



ORGANIZATIONAL AND ECONOMIC MECHANISMS OF RISKS AND THEIR MANAGEMENT AT PRODUCTION ENTERPRISES

Muxitdinov Shuxrat

Namangan Institute of Engineering and Technology - Associate
Professor of the Department of Economics
<https://doi.org/10.5281/zenodo.8191534>

Abstract: The article developed proposals and recommendations for improving the organizational and economic mechanisms of risk management at manufacturing enterprises in order to increase production capacity, ensure viability in the manufacturing sector, and properly organize the management process in order to achieve efficiency.

Key words: risk, production, industry, organizational and economic mechanism.

Introduction. Integration and diversification of production is important in the conditions of globalization in the world, in which there is an opportunity to maintain the viability of the production enterprise. According to world statistics, in the field of production, China occupies a leading position in the global scale of industrial production. Statistical indicators show that China - 40.5%, USA - 19.1%, India - 23.0%, Japan - 30.1%, and Indonesia - 41.0% are among the top five industrial production by share in GDP [1]. In general, production efficiency is the main task of every enterprise. It represents the qualitative and quantitative indicators of economic management, as well as the relationship between materialized and live labor costs and the results obtained. From this point of view, it is necessary to improve the organizational and economic mechanisms of management in reducing risks and their impact in production enterprises. Because risk management is one of the main tools aimed at improving the effectiveness of the company's management programs, they increase the possibility of reducing the cost of the product and mitigating or preventing problems that can hinder the success of the company. Management and its organizational-economic mechanism is a complex process. Because the organizational mechanism is considered the main element of management, the management process requires management of economic mechanisms in the next steps. If the management process is focused only on the management of the organizational aspects, the management of the economic aspects will lead to the derailment of the management and the disruption of economic relations. From this point of view, in the management of risks in production enterprises, first of all, organizational and economic mechanisms of enterprise management require regulation.

Based on this, today it is important to reduce their negative effects based on effective risk management in production enterprises in our country. Therefore, it is necessary to deepen scientific research on this problem in our country, and it shows that the chosen topic is of urgent importance.

Analysis of literature on the topic. Economists and experts on improving the organizational and economic mechanisms of risk management in the field of industrial production, especially in the field of industrial production, have expressed opinions and comments in their studies and international conferences.

According to the definition of N. Kruglova, one of the economists of the CIS country, "the components of the organizational mechanism of management (structural, organizational-administrative, informational mechanisms) are a complex that has a complex effect" [2].

Scientists F.Kh. Shkurbayeva and I.T. According to Farniyeva, "By economic mechanism, we understand a comprehensive, multi-level system of forms and methods of economic management. The design of the economic mechanism of the enterprise includes the following elements: a system of internal economic relations that establishes production and economic relations between structural units; defined as "methods of assessing the impact of these relations on the general activity of the enterprise, incentive subsystem, planning, control, regulation, accounting and analysis of economic activity" [3].

According to S. Castelazo, one of the scientists of European countries, the organizational and economic mechanisms of risk management are closely related to the organizational and economic mechanisms of the enterprise. As a result of the influence of internal and organizational factors affecting the enterprise, the enterprise may encounter risk errors [4].

Among the scientists of our country, M. Makhkamova and others: according to "Content, the management structure is an organizational form of division of labor for the adoption and implementation of management decisions. Thus, the organizational structure of management means a complex of managed departments that are strictly subordinate to each other and can ensure interdependence between managing and managed systems" [5].

According to Kh.J.Kambarov, "Production risks are one of the manifestations of potential risks affecting the enterprise, and are characterized by the characteristics of risks formed during the production process or during the delivery of raw materials. "Production risks are estimated by the impact of expected risks in production on the increase of costs and the probability of certain damage" [6].

Research methodology. In order to improve the organizational and economic mechanisms of risk management in production enterprises, the study of scientific research, comparative comparison, study and analysis of statistical data, logical thinking, scientific abstraction, synthesis, induction and deduction methods are widely used.

