

Issues of Improving the Organizational and Economic Mechanism of Business Management

Ibragimov Isroil Usmanovich¹, Milimo Mundia²

^{1,2} Namangan Institute of Engineering and Technology, Uzbekistan

Abstract

The main directions of improving the organizational and economic mechanism of business management in world practice are the formation of an integrated management mechanism, the creation of conceptual foundations for the effective organization of relations between the state and business entities, and the improvement of the organizational and economic system. business management mechanism based on modern management principles. Research has been carried out on the rational use of effective methods.

Introduction

The main directions of improving the organizational and economic mechanism of business management in world practice are the formation of an integrated management mechanism, the creation of conceptual foundations for the effective organization of relations between the state and business entities, and the improvement of the organizational and economic system. business management mechanism based on modern management principles. Research has been carried out on the rational use of effective methods.

Currently, a number of scientific studies are being carried out to improve the organizational and economic mechanism of business management in the world, including the development of an organizational and economic mechanism of management, taking into account the potential of regions and industries, the creation of a management mechanism based on the principles of creativity, outsourcing and franchising, scientific research on priority areas, such as the formation of clusters in management.

Uzbekistan is taking comprehensive measures to support entrepreneurship, encourage entrepreneurship, improve governance and improve efficiency. In the Strategy of Action for the development of the Republic of Uzbekistan for 2017-2021, "Continuing of institutional and structural reforms aimed at reducing the state's presence in the economy, further strengthening the protection of rights and priority role for private property, encouraging the development of small business and private entrepreneurship" important tasks have been identified. Solving these problems requires improving the organizational and economic mechanism of business management.

The main direction of the action strategy is planned to ensure the stability of the national currency rate and prices, the gradual introduction of modern market mechanisms for foreign exchange regulation, expanding the revenue base of local budgets, expanding foreign economic relations, introducing modern technologies for the production of products and materials for export, development of transport and logistics infrastructure, entrepreneurship and increasing investment attractiveness for foreign investors, improving tax administration, it introduce modern principles and mechanisms of banking regulation, to develop diversified economies, as well as to accelerate the development of the tourism industry, the implementation of measures outlined in the third direction "Priority areas of economic development and liberalization."¹ This direction also includes measures to improve the organizational and economic

¹ O'zbekiston Respublikasi Prezidentining 2017 yil 7 fevraldagi «O'zbekiston Respublikasini yanada rivojlantirish bo'yicha Harakatlar strategiyasi to'g'risida»gi PD-4947-sonli Farmoni. Lex.uz.

mechanism of entrepreneurial activity, reduce the administrative impact on sectors of the economy and the widespread use of market mechanisms.

Entrepreneurship and the factors that influence it have long been the focus of economics and finance scholars. The concept of "entrepreneurship" began to attract the attention of economists, psychologists, political scientists in the XVI century. JB Say, A. Marshall, W. Zombramb, J. Schumpeter, F. Knight are the founders of the science of entrepreneurship, and their contribution to the introduction of the category of "entrepreneurship" in scientific circulation is great. The first scientific definition of the category "entrepreneurship" was given by the English scientist R. Cantillon in the early XVIII century. According to Cantillon, "entrepreneurs are a new layer of people who seek to transform the market, even if it is aimed at making a profit." So, according to R. Cantillon, an entrepreneur is a person who can see the market opportunities. He uses these opportunities entrepreneurially to make a profit. R. Cantillon considered risk to be the most important indicator of entrepreneurship.

Entrepreneurship management mechanism is a set of methods, techniques and principles of business organization, which are used in the process of business management, relationships and communication between them. In general, many well-known economists, including L.I. Abalkin, N.K. Yuldashev, Sh.N. Zaynutdinov, G.M. Kasimov, expressed their views and opinions on the economic mechanism, management mechanisms. V.F. Fillipov describes that the economic mechanism includes planning, economic incentives and incentives, organizational structures, methods and techniques, which are the main elements of management, including various forms of participation of the workforce in production management.² The management mechanism interacts with the economic mechanism, they are very close concepts. It should be noted that the concepts of "management mechanism", "economic mechanism", "economic mechanism" in the economic literature do not differ significantly from each other. In a market economy, the concept of "management mechanism" is the main organizational and economic category, which includes other mechanisms related to business.

Based on the above, the management mechanism should be considered as an active element of the management system, which provides influence on the factors on which the results of the activities of the management object depend. Hence, a management mechanism is a set of methods, tools, and supports that influence the management processes used by management entities to achieve management objectives.

