

DIRECTIONS FOR IMPROVING THE ENTERPRISE MANAGEMENT MECHANISM

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Abstract

The article examines the external factors affecting the management mechanism of the enterprise, the purpose of management, management objects and entities, methods and tools, and mechanisms for the implementation of management goals. Improving the management mechanism of the enterprise was achieved by increasing the efficiency of personnel policy levers. In addition, attention was paid to the issues of creating an innovative environment and improving the quality of management, and important directions of management were developed.

Key words

management mechanism, personnel policy, management object, management subject, management goal, marketing, innovation, finance, information, management efficiency.

Introduction

Today, Uzbekistan's economy is rapidly developing, and the transition to market mechanisms is proceeding step by step. Under such conditions, forming an effective management system at enterprises, implementing modern management principles, developing innovative approaches, and automating the decision-making process are among the most urgent tasks. Modern management mechanisms that meet current demands increase the enterprise's competitiveness, enhance production efficiency, enable the rational use of resources, raise labor productivity, and create a foundation for securing strong positions in foreign markets.

The need to improve enterprise management mechanisms arises not only from internal demands but also from increasing competition in the external economic environment, digital transformation, rising ecological requirements, and global trends.

The President of the Republic of Uzbekistan, Shavkat Mirziyoyev, constantly emphasizes the strategic importance of this issue. In his speeches, he stresses the

need to develop management culture, support the private sector, and operate based on modern technologies, stating:

“Modernizing production, increasing the output of products competitive in the global market, and implementing modern management styles in enterprises – this is a matter of life and death for us.”³⁰

Increased competition, deepening of the market economy, and digital transformation processes present new and complex demands for enterprises. In such an environment, the need to review and improve management mechanisms to ensure operational efficiency, produce competitive products, and secure a stable position in the market is growing. Ongoing economic reforms in Uzbekistan, especially those supporting the private sector, developing small and medium-sized businesses, and introducing corporate governance, play a critical role in this process. At the same time, each enterprise is required to restructure its internal management system to align with both global and local challenges.

Improving enterprise management mechanisms helps solve several issues, such as:

- Efficient use of resources,
- Automation of production processes,
- Accelerating and clarifying decision-making processes,
- Implementation of innovations and modern technologies,
- Increasing labor productivity, and
- Fully utilizing human capital potential.

Moreover, to act effectively in competitive national and international markets, enterprises must apply modern approaches such as strategic management, corporate culture, quality management, and project management. In this regard, the topic “Improving the Enterprise Management Mechanism” is of critical importance as a key factor in economic development.

Literature Review

To date, there is no universally accepted definition of “mechanism.” In a broad sense, the enterprise management mechanism can be viewed as a system composed of numerous elements that fulfill specific functions through its operations and implementation. Economic literature frequently uses concepts such as economic, organizational, financial, and motivational mechanisms. According to V.R. Vesnin, a mechanism can be described as the interaction of elements within a system (boundaries, mutual formation, influence), as well as the system’s interaction with

³⁰ President Shavkat Mirziyoyev's speech at the Third Tashkent International Investment Forum:// <https://president.uz/uz/lists/view/7194>

itself.³¹ When considering the management mechanism, it is important to note the ambiguity and diversity of ideas regarding the management process, its functions, and its types of activities.

Generally, two main approaches to defining the management mechanism can be distinguished:

1. Process-oriented – based on the impact on the management object.
2. Systemic-static – where the mechanism is considered as a set of tools, methods, and instruments.

The goal of the enterprise management system is to ensure efficient operation and development through a well-structured management mechanism.

The subject of the study is the enterprise's management system and its individual components. It is recommended to view the enterprise management mechanism as a complex of elements that implement management functions by applying suitable management methods using material-technical, investment and innovation, human, financial, informational, normative-legal, and regulatory resources aimed at achieving the enterprise's economic and social objectives, such as profit generation, service profitability, increased competitiveness, and employee social security. The content of the enterprise management mechanism is determined by its structural elements, including management goals, functions and methods, auxiliary subsystems, and management objects and subjects.

