

## WAYS TO INCREASE THE ECONOMIC POTENTIAL OF ENTERPRISES OF THE TEXTILE INDUSTRY OF THE REPUBLIC OF UZBEKISTAN ON THE BASIS OF INTEGRAL EVALUATION

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### **Annotation**

*The article considers the potential of textile enterprises in terms of assessing its elements and their impact on the economic activity of the organization, and based on the results developed recommendations for increasing the economic potential of the textile enterprise. An integral indicator was used in assessing the economic potential of textile enterprises, and based on the results of the assessment, recommendations were made to increase the economic potential of the enterprise. The use of the valuation method helps to closely look for opportunities to increase economic potential.*

### **Keywords**

*Potential, system, subsystem, integrated assessment, entrepreneurial potential, economic potential.*

### **INTRODUCTION.**

In recent years, the volume of production in the textile industry has been growing rapidly, and its share in the country's gross domestic product has increased significantly. However, in general, the existing potential and resources of the textile industry of Uzbekistan are not fully used. This further increases the relevance of in-depth scientific and practical research of the resources and potential of textile enterprises. It is important for Uzbekistan to rapidly integrate into the world economy and create a system of rational management of textile enterprises in the context of stable conditions in world markets, effectively using their potential, in particular, production, financial and technical capabilities. The capabilities of any business entity, i.e. its potential, are determined by various internal and external factors. The adoption and development of management decisions aimed at ensuring effective operation should be based on objective and accurate information on the potential of enterprises. Indeed, business planning and development of

textile enterprises in the context of integration and innovation, effective use of its potential, is a key factor in the sustainable development of these enterprises. However, while in practice all management decisions focus on economic potential to one degree or another, the issues of assessing the extent to which it is being used remain relevant.

### **ANALYSIS OF THE LITERATURE ON THE SUBJECT.**

The concept of "potential" is derived from the Latin "potential", which means power, hidden opportunity. Here, from the point of view of the general economy, Arkhipov V.M. [1] defines "potential" as "the available means, resources, and resources that can be mobilized to accomplish a set goal or task". Although the scientist's interpretation is the basis for the formation of a general understanding of "potential", the influence of the factors that shape "potential" is not economically justified.

The concept of "potential" at the enterprise level was introduced by Kleiner G.B., Tambovtsev V.L. and an interesting interpretation by Kachalov R.M. [2], i.e., in their view, the potential of a particular enterprise consists of components that characterize its resources, status, and movement in the external socio-economic environment.

In our opinion, this interpretation can provide a scientific and theoretical basis for the essence of the economic potential of enterprises.

In this regard, Temnova N.K. [3] The definition of "potential" is noteworthy, in his view: "potential" is not only a resource, but also an opportunity to carry out some purposeful activity and achieve results. He also emphasizes the need for a synergistic approach to "potential".

B. B. Ryan [4] defines organizational capacity in the following general terms, i.e., "organizational capacity refers to the actual and probable ability to perform targeted work".

In this regard, in terms of financial and economic activities of the enterprise, Bogataya I.N. The definition of enterprise potential is interpreted by accounting. According to him [5], "the potential of the enterprise - the assets at the end of financial and economic activities, the sources of its formation and their ability lead to certain financial results."

Bogataya I.N. The interpretation given by today is relevant in today's market relations, and today the management of financial results of enterprises remains a priority.

Based on the above interpretations, "capacity" is a set of tools, capabilities, capabilities, in particular, a set of unrealized reserves, which may reveal the hidden potential of the enterprise in the real world with the change of existing conditions.

Broad interpretations of the concept of "potential" allow it to be applied to various fields of science and economics, depending on what tools, resources and resources are considered.

Such a definition of the essence of "potential" allows a wider application to various areas of economic activity of organizations and enterprises, and it can be called "economic potential".

As a result of studying and analyzing the concept of "economic potential" as an economic category, it can be said that it has not only theoretical but also practical character.

Economist-scientist Bukhalkov M.I. [6] According to him, "the economic potential of any enterprise reflects the structure of resources at the disposal of the organization for the production of planned works, services: labor, material, financial, etc". In our opinion, Bukhalkov M.I. While the concept given by is interesting, it is interpreted in a narrow sense.

Spirin V.S. According to [7], "economic potential is determined by a set of resources that contain available and unused resources."

Rayzberg B.A. [8] believes that "economic potential explains the efficient use of the total available limited resources of the enterprise to maximize profits and is a key component of the potential of production and the economic system."