The organizational mechanism of management - a clear organizational measure - is formed on the basis of a set of measures, which serve to form an open system of business activities that can respond to various influences of the external environment. The organizational process is based on the following processes: the formation of governing bodies of the organization, the division of their powers, the formation of internal and external office and document management system, cooperation between management and control systems, relationships and the formation of its regulatory framework, etc. The main purpose of the organizational mechanism as part of the integrated management mechanism is to form and strengthen the organizational capacity of the enterprise in the control of resources, distribution and assessment of the impact of production factors.

The legal mechanism is the legal and normative regulation of relations between the subjects of business management. In practice, regulations define the interaction of the elements of the mechanism. The main task of the legal mechanism is to determine the legal relations of the participants in the management

² Filippov V.F. *Besedy o hozyaystvennom mechanisme*. 2nd ed., Dop. M.: Politizdat, 1984. 192 p.

process. The key elements of the above-mentioned integrated management mechanism together ensure the effective functioning of the organization. Each of these mechanisms should ensure that the organization achieves the ultimate goal of the management process. In conclusion, it can be said that the economic mechanism is the basis of the organizational and economic mechanism.

When analyzing the organizational and economic mechanism as a management system, it is necessary to pay attention to some aspects, including not only the totality of forms, methods, types and functions of management (this is associated with the concept of "economic management mechanism")., but also the administrative apparatus. In particular, this includes people performing a management function, organizational factors.

As a result of the measures taken to develop small business and support entrepreneurship in the Namangan region, the share of small business in the gross regional product in 2020 amounted to 74%. As of January 1, 2020, 1,864 small businesses were registered in the region, which is 102.4% more than in 2017. At the end of 2020, the share of small business in the region's industry was 56.7%, in construction - 91.3%, in services - 71.2%, in export - 68%.

The working-age population is 1574.3 people, the economically active population is 1205.3 thousand people, of which 988.1 thousand people or 82% are engaged in small business.

In Namangan region in 2013, the production of industrial products by small businesses amounted to 1629.5 billion soums. sum, production of consumer goods amounted to 1013.9 billion soums. soums, food production (excluding vodka and wine) amounted to 529.4 bln. sum, gross agricultural output amounted to 2429.1 billion soums. sum, retail trade turnover amounted to 2898.5 billion. In 2020, the production of industrial products amounted to 5471.3 billion soums, production of consumer goods amounted to 3715.5 billion soums, food production - 1934.7 bln. sum, gross agricultural output amounted to 3493.1 billion soums. soums, retail trade turnover - 5575.4 bln. soums.

Table 1: The share of small business in the volume of products, works and services in the main sectors of the economy of the Namangan region (percentage)

The main sectors of the regional economy	2011 y.	2012 y.	2013 y.	2014 y.	2015 y.	2016 y.	2018 y.	2019 y.	2020 y.
Industry	39,0	47,0	48,8	56,9	61,9	68,8	71,5	68,5	56,7
Agriculture	99,1	99,0	99,2	99,2	99,2	99,0	99,3	99,2	98,5
Investment	55,2	57,0	52,4	39,9	43,8	48,7	42,2	43,5	44,1
Construction	87,1	87,8	92,5	93,4	95,2	95,1	93,9	93,2	91,3
Trade	92,3	86,4	87,3	89,5	90,2	92,4	91,9	90,6	90,8
Total service	60,0	54,7	62,4	64,7	70,0	73,7	71,8	69,5	71,2

Source: a table prepared by the author based on data from the Namangan Regional Department of Statistics.

The effective organization of the organizational and economic mechanism for managing small business and private entrepreneurship in the country is primarily associated with the orientation of their credit and investment processes towards balanced directions. Based on this, the author has formed a system of

factors that determine the problem. Loans to business entities, investments made, products and services produced by business entities were taken as independent variables based on grouped factors. For the selected factors, linear models of statistical ratios of the main economic indicators of small business and private entrepreneurship of the Namangan region for 2010-2020 were obtained, that is, the annual changes in the factors that determine the level of development. the correlation coefficient is at $r > 0.95$

On the figure we will analyze the parametric status of small business indicators in different years based on the provided statistics (Figure1).