Based on a systemic approach, the enterprise management mechanism can be structured as follows (Figure 1).

³¹ Vesnin V.R. Management: Textbook. – Moscow: TK Velbi, Prospekt Publishing, 2006. – 504 pages.

Other state entities

Enterprise Management Goals		
Ensuring the characteristics of the enterprise as a system: - Self-organization;	Systemic Goals: - Preserve the enterprise; - Develop	Enterprise Activity Goals: Economic and social
Mechanisms for achieving management goals		
- Stability..	effective operation	

Ensuring Management
<ul style="list-style-type: none"> - Regulatory and legal; - Financial; - Human resources; - Material and technical; - Investment and innovation; - Information, etc.

Planning	Organizing	Motivation	Coordination	Monitoring
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Management Methods and Tools		
According to the nature of management impacts: direct and indirect methods of influence	According to the type of applied regulation tools: economic, administrative, socio-psychological, etc.	According to the object of management impacts: methods of managing innovative changes by employees, and managing the quality of provided services

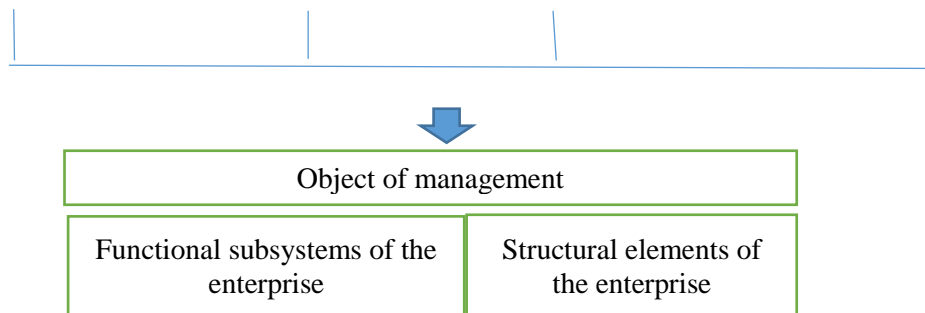


Figure 1: The Enterprise Management Mechanism³²

The functional subsystems and structural components of the enterprise operate as management objects. As shown in the diagram (Figure 1), the control mechanism is implemented through the specific mechanisms of planning, organizing, motivating, coordinating, and monitoring. The planning mechanism is designed to organize the process of developing and implementing plans, as well as to regulate the means and methods for achieving these plans. The organization and coordination mechanisms aim to unify, support, and align the actions of different elements within the system to achieve operational consistency. One of the primary tasks of the coordination mechanism is to establish and maintain communication channels and relationships among units and departments.

The motivation mechanism is a crucial component of the management mechanism, which prescribes the use of specific influence tools based on situational factors and employee characteristics. The human resource department of a repair enterprise, for instance, should be based on revealing the individual abilities of each employee, which will lead to increased self-awareness in work and professional development. The control mechanism determines the list of measures and deadlines for identifying the outcomes of management actions and for checking whether the managed object operates in line with adopted management decisions. The content of functional sub-mechanisms is defined by relevant methods and tools, including direct and indirect methods of influence, and the use of administrative, economic, and socio-psychological methods. An optimal

³² Author's development

combination of these methods and instruments ensures the achievement of desired results.

The supporting subsystem includes a set of essential management resources that enable management influence on key managerial factors. Figure 1 identifies the following types of support: normative, material-technical, human resources, financial, investment, and information.

- Normative-legal support refers to the development and implementation of a regulatory-legal framework for management in the following areas: general and specialized standards, standards for assessing internal and external environmental factors, and existing legislation.

- Logistical support includes the availability of necessary technical management tools, communication means, and a specialized technical base.

- Information support involves collecting and processing current information and utilizing relevant information technologies.

- Human resources support implies providing the organization with a sufficient number of qualified employees.