Analysis and results. According to the definitions given by the scientists above, the organizational mechanism is the main link of the organization and management of the subject, and the economic mechanism is a set of economic means of the subject's influence on the managed object determined by the conditions of the market economy arising from the interdependence of the subjects of the market system.

In the management of the manufacturing enterprise, taking into account the management of the economy, focusing only on its organizational aspects, the control of the economic mechanisms of the enterprise's activity by itself will lead to an increase in the impact of risk. From this point of view, it is appropriate to improve the organizational and economic mechanisms for increasing the efficiency of risk management in production enterprises. The effectiveness of risk management depends on the organizational and economic mechanism of enterprise management. However, there is another aspect of the issue that is not fully controlled, taking into account the organizational and economic mechanisms of the management of the production enterprise, it may not lead to the improvement of the risk management system. From this point of view, improving the

effectiveness of risk management in the improvement of organizational and economic mechanisms in ensuring the efficiency of management in production enterprises should occupy an important place.

During the research, we were convinced that there are different approaches presented in the literature on ensuring the organizational and economic mechanisms of risk management in production enterprises. There is no clear or uniform approach. From this point of view, in order to improve the organizational and economic mechanisms of risk management in production enterprises, we visited the production enterprises in the Fergana Valley and held a conversation with the managers and managers about the risks affecting the production enterprises and clarified the following issues (Table 1).

Table 1

Production enterprises in the Fergana Valley and their influence on their activities.¹

No	Company name and region	The position of the interviewer in the company	Risks affecting the operation and management of the manufacturing enterprise
1	" Aishe Textile " Namangan region	Deputy Director	Lack of staff, state support system, interruptions in energy resources, loan interest rates, exchange rate, delayed payment of goods given on loan
2	"Iftikhor clothing industry" Textile Namangan region	Manager	Low product demand, exchange rate, tax policy, delays in arrival of imported primary or secondary products
3	" Imron Textile " Namangan region	Business manager	Lack of staff, influence of competitors, delinquencies, technological factors, poor financial stability, credit, low demand for products
4	"Oriental Silk Masterpiece" Fergana region	Head of the enterprise	Low qualification of management employees in the production enterprise, technological changes, stability of energy sources, financial disturbances, credit policy, political situations in the international arena
5	"Asel development textile" Andijan region	Head of the enterprise	Qualification of personnel, late payment of debts, quality of products, high import duties, tax rates, exchange rate, political situation of countries in the matter of import and export, all factors that lead to loss of funds.
6	"Silver Bull Tex" LLC Andijan region	Business manager and accountant	Lack of effective organization of management in the enterprise, failure of managers to take into account the impact of risks and factors, personnel

¹ Манба муаллиф ишланмаси

			issues, technological changes, ineffective use of resources, decrease in profit, increase in expenses
--	--	--	---

According to the interview conducted, the main risk factors affecting the activity of production enterprises today are personnel issues, product demand, inefficiently organized management, technological factors, tax and credit policy, exchange rate changes, losses caused by financial violations, debt issues.

If we analyze the risks affecting the production enterprise in terms of personnel, in the academic year 2021-2022, the number of students studying engineering work and production technology in higher education institutions of Namangan region is 7.2 thousand people, this indicator is 4.9 thousand people in Andijan region and 1.4 people in Fergana region [7]. According to statistics, there are 13,500 students studying production engineering in the Fergana Valley. This indicator may not be enough to provide personnel for the total production enterprise, but not all employees in the production enterprise are made up of personnel with higher education. Especially in the field of light industry, the majority of workers in the fields of textiles, sewing and knitting are women, and they consist of employees with secondary specialized education. The lack of personnel is caused by the conditions created for the employees in the production enterprise, the lack of justice in the management, the neglect of work motivation, the lack of a healthy environment in the team, the lack of social protection, and most importantly, the fact that a higher salary is offered in another enterprise for the same rate of work.

If we analyze the demand for the product, today there is a demand for ready-made clothing, knitwear, fabric, and other types of light industrial products used for daily use. In the last 5 years, light industrial products have become substitutes for imported products in the domestic market.

