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Message

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Dr. P. S. Bhadouria

SPECIFIC CHARACTERISTICS AND PROBLEMS OF CALCULATING THE COST OF SERVICES IN AUTOMOBILE TRANSPORT ENTERPRISES

GanibayevIlxomjonShokiraliyevich[1]

ABSTRACT

In the article, motor transport enterprises, motor transport enterprise costs, classification of costs, cost items, direct and indirect costs, recognition of costs, cost of services provided in motor transport enterprises, calculation, cost calculation unit in the field of motor transport, management accounting, international standards of financial reporting, costs peculiarities and problems in the accounting and calculation process are highlighted.

Keywords: *Automobile Transport, Classification of Costs, Cost Accounting, Cost of Services Rendered, Calculation, Management Accounting.*

Introduction

In the current dynamically developing digital economy, the expansion of the scale of production of products (work, services), and the growth of the population lead to an increase in demand for car transport services.This, in turn, requires improving the quality of road transport services, providing enterprises of this industry with new, modern techniques and increasing the level of provision of technical services to them.

In accordance with the law of the Republic of Uzbekistan “on automobile transport”, automobile transport is understood as a set of production and technology that provides for the needs of legal entities and individuals, the economy and the population for the transportation of passengers, baggage and cargo, including mail by car.

Because our country is located in Central Asia in terms of geographical location, there is no direct access to the seas and oceans, and cargo and passenger transportation services are carried out mainly by automobile transport enterprises.

The largest share of Transport services falls on services for the transportation of goods and passengers by road transport. In January-September 2022, the share of passenger motor transport services in the share of road transport services was recorded at the level 58.4%, and the share of freight transport motor transport services at the level 41.6%.

From January-September 2022, the share of automobile transport in the total volume of cargo transportation was 89.9 %, and in the total volume of passenger transportation, the proportion of automobile transport was 97.6.

In our country, in recent years, large-scale work has been carried out to improve the provision of motor transport services to the economy and population of the Republic, and this process is still being continued today.

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In the development of automobile transport enterprises, to ensure their financial stability, it is important to correctly organize accounting work, provide reliable information for users and management decisions, and correctly recognize income and expenses in a timely manner.The cost of services provided at automobile transport enterprises, among other Network Enterprises, is an important economic indicator, prices for the sale of services are determined by calculating the cost of services provided, and the cost structure is analyzed, if there are cases of deviations in planned costs, its reasons are determined and used as a basis in planning the future financial activities of the

Literature analysis

Just as it is impossible to prepare products at enterprises engaged in production activities without the implementation of costs of a certain type and norm, in automobile transport enterprises the service process cannot be carried out without costs.In the process of providing services by automobile transport enterprises, costs and expenses related to the provision of services, and management of the enterprise are carried out.The value of all costs associated with the provision of services in money constitutes the cost of the services provided.

Work performed at motor transport enterprises (services provided) is understood as work performed (services provided) for the transportation of goods and passenger transportation to the population and legal entities using motor transport.M.B.Kalonov believes that " the value of the volume of work (services provided) performed using Motor Transport in monetary units is reflected in the gross domestic product of the country.One of the characteristic aspects of work (services provided) performed using motor transport is that there will be no completed production on them, that is, all expenses incurred for work (services rendered) performed during the reporting period will be recognized and written off as the cost of these work (services)during this reporting period” [1].

On the cost of one of the economic indicators in the enterprises of automobile transport, N.V. Tarkhanova comments that "the cost of Transport Services is the main economic indicator characterizing the effectiveness of the use of all types of resources used for transportation services in road transport (other works and services carried out in road transport). In addition, the composition and structure of the cost is the basis for setting transport tariffs” [2].

To establish transport definitions at motor transport enterprises, it will be necessary to determine the cost of the specified unit of Service. R.D.Dusmuratov's sources in the scientific literature note that the costs associated with the preparation of materials, production of products, the performance of work and service are grouped in the current order in separateaccounts in accounting.Determination of the cost of the unit of prepared materials, manufactured products, work performed and services provided is called calcification in accounting.The complexity of calcification issues is primarily due to the variety of economic processes, and the complication of organizational and technological conditions of production.Complexity arises at the moment of choosing the basis for grouping costs.There are several grounds for the buyer: the calcification object, the cost element, and the cost items [3].

B.A. Hasanov believes that the calcification of the cost of production and cost accounting is one of the main elements of the management department since the cost of production is the basis for the adoption of management decisions on the following: on what types of products to establish, which to stop; on the feasibility of buying or producing the necessary auxiliary products; on the; on equipping production with new

equipment; - when substantiating the recommendations given for the development of production and technological processes[4].

On the importance of the process of determining the cost of the unit of production (services provided), A.X.Pardaev noted that " it is the cost of a unit of production (service provided or work performed) that serves as the basis for making management decisions.In particular, determining the price of the same product, comparing the cost with the price, determining the amount of profit, calculating the level of profitability, etc." [5].

T.B.Kalinina believes that transportation carried out by enterprises such as Motor Transport products is the average cost of operating costs per unit of transport work when calculating the cost of transportation in road transport.Calculation of the cost of transportation by car, 1 for freight transportation t.km or 1 km, in passenger traffic is carried out for 1 passenger-km [6].

