

Article

# Measures to Increase the Competitiveness of Industrial Enterprises

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**Abstract:** In this article, the issue of studying the main directions of development of industrial enterprises and the factors affecting their competitiveness is studied due to increased competition between business entities in different markets. In order to increase the competitiveness of industrial enterprises, from a theoretical and practical point of view, proposals and recommendations have been developed for the development of measures to increase the competitiveness of industrial enterprises under the changing influence of exogenous and endogenous factors.

**Keywords:** types of competition, competitive environment, competitiveness, industrial enterprise, competitive factors, competitive environment management, increasing competitiveness, increased competition, product production, production process, corporate management, management structure.

## 1. Introduction

The problem of increasing the competitiveness of industrial enterprises is currently one of the most urgent tasks of fundamental and applied research in the field of economics. One of the important factors determining the development of forms and methods of competition is globalization. In the process of globalization, the competition between industrial enterprises for their goods, foreign investments, innovation and new technology markets has become extremely intense.

In modern economic theory, it is customary to distinguish several aspects of competitiveness, competitiveness of goods, competitiveness of commodity producers (firms, enterprises), competitiveness of regions (countries, nations). Competitiveness of goods means that goods can meet competitive market requirements, consumer requirements compared to other similar goods on the market, and therefore can be sold at prices not lower than the average market price [1].

In the conditions of modern market relations, the active development of industrial sectors, the production of competitive products, and the organization of a management system flexible to the changing environment are of great importance. Today, industrial enterprises require the development of corporate management models, improvement of management methods and techniques, digitization of activities in the management system, development of the optimal management structure of enterprises, and the application of a competitive strategy.

Currently, the most important issue facing production enterprises is to increase the economic efficiency of the enterprise and ensure its competitiveness based on the optimal method. In order to achieve economic efficiency, it is necessary to use modern techniques

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and technologies, as well as to increase the labor potential of employees, and to apply modern management principles.

Currently, it is appropriate to use different approaches in the management of industrial enterprises to create a competitive environment. Using the methodology of a systematic target approach ensures the selection of two main groups of factors that influence the formation and development of organizational structures of enterprise management. These include the structure that reflects the characteristics of enterprises and the influence of the external environment.

In the era of global changes, constant changes in the external environment, modernization of technologies have different effects on the general state of the enterprise, that is, on the formation of the competitive environment. Today, there are many problems in the management of large enterprises, including the dissatisfaction of middle managers with work activities, the existence of costs associated with various district control systems, and the decrease in the volume of production.

Therefore, the structural restructuring of production and, first of all, its management system is becoming an increasingly urgent task, in order to solve it, it is appropriate to apply the systematic principles of modern management to create an effective organizational and economic model of enterprise management.

When developing a mechanism for continuous improvement of the management system of industrial enterprises, it is necessary to create a system consisting of a number of interrelated elements. That is, the combination of measurement, analysis, development, control and evaluation functions plays an important role in enterprise management. All these elements should serve to support the overall goal of the system.

## 2. Materials and Methods

Many scientists have conducted research on increasing the competitiveness of industrial enterprises, and their work has formed the main theoretical foundations for understanding and improving the competitiveness of industrial enterprises. In particular, M. Porter developed the theory of competitive advantage in his work "Competitive Advantage: Creating and Sustaining Superior Performance" [2] and focused on industry structure and company strategy as the main factors for increasing the competitiveness of enterprises. Porter's "Five Forces" model is widely used in competitive analysis and shows the importance of internal factors (for example, cost reduction, quality improvement and innovation) and external factors (industry structure and market conditions) in the formation of competitive advantage of enterprises. J. Shumpeter put forward the theory of innovation and creative destruction and emphasized the importance of innovation and technological innovation in the development of competition [3].

Jay Barney is a proponent of resource-based theory, which focuses on the internal resources and capabilities of businesses. According to him, the competitive advantage mainly depends on the unique resources of the enterprise, and these resources (for example, brand, knowledge, special technologies) provide an advantage over competitors [4].

L.Abalkin, one of the scientists of the CIS, studies industrial development and competitiveness of enterprises depending on the national economy. He analyzed the most important aspects of the economic strategy and emphasized the great role of the state in order to form a stable competitive advantage of enterprises. A.Tatarkin conducts research on competitive strategies, innovative development and formation of industrial clusters. It explores opportunities to increase competitiveness by creating integrated clusters for industrial enterprises. In his opinion, clusters help to make enterprises more competitive in global markets by promoting innovation and cooperation.

M.Mamatov, one of the Uzbek researchers, emphasizes the importance of economic efficiency and innovative approaches in increasing the competitiveness of industrial enterprises. His research is based on the effective management of resources, the introduction of technological innovations to successfully compete in the domestic market and in the international market.

R.Karimov attaches great importance to increasing the production and export potential of import-substituting products in order to increase the competitiveness of Uzbekistan's industry. It explores ways to increase competitiveness by diversifying industries and creating opportunities to enter foreign markets. His research examines the importance of economic reforms and government support in the development of competitive strategies. Sh.Nazarov emphasizes the need to take national characteristics into account when developing competitive strategies. It recommends measures aimed at modernizing industrial enterprises' business processes, introducing digital technologies, and improving efficiency in order to increase competitiveness.

