

## CRITERIA AND INDICATORS OF EFFICIENCY ASSESSMENT OF LEATHER ENTERPRISES

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**Abstract.** The article describes the state of the leather and leather shoe industry in the country, the population's demand for leather and leather shoe products, the specifics of the leather shoe industry, the system of performance indicators, methodological issues, ways to improve the efficiency of organizational and development activities and profitability. The article also focuses on the system of economic indicators to assess production efficiency.

**Keywords:** Leather shoe products, competitive products, modernization, efficiency, components, production capacity, leather and haberdashery products, cost, production costs, profit, profitability.

### INTRODUCTION

Leather shoe products are one of the most important components of people's daily lives. Shoes are an integral and non-alternative attribute of the modern man's head. Therefore, it is necessary to have a shoe market in every country, including Uzbekistan. If we take into account the climatic and social conditions of Uzbekistan, the average consumption per capita is 2.6 pairs of shoes, then, according to our estimates, the volume of the domestic leather shoe market in natural terms (in terms of products) is 88 million a year pair of shoes, in value terms - 5117 billion sums or 5 billion. USD [2].

Half of the shoes you need, which is about \$ 44 million a year. 2.5 million pairs will be produced in the country. it would be possible to employ a person. Of course, no network will inevitably be able to provide that many jobs in the coming years. Despite the importance of the leather shoe market, official statistics in Uzbekistan show that the sector is in fact underutilized and that its growth potential is far below capacity.

The main raw materials of the leather and leather shoe industry are cattle and sheep and goat skins, which are available in sufficient quantities in the domestic market. The average annual income in the country is 11.0 million pieces of leather raw materials, including 7.0 million head

of sheep and goats and 4.0 million, scalp is obtained. However, they are not fully used due to the insufficient development of the base, which processes local raw materials directly into finished leather used in the leather shoe industry. Today, for the production of quality leather shoe, the country imports about a hundred types of basic and auxiliary materials, such as chemicals, paints, accessories, components and spare parts required for the production of leather shoe [5].

At present, the shoe industry is actively looking for ways to increase the competitiveness of its products on the basis of further improving the organization of production. Only through the introduction of effective innovations it is possible to create a market of competitive products that will provide reliable and constant demand for local products, which, in turn, will lead to the rise of the Uzbek leather shoe industry to world standards. The search for new forms of organization, management, modern shoe designs is a potential that can help businesses create a high level of competition [4].

### **ANALYSIS OF THE RELEVANT LITERATURE**

Important directions and features of development of industrial enterprises in the conditions of market relations, the main essence and scientific-practical aspects of economic efficiency Andersen R., Brown D., Vodachek L., Gerhard P., Djankova S., Murrel P., Porter M., Robinson J., Stark D., Friedman R., Shumpeter Y., Chamberlen E. and reflected in the work of other foreign economists [3].

Theoretical and methodological issues of increasing the efficiency of industrial enterprises in the context of modernization of the economy. Abalkin L., Ayvazyan Z., Alpatov A., Aleksandrovich Ya.M., Astaxov A., Bachurin A., Bivan A.A., Bogdanovich V.V., Deryabina M., Evseev A., Zavarzina N., Loginov V., Kojin S.V., Kruk M., Kurnisheva I., Mitskevich V., Tutundjyan A., Shimov V.N. and studied by economists from other CIS countries.

Problems of development of industrial production, ensuring the production efficiency of industrial sectors, especially light industry, improving their management structure, taking into account the requirements of a market economy, as well as increasing the technical and technological potential of industry local scientists - Askarov MA, Iskanderov I.I., Iminov T.K., Qodirov A.M., Mahkamov R.G., Maqsudov S.S., Mahkamova M.A., Mahmudov N.M., Rasulev A.F., Saidova G.K., Sokolova L.A., Tursunkhojaev M.L., Tuxliev I.S., Turaxujaev M., Temirova M.I., Tursunov X.K., Khojaev S.S., Hikmatov O.X., Yusupova N.M. and found deep expression in the work of other scholars.

### **RESEARCH METHODOLOGY**

Methods of structural, statistical and comparative analysis, logical and economic grouping, scientific theory, monographic approach and other methods were used in the implementation of this research.

### **ANALYSIS AND RESULTS**

In our country, great attention is paid to the further expansion of the production of high quality leather, shoe, leather goods, as well as finished products with high added value from fur and wool.

In this regard, the Resolution of the President of the Republic of Uzbekistan dated 08.02.2021 “On additional measures for further development of the leather, leather shoe and fur industries” No. PP-4982 not paid [1].