The costs associated with the provision of transport services at motor transport enterprises are carried out by direct redistribution to the cost of services. K.B.Urazov believes that "the production costs of Motor Transport enterprises can be classified according to various signs.According to the type of production, the production costs of motor transport enterprises are divided into basic, auxiliary and general production costs.The total production costs of motor transport enterprises are the costs of providing them with gas, water, electricity and par, guarding means of automobile transport, medical examination of personnel units" [7].

It is important to correctly determine, analyze and evaluate the cost of services provided.I.V. Gelyuta noted that "the objective assessment of the cost of services provided largely depends on the effectiveness of the use of material, energy, labour and financial resources, which are the cost components of the budget of the transport enterprise" [8].

According to A.A. Konstantinovna, "Formation of the cost of transport services can be carried out based on accounting requirements, as well as based on an economic approach. An economic approach takes into account direct costs as well as indirect (hidden) costs [9].

It is important to determine the cost of the product by correctly organizing the account of costs that make up the cost of the product. Because it contains the necessary information to make management decisions on cost management. Z.N. Kurbanov stated that "The cost accounting system helps enterprises to make decisions about what type of product to produce and how much to produce [10].

According to R. Abdullayev, controlling the formation of production costs is one of the most important tasks of accounting [11].

In this article, we tried to reflect on the formation of the cost of services provided at automobile transport enterprises, the types of costs that make up the cost, the procedure for introducing costs into the cost and the procedure for calculating the unit of transport work, the specificity of the unit of transport work and the problems of calculating the cost.

Research Methodology

The methods of studying the costs of automobile transport enterprises, the cost of services provided, their calculation methods and current regulatory documents on accounting in accounting, scientific research

carried out in this direction, analyzing, clarifying, comparing, logical thinking, choosing an alternative, grouping data, analysis and synthesis, induction and deduction were widely used.

Analysis and results discussion

Following the regulation “on the composition of the costs of production and sale of products (works, services)and the procedure for the formation of financial results”approved by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated February 5, 1999 No. 54, the costs included in the cost of production of products are grouped as follows:

a) direct and indirect material costs;

b) direct and indirect labour costs;

c) other direct and indirect costs, including overhead costs that have a productive nature.

The direct and indirect costs included in the cost of services provided at motor transport enterprises can be described based on Table 1 as follows.

Table 1.Description of direct and indirect costs that will be included in the cost of services provided at motor transport enterprises.

Cost types	*Direct costs to be included in the cost of services*	*Indirect costs included in the cost of services*
Material costs	- car fuel	- the generalized value of investors given for production purposes
	- lubricants	- electricity costs for general production buildings
	- spare parts	- costs of heating the premises of general production.
	- car tires	- other material costs for general production purposes
	- car batteries	
	- farm inventory	
	- other materials	
Labour costs	- accrued wages to drivers and conductors	- accrued wages to employees employed in the generalization
	- the amount of Social tax on the wages of drivers and conductors	- social tax calculated in relation to wages of employees employed in the generalization
3) other costs	- a depreciation of vehicles in traffic	- a depreciation of buildings of general production importance

	- a depreciation of intangible assets associated with the provision of services	- costs of property insurance of general production importance
	- costs of repair and maintenance of vehicles	- expenses for the rental of property used for general production purposes
	- rental of rental vehicles	- other costs of Universal production importance
	- costs for insurance of vehicles and personnel	
	- other costs associated with service	

Source: Authordevelopment.

Methods for determining the cost of the commodity and material reserves (products (works, services) in accordance with the national accounting standard No. 4 of the Republic of Uzbekistan, approved by the Order of the Minister of Finance of the Republic of Uzbekistan dated June 15, 2006 No. 52, which was registered in the Ministry of Justice of the Republic of Uzbekistan on July 17, 2006.The main methods for determining the cost of products (works, services) are simple, regulatory, order, and stage methods, while in trade organizations the method of inventory cost assessment is also used.

Enterprises must independently choose the method of determining the cost of the product produced (work, Service) and reflect it in their accounting policies.

When determining the cost of work (service provided) performed using a vehicle, various units of calculation are used.In particular, the cost calculation for freight vehicles is compiled by their type for 1 hour of work, 1 ton of cargo, and 1 t. kmr. For vehicles intended for passenger transportation, 1 hour of work by type of vehicle, 1 passenger or 1 person-kilometre is taken as a unit of cost calculation.Motor transport enterprises can carry out the calculation of the cost of the work (services provided)performed on these units of calculation on one of the methods of normative cost, plan cost or actual cost during the reporting period.Which of these methods is selected should be reflected in the accounting policy of the Motor Transport Enterprise.In the accounting policy of enterprises that have chosen the methods of normative cost and plan cost, a clear procedure for accounting for deviations from the normative and plan cost, respectively, should be established.[1].

