



DEVELOPMENT OF INDUSTRIAL ENTERPRISES AND ANALYSIS OF THE FACTORS OF THEIR COMPETITIVENESS

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Article history:	Abstract:
Received: 10 th May 2024 Accepted: 7 th June 2024	In this article, the concept of forming the competitiveness of small business entities and its essence and the concept of Competitiveness are discussed about such aspects as competitive advantage, price competition, strategic management and other historical and sociocultural aspects, and Competitiveness is also an independent variable, an intermediate variable or a complete variable depending on the approach in research. considered as a dependent variable, consisting of different dissimilar factors depending on the field of activity, and the competitiveness of small and medium-sized hotels in the hotel sector compared to their competitors in terms of price, service quality, gross profit, planning and achieving business goals.

Keywords: Small Business, Product, Firm, Industry, Competitiveness, Small Business Entities, Capital Resources.

INTRODUCTION

For a company to function properly, it must be profitable, even though this is to ensure that the company's workforce is available and to ensure that employees can be paid their wages. It seems natural for an enterprise to operate with a positive output balance sheet to be profitable and thus to seek to become more competitive on the market. We notice that we have suppliers and customers with whom the company cooperates. The correctness of functioning is required in order to ensure the success of the company even if it satisfies the individual needs of this organization. The number of suppliers and customers cooperating with a given company is also important (Bennett et al., 2005). The dynamics of cooperation with both suppliers should be assessed, as well as the recipients in order to plan the basic process of the company's existence (stagnation) or its further development (Jeppesen, 2005; Leśniewski, 2017). Competitiveness between companies, especially manufacturing companies, is probably connected with the demand for its goods. All activities should be aimed at increasing the demand for products (Singh et al., 2010; Sieradzka et al., 2015; Kucher, 2019). Competitiveness has always been an important condition for the success of companies (Barney, 1991; Yamona et al., 2018). 2. Characteristics of Competitiveness Nowadays, companies with good results face increasingly difficult and more complicated development conditions. These include increased aggressiveness and so-called corporate turbulence, dynamics of globalization, new requirements and intensity of competition and rapid technological progress. In order to succeed, every company is

forced to effectively use its real capital, finances or employee potential and analyze the environment in which it operates. This makes growing companies constantly evolve, adapting the functions, goals and tasks of the organization and management methods to changing business conditions (Komarkova et al., 2014). Competitiveness has always been an important condition for the success of companies. Uncompetitive companies, unable to create value at least on a normal level, they just must fall. Therefore, the key task of managing a company is to ensure that it is competitive. The processes leading to the desired level of competitiveness must not be spontaneous and random, but must be systematically planned, implemented and controlled. Hence the growing importance of competition strategies, understood as comprehensive, long-term concepts of creating relatively permanent advantages for all participants of the competitive environment. It is important to underline that new theories and research go towards a more comprehensive view of competitiveness, going beyond the framework of competitiveness understood solely as a feature of market actors. Complexity and the dynamics of economic processes at the turn of the twentieth and twenty-first century, globalization and the development of the knowledge-based economy, imply the need for a broader perspective on competitiveness, taking into account not only the international aspect but also the.

LITERATURE REVIEW

The second is associated with the skills required to gain a lasting competitive advantage in each market. In turn, in terms of other approaches to the



competitiveness of enterprises, encountered in the literature on the subject, allow us to understand it as the ability of the enterprise to develop sustainably in the long term and the tendency to maintain and increase market shares, the relative ability to push its own system of objectives, targets or values, the ability of undertakings to increase the efficiency of its internal functioning by strengthening and improve its position in the market, its ability to design, manufacture and sell goods whose prices, quality and other qualities are more attractive than the relevant characteristics of the goods offered by its competitors (Yang et al., 2009; Zitkus, 2011; Matysek-Jedrych, 2012). In a generalized attempt to indicate the essence of a company's competitiveness, it can be indicated that this concept implies the ability to efficiently pursue their objectives in the competitive marketplace. In this aspect, the competitiveness of an enterprise should be understood as a proper feature of the enterprise, playing an important role in formulating the enterprise's development strategy (Banyte et al., 2008; Ungerman et al., 2018). Similarly, competitiveness has been interpreted as the ability to achieve and/or maintain a competitive advantage in the aspect of the concept identical to competitive capabilities (Balkyte et al., 2010). For the purpose of the realization of the subject of the article, the authors conducted a survey on the population of pre-school establishments registered in the Silesian Province. A sample of 247 companies was drawn for the survey. The sample was drawn using a random frame in the form of a database of companies carrying out research on behalf of the authors from the population defined above. A probabilistic method of sample selection was used - stratified random selection, which consists in dividing the surveyed population into so-called layers and making direct drawing of independent samples within each layer. The application of probabilistic sample selection will allow for general results obtained for the whole population. The application of the above described procedures ensures that the sample is experimental for the defined population of enterprises. Initially, a pilot study was carried out to verify the measurement scales and design of such a questionnaire, which will be optimal due to the re-adjustment of the assumed work topic. The initial questionnaire was verified using the alpha Cronbach reliability factor after the pilot study. As the minimum coefficient obtained was 0,735 for all questions in the questionnaire, all questions in the questionnaire for the main survey were included in the questionnaire for the pilot study. It is assumed that for the reliability of the measurement to be