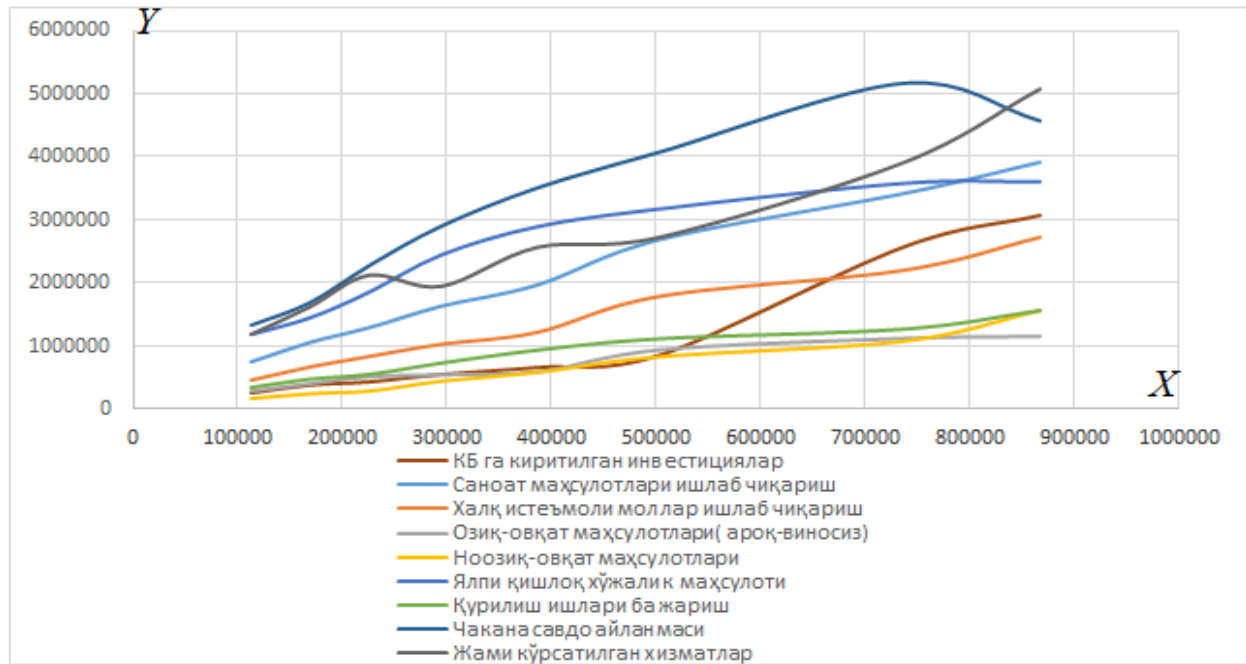


Figure – 1. Growth of products and services in relation to loans to small businesses (million soums)

The horizontal number axis in Figure 1 represents loans to small businesses, and the vertical number axis represents products and services provided by small businesses. Thus, the relative growth rate of industrial production in the period 2010-2020. It will be 0.625. Determined by the following formula:

$$K_1 = (Y_{sm20} - Y_{sm10}) / (Y_{k20} - Y_{k10}) \quad (1)$$

In this case: - K_1 is relative growth rate in 2010-2020,

Y_{sm10} - Industrial products produced by small businesses entities in 2010;

Y_{sm20} - Industrial products produced by small businesses entities in 2020;

Y_{k10} - Loans to small businesses entities in 2010;

Y_{k20} - Loans to small businesses entities in 2020.

This means that lending to small businesses has had a positive impact on the growth of industrial production. Based on the results of the analysis, it can be concluded that the level of effective use of loans and investments for business is higher than 0.5., the loans had a positive impact on the production of

industrial products, consumer goods, and non-food products. The level of investment efficiency is low, we see a positive result only in the production of non-food products (Table 2).

Table 2: Table of the relative growth rates of investments and loans in comparison with 2010

№	Manufactured products and services provided	loans	investments
1	Loans issued	1	-
2	Invested investments	-	1
3	Production of industrial products	0,625	0,359
4	Production of consumer goods	0,764	0,439
5	Food production (except alcohol and wine)	0,474	0,272
6	Non-food production	1,277	0,733
7	Gross agricultural output	0,310	0,178
8	Construction works	0,528	0,303
9	Retail turnover	0,366	0,210
10	Total services rendered	0,486	0,279

Source: a table prepared by the author

The model for assessing the impact of loans to small businesses and private entrepreneurship on the development of the industry in Namangan region is calculated using the correlation function, which determines the relative growth factors of factors selected on the basis of loans, compared to 2010.