The main goal of enterprises operating in the context of modernization of the economy in our country is to supply ready and competitive products to domestic and foreign markets, effectively using their economic, technical and financial potential.

In this regard, among the tasks to be performed in the economy of the republic, it is necessary to improve the structure of production of industrial enterprises, taking into account market demand, as well as to develop new approaches to improving the efficiency of production. In other words, it is necessary to liberalize the activities of enterprises of different forms of ownership and bring them in line with market requirements and increase production efficiency [6].

In the economic literature, quantitative (absolute) and comparative (relative) efficiency differ. Quantitative efficiency is necessary to analyze and evaluate the overall economic results and economic results at different (macro-micro) levels in a given period, as well as to compare the efficiency levels of different enterprises producing similar products. Comparative efficiency is used in the selection of projects implemented at different stages of production, in the selection of the most optimal options for technical, technological and organizational solutions. In this case, the competition is based on a comparison of the system of economic and technical indicators for various projects, the level of additional capital investment, production profitability, payback period, profit, cost-effectiveness [13].

As a result of efficient use of available resources (material, intellectual), economic and social efficiency can be achieved, which are interconnected and closely interconnected [15, 16].

In order to properly assess the efficiency achieved through the radical modernization of production, technical and technological renewal of fixed assets in line with modern requirements, it is important to determine its criteria, taking into account the specific conditions of market relations [17].

It should be noted that the methodological issues of assessing the effectiveness of enterprises should take into account the specific characteristics of enterprises in the sector and the factors that have arisen in the context of market relations.

In assessing the production efficiency of enterprises of the leather shoe industry, it is advisable to take into account the following specific features of the industry:

- The dependence of industry enterprises on enterprises such as light industry, chemical industry, oil and gas industry, animal husbandry in terms of the amount of raw materials, components and their quality;
- Leather shoe enterprises are the most material-intensive enterprises, with a high share of material costs in the cost of production;
- the production of enterprises has a flow character, the finished product of one enterprise is a raw material for another enterprise;
- high level of specialization of network enterprises;
- relatively low level of technological armament of enterprises [11].

It is known that the profit-making activities of enterprises require the formation of product prices in accordance with market conditions, the volume of goods offered, the demand for it requires the production of quality products at low cost, and thus high profits reaches [14].

It is necessary to identify the main opportunities to reduce production costs during the introduction of measures to reduce the cost of leather goods and leather shoe. Efficient processing of leather raw materials, introduction of modern technological equipment in the enterprises of the industry and on this basis to increase the production of competitive finished leather products, increase labor productivity, reduce costs associated with the delivery of products to customers, develop scientific and technical achievements the widespread introduction of production, the proper organization and management of production and labor, and so on. In addition, past costs are compared in order to identify opportunities to reduce the cost of production. During the comparison, it is expedient to compare not only the performance of the enterprise, but also the cost and profitability of enterprises with similar products [8].