A large number of types of costs at automobile transport enterprises, and the inability to directly carry all costs to the cost of services provided complicate the process of forming the cost of services provided, and determining it.It is also explained by the fact that the material costs spent at enterprises have their own characteristics, including:

-one of the main costs in these enterprises is fuel and lubricants, and there is the possibility of using several types of fuel at once by automobile transport enterprises, these are gasoline, liquefied gas, compressed gas, diesel fuel, etc.Lubricants also have a significant impact on the cost of services. When

calculating the cost of services provided, the consumption of fuel and lubricants according to established norms is calculated, and when cases of deviations are detected, their reasons are analyzed;

- specificity in the introduction of spent spare parts at cost.Automobile transport enterprises have such spare parts that they are introduced into the cost of services not at once, but in one rhythm during the use of their foyer.Such spare parts include car tires and batteries.The high cost of these spare parts requires the implementation of an appropriate distribution when introducing their value at cost;

- the presence of Universal production costs associated with the storage of motor vehicles at motor transport enterprises, medical examination of drivers, organization, management and control of service provision, entails the need to distribute them indirectly to the cost of services provided;

- auxiliary production workshops can be organized at these enterprises in order to ensure continuity of the activities of road transport.These are the costs associated with the repair and maintenance of automobile vehicles by the workshops, the cost of services provided by these vehicles.

But there may also be services provided by auxiliary production shops, where there is no possibility of direct transportation to vehicles (at the cost of services provided), such costs are carried to the cost in an indirect way.

The cost of a unit of production (1 kg, 1 centner, 1 ton, 1 meter, 1 liter, 1 dall, 1 meter square, 1 meter cube, etc.) produced at the enterprises of the production network of the economy is calculated.

One of the characteristic features of the unit of calculus at automobile transport enterprises is that they consist of two or more indicators. For example, the cost of 1 hour of work, 1 ton of cargo, 1 ton - kilometer, 1 hour of work for motor transport enterprises intended for passenger transportation, 1 passenger or 1 person-kilometer is calculated by enterprises providing freight services.

The process of timely accounting of expenses that make up the cost of services provided at automobile transport enterprises in terms of cost items, controlling the cost of spending within the framework of norms, distributing indirect costs on the basis of reasonable norms and correctly determining the cost of a unit of calculation solves the problems in the organization and implementation of accounting.

In the decree of the president of the Republic of Uzbekistan dated February 24, 2020 No. 4611 “on additional measures for the transition to International Financial Reporting Standards”, Joint-Stock Companies, commercial banks, insurance organizations and legal entities included in the category of large taxpayers, from January 1, 2021 organize accounting on the basis of IFRS and from the end of 2021 prepare financial statements on the basis of IFRS.The requirements of this decision also apply to automobile transport enterprises, which are included in the category of large taxpayers; it is likely that they will later be forcibly applied to all economic sub-entities, including automobile transport enterprises, which are considered a small business entity. This, in turn, allows enterprises to draw up financial statements on the basis of International Financial Reporting Standards, in turn, to clarify cost accounting, reflect cost-related economic processes in a timely, reliable value, determine the cost of a unit of calculation, economic losses and losses from them.

Conclusion

In conclusion, it should be noted that in order to effectively manage the activities of a motor transport organization, it is necessary to have adequate and high-quality information about the actual costs of road

transport and the cost of services provided, classified according to various criteria. To achieve this result, the following recommendations are given:

Firstly, the correct description of the costs of automobile transport enterprises increases the transparency and reliability of accounting, reporting, and makes it possible to determine the directions for reducing the cost indicator;

Secondly, the organization of management accounting, which is part of accounting at automobile transport enterprises. Management accounting, which is an independent department, carries out analytical work and prepares information for management decisions, in addition to the process of cost accounting and determining the cost of services provided;

Thirdly, correct selection of distribution norms in the distribution of indirect costs and reflection of themselves in accounting policies;

Fourthly, the organization of expenses according to the object of accounting ensures that these costs depend not only on the mileage, but also on the amount of work performed, and direct and indirect costs help to determine the composition, as well as determine the amount of relevant relevant costs when making a decision to purchase new cars.

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MODERN OPPORTUNITIES FOR IMPLEMENTING THE STRATEGY OF INNOVATIVE DEVELOPMENT OF INDUSTRIAL ENTERPRISES

Yuldasheva Nilufar Abduvakhidovna[1]

ABSTRACT

This article analyses the concept of the innovative capacity of enterprises. Presented and substantiated the mechanism of innovation development of the enterprise. The article explains the concept of innovation activity, the factors influencing it, and the issues of innovation and technological development. The significance of the strategy in innovative and technological development, the main directions of innovative development in the digital economy and the applied innovative technologies are classified. The advantages of using the digital economy in industrial enterprises are presented.

Keywords: *Innovative technologies, innovation and technological development, strategic planning, innovative industrial development, innovative strategies, digital economy, digital technologies, modern production.*

Introduction

At present, the directions of economic development, including the innovative activity of industrial enterprises as the main driver of this development, and the organization of a close relationship between science, industry, education and society, are widely discussed by participants in innovative activity - manufacturers, government institutions, the public and stakeholders.

The main issue, which receives much attention, is the study of fundamental and applied aspects of the development of the effectiveness of innovation.

Literature review

The formation of the theory of innovation at the beginning of the 20th century is associated with the works of J. Schumpeter [17], G. Mensch [3], D. North [4], P. Drucker[7], N. Kondratiev [8] and other researchers who considered the dynamics and cyclical economic processes.

