



Mechanisms to Increase Competitiveness in the Service Sector

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Abstract: *Competitiveness is an important market mechanism for enterprises to adapt to market conditions and express themselves.*

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In the era of globalization and internationalization of production, the only criterion for its efficiency and demand for its products is competitiveness. There is currently no single definition of the concept of “competitiveness”. The main factors that determine the possibility of multiple interpretations of this concept are the different starting positions of economists, as well as the consideration of only a particular enterprise, industry or the economy as a whole. Competitiveness is a relative concept because it is successful in some markets competing services are not at all competitive with others. This necessitates a distinction between competitiveness in foreign and domestic markets.

The key step in the decision-making process is to analyze the alternatives and select one that fully meets the stated objectives. At the same time, as a result of the emergence of market relations within the country and its involvement in global economic relations, interest in competitiveness will shift directly to the sphere of enterprise and material production. In a market economy, a manufacturing company that supplies its products to both foreign and domestic markets cannot take a long-term stable position in its strategy based solely on the competitiveness of goods without taking into account global quality. When entering a new market on its own, deciding whether to expand or reduce production, investing in the modernization of technological equipment or product upgrades, of course, it is necessary to assess the competitiveness of the manufacturer or enterprise. Improving the competitiveness of the national economy is a key priority in the development of the economy of Uzbekistan, which is constantly emphasized in the speeches of the President of the Republic.

In a market economy, the process of achieving the most important goals of society is reflected in the strategy of enterprises, in the formation of their long-term goals. With a large difference in management approaches in the system of long-term goals, it is possible to distinguish two groups of indicators that provide the solution of key tasks related to the development of the enterprise. The indicators of the first group (market share of the enterprise, its dynamics, sales volume, etc.) reflect the level of consumer satisfaction (albeit indirectly) with the products (services) of the enterprise.

The second group of indicators (profit margin, profit margin, labor productivity, etc.) reflects the level of production efficiency of a particular firm.

The growth of production efficiency is the basis for increasing the profitability of the enterprise in the face of competition, especially in the current context of rapid acceleration of scientific and technological progress. Therefore, increasing productivity should be a priority of management within the company. In the long run, the organization of production and innovative changes in technology are key to productivity, leading to lower costs.

It is necessary to distinguish between potential and actual production efficiency for enterprises. If the level of potential efficiency depends on the external conditions of economic activity (availability of labor, raw materials, energy resources, etc.) and primarily the overall level of scientific and technological development of the country. Real productivity is determined by the level of management and organization of production in the enterprise. An important element of real production efficiency is innovation. Another factor is to improve the structure of products, constantly update it, optimize and diversify the structure of resources used in production.

An important indicator of the competitiveness of the enterprise will be the scale effect. However, in order to realize this opportunity, enterprises need to increase investment in new equipment and technologies, to change the workforce in new ways. In other words, concentration is another manifestation of the impact of scientific and technological progress on efficiency, and it is very difficult to distinguish its independent impact as a factor that distinguishes it from the impact of scientific and technological progress. In terms of efficiency depends on the correct choice of the system. The problem is that for management purposes, efficiency should be measured by a system of interrelated indicators, rather than by a single, generalized, or multiple individual indicators. Thus, the capital-to-labor ratio of labor increases as a result of the replacement of labor in the production process with machinery and equipment. Otherwise, the increase in labor productivity reflects only changes in the level of its capital-labor ratio. Need On the other hand, differences in the dynamics of individual indicators of competitiveness reflect changes in the ratio of the contribution of each individual resource or factor to the growth of service levels. is defined as net production value. In practice, the total factor productivity index (UOU) is used as a generalizing indicator of production efficiency. It is determined by unifying the cost estimates of labor and capital factors on the basis of production functions, taking into account changes in their contribution to production results over the past period. is done by calculation.

One of the most recognized ways to increase the competitiveness of enterprises is the introduction of efficiency improvement programs (SOD). Such programs are designed to solve the following tasks:

- Improving the efficiency of available resources by changing the organization of services;
- To create the necessary management and organizational conditions for the successful introduction of new equipment and technology in the industry and, on this basis, to ensure long-term sustainable growth of labor productivity.

In general, the measures taken to improve the management and organization of production in the process of SOD and their implementation is one of the most characteristic features of the restructuring of the management sector in developed countries to adapt to new conditions.

SOD also reduces costs at the macro level. From an economic point of view, this can be illustrated as follows. It is known that the gross domestic product is the value of material goods and services created in a year. It is divided into the national income (newly created value) and the material cost recovery fund. The second goes to cover the means of production consumed - the means of labor and the objects. The lower the share of the coverage fund in a social product, the greater the share of national income used for consumption and savings. This means that the savings in the

compensation fund, and primarily in the part that goes to the replacement of the objects of labor consumed in the production process, are a factor in the growth of national income.

At present, the coverage fund is a significant part of the social product, and any reduction in its reduction will lead to a significant increase in national income. In modern conditions, scientific and technological progress allows to form such a structure of production. Reducing material consumption of products. Based on the current composition of costs, we can estimate that the reduction in past labor costs by one point in its absolute value is 5-6 times greater than the corresponding savings in human labor. In this case, saving raw materials is especially important. The introduction of waste-free and low-waste technology significantly reduces the consumption of raw materials, materials and fuel.

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