- Investment and innovation support means seeking and attracting additional funds to implement innovative changes in the organization (e.g., creating a new department).

Thus, the proposed content of the enterprise management mechanism is based on a systemic approach, incorporating a list of necessary subsystems and functional mechanisms whose coordinated interaction ensures the effective operation and development of the entire management system.

Research Methodology.

The methodological basis of the research is founded on the main principles and laws of dialectics. In studying enterprise management mechanisms, a methodology relying on the use of personnel policy tools—including the collection, processing, and analysis of information—was applied. The research utilized methods such as logical analysis, synthesis, generalization, induction and deduction, a systematic approach to economic phenomena and processes, and sociological surveys to draw conclusions.

Analysis and Results.

In the daily operations of small and medium-sized enterprises, the management mechanism is shaped each time a management decision is made through the coordination of all its pre-selected components. A real management mechanism is always unique, as it is aimed at achieving a specific goal through the use of particular tools, resources, or potential.

All components of the management mechanism are interrelated and can change depending on the stage of enterprise development and external environmental conditions. In the general structure of enterprise management, special attention is given to improving personnel policy, ensuring the growth of employee professional skills, activating innovation, and ultimately increasing production efficiency.

The enterprise management system includes both the production process and the management component. Within the management system, the subject and object of management are distinguished, and feedback between them is required. The influence of the management subject on the management object is implemented through a complex management mechanism, which includes the following blocks: planning, organizing, motivating, and controlling.³³

In the management process, the enterprise defines its expected performance outcomes, then compares the expected and actual results. If the economic indicators calculated based on actual performance do not satisfy the organization, then weaknesses must be identified – this creates the basis for forming an innovative environment to improve enterprise performance. If the calculated indicators are satisfactory, then a decision is made to improve quality and foster innovation by adapting the main directions of management activity. In such a mechanism, the interests of interacting parties are aligned through the selection of a specific set of management methods and tools appropriate to the nature of the factors being managed.

The enterprise management mechanism aims to:

- Improve the quality of management,
- Refine and monitor personnel policy,
- Maximize the mobilization of human potential,
- Ensure the growth of employee professionalism,
- Activate innovative activities, leading to increased overall enterprise efficiency.

The mechanism operates based on established documentation or practical rules. A range of tasks is solved within the management process, including financial management, production management, information management, sales and procurement, product quality management, marketing, and personnel management. Managing these operations contributes to management profitability, which in turn helps reduce costs, improve product quality, enhance competitiveness, strengthen market position, and more.

³³ Klabava, A.O. Theoretical Foundations for Developing a Sustainable Development Mechanism. // *Ekonominfo*, 2012, No. 17, pp. 9–13.

Development of the Management Mechanism Based on Personnel Policy.

In developing the enterprise management mechanism, special attention should be paid to improving the personnel policy. The organization's personnel policy is a general direction of human resource activities, which—considering the organization's development strategy—encompasses principles, methods, forms, and organizational mechanisms aimed at preserving, strengthening, and developing human resource potential. Its goal is to create a qualified and highly effective team capable of responding promptly to constantly changing market demands. Despite being one of the most important factors in the implementation and development of an enterprise, personnel policy often does not receive adequate attention from the management of many small and medium-sized enterprises³⁴. It is typically limited to the simple calculation of the required number of specialists, recruitment, and retraining. Overall, the efficiency of an enterprise depends on proper employee selection, placement, motivation, and encouragement for professional growth. The main lever for implementing personnel policy developed by senior management is the administrative authority of managers, used in direct relations with subordinates.³⁵

In enterprise management, personnel policy is aimed at addressing the following long-term objectives:³⁶

- Comparing existing and long-term requirements for vacancies and employees;
- Quantitative and qualitative planning of employee positions;
- Organizing professional human resource marketing;
- Introducing job specializations and adapting employees;
- Improving qualifications;
- Structuring and planning personnel expenses;
- Managing the structure of material and moral incentives;
- Regularly collecting and processing information on current activities and the implementation of the organization's strategy.