In their works, the authors noted the importance of improving engineering and technology for economic development [8]. J. Schumpeter focused on the importance of technological innovations as a potential source of development [17]. In turn, N. Kondratiev, considered innovations to be the main reason for the uneven development of the economy and considered the opportunistic cycles of “business activity” to be dependent on the organization of scientific and technological progress.

Theoretical studies on the formation and development of the theory of innovation are represented by various areas of economic science in the works of M. Laragna [2], G. Hospers [1], R. Smits [6] and others. The "systemic" and "process" approaches to the study of innovations were singled out.

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M. Laragna, E. Ouarab and K. Flanagan in their work "Policy in the field of science, technology and innovation: theoretical justifications for regional policy at various levels" form new ideas about the organization of innovation activity (neoclassicism, new growth theory, endogenous growth theory, institutionalism, evolutionary and structuralist approach, Marshall's cluster approach).

Despite the relevance and significance, at present, there is no developed and generally recognized concept of the strategy of innovative and technological development of industrial enterprises, which indicates an insufficient degree of knowledge of this category in scientific research. Also, there is no unified approach to the methodology for researching the economic relationships of its elements.

Research Methodology

When conducting scientific research, methods such as induction and deduction, analysis and synthesis, structural analysis, statistical analysis, and abstract logical thinking were used. Literature and articles by foreign and domestic economists are analyzed as the methodological basis of the article.

Analysis and discussion of results

The concept of the strategy of innovative and technological development of an industrial enterprise answers the main question - how to achieve the stated goal - the creation of competitive innovative industries.

The specifics of the functioning of socially significant, structure-forming and science-intensive enterprises determine the formation of parameters that allow assessing the validity and level of feasibility of innovative projects for the strategic development of the industrial complex [14]. The use of these parameters provides an opportunity for industrial enterprises to form an innovation-oriented strategy for their development.

It should be noted that the implementation of strategies depends on external factors, the economic preferences of participants in innovation, the organizational form of the enterprise, the management structure, the availability of a resource base, etc., which manifest themselves as certain restrictions and risks leading to errors in the mechanisms for implementing the strategy, reducing the sustainability of the production activity of the enterprise [15].

The level of feasibility of innovative strategies of industrial enterprises is also influenced by the degree of correlation between the enterprise's innovations and the transfer of external developments, the motivation of employees involved in this activity. A significant impact on the implementation of enterprise development strategies has recently been exerted by the challenges of the market of high technologies and the digital economy in terms of the formation of innovative infrastructure, the development of product quality, advanced technologies and other social benefits [16]

The objects of innovative activity in the industry are patents, know-how, licenses, scientific discoveries and developments, certificates, results of intellectual property, inventions, etc. The subjects of innovative activity are, on the one hand, those who initiate innovations, and, on the other hand, those who implement them [12].

Researcher S.V. Kochetkov understands innovation as a large and complex system formed from various innovation processes and considered from different points of view.

According to B.Z. Milner, innovative activity is connected with investment activity, since financial investments are required for the creation and development of new innovative technologies [9]. At its core, innovation activity transforms scientific and technical activity into financial and economic activity, due to the commercialization of innovations.

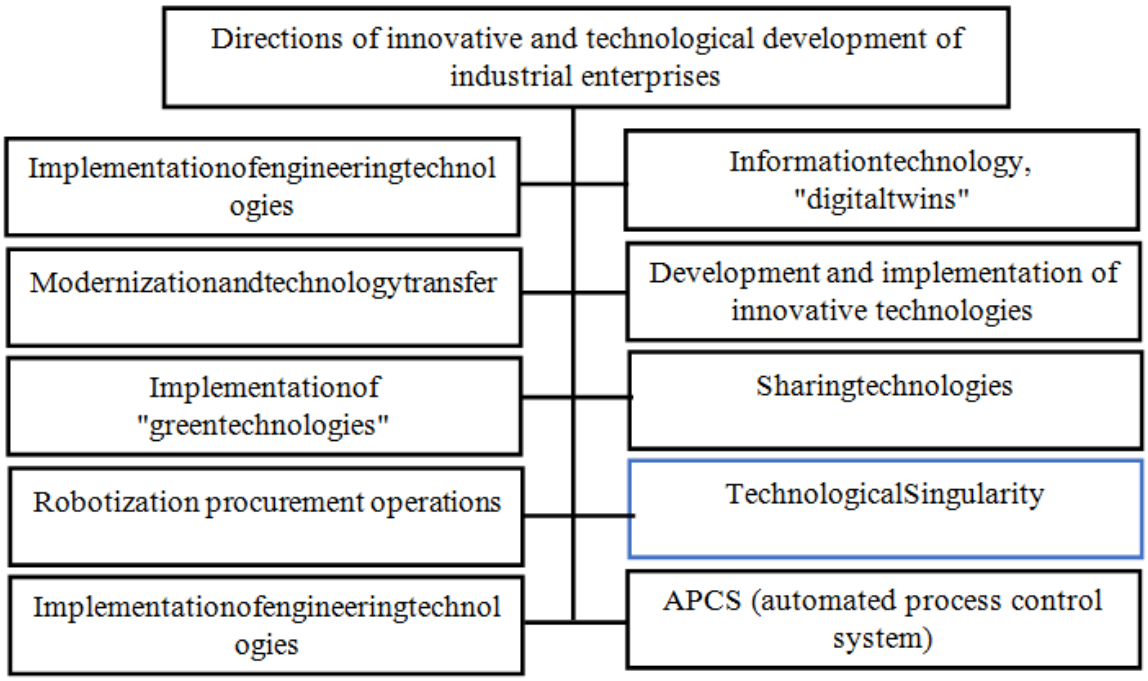

Figure 1. Directions of innovative and technological development of industrial enterprises (developed by the author)

In its development, innovative activity relies on modern technologies. Technologies are designed to expand the capabilities of economic entities, overcome objectively existing limitations, and facilitate the transition to a new level of evolution (Fig.1.).

