

# Issues of Innovative Development and Management of Enterprises

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**Abstract-** In this paper have been discussed issues of innovative development and management of enterprises. Innovative management and increasing the efficiency of production of innovative products and services will ensure economic growth, changes in key macro-microeconomic indicators. Therefore, the study analyzed the double correlation coefficients between the volume of innovative products and services created and key economic indicators. According to the calculations, the volume of innovative products, works and services created has a high correlation with all sectors of the economy.

**Keywords:** Management, innovative management, economic indicators, knowledge, skills.

## I. INTRODUCTION

Withstanding the growing competition in the context of globalization and integration of the world economy, compliance with its requirements, effective use of advanced technologies and innovations require effective use of modern management methods by businesses. Compliance with the requirements, trends and processes in this area will allow the integrated development of real sector enterprises, in particular, the economy of industry, agriculture and services, expanding and expanding the range of exports and achieving sustainable economic development. Indeed, the current situation, in which "the share of industry in the gross domestic product (GDP) of developed countries is 40.0%, the share of agriculture is 5.0% and the share of services is more than 50.0%" requires the same. [16]

There is a lot of research on the targeted use of modern management methods in the management of enterprises around the world, a comprehensive assessment of management efficiency on the basis of intensive indicators and investment capacity building. Also, increasing attention is paid to ensuring the intensive development of enterprises through the improvement of modern management systems, improving the management methodology of modern management, the application of innovative methods of systematic analysis. The development of innovative activities of enterprises in the world and their modern management, as well as structural changes in the economies of leading countries and the further improvement of relations are among the main scientific trends of our time.

## II. LITERATURE REVIEW

The issues of innovative development and management of enterprises have been studied by many foreign scholars. In particular, foreign scientists A.Show, K.R.Macconel, S.L.Brew, A.Smith, R.Tucker, M.Porter [6; 9], Y.Shumpeter [17] and others have conducted scientific research in this regard. they went

Scientists from the Commonwealth of Independent States (CIS) have studied the role of innovation in the economic development of enterprises, the impact of various innovations on the dynamics of socio-economic reforms, fundamental research in management L.I. Abalkin, I. Ansoff, V.P. Barancheev, V.P. Krasovsky, R. Researched by A.Fatkhudinov, V.G.Gruzinov, Sh.I.Gizatullin, V.D.Gribov [1], M.Khuchek and others.

Issues of management of enterprises of different forms of ownership in Uzbekistan SS Gulomov [2], B.B. Berkinov, N.K. Yuldashev [3], B. Kamiljanov [4], Sh.N. Zaynutdinov [5], R.I. It has been studied in the scientific works of Nurimbetov [6], EH Mahmudov [7], R.H. Ergashev, Tursunov B. [11;12;13], Burkhanov A.[10;14], A.M. Kadyrov and others.

However, in the scientific research of the above-named scientists, it is limited to the general methodological features of innovative management of enterprises. In our study, the issues of innovative management of enterprises based on the application of modern management methods are scientifically studied.

## III. ANALYSIS AND RESULTS

The results of comparative and critical analysis of scientific and theoretical views on the management of economic activity of enterprises show that, firstly, modern science and practice have extensive experience in strategic planning and management, but many strategies are still unable to adapt to changing external and internal environment. Since all the problems have not yet been solved, firstly, the development of mechanisms for strategic sustainability of enterprise development [8], secondly, approaches to the concept of "modern management" are

very diverse and fully integrate the specifics of management activities. a complete and comprehensive description of the nature of management is not provided.