There is one aspect of the matter that the main aspect of meeting the demand in this market is the quality of the product. If there is an attempt to saturate the market with a low-quality product, this may lead to bankruptcy of the company due to a decrease in the manufacturer's reputation and demand for its products.

It can be seen that the increase in the export of textile products is a direct result of the reforms implemented in order to produce finished products instead of raw cotton and create added value. In particular, 390.3 mln. in Namangan region this year. The export of textile products in US dollars accounted for 67.2% of total exports and increased by 113.3% compared to last year. The share of import of industrial products is 23.3%. In Andijan region, 47.3 percent of the total export was made, while the share of import was 21.8 percent. 46.1 percent of the total export of Fergana region, while the share of import was 23.7 percent. Analyzing the general situation, Namangan region leads the export of light industrial products compared to the other two regions, and Fergana region leads the import by 0.4% [8].

If we analyze the inefficient management system, which is considered as the next influencing risk in the questionnaire, there is certainly an organizational aspect of managing any entity. The management system of a manufacturing enterprise specializing in light industry should consist of the following two main types:



object of management (capital investments, insurance process, economic relations and relations, economic processes and quality);

management subject (forecasting, organization, coordination, regulation, stimulation, control).

This system was created on the basis of theoretical views and classical principles of scientifically based management. However, based on today's situation, it should be said that the most important thing to pay attention to when establishing an effective management system is the control over funds and their expenses.

Technological factors are considered one of the organizational and economic mechanisms of risk management in a production enterprise. The composition of technological factors theoretically includes the introduction of new technologies, the level of labor mechanization and automation, resource-saving technologies, technologies with high production capacity, and technology of competitors. However, today, global economic changes require the transition to a digital economy, especially as a result of the introduction of digital technologies into the national economy. It should be noted that in the conditions of the digital economy, as a result of the introduction of information and communication resources, production, logistics, marketing and e-commerce technologies into the production process, risk factors affect the production enterprise due to the decrease in the level of competitiveness.

Questionnaires conducted on the basis of the above interview form a complex of risk factors affecting manufacturing enterprises in our country today. In general, in our country, there are privileges and preferences provided by the state to production enterprises, especially tomachilk enterprises, and the implementation of this law and legal documents will help to increase the effectiveness of the organizational mechanisms of risk management in production enterprises. In particular, in order to ensure high and stable growth rates in the textile and sewing and knitting industry in our Republic, to attract and absorb foreign direct investments, and to further improve the production and export of competitive products, the President of the Republic of Uzbekistan dated February 12, 2019 "On measures to further deepen the reform of the textile and sewing and knitting industry and expand its export potential" PQ-4186- No. The decision was put into practice. According to the decision:

1. From April 1, 2019, such a procedure should be established, according to which:

a) Expenses related to interest payments on loans from commercial banks to sewing and knitting enterprises that export at least 80% of finished products produced in 2019-2021 will be covered from the funds of the State Fund for the Development of Entrepreneurship under the Cabinet of Ministers of the Republic of Uzbekistan in the following manner:

in the amount of 25% of the interest rate set by commercial banks for loans in national currency for the purpose of replenishing working capital (purchase of yarn, knitted fabric, yarn yarn, etc. for the production of ready-made textile products), but not higher than 5 percentage points;

for the purpose of modernization of production (purchase of buildings and equipment) in the amount of 50 percent of the interest rate set for loans in foreign currency by commercial banks;

c) bank guarantees strictly required for selling cotton fiber through stock exchanges are cancelled. In this case, the procedure for ensuring the fulfillment of obligations between the parties is determined on the basis of the contract [9].

On the basis of such adopted regulatory documents, state support is of great importance in the development of industrial enterprises, especially in the field of textiles, in reducing the risk factors affecting them and in ensuring the stability of the industry.

The research shows that when improving the organizational-economic mechanisms of risk management in a production enterprise, it is necessary to distinguish the principles of the organizational-economic mechanism of risk management and organizational-economic mechanisms into types. (Figure 1).