Sosnenko L.S. [9] divides the study of "economic potential" as an object into two directions. On the one hand, economic potential is considered as the total resources of business entities, on the other hand, the ability of business entities to absorb and process available resources to meet the needs of society.

**RESEARCH METHODOLOGY.** The research was based on the research results of foreign and domestic researchers on the topic and used methods such as statistics, selective observation, comparison, expert evaluation.

#### **ANALYSIS AND RESULTS.**

It is known that now it is necessary to adapt the internal capacity to the influence of external factors in order to ensure the competitive advantage of industrial enterprises, and in this process it is important to assess the existing level of potential. Therefore, in our research we found it necessary to study ways to increase the competitiveness of the cotton complex in the use of existing economic potential of the textile enterprises, which are the first link, and to improve the method of assessing the level of competitiveness.

One of the distinguishing features of textile enterprises is that in these enterprises the consumption of raw materials in the structure of production costs is quite high (85-90%). Therefore, in the process of calculating the competitiveness of these enterprises, it is necessary to pay sufficient attention to this situation.

Therefore, in assessing the competitiveness of a textile enterprise, it is advisable to use a calculation method that allows to take into account the distinguishing features of its production, important competitive indicators. The currently common method in this regard is to determine the integral indicator of competitiveness. Typically, this indicator is determined by summarizing the unit and group criteria of competitiveness by calculating them sequentially.

It is known that in order to increase the competitiveness of the enterprise and the brand, it is necessary to use the existing potential wisely. Therefore, in our research, we have focused on such a situation in the development of a method of assessing competitiveness in the search for opportunities to use the potential of the textile industry.

We will consider the content of this method and whether it is worth assessing the competitiveness of the textile enterprise.

The essence of the method of determining the integral indicator of competitiveness is to calculate the competitiveness of textile enterprises under study, comparing them with the conditionally leading enterprise formed from the values of the highest performing enterprises in the industry or the highest available indicators in the industry.

We have divided the indicators needed to assess the competitiveness of the textile enterprise in the search for opportunities to use its potential into the following groups [10]:

1. Competitiveness of textile products.
2. The level of utilization of the internal potential of the enterprise.
3. The degree to which the enterprise is adaptable to external environmental factors.
4. Business activity of the enterprise.

Therefore, the assessment of the performance of the aggregate group in the search for opportunities to use the potential of the textile enterprise is calculated by the following formula:

$$R_i = \sqrt[n]{a * R_t + b * S_i + c * S_t + d * K_{if}}, \quad (1)$$

where,  $R_i - i$  is the aggregate group indicator of the competitiveness of the  $i$ -textile enterprise;

$R_t - i$  – textile enterprise cotton fiber competitiveness indicator;

$S_i - i$ -the level of utilization of the internal potential of the textile enterprise;

$S_t - i$ - the level of ensuring the adaptability of the textile enterprise to environmental factors;

$K_{if} - i$ -business activity of the textile enterprise;

$a, b, c, d$  – the coefficients of the degree of importance of factors in assessing the competitiveness of the textile enterprise.

Thus, the use of this method of assessing the competitiveness of the enterprise plays an important role in finding opportunities to use the potential of the textile enterprise.

The concept of the potential of the enterprise, its components, the issue of its evaluation has been widely studied in research work. However, the issues of categorizing descriptive indicators, assessing the potential of selected sectors, which fully cover the specific development characteristics of the real sector of the economy, have not been sufficiently studied.

Based on the study of research on the potential of enterprises, it is possible to distinguish the following three areas [11].

1. A capacity is a set of resources required for the functioning and development of a system (resource approach). In this case, the potential assessment relies on quantitative and qualitative analysis of the description of individual resource types, but in this process its synergistic effect is not taken into account.

2. Capacity includes a system of conditions (factors) that ensure the achievement of the set goal. Consequently, the analysis and evaluation of the description of individual resource types will need to be supplemented with indicators describing the effectiveness of the system as a whole, taking into account the impact of management.