Modern management is an activity consisting of the development and implementation of decisions based on continuous comparative analysis and forecasting of current trends, which are important factors of the internal and external environment of these facilities in order to ensure the effective development of production facilities. This approach clearly reflects the full description of the characteristics (criteria) that characterize the management activity in the enterprise, based on this or that aspect.[17]

At present, the development of the enterprise can be achieved only through the continuous introduction of innovations. Defining the role of innovation in achieving competitive advantage, M. Porter noted that “.... companies gain a competitive advantage through innovation. They approach newly introduced procedures in a broad sense, using both new technologies and new ways of working. Once a company has gained a competitive advantage due to innovation, it can only keep it on hand with regular improvements. Competitors will immediately and definitely bypass any company that stops improving and implementing innovations.”[9]

In essence, the advantage gained over competitors is due to innovation, and therefore the ability to introduce new elements that provide any advantage over competitors in the activities of the enterprise is a necessary mechanism of competitiveness of the enterprise. Sustainability of an enterprise is a complex economic category that characterizes its long-term efficiency in terms of duration, based on three elements: competitiveness, economic security and economic efficiency of the enterprise (Figure 1).

It should be noted that these elements are closely interrelated and work together, but have different functional functions. Competitiveness determines the development potential of the enterprise, and sustainability determines the long-term prospects of the enterprise. It can be said that the sustainability of an enterprise is competitive over time. In small intervals of time, these two concepts are equally valid. The production potential of the enterprise, expressed in the organization of production, labor and management, its technical and technological capabilities, is an element that provides timely innovation.

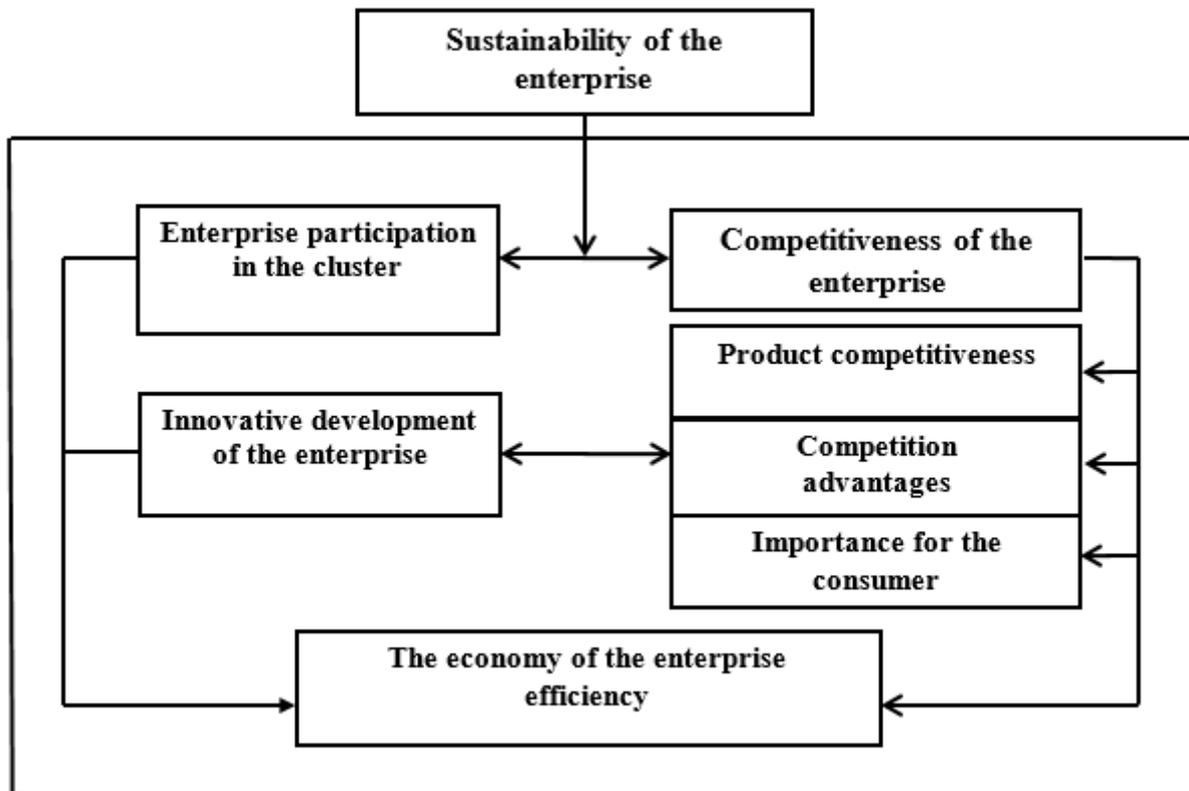


Figure 1. The structure of the elements of enterprise stability

The higher the production capacity of the enterprise, the lower the share of costs for the production of the product and its quality. The quality of the product, which is higher than the quality of competitors, is a material representation of innovative potential.

