector of the output variables is usually  $\vec{y}(t) = \vec{z}(t)$  will be.

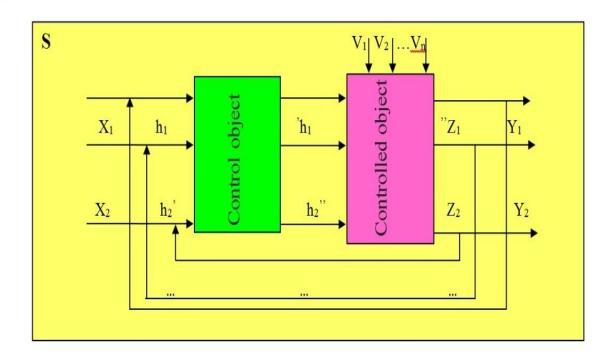


Figure 1. The structure of the management system of industrial enterprises.

At present, the management system of industrial enterprises is a set of software and hardware that provides a specific target management system. Depending on how far the control object achieves its goal, it is possible to make a decision on the y (t) state coordinate for a one-dimensional system. The difference between the task value yzad (t) and the actual value y (t) of the control quantity change law is h'(t) = yzad(t) - y(t) control error. If the law of change of the given control quantity coincides with the law of change of the input effect (task), i.e. x(t) = yzad(t), then h'(t) = x(t) - y(t).



A system with a control error h '(t) = 0 for all time moments is called an ideal system. In practice, it is not possible to develop ideal systems. Therefore, the error in automatic control should be reduced based on the principle of negative feedback (using the output variable y (t) and its task values as information about the deviation between them). The task of control systems in industrial enterprises is to change the variable y (t) to the accuracy (with permissible error) given in accordance with the law. When designing and operating automatic control systems, it is necessary to select parameters that can ensure the required control accuracy of the C system, as well as stability during the transition process.

If the system is stable, then its behavior over time, the maximum deviation of the adjustment variable y (t) in the transient process, the transient process time, and so on are of practical interest. The properties of different classes of automatic control systems can be inferred from the types of differential equations that most closely describe the processes in the system. The order of the differential equations and the value of the coefficients completely determine the static and dynamic parameters of the system. The use of Figure 1 allows the adoption of analytical or imitation approaches developed in the form of appropriate language for modeling continuous systems or using analog and hybrid computational techniques in shaping the process of continuous-determinant S systems and evaluating their basic characteristics.

According to our analysis, there are two important directions for studying economic potential: resourceful and productive. However, it is a complex process to work on the basis of only one of the approaches, because most of the definitions are reflected in the characteristics of the source and result directions. Summarizing the features of the latter, we can alternatively cite a "mixed approach" to defining the concept of "potential". Clear results can be achieved based on the organization of efficient use of enterprise resources. In short, in the context of modernization of the economy to study the specific scientific and methodological basis of the management system of industrial enterprises, to determine the main directions of activities in this area, to create an effective management system in the industry, as well as to form management structures and services required. Increasing the effectiveness of management mechanisms in improving the efficiency of management of industrial enterprises, the effective organization of the organizational and economic mechanism of industrial enterprises should be considered as a key direction in ensuring economic development.

In order to increase the efficiency of management of industrial enterprises, it is expedient to strategically plan the adopted legal and regulatory documents and the measures identified in them in accordance with the current requirements of economic modernization, based on the specifics of the regions.

The organizational and economic mechanism of effective management of industrial enterprises includes management subjects, management functions, management objects, communication system, management methods, management goals and objectives, and requires them to operate in an effective system. All elements of the organizational and economic mechanism are inextricably linked, and their complementarity is the main criterion for their effective functioning in the market.



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