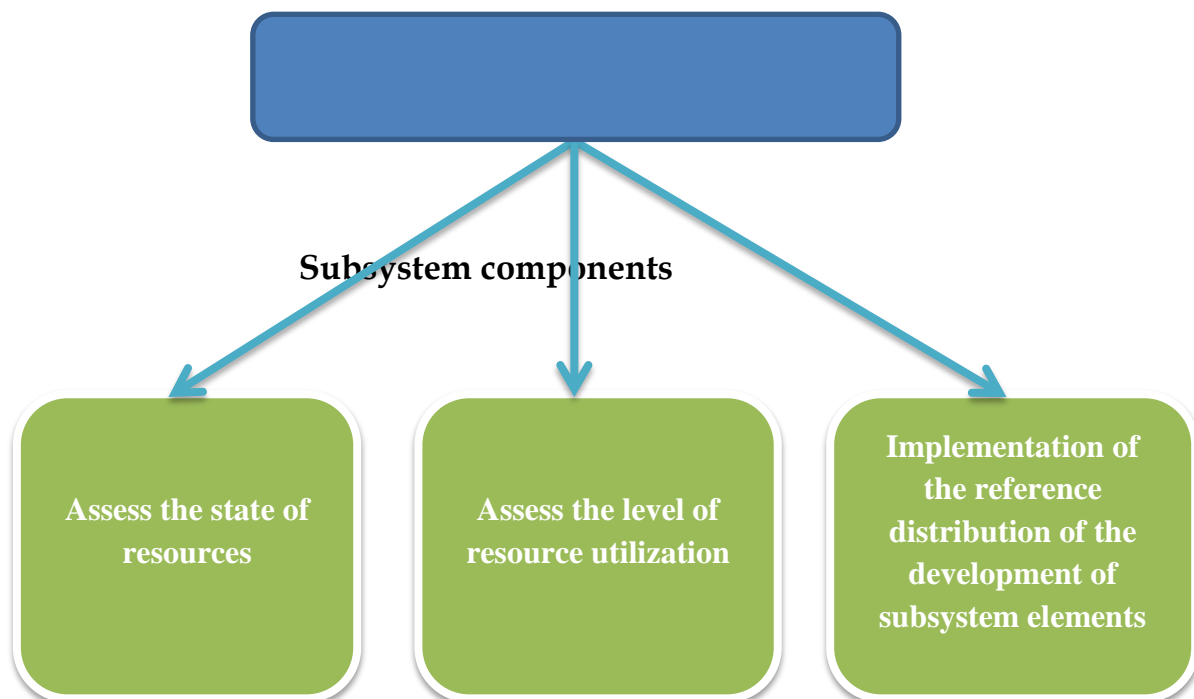
3. The concept of potential is an approach that takes into account the possibilities between the tasks in achieving the goal set by the system and the achievement of the goal through the use of available resources in understanding the essence. This is complemented by the introduction of unused resources of the system and its activation in previous approaches.

One of the main methodological tasks of research on economic potential is the selection of its assessment methods. Scientific and economic substantiation of methods and indicators of economic potential plays an important role in developing a strategy to ensure the economic potential of enterprises and increase

it in the future. Therefore, since the assessment of the economic potential of the enterprise is a complex process, it is expedient to consider it as a system.

Considering the interdependence, complementarity and interaction of the elements of the management and control system of an industrial enterprise, it is necessary to evaluate a number of components, ie management, production, labor, marketing, financial components, without which the system would not exist.

Skvortsov V.A., Babeni I.P. A systematic approach to the assessment of enterprise capacity was taken by the management, production, labor, financial organizers were selected as subsystem components [12]. Therefore, we consider it necessary to include marketing potential in this system, as it is important due to the nature of the industry, considering the activities of enterprises in the textile industry as a whole system. In assessing the capacity of each component of the system, the allocation and allocation of resources, analysis of the effectiveness of the use of these resources and the reference distribution of the operation and development of a particular subsystem element were taken into account (Figure 1).



**Figure 1. Components of the enterprise capacity assessment system<sup>1</sup>**

The proposed method of assessing the potential of enterprises in the textile industry includes the following steps:

<sup>1</sup>Developed by the author

1. Assess the status of the resource components of the potential subsystem components using the primary indicators. It is advisable to use analytical methods of system analysis in the analysis and assessment of the status of each potential component resource organizer [13].

2. We propose an algorithm for calculating the integral index of organizational capacity organizers:

- a table of indicators describing the dynamics of potential change is formed.