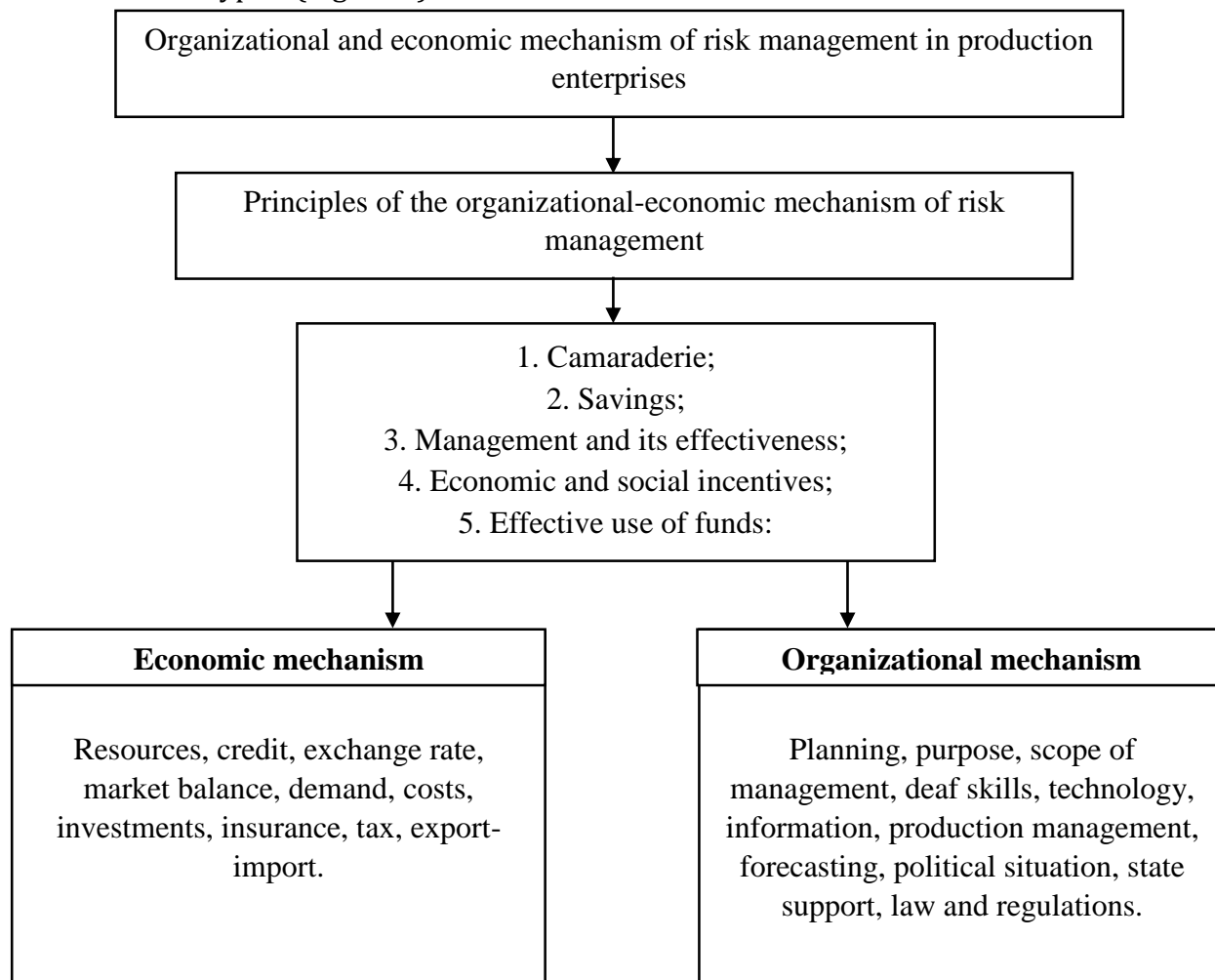


Figure 1. Systematization of the organizational-economic mechanism of risk management in production enterprises²

It can be seen from the picture that today in our country, the main factors of organizational and economic mechanisms have been divided into groups based on the principles of the organizational and economic mechanism of risk management in production enterprises.

It is necessary to improve the organizational and economic mechanisms of risk management in production enterprises by dividing the management of separated organizational and economic mechanisms into management objects and subjects and by systematizing organizational and economic mechanisms (Fig. 2).