Modern production 4.0 is based on innovative technologies. The COVID-19 pandemic has contributed to the rapid spread of technologies based on digitalization and the use of artificial intelligence. New technologies quickly penetrate various fields of activity and are associated with significant competition [5].

According to numerous studies, advanced technologies will contribute to changing the volume and structure of markets, which will fully manifest itself over the next 10–15 years. Modern production 4.0 is based on innovative technologies. The COVID-19 pandemic has contributed to the rapid spread of technologies based on digitalization and the use of artificial intelligence. New technologies quickly penetrate into various fields of activity and are associated with significant competition.

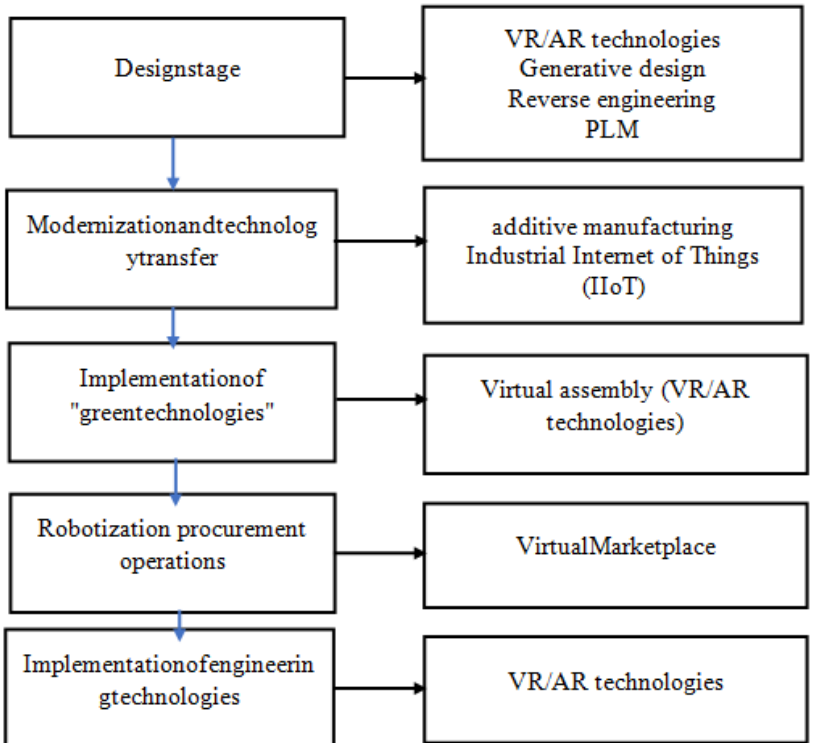

Figure 2. Innovative technologies of industrial enterprises (developed by the author)

Technologies related to robotics, artificial intelligence, the industrial Internet of Things, 3D printing, and others seem promising. At all stages of the industrial production process, innovative transformations take place (Figure 2).

When designing a new product, VR and AR technologies are introduced. VR technologies are associated with the development of sketches in a virtual space, which contributes to cost savings and allows you to quickly make changes to the appearance of the product and its characteristics. AR technologies of augmented reality are used at the stage of designing production lines, arranging equipment and organizing workplaces. VR and AR technologies are also used at the stages of assembly, repair and maintenance of manufactured products and equipment. Virtual assembly and repair help to reduce time and financial costs, improve the quality of events, and form new approaches to solving problems that arise in their course [13].

At the design stage, reversing engineering and generative design technologies are used. Reverse engineering based on digital technologies is used in the modernization of manufacturing products that need to be improved. In generative design, new products are developed according to specified parameters based on the decoding and use of genetic algorithms. The use of such technologies is aimed at optimizing the weight, composition, and topology of the product being created.

Data on the life cycle of products is accumulated and transferred to designers and technologists through a unified information system (PLM), which helps to improve the efficiency and quality of management

decisions at the stage of design and technological preparation of production for the manufacture of a new product.

At the production stage, additive, digital technologies are used that implement the method of layer-by-layer printing of a product in accordance with a digital layout template. The result is aimed at improving the technical characteristics of the created products, reducing the energy and material consumption of the production process.

One of the most important areas of innovative and technological development is the realization of the potential of "digital twins" of the organization of functional activities, capable of providing a virtual technological process, simulating possible development situations and eliminating risks. The use of dual technologies makes it possible to ensure certain organizational mobility of enterprises with the transition to the production of modern products.The Industrial Internet of Things (IIT) principle is at the heart of the production process.