Here  $x_{ij}$  - the amount of j-indicator in  $t_i$  - year of the period under study;

-  $S_j - t_i$ - is the mean square deviation of the j-index in;

- Standardized quantities of indicators are calculated using the following formula:

$$Z_{ij} = \frac{x_{ij}}{S_j} \quad (2)$$

- for the period under study (at least three years) the best indicator is  $x_j^e$  – the reference value of the indicators;

- the standardized values of the standards are calculated using the following formula:

$$Z_j^e = \frac{x_j^e}{x_j} \quad (3)$$

- in the complex assessment, the share of each indicator is calculated using the following formula:

$$a_j = \frac{z_j^e}{\sqrt{\sum_{j=1}^n (z_{ij})^2}}; \quad (4)$$

- the value of the potential function over the years is calculated using the following formula:

$$y_i = \sum_{j=1}^n a_j * z_{ij}; \quad (5)$$

- the reference value of the potential function is determined as follows:

$$y^e = \sum_{j=1}^n a_i * Z_j^e; \quad (6)$$

- the potential value in t – is determined as follows:

$$S = \frac{y_i}{y^e}; \quad (7)$$

As a result of the calculations, an integral estimate of the available resource status and the level of security in a separate subsystem component of organizational capacity at each stage of the calculation (t-year) is found.

1. The potential change will be in a dynamic view. At each stage of the calculation, the reference value corresponds to 100%. In dynamics, the actual value of the integral indicator indicates the degree to which the enterprise is close to the reference value in a given year.

2. In the second stage of the calculation, on the basis of the selected indicators, the efficiency of the use of available resources of the enterprise is calculated according to the method described above. The result of this calculation phase provides an integral assessment of the efficiency of the use of the elements of the potential components of the t-calculation phase in the dynamics.

3. At this stage, opportunities are sought to expand and strengthen the capacity based on the results of comparing the actual value of the indicators that characterize the individual components of the potential with the reference value. A comparison of the dynamics of the benchmark and the actual performance is made using Kendall's color coefficient. Calculations are performed on the intervals  $(t_1 - t_2$  and  $t_2 - t_3)$  . At this stage, the balance of the system and its potential for future capacity expansion will be assessed.

4. The t-step assessment of enterprise capacity is carried out using the following formula:

$$K_i^c = \sqrt[3]{P_i^t * \mathfrak{P}_i^t * \mathfrak{D}_i^t}, \quad (7)$$

here,  $K_i^c - t -$  is the generalized integral value of the t-component of the potential in the calculation step, the share in units;

$P_i^t - t -$  potential at the calculation step t- integral value of the constituent resources, the share per unit;

$\mathfrak{P}_i^t - t -$  potential in the calculation step t- integral value of the efficiency of resource use of the organizer, the share per unit;

$\mathfrak{D}_i^t - t -$  potential in the calculation step integral integral value of the dynamics of the indicators characterizing the structural equilibrium of the component and the conformity of the reference values to the actual, the share in units.

Assessment and analysis of the level of economic potential of textile enterprises JV "BAYPAK TEXTILE" operating in Uchtepa district, Tashkent city, "OSBORN TEXTILE" JV operating in Bostanlyk district, Tashkent region, "UZTEX TASHKENT" operating in Sergeli district, Tashkent city , Was carried out by CHINOZ TEXTILE LLC operating in Chinoz district.



The analysis shows that the volume of production of cotton yarn at the enterprises of the textile industry, which is the object of study, has sharply decreased, but the cost of production has increased at JV "BAYPAK TEXTILE" and JV "UZTEX TASHKENT".

In particular, the volume of production at CHINOZ TEXTILE LLC has increased sharply, ie if in 2019 it produced 3,6 thousand tons, in 2021 this figure almost doubled and reached 6,6 thousand tons.

The analysis shows that in all enterprises, except for JV "BAYPAK TEXTILE", the coefficient of working capital is higher than the established norm. It can be seen that this figure has been low for many years in BAYPAK TEXTILE JV, which, according to experts, is considered an indirect sign of misreporting.

– The growth of the level of working capital of the enterprises of the textile industry under analysis was influenced by the following main factors:

– increase in working capital, in particular, in the FE "OSBORN TEXTILE" in 2021 the amount of working capital increased by 18,0 % and amounted to 15,9 billion, respectively, in the JV "UZTEX TASHKENT" – 42,5 % and 13,2 billion. Soms, CHINOZ TEXTILE LLC – 16,6 % and reached 12,3 billion soums;

– decrease in the amount of current accounts payable, in particular, the amount of current accounts payable in JV "UZTEX TASHKENT" in 2019 amounted to 19,8 billion soums, which by 2021 decreased by 22,3 % or 14,6 billion soums;

– decrease in the share of receivables from current working capital, in particular, the share of receivables in JV "UZTEX TASHKENT" in 2019 amounted to 38,2 %, this figure decreased to 11,1 % by 2021 and reached 27,1 %;

- growth of financial stability of enterprises;

- Increasing the number of solvent buyers.

