Issues of Improving the Organizational and Economic Mechanism at Building Materials Industry Enterprises

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Abstract: This article analyzes the possibilities and prospects for improving the organizational and economic mechanism at the enterprises of the building materials industry in modern economic conditions. Proposals are made regarding the activities to be carried out under the mechanism.

Keywords: building materials industry, organizational and economic mechanism, technologies, competitiveness, costs, integrated relations.

As a result of an increase in demand for building products that provide the vital needs of the population, in connection with an increase in the world's population, the production of building materials is becoming one of the leading sectors of the economy in countries with a sufficient organizational structure, economic infrastructure and economic potential.

In the developed world, the building materials industry is an important source of employment. "It provides 7.6 percent of global employment, that is, about 230 million people." [1]. In particular, in the economies of developing countries, small and large enterprises, which make up the majority of world enterprises, have a high share in the world economy and provide employment, are of particular importance. In particular, “nearly 90 percent of businesses and more than 50 percent of jobs worldwide are in small and large businesses. In developing countries, it is 40% of national income. The role of small enterprises in the construction industry is great, it creates an opportunity for the development of entrepreneurship and plays an important role in the distribution of income” [2]. As construction demand changes, the level of risk to contractors' work environment and changes require further improvements to this network.

At the same time, it should be noted that the development of new technical and organizational and technological solutions, the adoption of decisions on their application, the improvement of the basic principles of the innovative development of large enterprises have created additional opportunities for resuming the processes of reproduction and economic growth. The system of innovative development of enterprises had a significant impact on the efficiency of the process, which includes such measures as the modernization of production, that is, equipping production with modern technologies, its moral renewal, structural, technical and technological restructuring.

A number of researchers have expressed their views on the concept of socio-organizational and economic mechanisms for the development of industrial enterprises through various definitions. Today, in foreign countries, the term socio-economic mechanism is used in the form of organizational and economic mechanisms of management.

The organizational mechanism is a set of methods for regulating the relationship between internal and external environmental factors and includes certain tasks in the production process. This mechanism is an integral part of the forms of management, covering production functions, organizational structure, development of equipment and technologies, scientific organization of production, powers, duties and responsibilities of all employees.
An economic mechanism is a system of interrelated factors that arise between various economic processes and lead to stable positive trends. As a more accurate definition of these concepts, we can say that the organizational mechanism consists mainly of elements related to the production process, such as regulations, internal order, discipline, principles, and the economic mechanism is formed with the help of factors such as profit, efficiency, price, insurance, profitability.

The main tasks of the organizational and economic mechanism at the enterprises of the building materials industry are:

- ensuring the integration of elements of the organizational structure and increasing the competitiveness of the enterprise;
- to ensure self-management and interaction between elements in order to organize efficient production;
- providing a stable impetus to create a constant combination of production factors based on innovation risk;
- is considered to increase the stability of the internal and external environment of the enterprise, as well as ensuring the liberality and effective development of enterprises.

The organizational and economic mechanism for the development of enterprises in the building materials industry is a complex integral system that includes relations between several groups. Its main function is to implement the entrepreneurial ability and coordinate the interaction of management links. Therefore, it is necessary to coordinate relations between management units, to achieve the competitiveness of production processes based on innovative methods in order to improve management efficiency. Thus, the organizational and economic mechanism for the development of enterprises in the construction industry is a set of principles and methods that serve to ensure the organizational and economic sustainable development of enterprises.

The main goal of the organizational and economic mechanism of enterprises in the building materials industry is to increase efficiency and competitiveness by influencing the control object. Product price, quality, service and other factors have a strong influence on improving competitiveness. Today, the most important criterion that determines the competitiveness of enterprises is the quality of products.

In general, the organizational and economic mechanism should serve to ensure the economic efficiency of the enterprise, achieve competitiveness, and occupy a dominant position in the market.

It is proposed to carry out the following measures to effectively organize the organizational and economic mechanism for ensuring the competitiveness of enterprises in the building materials industry:

- with mutual coordination of the activities of departments in the enterprise, it is necessary to form interdependent systems and organize a mechanism that ensures mutual movement;
- it is necessary to introduce international quality management that affects the improvement of product quality;
- it is necessary to investigate threats and risks using such analysis methods as SWOT and PEST in enterprises;
- it is necessary to use modern information technologies in the effective organization of the information flow;
- it is necessary to conclude effective deals with investors, make investments and develop innovative activities;
- it is necessary to improve the activities of training and internships, which serve to increase the labor potential of employees;
it is necessary to achieve a process of diversification by conducting scientific research on the range of construction products;

enterprises need to constantly determine the effectiveness of management, make prompt decisions regarding shortcomings and problems.