The multifunctional automated machining centres involved in the production process today almost completely eliminate labour. The interaction between the units takes place within the framework of a common information network, when “a virtual world object with the makings of artificial intelligence analyzes the current state of the device and the availability of the necessary resources, predicts the behaviour of the device, if necessary, sending alerts and commands to counterparties of other devices” [10].

Informatization and the use of electronic technology have led to the creation of flexible production systems, where most of the processing operations of products are performed continuously and sequentially. These systems are able to quickly adapt to the production of other models of products, which greatly expands the possibilities of automation and increases labour productivity by reducing the cost of working time for auxiliary operations, as well as increasing the utilization rate of the equipment.

At the stage of product sales, digital technologies are also actively used today. For the interaction of the manufacturer with suppliers and intermediaries, virtual trading platforms are created, where, on a fully automated basis, smart productions present demand, form an offer, exchange digital product models and carry out electronic document management. Modern technologies change the architecture of markets and promote the development of innovative and technological entrepreneurship based on digital transformation and using platform solutions.

Conclusion

Virtual technologies implemented in the production process are aimed at reducing labour intensity, increasing labour productivity, contributing to the flexibility of equipment and increasing the speed of processing parts. The acceleration of scientific and technological progress and the transition to a fundamentally new material and technical base and production technology significantly reduces the economy's need for energy and other material resources and gives an environmental effect from its use.

Thus, the main trends of innovative and technological development are:

- Changing the architecture of markets, the emergence of innovative platforms that contribute to the development of innovative and technological entrepreneurship within the framework of the innovative space with the support of innovative infrastructure;

- Digital transformation, which, along with other areas of change, “implies a revolution in the consumer properties of products”;
- Application of innovative developments to solve urgent problems related to the creation of new materials and methods for their processing, the search for economical energy sources, ways to organize and manage production, etc.;
- The emergence of innovative products that best meet social and security needs.

We propose the following hypothesis of the concept of the strategy of innovation and technological development: the effectiveness of the implementation of this strategy is formed based on the use of the digital order in the development of technological innovations carried out by economic systems. The author, according to the hypothesis, proposes the formation of the concept of a development strategy based on the digital order, using an innovative technological business model:

1) Development of technological links based on digital systems, active use of virtual technological platforms;
2) Development of technological entrepreneurship, creation of new markets for innovative products that meet the needs of society;
3) Integration of production, and development of innovative activities based on the formation of an "innovative pattern".

In the proposed concept of the strategy, we present the main provisions:

1) Goal - innovative and technological development of industrial enterprises;
2) Tasks - the formation and development of innovative and technological areas that contribute to entering the global technology market;
3) Resources - programs and initiatives within the framework of the socio-economic policy of the state, resources of enterprises and their associations, venture funds, loans from financial institutions, infrastructure support within the framework of the National Innovation Systems;
4) The result is the formation of a strategy aimed at creating competitive innovative industrial productions, developing a technological level of production that meets modern achievements and the requirements of the digital economy.

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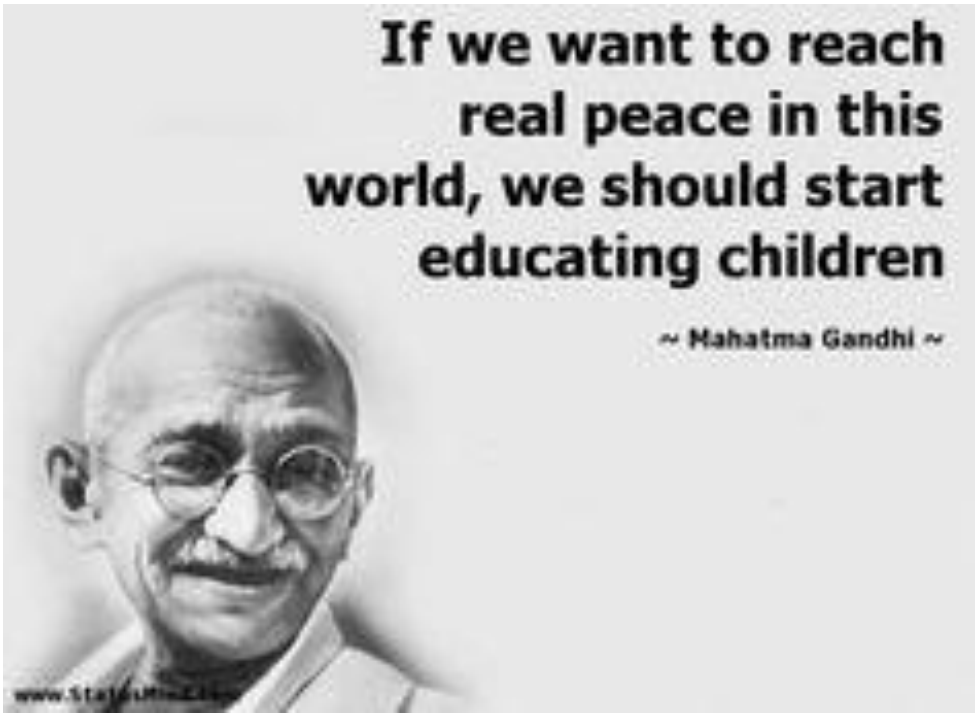

ORGANIZATIONAL AND ECONOMIC MECHANISMS OF LABOR MARKET AND EDUCATIONAL SERVICES MARKET INTEGRATION IN THE REGIONS

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ABSTRACT

The article highlights the issues of formation and implementation of the employment policy reflecting the requirements of the socio-economic development of the regions, the development of personnel training processes based on the integration of the labor market and the market of educational services, the factors that prevent the development of effective management of these processes, and ways to eliminate them.