² Author development

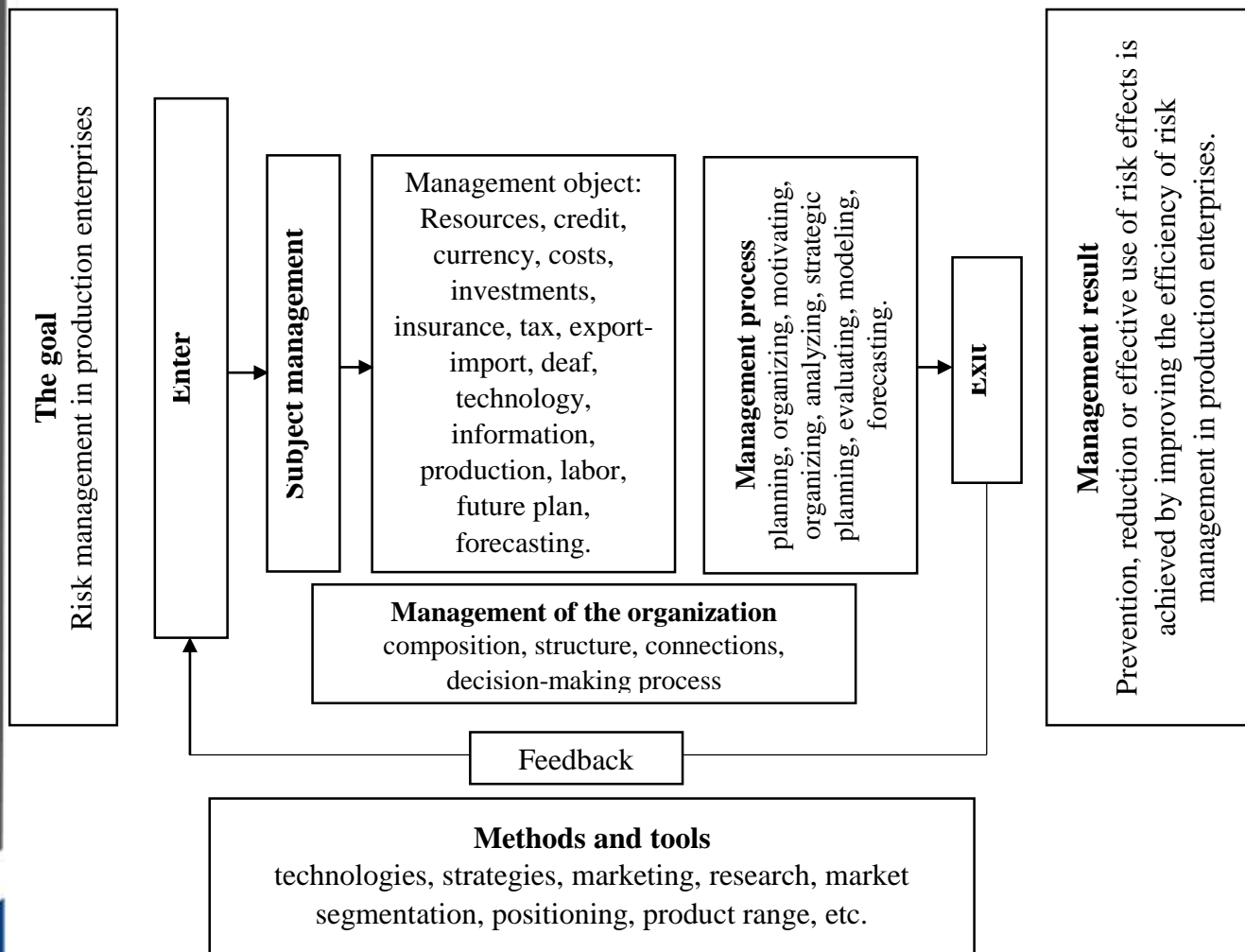


Figure 2. A model of the organizational and economic mechanism of risk management in a production enterprise³

In the improvement of the organizational and economic mechanisms of risk management in production enterprises of this model, it is possible to achieve the result on the basis of the complex processes of management by influencing the management object on the basis of the management subject expressed by the input based on the goal parameters.