The low level of working capital of the textile enterprises under analysis can be justified by the following main factors:

– "BAYPAK TEXTILE" joint venture does not have its own working capital, ie in 2019 the goods were operated on the basis of immobilization of funds of suppliers and contractors for 2,5 billion soums, by 2021 this figure decreased to 55,8% and 1,1 billion soums;

– High current accounts payable, in particular, the increase in current accounts payable at the joint venture "BAYPAK TEXTILE", ie in 2019 the current accounts payable amounted to 5,4 billion soums, an increase of 7,4 % or 5,8 % by 2021 billion soums, respectively, "CHINOZ TEXTILE" LLC increased 5 times and amounted to 17,0 billion soums;

- High share of receivables from current working capital, in particular, the share of receivables in the joint venture "BAYPAK TEXTILE" in 2019 was 35,4 %, this figure increased to 16,3 % by 2021 and reached 51,7 % , respectively, in the private enterprise "OSBORN TEXTILE" from 28,2 % (2019) to 51,1 % in 2021 or 22,9 % compared to 2019, the share of receivables in "CHINOZ TEXTILE" LLC in 2019 was 15 %, It reached 61,6 % in 2021, or 46,2 % more than in 2019, at 4,0 %.

During the years of analysis, the current liquidity ratio of the joint venture "BAYPAK TEXTILE" was much lower than the norm. However, in other textile enterprises under analysis, this figure is high, which is positive on the one hand, and insufficient use of current assets by enterprises on the other, and an obstacle to obtaining short-term loans.

In 2021, compared to 2019, the solvency of CHINOZ TEXTILE LLC decreased sharply, which can be explained by the increase in short-term liabilities of the enterprise.

- The growth of the current liquidity ratio of the analyzed textile enterprises was influenced by the following main factors:

- □ Growth of own funds of enterprises, in particular, the amount of equity in the private enterprise "OSBORN TEXTILE" in 2019 amounted to 62.0 billion soums, which in 2021 increased by 8,7 % or 67,4 billion soums, respectively, UZTEX In the joint venture "TASHKENT" - increased by 2 times and amounted to 60,5 billion soums, in "CHINOZ TEXTILE" LLC - increased by 2,2 % and amounted to 42,7 billion soums;

- Decrease in short-term liabilities, in particular, the amount of short-term liabilities in the joint venture "UZTEX TASHKENT" in 2019 amounted to 19,8 billion soums, which by 2021 decreased by 34,5 % or 13,0 billion soums;

- Increase in sales revenue, in particular, the amount of revenue from the sale of products at the private enterprise "OSBORN TEXTILE" in 2019 amounted to 73,9 billion soums, an increase of 52,2 % or 112,5 billion soums by 2021, respectively CHINOZ TEXTILE LLC - 40,2 % and 36,6 billion soums;

- Receivables, in particular, the amount of receivables at the joint venture "UZTEX TASHKENT" in 2019 amounted to 11,1 billion soums, which by 2021 decreased by 47,9 % or 5,8 billion soums.

On the basis of this method, the potential of textile enterprises that are part of the Association "Uztextile Industry" was assessed on the basis of reporting materials for 2019-2021. The results of the calculations show that the generalized integral value, which characterizes the potential of these textile enterprises, was in

the range of 0.42-0.56. These data indicate that these textile enterprises have underutilized their existing capacity.

### **CONCLUSION/RECOMMENDATIONS.**

To increase the economic potential of textile enterprises that are members of the Association "Uztextile Industry" we make the following proposals:

- rational use of the existing raw material base, finding a solution to the problem of alternative transport in its transportation;

- It is necessary to purposefully organize government support for the development of cotton and textile clusters;

- It is necessary to put an end to the monopolistic competition of cotton and textile clusters in the domestic market;

- It is necessary to create a research base for a systematic study of the state of the world commodity market and marketing of the activities of exporters;

- effective use of existing equipment and technology, its constant updating at the expense of modern equipment;

- The capacity of the enterprise should be managed using modern methods;

- It is necessary to establish regular training of employees in textile enterprises;

- Rational use of financial resources of textile enterprises should be established;

- It is necessary to increase the export potential of textile enterprises through the production of quality products;

- Assistance in opening a network of presentation centers abroad, the establishment of joint chambers of commerce and industry and business councils;

- It is necessary to improve the support system for local producers. Imported raw materials, which are not produced in our country or imported in small quantities, should be encouraged by setting low or "zero" rates for domestic production, which depends on the materials.

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