considered, the minimum value of the Cronbach's alpha-value should not be less than 0,7 (Rószkiewicz, 2013). The pilot study was carried out using two techniques which were combined and carried out on a pre-sample of 40 enterprises. The two techniques were used to exploit the advantages of both, to improve the course of the study and to increase its standardization by reducing the so-called polling effect. The aim of the procedure was additionally to minimize the number of potential errors that may result from the limited perception of respondents using one of the senses - hearing or sight. The first of the techniques was CATI (Computer Assisted Web Interviews), i.e. computerassisted telephone interview. The second technique is CAWI (Computer Assisted Web Interviews), or online surveys. In the next stage, a proper test was carried out with a good representative sample using an optimal questionnaire, which was checked in a pilot study. The current development of the economy of our country directly depends on the activity of small business and private entrepreneurship operating in the territories of the republic, which, according to the data of the State Statistics Committee of the Republic of Uzbekistan, accounted for 55.7% of the gross domestic product in 2020. If we take into account the fact that in 2020 this is being done by 411,200 small business entities operating in the Republic of Uzbekistan, the products produced by small business entities face a very strong competition not only among local production, but also with the products of other countries. In recent years, competitiveness among enterprises has been a topic of interest among scholars, businesses, and government agencies. In this regard, Porter emphasizes the existence of four levels of competitiveness: product, firm, industry and nation, and considers competitiveness from the point of view of region and territory. Regarding the product, Goldberg et al. they emphasize.

MATERIALS AND METHODS

In addition, it is appropriate to keep in mind corporate competitiveness in terms of price, service quality, gross profit, and ability to plan and achieve business goals relative to industry competitors. Competitiveness for an industry refers to the ability to maintain or increase market share in terms of low cost or product characteristics compared to similar industries in different countries. There is also national competitiveness in practice, which is the competitiveness of a national economy to achieve and maintain high growth based on sustainable policies



and institutions. Research on factors influencing the competitiveness of small business entities, which play an important role in the country's economy, has increased significantly in recent years. As Robinson pointed out, the assessment of the competitiveness of small business entities should be considered in a broader interaction or in the context of constant changes in the business environment, and the ability to access capital sources and its internal capabilities should be taken into account. It is worth noting that internal resources play a more important role than external factors to achieve competitive advantage⁴. Based on the scope of the topic, based on data reliability and experiences, this research is more based on Porter's theory of enterprise competitiveness and competitive advantage. Many studies have been conducted in terms of Porter's theory of competitiveness and competitive advantage to develop conceptual and empirical research on the competitiveness of enterprises. In developing his

theory, Porter begins with the following points⁵ : - the nature of competition and the sources of competitive advantage vary greatly between sectors and even between the same industry segments, and this can affect the acquisition of competitive advantage within a certain sector of the industry of a given country; - the globalization of competition and the emergence of multinational companies do not eliminate the effect of a specific country having a competitive advantage, but may offer different competitive advantages for the company, whether it is the country of origin or the host country. In this regard, Schumpeter "competition has a dynamic character"⁶ - states that. Innovation plays a leading role in this constant change and defines the companies that invest in order not to be excluded from the market. Based on these principles, Porter builds a system of determinants called "diamonds". Based on Porter's theories, it is possible to express the system of determinants that are the basis for gaining competitive advantages (Figure 1).