The objective reasons for the transition to an innovative type of development of economic systems require a comprehensive solution to the problem of mutually beneficial cooperation of scientific, technical and economic factors in the entire innovation and investment process. In our opinion, the rational combination of technological and economic potential is a central issue in the management of the innovation and investment process.[15]

The study assessed the factors that affect the sustainability of the enterprise. The main directions of innovation in enterprises and the factors that negatively affect the introduction of innovations, as well as the factors that provide the development and support of innovations in the study are analyzed. (Table 1)

The multiplicity of factors allows them to be classified according to certain characteristics. External factors of the enterprise include: the state's anti-crisis policy in the field of economy; demographic situation in the country; political stability; development of science and technology; development of transport infrastructure, etc.

Internal factors are formed in the internal environment of the enterprise, in subsystems (personnel, production, marketing, sales, finance, organizational structure).

Internal factor management allows an enterprise to identify sustainability reserves and quickly manage production in the event of external factors changing.

Table-1 Analysis of factors influencing the effectiveness of modern management of enterprises

| №  | Factors                 | Factors influence results   |
|----|-------------------------|---|
| 1. | Knowledge and skills    | Lack of knowledge and skills in management (laws of market economy) in manufacturing enterprises hinders the introduction of innovative management.   |
| 2. | Level of centralization | The high level of centralization limits the ability of lower-level managers to think creatively and take a creative approach to management.   |
| 3. | Communication system    | The fact that the communication system is not well organized or the manager is not able to use them effectively in some cases raises the problem of untimely arrival of information and news. |
| 4. | Contract relationship   | Lack of clear knowledge and adherence to the assigned tasks by the manager and the employee hinders the development of the management process.  |
| 5. | Interest in innovation  | Low interest in innovation by managers, i.e. lack of flexibility in management.   |
| 6. | Incentives              | The lack of a well-designed incentive system in management reduces interest in the introduction of innovative management.   |

The structural development of the enterprise is carried out through a series of stages from centralization to decentralization. This means that every element of the enterprise becomes more planned, organized. In essence, the transition of the enterprise to a decentralized scheme of management also changes the management paradigm itself as a goal-oriented external influence on the object, to transfer it to another state. In an unfamiliar external environment, the development of enterprise elements to the level of independent decision-making is a necessity to ensure the competitiveness of the enterprise. On the other hand, the enterprise must have certain characteristics as a whole in the external environment, as a goal-oriented development. The key is manageability. In this regard, the management of an enterprise with such a decentralized nature will take a different form than the traditional one. Systematic management of enterprise development can be carried out in the following sequence of emerging features: flexibility - flexibility - competitiveness.

The introduction of innovative technologies in the activities of enterprises, the use of strategic management methods will increase efficiency and increase production. According to the results of the analysis, in order to introduce strategic management of innovative activities of enterprises, first of all, to increase the knowledge, skills, abilities of management staff, reduce the level of centralization and the introduction of new information technologies in the information exchange system. exit serves to reduce the level of informal communication, ensuring that each manager clearly and fully understands the tasks assigned to him and performs them in a timely manner.

At present, the importance of strategic management in the practice of enterprises is growing. This is due to the expansion of their powers and the increase in their level of responsibility for their economic situation. The quality of modern management determines the efficiency of enterprises. Therefore, the involvement of the most modern equipment and technologies in enterprises is one of the priorities today. Now, most businesses need to develop their own development concept, strategy and program.