Today, in a strong competitive environment, the management system of the enterprise requires development based on the following requirements [ 6 ] :

- enterprises should have flexible means of production that allow to quickly change the range of products (services). In most cases, this is related to the short life cycle of some types of products (services), production of one-time products;
- it is necessary to have a complex production technology that requires completely new forms of control, organization and division of labor in the management process;
- it is necessary to pay attention to achieving superiority in terms of product quality in the goods (services) market, improving after-sales service and popularizing the enterprise brand;
- it is necessary to carry out activities related to the optimization of the product cost;
- it is necessary to develop risk management mechanisms taking into account the variability of the external environment.

The article reviews the most basic theories and scientific studies on competitiveness, innovation, investment and technological development. In particular, Porter's theory of competitive advantage, Austrian school's concept of competition and resource-based approach theories, competitiveness indicators of local industrial enterprises, international trade data, ratings on investment attractiveness and financial reports of industrial enterprises were used.

Previous studies and theoretical approaches were analyzed as research methods. Through this study, the main concepts and strategies used in increasing the competitiveness of industrial enterprises are critically examined. Competitive indicators of international and national level industrial enterprises are compared, and aspects that differ from each other regarding the competitive advantages of industrial enterprises in different countries are considered. At the same time, the level of competitiveness between industrial enterprises of developed and developing countries is analyzed. A statistical analysis was conducted in order to determine the relationship between financial indicators, the volume of investments and economic growth rates. A SWOT analysis was carried out to identify the strengths and weaknesses, opportunities and threats of industrial enterprises. By using these methods, important strategies for increasing competitiveness for industrial enterprises have been identified. The results of the research allow for a deeper understanding of the internal and external factors of enterprises and, accordingly, to develop effective measures to increase competitiveness.

### 3. Results and Discussions

It Competitiveness of commodity producers (firms, companies) is the ability of commodity producers and sellers to compete with competitors who supply similar goods to the same markets or seek to penetrate the markets [1].

Competitiveness of a country or a state is the ability of a country's or a state's economy to participate in international trade, maintain and expand certain segments in world markets, and produce products that meet world standards [2].

"competitiveness" is primarily interpreted as the ability to compete, that is, the subject's ability to successfully operate in competitive conditions, achieve set goals and protect its interests.

The ability of an industrial enterprise to face competitors can be assessed using economic indicators. The main directions of competition for an industrial enterprise are the attraction of resources and the implementation of the mission of the organization - to meet the socio-economic needs of society for the products produced by the enterprise. This ability of an industrial enterprise has an organizational and economic basis and can be evaluated. At the same time, the competitiveness of an industrial enterprise largely depends on the environment in which it is located.

Some elements of the external environment can be partially controlled by the enterprise, may depend on its strategy and tactics (endogenous or internal factors of competitiveness), while other elements are independent of the enterprise's activity, they must be taken into account and adapted to them (exogenous - external). External environmental factors can be divided into national, regional and network. The competitiveness of an industrial enterprise is formed by the decisions of a number of subjects, among them are the enterprises themselves, business communities that are usually representatives of industrial interests, the scientific community, authorities of various levels that shape economic policy, and others.

Representatives of the Austrian school, supporters of the theory of evolution and resource-oriented theory, see competition as a process of struggle for resources. Below we consider the competition of firms for the main types of resources: investments, labor and raw materials.

Investment resources are capital investments for the purchase and creation of capital funds of enterprises, development of technologies, intangible assets. Global practice divides investments into direct and portfolio, and they are distinguished by the investment motive and scale. Indicators of investment attractiveness for direct investors are investment return period, subsequent profitability and property maintenance guarantees. Direct investors not only provide material resources for the development of production, but also offer their know-how. Portfolio investments are made for the purpose of earning income, and portfolio investors are driven by the profitability and risk motivations of investments without providing other relevant factors of production. The interests of portfolio investors are short-term and in some cases speculative in nature. From the point of view of the strategic development of the enterprise, the greatest threats and opportunities are related to direct investments.

Investments as a type of economic activity are regulated at the international, national and regional levels. The legal trends are that international organizations, as a rule, represent the interests of industrialized countries and transnational corporations, and seek to liberalize capital markets, while national governments, announcing the attraction of foreign capital, are actually aimed at protecting them. implement various protectionist measures.

Despite the fact that the level of competitiveness of manufacturers in developed countries is often higher, the measures taken by the governments of developed countries

are much stricter than in developing countries. This is explained by the existing system of state administration. The attractiveness of a particular enterprise for attracting investment depends on many factors. As mentioned above, the main (but not the only) motivation for investing is to make a profit. An investor wants to get the maximum profit with the minimum risk, accordingly, everything that reduces profitability or creates risk leads to a decrease in the competitiveness of the enterprise in the capital market.