On the basis of the constructed model, a model is proposed for assessing the impact of loans to small businesses and private entrepreneurship on the development of the industry in the Namangan region.

Table 3 shows the relative growth rates of products and services in relation to investments and loans to small businesses in Namangan region. At the same time, high coefficients were achieved by non-food production entities. The low result is explained by the share of food production.

Analyzing the results obtained, the networks were divided into groups and the following conclusions were drawn, the first group of sectors of the economy has a high degree of self-sufficiency, the product sold with the development of product manufacturing is described as a high value-added activity. It is expedient to develop the system in the second group of networks. It is necessary to recognize the industries as a key point of growth in innovative development through the implementation of cooperation and joint activities of manufacturers on the basis of innovation-investment projects. The third group of industries is characterized by the weakness of production and processing of products, the fact that the demand is met in comparison with other industries. The industry can implement both production and processing projects to improve the quality and competitiveness of products. Industries of the fourth group are characterized by low consumption, production and processing of products. It is necessary to pay attention to the development of production, optimize costs, improve industrial technology, increase the consumer value of goods.

Table 3: Strategic direction of sectoral management of organizational and economic mechanisms of entrepreneurial activity in Namangan region ³

Network group	Relative growth in relation to allocated loans	Relative growth relative to Invested investments
1 group - non-food products and consumer goods	1,27	0,73
	0,76	0,43
2 group - production of industrial products and construction works	0,63	0,36
	0,52	0,30
3 group – total volume of services provided and food production	0,48	0,28
	0,47	0,27
4 group – retail trade turnover and gross agricultural output	0,36	0,21
	0,31	0,18

Source: table prepared by the author.

During the study, the following problems were identified:

- lack of working capital at processing enterprises, high interest rates on loans for the purchase of raw materials;
- low level of utilization of the existing investment potential of food producers;
- low level of proficiency in modern technologies.

The mechanism of business management in Namangan region should take into account the combination of opportunities and measures to increase the level of competitiveness of each sector. The main components of the organizational system should be target planning (investment programs), licensing, certification, and so on. Based on this, we propose to improve the mechanism of business management in the regions based on a combination of opportunities and measures to increase the level of competitiveness of each industry.

This mechanism will help address the issues that need to be addressed, as outlined in the previous sections. In particular, loans to small businesses in the region, investments, taxation, The purpose of the network should take into account the characteristics of business entities in the implementation of registration and other activities. In the current situation, the element that determines the organizational and economic mechanism of any management is the attitude to private property. More precisely, the new organizational and economic mechanism for business development should be implemented taking into account the interests of the state and the industry, the characteristics of other participants in economic relations.

Based on the results of the analysis, we identify the existing problems in group 3 and 4 sectors, that is, in small enterprises operating in the food and gross sectors of agricultural production. The issues identified will be addressed through a combination of opportunities and measures to improve the competitiveness of each industry. Previously identified problems are systematized. All the factors affecting it are studied. Local authorities, Chamber of commerce and industry, in cooperation with business support centers and research institutes, solutions to problems are identified on the basis of the system "Experimental adaptation" based

³ Based on the relative growth rate for the period 2010-2019.

on foreign experience, the implementation of modern methods, tools and principles of business management.