The study analyzed the distribution of enterprises by industry and industry. According to the Unified State Register of Enterprises and Organizations, as of January 1, 2019, the number of registered legal entities (excluding

farms and dehqan farms) reached 300.2 thousand, of which 285.5 thousand or 95.1% of the total number of registered legal entities formed. The main part of enterprises and organizations registered by type of economic activity is trade (22.1% of the total number of registered legal entities), industry (17.5%), construction (9.0%), agriculture, forestry and fisheries (7.7%) areas.

As of January 1, 2018, 244.9 thousand enterprises and organizations of commercial form were registered. Of these, 75.8 thousand were private enterprises, 12.2 thousand were family enterprises, 148.9 thousand were limited liability companies, and 0.7 thousand were joint-stock companies.

According to estimates, the majority of registered enterprises and organizations are in the city of Tashkent and Tashkent region (20.8% and 10.2%), Fergana and Andijan (8.7%) regions. In terms of economic activity of enterprises with foreign capital, 44.2% of them are industrial, 19.1% trade, 5.3% construction, 4.0% housing and catering services, 2.9% transportation and storage, 2.9% in agriculture, forestry and fisheries, 2.3% in information and communication, 1.3% in health and social services, and 18.0% in other activities. It can be seen that the majority of operating enterprises with foreign capital are engaged in industrial and commercial activities, the least part in health and social services, as well as information and communication activities.

If we look at the newly established enterprises and organizations in terms of economic activities, the main part of which is organized in trade (11719), industry (11279), construction (6370) and agriculture, forestry and fisheries (5628). The lowest were health and social services (1178), information and communication (1236) and transportation and storage (2115) (Table 2).

Table 2 Newly established enterprises and organizations number by type of economic activity, in units (excluding farms and dehqan farms) [14]

| Networks and industries             | 01.01.2017 y. |         | 01.01.2018 y. |         | 01.01.2019 y. |         |
|-------------------------------------|---------------|---------|---------------|---------|---------------|---------|
|                                     | total number  | share,% | total number  | share,% | total number  | share,% |
| Across the country                  | 32747         | 100     | 41013         | 100     | 55011         | 100     |
| Trade                               | 8549          | 26,1    | 7897          | 19,2    | 11719         | 21,3    |
| Industry                            | 6616          | 20,2    | 10225         | 24,9    | 11279         | 20,5    |
| Agriculture, forestry and fisheries | 3357          | 10,2    | 5294          | 12,9    | 5628          | 10,2    |
| Construction                        | 3044          | 9,3     | 3800          | 9,3     | 6370          | 11,6    |
| Accommodation and meals             | 2840          | 8,7     | 3359          | 8,2     | 3900          | 7,1     |
| Transportation and storage          | 1666          | 5,1     | 1833          | 4,5     | 2115          | 3,8     |
| Information and communication       | 945           | 2,9     | 1014          | 2,5     | 1236          | 2,3     |
| Health and social services          | 544           | 1,7     | 877           | 2,1     | 1178          | 2,1     |
| Other species                       | 5186          | 15,8    | 6714          | 16,4    | 11586         | 21,1    |

The study assesses the level of profitability of enterprises operating in sectors of the economy (Table 3).

The data in Table 3 show that the level of profit before the payment of income tax in the communications and transport sectors of our national economy is higher than the average industry level of this indicator. Also, the level of profit relative to cost before the payment of income tax in the geology and subsoil exploration and construction sectors is significantly lower. Moreover, in these sectors, this figure decreased significantly in 2017 compared to 2016. This is explained by the relatively low labor productivity in these industries. It also ended in 2011, 2012 and 2017 with losses in communications networks. This is a negative situation in terms of profitability.

The study assesses ways and factors to increase the efficiency of the enterprise. Improving production efficiency is a constant task of the company's management. In our opinion, the solution of this problem in practice depends on the following factors:

- selection of the optimal production process, providing the maximum volume of production at the lowest cost in the production of high quality products that meet market requirements;
- sale of products aimed at satisfying consumer demand and high income (profit);

creation of optimal production stocks, which allows to save working capital.