According to the results of our study, in order to ensure the development of the building materials industry, it is necessary to develop a proportional ratio of small and large businesses and the integration of relations between them. That is, special attention should be paid to improving the organizational and legal forms of establishing cooperation between them, developing the legal framework [8]. To date, there is a lack of regulatory documents for the development of small businesses in the construction industry, the existence of laws requiring improvement based on international standards, limited opportunities and a number of shortcomings in the provision of equipment and technologies for small businesses. subjects of the construction industry, the small number of large businesses operating in the field, the problems of effective organization of integrated relations in small and large construction enterprises, the low level of legal literacy, the barriers set by regulatory organizations are examples of this. As a result, in most cases, it is in the construction sector that there are cases of corruption, problems associated with the process of organizing the activities of business entities, cases when the share of the informal sector remains large in the implementation of construction work.

The formation of integrated relations between small and large businesses in the construction industry will create an opportunity for newly created small businesses in this area to enter the market and survive. In practice, there are a number of effective ways to organize cooperation between small businesses and large enterprises [7]. Usually, small businesses gradually enter the sphere of influence of large enterprises, establishing cooperative relations, and are formed as an entity that has an important characteristic in its activities. At the same time, the qualifications of the personnel working in the administrative apparatus of an economic entity are considered important.

As a result, small businesses not only turn from competitors into partners of large economic entities, but also enter as partners into a large sector of the market and occupy an important place in this market. On the other hand, as in all developing countries today, small businesses in the construction industry will not be able to take on large-scale construction work themselves, as they will not have enough financial resources, capacities and equipment. And large economic entities undertake large-scale construction work, while it is not advisable for them to carry out all the construction work themselves [6]. In such cases, they rely on the help of small businesses, and cooperative relations are formed between them.

This type of cooperation is beneficial to both parties, while large businesses have the opportunity to perform a large amount of work in a short time, and small businesses get the opportunity to win a place in the market together using their name.

Many foreign construction companies, in an effort to improve the efficiency of construction processes, have focused on the issue of restructuring the structure of the enterprise by defining a competitive strategy [3]. One of the strategies adopted by such enterprises is subcontracting, whereby it is possible to shorten a certain part of the construction process by reducing the duration, in which most of the work is outsourced to third parties.

According to the above, the mechanisms for organizing construction work on the basis of subcontracting in the construction industry of our country can be as follows:

- establishment of complex relations of construction enterprises with various suppliers and service providers;
- organization of small enterprises included in the technological process, performing the main and auxiliary parts of construction work, carrying out special subcontracting activities.
organization of small subcontracting enterprises for the development of goods related to the performance of construction work, and products that are part of the construction;

to form an online system that will serve to provide construction enterprises with a unique workforce with the necessary skills and experience and establish integration between them.

One of the topical issues solved by the enterprises of the construction industry is the determination of the costs of logistics chains associated with the movement of material, financial and information flows for the entire period of economic and organizational activity. When assessing the level and dynamics of changes in the amount of expenses for this category, it is necessary to take into account and analyze the costs of construction as part of the total costs, as well as take into account modern structural facilities on the ground. In the construction industry, it is important to form effective systemic links based on the rational management of the movement of material, financial and information flows in production systems, the depreciation cost of fixed assets, labor costs and the movement of materials, financial and information flows.

Grouping construction costs according to the presented typological characteristics allows us to assess their absolute size and, in general, the level of influence on the company's activities, the rationality of formation, planning and reducing a significant part of transport costs, analysis and improvement of their structure.

The typology of economic elements can be used to estimate construction costs, determine the composition of the structure, organize financial accounting and determine reserves for their reduction.

For planning purposes, it is important to divide the costs of the construction industry into the main stages of the movement of material resources. The grouping of construction costs by stages of movement of materials is based on the allocation of three stages:

- purchase of raw materials and materials;
- performance of construction works;
- delivery of finished objects [4].

The classification of the costs of the construction industry in the main areas allows you to associate them with ongoing processes. There are three main areas (complexes) of construction:

- physical movement of the material flow;
- information processes and reserves;
- the cost of physical movement, reserves, information processes[5].

The costs of the physical movement of material flows at the enterprise belong to the main group of construction costs and have a significant impact on the size of the technical infrastructure, the involvement of labor resources in flow processes, the use of materials, especially fuel and energy, in transport and service processes.

Today, the development of special programs to reduce the share of the informal sector in the development of the building materials industry and the legalization of their activities, the introduction of benefits and preferences for small businesses, support for cooperation between large and small businesses, the development of special programs to reduce the share of the hidden economy, allow construction organizations to participate in tenders, further improvement of processes serves the development of the sphere in the performance of construction work.

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