Solving these issues is aimed at strengthening employees' capacity to implement innovations, increasing management efficiency, and enhancing the organization's competitiveness in the goods market. In order to develop an

³⁴ Gnitieva, N.S. Principles of Forming the Mechanism of Formation. *Fundamentals of Management: Social Psychology, Management*. Moscow: Higher School, 2012. 490 p.

³⁵ Personnel Management of the Organization: Textbook. / V.N. Fedoseev, S.N. Kapustin. Moscow: "Imtikhon" Publishing House, 2003. p. 52.

³⁶ Personnel Management of the Organization: Textbook and Manual. / V.N. Fedoseev, S.N. Kapustin. Moscow: "Imtikhon" Publishing House, 2003. 368 p.

enterprise management mechanism based on improved personnel policy, a systemic approach must be used to ensure an effective combination of all structural components of the management mechanism. The management mechanism based on improved personnel policy is illustrated in Figure 2. All elements of the mechanism model are interconnected and may vary depending on the development stage of the enterprise and the surrounding environment. External factors significantly affect human resources activities, the specificity and content of targeted programs, and the overall personnel policy. Therefore, enterprises must take external environmental influences into account, constantly monitor them, and analyze, in particular, market conditions, modern organizational management models, innovative technologies in enterprise management, industry-specific characteristics, the economic situation, and legal regulations. The operation of the proposed mechanism begins with defining the enterprise's mission, goals, and development strategy, in line with the specific characteristics of the field that directly affects the entire enterprise management system. The company's mission represents the essence of its existence and its goals in a summarized form. It serves as the foundation of the company's strategy. The task of analysis is to determine how the mission is reflected in the employee management strategy and what necessary elements the strategy must include to remain consistent with the mission.