Organizational and economic factors, including management, play an important role in improving the efficiency of production activities of enterprises. Their importance increases with the growth of production volumes and the complexity of economic relations. These factors include, first and foremost, the creation of rational forms of production and the improvement of existing ones - concentration, specialization, cooperation and combination. In management, they are expressed in the improvement of methods and forms of management, planning, economic incentives, ie the whole economic mechanism of the enterprise.

The process associated with the production of new products or the improvement of existing ones as a result of human scientific and technical activity is an innovative activity. The results of the introduction of innovation will allow companies to have a significant competitive advantage, which will be a serious incentive for the enterprise. World experience shows that enterprises are interested in the introduction of advanced resource-saving developments in science. Secondly, as a result of this global event, the opportunities to increase the investment attractiveness of enterprises of the republic through further development of its potential, thirdly, the development of sustainable and high-quality products through radical diversification of enterprises and radically increase efficiency.

According to the analysis, three stages can be mentioned in the formation of an innovative system. In this case, the research systems and education system of the enterprise are the first stage.

Development of the services market based on the formation of clusters is recognized as a promising area in enterprises as one of the effective directions. Various definitions of clusters are given in various literatures and extensive experience in the development of cluster economies in many countries is given. M. Porter, the initiator of the cluster theory, noted that the cluster is geographically close to the companies (suppliers, manufacturers, etc.) and institutions (educational institutions, government agencies, infrastructure) associated with general and external relations in a particular area and their main activities is a group. [6]

Table 3 Profitability of sectors of the economy of Uzbekistan, in percent (ratio of profit (loss () before the payment of income tax to the cost of goods sold (goods, works and services)) [14]

| Networks                | Years |       |      |      |      |      |       |
|-------------------------|-------|-------|------|------|------|------|-------|
|                         | 2011  | 2012  | 2013 | 2014 | 2015 | 2016 | 2017  |
| Jami                    | 18,6  | 16,6  | 19,6 | 17,9 | 16,5 | 17,7 | 11,7  |
| Industry                | 15,6  | 16,3  | 15,7 | 13,4 | 13,2 | 15,8 | 8,9   |
| Agriculture             | 7,2   | 10,7  | 10,2 | 12,0 | 13,2 | 16,7 | 12,2  |
| Transport               | 62,5  | 49,6  | 60,3 | 51,7 | 36,3 | 19,7 | 22,7  |
| Communication           | -5,2  | -71,3 | 46,0 | 44,8 | 30,0 | 26,4 | -61,6 |
| Construction            | 11,9  | 11,3  | 11,9 | 11,6 | 11,7 | 13,8 | 13,0  |
| Geology and prospecting | 9,1   | 8,6   | 12,2 | 9,2  | 12,3 | 10,3 | 9,7   |

Note: Except for farms and dehqan farms

According to M. Porter, the successful development of clusters requires the implementation of a sustainable development strategy, that is, the integration of groups - different stakeholders. Each group in a cluster influences a long-term business development strategy for 5–10 years. [9]

World experience shows that today clusters based on economic models in different industries have been developed in different countries. This, in turn, will ensure the development of adjacent, complementary service areas, along with a direct service system. In this regard, the study proposed a cluster approach to the effective organization of enterprises in our country.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

Determination of this rating in enterprises is based on a number of indicators divided into four main groups:

1. Indicators of socio-economic conditions for innovative activity (IFIİK). The indicators included in this group describe the socio-economic conditions created in enterprises for the production, development and

implementation of innovative products and serve to assess the economic, educational and information level of enterprise development.

2. Innovative Performance Appraisal Indicators (IFBK).

These indicators serve to assess the development of the most important components of scientific and technical potential: the level of financial and human resources for research and development, publishing and patent activity, the number of advanced production technologies created, revenues from technology exports.

3. Indicators of the quality of innovative activities (IFSIK) - indicators based on the assessment of the level of creation, implementation and practical use of innovations in technological, organizational and marketing areas.

4. Indicators of scientific and technical potential (ITSIK). They represent the level of development of the regulatory framework, the availability of specialized organizational support, as well as the scale of budget expenditures on science and innovation.

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