Key words and phrases: *Labor Market, Educational Services Market, Area, Graduate, Motivation, Enterprise, Organization, Employment, Bachelor, Master, Direction, Specialty*

Introduction.

Realizing the importance and objective inevitability of the search for ways to integrate the labor market and the market of educational services in the regions will be the basis for direct work on the fundamental solution of personnel problems by market economy subjects.

It is desirable to create the necessary conditions for the activation of integration processes by giving wide powers in the field of formation and implementation of the employment policy reflecting the requirements of socio-economic development in the country. This is expressed in the formation of many mechanisms characterized by the use of economic, financial and organizational tools.

In addition, in the processes of state-regulated and non-targeted (spontaneous) integration of the regional labor market and the market of educational services, various forms of involvement of its subjects to solve the whole set of problems related to providing the production complexes of the region with the required quantity and required quality of labor force and requires their interaction.

Revealing the mechanisms of integration of the labor market and the market of educational services in the Republic of Uzbekistan, regardless of the region, includes the analysis of technologies of integration processes at the regional (district) scale, that is, at the local level and at different levels. This, in turn, is directly reflected in the interests of the individual employer with his employees and in the growth of labor productivity at the micro level, that is, at the level of organizations and enterprises where mutual cooperation and coordination are directly implemented . Accordingly, the issue on the agenda is urgent, and it is important to carry out scientific and research work on its solutions.

Research methodology and resources analysis

In the Republic of Uzbekistan, including in the Kashkadarya region, [2]relevant instructions and tasks are defined in the current laws and presidential documents in order to meet the demands and needs of

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[2]Law of the Republic of Uzbekistan "On Social Partnership" (with amendments and additions) . - Tashkent. - September 25, 2014 . Source: www.lex.uz .; Law of the Republic of Uzbekistan "On Education" (new version). ORQ #637. - Tashkent,

enterprises and organizations for personnel. In addition, business entities allocate funds for the support of state professional educational institutions in the region, according to the amount of allocated funds, it is required to regulate tax benefits at the regional level, which will cover at least 50% of the costs of supporting such institutions. This allows not only large enterprises, but also medium-sized enterprises in the region to bear such costs, thereby reducing the burden of such costs on the state.

The analysis of the studied literature shows that companies are not always interested in providing real information to their partners. There are reasons for this, some of which are explained by the instability of the company's market position. In this case, long-term cooperation between enterprises and higher education institutions is not appropriate. However, every integration participant always needs a reliable and responsible partner.

For each regional market, it is important to take into account the unique organizational-methodical approaches and the needs of enterprises for labor resources, to look for ways to take into account the established and rapidly developing directions of production. In addition, information on vacancies in enterprises and organizations in our republic is provided on the Internet at https://vacancy.argos.uz/organizations?category=1 . In some cases, these data do not match the actual situation in enterprises. A highly qualified person looking for a job on the Internet applies to the management for the job position indicated on the site. When employers give various excuses to highly qualified personnel who are looking for work for unknown reasons, these graduates are forced to apply again to the employment assistance center. After all, the work of directing graduates to work in the regions is actually carried out by the state employment assistance service. Also, the reports of the performed work are subsequently corrected based on the summarized results of the employers' surveys.

The need to search for new forms of interaction between the regional labor market and the market of educational services is connected with the fact that many graduates of the professional education system are not perceived by modern production. For example, "25% of graduates of higher educational institutions and 30% of graduates of secondary special educational institutions were not employed in their specialty according to the concept of the Federal target program for the development of education in Russia in 2006-

September 23, 2020. Source: https://lex.uz/docs/5013007 .; Law of the Republic of Uzbekistan "On Employment of the Population". No. O'RQ-642. - Tashkent. - October 20, 2020. Source: https://lex.uz/docs/5055690 ; Labor Code of the Republic of Uzbekistan: December 21, 1995. Official publication. - Ministry of Justice of the Republic of Uzbekistan. - Tashkent, Adolat, 2011 (with changes and additions until May 18, 2022). - 276 p. Source: https://lex.uz/docs/142859 ;

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2010. According to the Federal Agency for Education, only 15-20% of Russian universities prepare specialists who meet the requirements of the labor market [1].

Organizing labor demand forecasting is a big and complex task. In this regard, A. Murychev says about the situation in Russia: "We do not have short-term, medium-term and long-term needs for personnel, which are considered an integral element of the nationwide system of socio-economic forecasting [2]. "

As an important direction of the introduction of requirements for the quality of human resources, the National Agency for Qualifications (NAQ) was established in Russia, and its main tasks should be:

- Development and updating of professional standards, updating of the classification of professions (areas, specializations, specializations);
- Mutual cooperation with the education sector on mutual coordination of professional and educational standards, coordination of the list of professions and specialties in the higher education system;
- National qualification structures international systems with coordination ;
- Employees certification system formation , certification centers create [3]_

Other approaches are used when employer survey data are the basis for regional projections. In addition, the active participation of enterprises directly depends on the level of development of the personnel department (human resources management department) in their management apparatus, whether or not the enterprise is interested in a balanced labor market and educational services. Often, the company pays taxes in the territory where it is registered, not in the place where it is actually located and operates. This situation may have a negative impact on their cooperation with regional authorities.