Conclusions and suggestions. To sum up, in general, the management process is very complicated. Effective management has a positive effect on the economic efficiency of the enterprise, the scope of management and the decision-making process. In this case, it is necessary to clearly define the function of management and the tasks of management. Today, in the management of production enterprises in the regions, it is important to organize them taking into account the characteristics and capabilities of each region. First of all, it is necessary to take into account the organizational and economic mechanisms of management. We believe that it is appropriate to implement the following in order to improve the efficiency of production enterprises in our country and to improve the organizational and economic mechanisms of risk management in order to ensure their stability and viability:

- taking into account the factors affecting the production enterprise in the improvement of the organizational economic mechanisms of risk management;

³ Author development

- taking into account the impact of management principles and methods on the activity of the production enterprise in risk management;
- to determine the types of risks affecting the production enterprise, to know the level of impact of the identified risks and to make a decision on minimizing each relevant risk;
- optimization of risk management methods in production enterprises;
- parameterization of risk management in industrial enterprises: organization of effective management taking into account operational, financial, state policy and infrastructural capabilities;
- qualification of personnel and prevention of their dissatisfaction, consideration of credit and currency policy;
- reduction of risk effects caused by financial losses due to increase of production capacities and strengthening of state policy and support.

In conclusion, it should be said that in the improvement of the organizational and economic mechanisms of risk management in production enterprises, a positive result can be achieved based on the complex processes of management by influencing the management object on the basis of the management subject.

References:

1. <https://tyulyagin.ru/ratings/rejting-stran-mira-po-obemu-promyshlennogo-proizvodstva.html/>.
2. Kruglova, N. Yu. Economic law: textbook for bachelors - Moscow: Yurayt Publishing House, 2019. P-236.
3. F.H. Tshurbaeva, I.T. Farniev. Organizational and economic mechanism for managing agro-industrial complex enterprises. Article. Zh. : TERRA ECONOMICUS (Economic Bulletin of the Rostov State University) 2009 Volume 7 No. 2. P-153
4. Santoyo-Castelazo, E., & Azapagic, A. (2014). Sustainability assessment of energy systems: integrating environmental, economic and social aspects. Journal of Cleaner Production, 80, 119—138. doi:10.1016/j.jclepro.2014.05.061.
5. M.A. Makhkamova, S.A. Yuldasheva, Sh.R. Kholmatova, O. Shmigun: Management/ training manual. / T.: Sharq, 2007. P-50.
6. H.J. Kambarov. "Issues of the influence of production risk management on industrial development". Journal of Economics and Finance.: T-2019, 9/(129). P-50.
7. Author's review based on the information of the Statistical Agency in the presence of the President of the Republic of Uzbekistan. (http://namstat.uz/images/Pres-Reliz/2022/Oliy_talim2021_2022.pdfhttps://andstat.uz/uploads/docs/Oliy_ta_lim2021.pdf <https://farstat.uz/uploads/press21/OTM-PR-12-2021.pdf>)
8. Author's review based on the information of the Statistical Agency in the presence of the President of the Republic of Uzbekistan.. (https://namstat.uz/uz/?preview=1&option=com_dropfiles&format=&task=frontfile.download&catid=322&id=2447&Itemid=1000000000000https://andstat.uz/uz/?preview=1&option=com_dropfiles&format=&task=frontfile.download&catid=336&id=2902&Itemid=1000000000000).

9. Resolution No. PQ-4186 of the President of the Republic of Uzbekistan dated February 12, 2019 "On measures to further deepen the reform of the textile and sewing industry and expand its export potential" (www.lex.uz).
10. Мухитдинов, Ш. З. (2021). ТАДБИРКОРЛИК СУБЪЕКТЛАРИДА ХАТАРЛАРНИ БОШҚАРИШНИНГ НАЗАРИЙ-УСЛУБИЙ АСОСЛАРИ. Scientific progress, 1(6), 939-943.