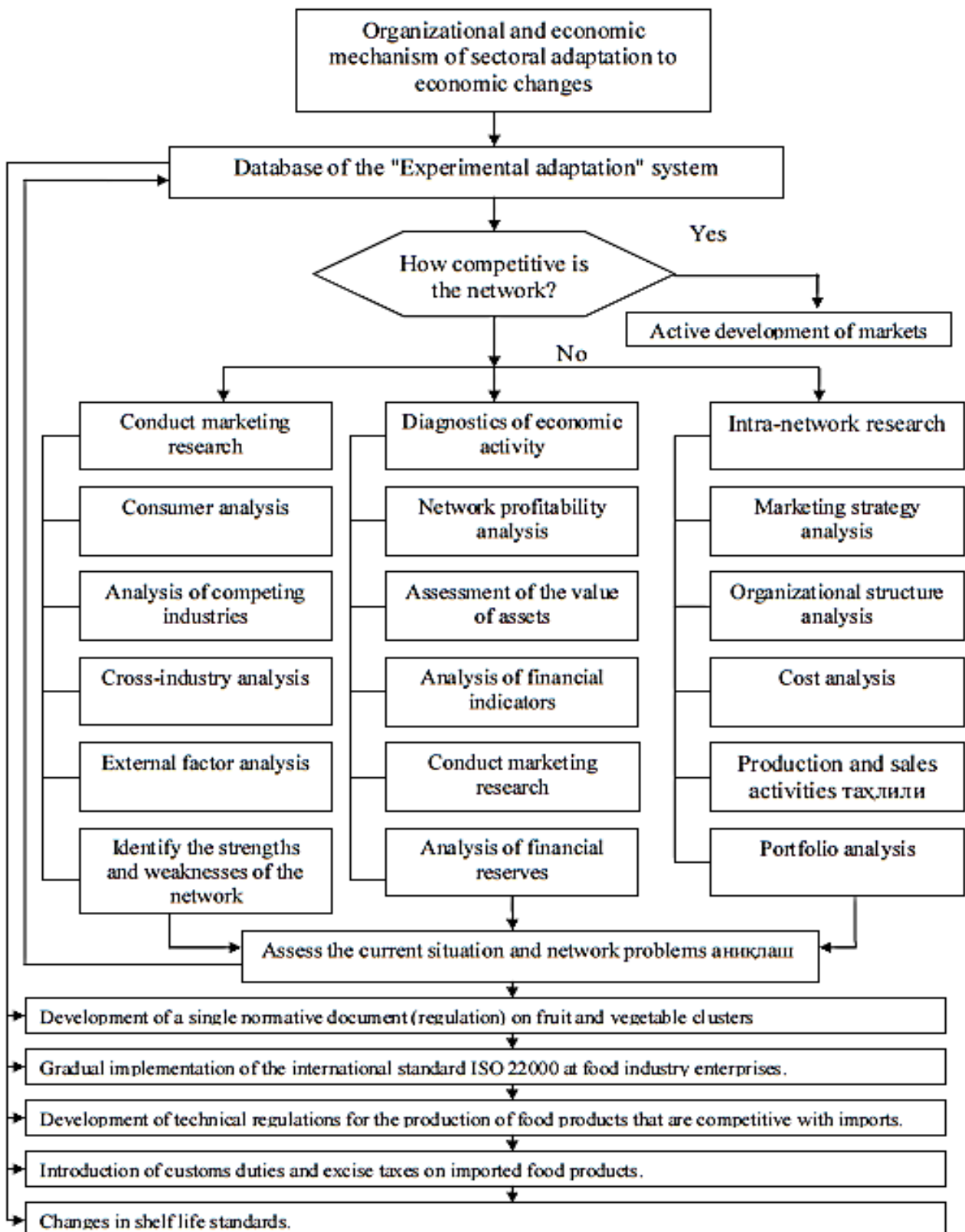


Figure 3.6

Organizational and economic mechanism of network adaptation to economic changes based on the "Experimental adaptation" system of business management.⁴

When studying the current state of the organizational and economic mechanism and the organization of its effective management based on the dynamics of products and services produced by small businesses in the country, the production of non-food products, consumer goods and industrial products by small enterprises. higher than in other sectors, the level of agricultural and food production was very low compared to the potential of the region. Today, equal benefits and opportunities are created for all business sectors. The main task of the mechanism is to answer the question whether the network is competitive. If the competitiveness of the network is low:

- diagnostics of economic activities;
- marketing research;
- requires online research.

the current situation in the network is assessed and problems are identified (Figure 2).

When forming the organizational and economic mechanism for adapting the industry to economic changes, a database of the "Experimental adaptation" system is formed, that is, after identifying existing problems based on the experience of foreign countries. The competitiveness of the network is determined based on the data in the database. If the network has problems, it is necessary to conduct market research, diagnose the economic activity of the network and conduct research within the network.

After identifying the strengths and weaknesses of the network, specific measures are determined based on the data in the database. If the organizational-economic mechanism of management applies restrictions on the goals and resources formed by the participants through the system of mandatory interaction of participants (subject and object management), the system of economic performance, has the necessary information, then the participants - elements of the system - both internally and externally. can be considered as a set of norms in a structure of a legal, organizational and economic nature that allow for effective interaction with the environment.

From this we conclude that the organizational and economic management mechanism can have a structure in any form, taking into account the influence of external factors. In such cases, the organizational and economic management mechanism, if it takes into account all the underlying elements, i.e. subjects, objects, goals and spheres of influence of management, then it includes the sum of all elements.

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