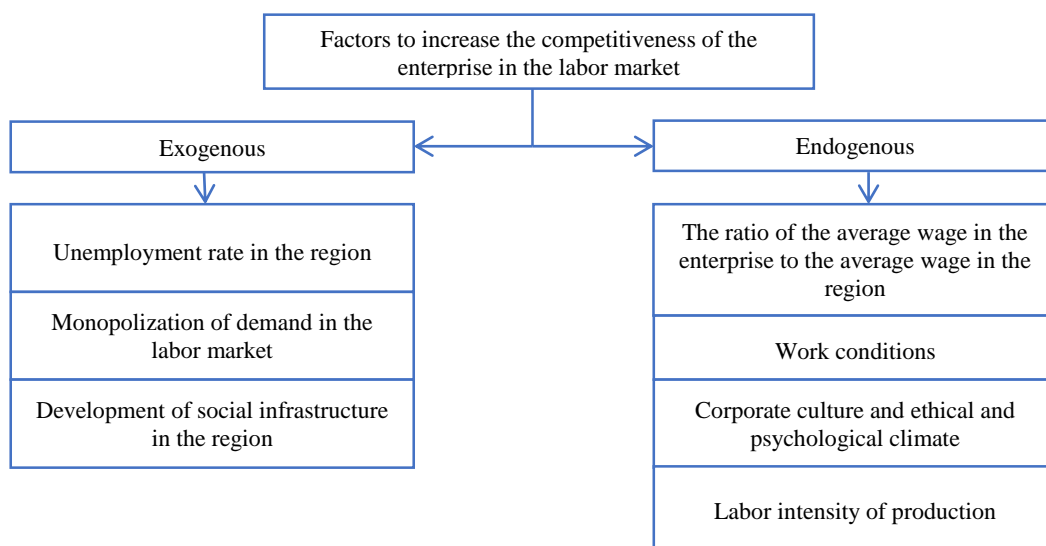
The internal factors that determine the attractiveness of the enterprise for investments are the reputation and profitability of the enterprise, and the external factors are the investment environment. Profitability is the ratio of profits to costs - one of the main indicators of the company's activity. Various methods are used to evaluate the company's reputation. The most common methods are to estimate the difference between the market value of the company and the value of its assets. For portfolio investors, the company's dividend policy and the position of minority shareholders are of great importance. The investment climate is determined at the sectoral, national and regional levels, and primarily depends on the policies of various levels of authorities to attract investments.

The competitiveness of the enterprise in the labor market is the ability to attract the best specialists. Employees, as participants in the company, are interested in earning income as well as meeting other needs. Intangible factors of work motivation are interesting work and good working conditions.

Thus, the indicators of the attractiveness of the enterprise in the labor market are the salary level, the reputation of the employer and the corporate culture factors. The evaluated indicators can be the number of staff turnover and labor disputes. Also, a developed social infrastructure is needed to attract labor resources, which is often an external (regional) factor that cannot be controlled by the enterprise. Unsatisfactory social infrastructure can lead to the exit of the labor force from the regional labor market, which has a negative impact on the competitiveness of the enterprise.

Competition in the raw material market is for access to scarce or primary resources. Supplying the enterprise with raw materials is largely a function of supply management. However, control over key resources is one of the barriers for a firm to enter the industry. Vertical integration of enterprises along the value chain is a common phenomenon in monopolistic and oligopolistic industries.

Let's consider the indicators that can be used to evaluate the competitiveness of the enterprise in the resource market. They can be divided into endogenous and exogenous. Indicators describing the position of the enterprise in the labor market are endogenous (the ratio of the average wage in the enterprise to the average wage in the region; working conditions (which can be estimated by the capital-labor ratio); and exogenous - the level of unemployment in the region; monopolization); demand in the labor market (the ratio of the number of employees in the enterprise to the development of social infrastructure in the region (housing of the population, convenience and quality of medical and educational institutions); services, etc. (Fig. 1).



**Figure 1. Factors to increase the competitiveness of the enterprise in the labor market.**

Another area of business competition is competition for consumers. Competition can be done by price or non-price methods, and the competitive indicators depend on the strategy implemented by the company. The purpose of the enterprise is of great importance for determining competitiveness [5].

Due to differences in company goals, it is not possible to use a single economic criterion to evaluate performance. Thus, the efficiency indicator for a production cooperative can be the wage fund, for a joint-stock company - profit, and the value-added indicator can be used to compare these enterprises. For a municipal enterprise that does not have the ability to change the price of goods sold or services sold, the efficiency indicator is the level of costs per product unit, and the value-added indicator does not reflect efficiency.

#### 4. Conclusion

As a result of the theoretical study of the nature and content of competition, the category "competition" is considered both as a market structure and as a process. There are various forms of competition between business entities, which are formed under the influence of regional, industry, state and market factors; Concepts of competitiveness of industrial enterprises describe the process of formation of competitiveness of industrial enterprises as a result of the influence of regional and network factors of the external environment.

The system of increasing the competitiveness of the enterprise consists of the objects of increasing the competitiveness of the enterprise and entities (enterprises themselves and entities of the external environment). Mechanisms of interaction form relationships between subjects and objects of increasing the competitiveness of enterprises, in which special attention is paid to the role of external environment elements in the process of increasing the competitiveness of enterprises, network factors of the external environment are identified and described.



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