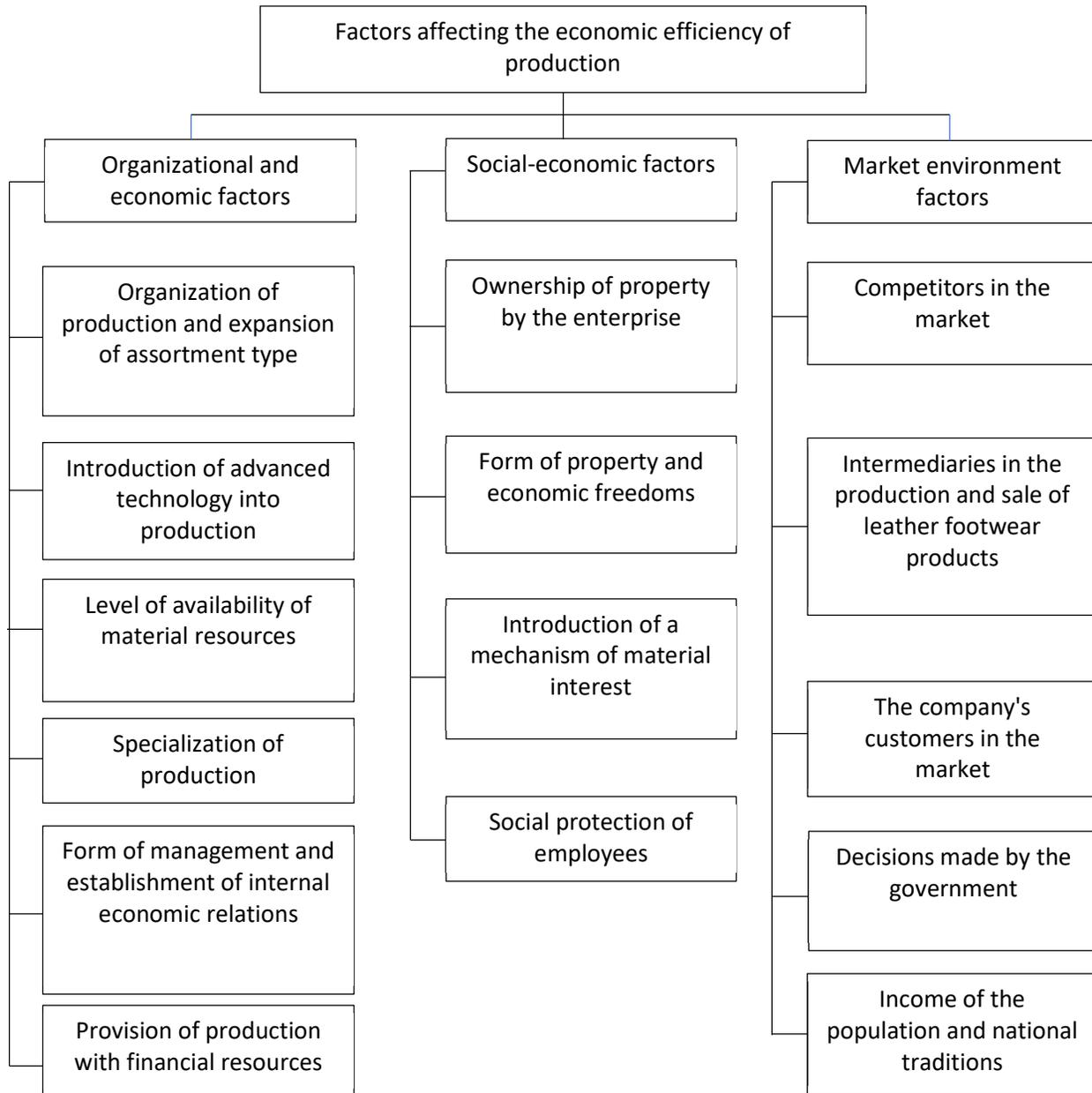
Hence, from the above, it can be said that production efficiency depends on production costs, profit and product quantity. In turn, these indicators are directly related to each other.

In an objective assessment of all aspects of the activities of enterprises of the leather and leather shoe industry and their efficiency, it is important to determine what requirements the system of production efficiency indicators must meet. In our opinion, this system should provide as clear an approach as possible to the definition of efficiency, the interrelationship and complementarity of its indicators, compliance with the existing management system and accurately and clearly reflect the level of use of all production resources.

In our opinion, it is advisable to use a system of economic indicators to assess the production efficiency of enterprises in the leather and leather shoe industry. This is because the creation of an integrated aggregate indicator to assess efficiency requires the equalization and aggregation of incompatible indicators. However, these indicators are reflected in different units of measurement, and because they are based on coverage of different aspects of production activities, it is difficult in practice to standardize, compare, or make accurate calculations based on them, and the reliability of the analysis is not ensured. Therefore, the use of various indicators or a system of indicators that can fully describe the financial and economic capabilities of the enterprise allows you to accurately calculate the level of efficiency of the enterprise [9].

The fact that enterprises of different forms of ownership act as independent business entities allows them to independently choose the indicators of production efficiency. Therefore, it is necessary to develop a system that meets international standards, which can express the level of efficiency as fully as possible by narrowing these indicators [12].

In this regard, in our opinion, the assessment of the efficiency of enterprises of the leather and leather shoe industry according to the system shown in the figure below allows to more accurately express the financial and economic level of the enterprise.



**FIGURE.** Factors influencing the economic efficiency of production (author's development)

The generalized indicators in this system are the return on assets, return on sales, return on equity, return on equity, return on assets and total return, plays an important role in evaluating the efficiency of extraction [10].

These profitability indicators show how effectively the enterprise is operating. The calculated rate of return on assets indicates how much money enterprises have spent to make a profit of one sum. This is the most important indicator, depending on the level of return on assets of the enterprise, it is possible to know their level of competitiveness.

## CONCLUSION

To increase the efficiency of organizational and development activities in the enterprise, we need to understand the system of planning, information collection and analysis, which solves problems related to the process from the production of goods to their delivery to the consumer.

To conduct research on the organizational and development activities of leather and leather shoe enterprises of the country, to achieve their results, to ensure that the laws of the Republic of Uzbekistan are clear, fluent and stable (invariable) does.

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