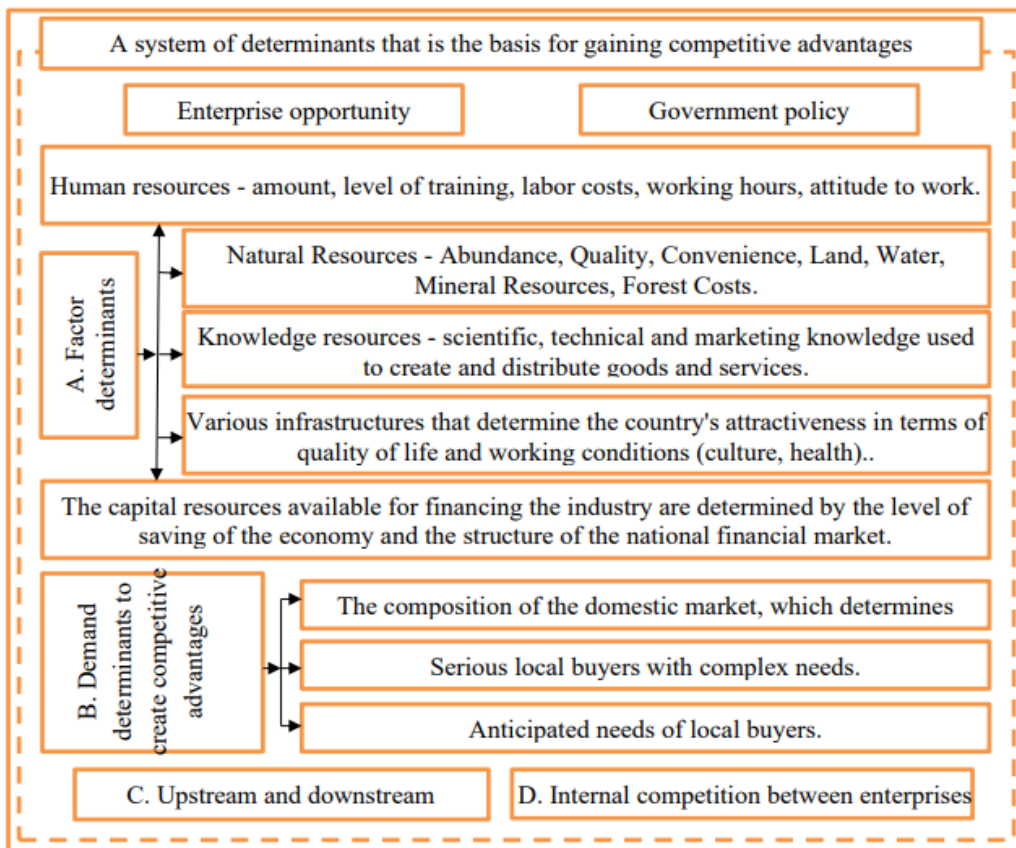


Figure 1. A mechanism for ensuring that small business entities have competitive advantages

C. Upstream and downstream industries, if they have a strong position in the international market, are another crucial factor in achieving competitive advantage.

RESULTS

A country can be competitive if it has more concentrated and specialized horizontal and vertical



industries, which can bring more information, innovation, but the determinants of demand are the growth of international productivity among economic sectors and the resulting competitive advantage among other determinants of the "diamond" determinants. depends. D. The strategy and structure of small business entities, the competition between them is the fourth decisive factor of the diamond determinant, they affect the international competitiveness of the country with the organization and management of the company, the proposed goals and the applied strategies. Of course, there are differences between countries in the level of education, goals, work style and approaches of managers. The goals and strategies depend on the ownership structure, the motivation of the owners and the incentives of the managers. It is important to coordinate the goals of small business owners with the goals of shareholders and managers for competitive advantage. In order to gain and maintain competitive advantages, individual motivation of employees is important in improving professional training. Achieving and maintaining competitive advantages is closely related to the presence of real and strong competition in the domestic market, which encourages small business entities to open new markets to promote new products and stimulate growth. Domestic competition is at least as important as international competition because the presence of many competing companies is favorable because domestic companies are as strong as foreign competitors. The adoption of certain regulations by the government that encourage the establishment of new enterprises determines the growth of competition and thus helps to maintain a competitive advantage. As mentioned above, these four determinants of a diamond evolve closely with two other factors: opportunity and government policy. "Opportunity" - Porter states that most industries with a competitive advantage have been of great importance in the evolution of wars, major changes in the international financial market, and changes in the costs of factors of production.. Government policy can influence the acquisition of competitive advantage as it is the most important determinant. This is due to the fact that the government can influence the local market through subsidies, investments in education, regulation of the domestic market, creation of competitive infrastructure to reduce the costs of input to factors. The state is also an important buyer for some sectors such as the defense industry, aeronautics, and telecommunications. It is important to approach the system of competitive conditions with

consistent action of the state in order to create or improve national competitive advantages. In this regard, one of the main causal factors is the weakness of human resource management, especially the low leadership skills of the management team and managers, which makes it necessary to develop it. Inadequate attention to this aspect leads to difficulties in the development of small business.

CONCLUSION

As the chief executive of the enterprise, the leader of small business entities must perform comprehensive and practical leadership activities. In addition, he should directly implement the production process and business operations, as well as take the lead in human resource management.. In order to effectively fulfill his role, it is desirable for a small business leader to have strong leadership skills, sufficient knowledge and skills, attitudes and qualities to effectively manage not only himself, but also the team and the entire organization. It serves to ensure the competitiveness of small business, to achieve the final goal, that is, to maintain and develop the position of the enterprise in the market, and to make it possible to obtain legitimate income for the interested parties and the leader himself.

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