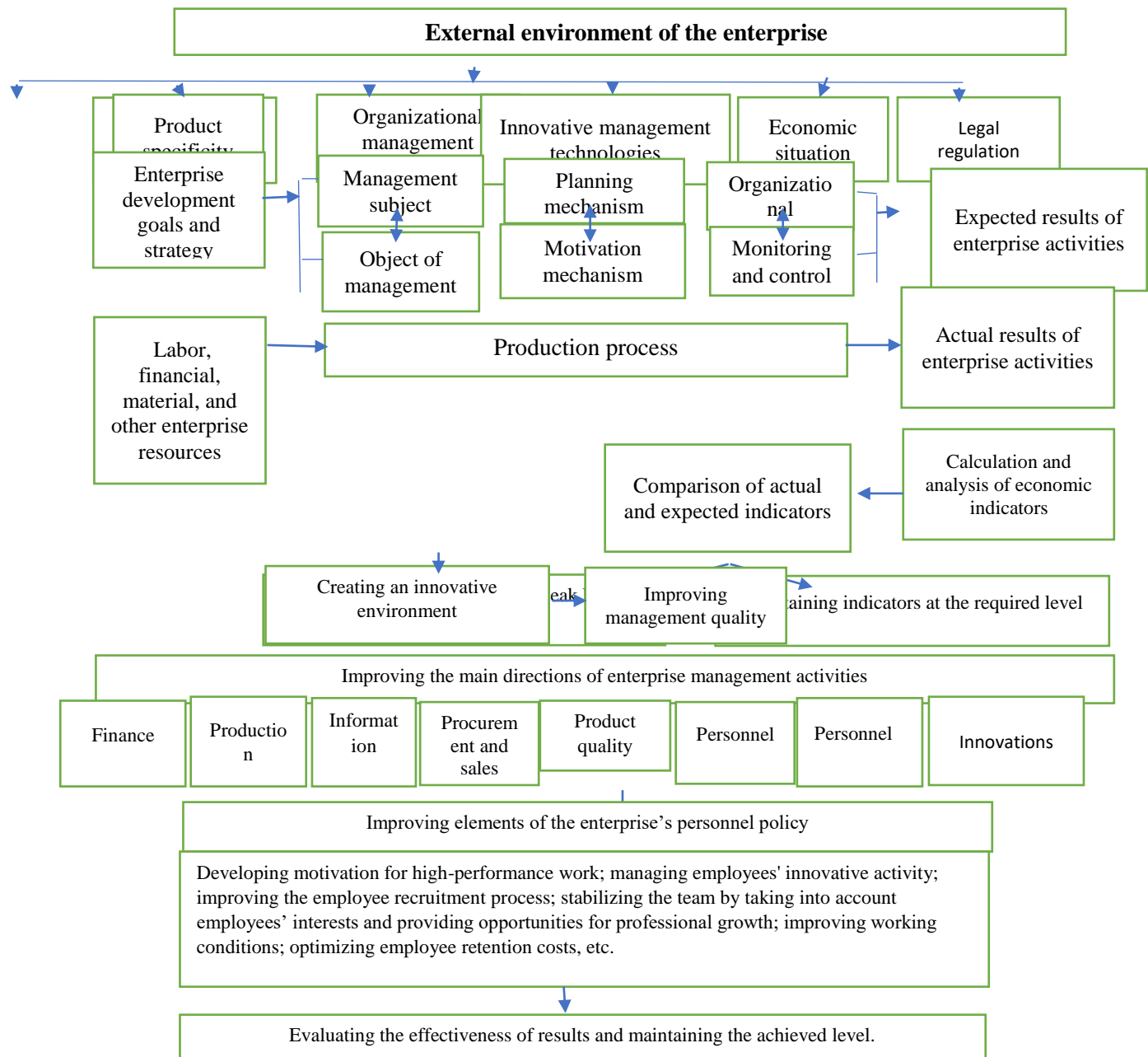


Figure 2: Management Mechanism Based on Improved Personnel Policy

The company's mission is defined within the system of the organization's strategic, medium-term, and short-term objectives, which serves as the basis for determining the strategic, medium-term, and short-term goals of personnel management. Therefore, it is necessary to analyze the organization's objectives in order to ensure their achievement through the system of personal goals within the personnel management subsystem. This system includes elements such as providing the production process with labor, financial, material, and other resources; defining the production process; determining the expected and actual results of operations; calculating the economic indicators of activities; and

comparing the expected and actual indicators. If the results are unsatisfactory, it becomes necessary to create an innovative environment and to make decisions regarding the main areas of activity based on improved management quality.

Ensuring that the enterprise is supplied with the necessary personnel, fostering its development, and enhancing the innovative activity of employees depends on the following factors:

- the qualitative characteristics of the enterprise's personnel;
- the conditions for encouraging and developing talented employees;
- increasing the attractiveness of participating in innovative activities both proactively and during routine work processes.

Conclusions and Recommendations

The process of improving the elements of personnel policy serves as the methodological foundation for developing the management mechanism, encompassing the diagnosis of personnel policy and the development of methodological tools for personnel management.

The improvement of personnel policy elements should be carried out in accordance with the strategic goals and objectives of personnel management in specific areas, including:

- encouraging labor activity;
- fostering motivation for high-performance work;
- managing employees' innovative activities;
- improving the recruitment process;
- stabilizing the team while considering employees' interests and ensuring opportunities for professional growth;
- improving working conditions;
- optimizing personnel-related costs;
- and other related activities.

Based on the assessment of results' effectiveness, it may be necessary to adjust the main directions of monitoring or to deepen the implementation of certain activities. The result of improving personnel policy will lead to the optimization of personnel costs, the encouragement of high-performance labor among employees, the continuous operation of the organization, and the delivery of high-quality products and services. In turn, this will enhance the overall efficiency of the organization – economically, organizationally, and socially.³⁷

³⁷ Syshchikova, E.N. Formation of the Organizational and Economic Mechanism for Enterprise Management under Modern Conditions. // *Production Organizer*, 2011, No. 2 (49), pp. 55–57.

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