The analysis of the studied literature shows that currently in the Republic of Uzbekistan, ministries, committees, concerns, companies, associations, associations, joint-stock companies, joint ventures, employers of all categories of large enterprises and organizations, as well as entrepreneurs, pay attention to the recruitment of employees and their attestation. are focusing on the formation of requirements for the quality of human resources.

The main results of the research work.

The main driving force of integration at all levels, in addition to the micro level, is the direction of business provided by associations of entrepreneurs and producers, from the national level to regional industrial associations.

An important place is given to the formation and development of human capital within the framework of the strategic direction of mutually beneficial cooperation activities in determining the ways of national business development.

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[1]Lobanova E.G. Vzaimodeystvie uchrejdeniy professionalnogo obrazovaniya s rynkom truda / Trud i sotsialnye otnosheniya. – 2008. – No. 5. - S.155.

[2]Reality and prospective interaction of the electrotechnical company in the sphere of work: interest, risk, effectiveness. / Chelovek i trud. – 2008. – No. 3. - S.14.

[3]Korshunov S.V. Mechanizm y i otrasley k formirovaniyu soderjaniya podgotovki injenerov . - M., 2007. - S.17.

In recent years, MPTBI - the management of personnel training on the basis of integration (a complex of large enterprises in the management of personnel training on the basis of the integration between the labor market and the market of higher education services in the regions) - requires the development of a clear concept of stimulating the creation of human capital, whose activities are characterized by a high level of competitiveness and intellectual development . . This field of activity is multifaceted and includes the direct participation of MPTBI not only in determining the need for manpower and qualified specialists, but also in ensuring the improvement of the quality of education based on educational standards in HEIs, which implies their intervention in the management of educational institutions in the regions. In essence, this means direct intervention in the educational process and its improvement, creating the necessary conditions to properly meet the economy's need for labor resources.

One of the main and independent activities of MPTBIis to ensure high-quality labor activity that meets the requirements of the post-industrial economic development regime.

The analysis of the activities of the employing enterprises in the regions in this direction requires the creation of organizational conditions to adapt the requirements of the economic sectors and sectors to the number and quality of the workforce. Through this, regional markets and the market of educational services will be interconnected. An important issue in this is the organization of forecasting the need for labor force. This is the issue of forming the initial information base for the integration of the two institutions.

Currently, the main problem is not only the interaction of the driving forces of the integration of the labor market and the market of educational services, but also the purposeful communication in the direction of work, which changes the nature of the relationship between employers. This directly affects the efficiency and quality of labor relations with highly qualified personnel.

It is appropriate to dwell on the factors that hinder the improvement of the efficiency of the MPTBI. It is important to clearly define responsibilities for solving specific problems.

Currently, in the formation of the national system of forecasting the labor market, the structure, volume and quality of educational services, employers, employees and educational institutions are informed about the quantitative and qualitative indicators of labor activity, taking into account the characteristics of the demand and supply in the labor market. there is a need to create an effective system. An independent direction of creation of methodical support of labor market and educational service market integration at the regional level is organization of forecasting of the need for highly qualified personnel.

The formation of mechanisms for the integration of the labor market and the market of educational services at the regional level implies the use of certain technologies. The first technology is the organization of monitoring and forecasting of labor market needs with the direct active participation of employers.

The place and role of the employing enterprises in the regions should be to improve the procedure and organization of gathering information about the demand and needs for highly qualified personnel in professions and fields.

In the development of the regional economy, it is equally important to establish by law the technology of participation of enterprises and organizations in monitoring and forecasting the needs of employers for specialists at all levels of the labor market. After all, for the expansion of enterprises, changes in specialization, production of new products and the beginning and development of services, it is an objective

necessity to hire personnel who have thoroughly mastered new modern knowledge and technologies, and to retrain existing personnel.

Analysis of statistical data used in research work.

According to the analysisof the data of the Kashkadarya regional statistics department [1], the number of labor resources in the region compared to January 1, 2021, from 1493.4 thousand people to 1808.7 thousand people, the number of working age population from 1487.9 thousand people to 1804.7 thousand people showed that it has grown. When analyzing the number of economically active population, employed and unemployed in the cross-section of regional regions, in 2017 the lowest unemployment rate was in the city of Karshi (4.2%) and the district of Mubarak (3.9%), and in 2021 this indicator was in the city of Karshi (9 .6%) and Mirishkor district (9.6%). In 2017, the highest rate of unemployment was observed in Dehkhanabad district (7.3%) and Yakkabog district (6.7%), and in 2021, this indicator was observed in Nishon and Mubarak districts (10.6%). In general, in 2021, the number of economically active population in the region is 1339.5 thousand people, the number of people employed in the economy is 1202.5 people, while the number of unemployed people is 137.0 thousand people. This indicator also includes the number of people with higher education, but this indicator is variable.

In the development of the regional economy, having a strategy for training highly qualified personnel in the future based on the integration between the labor market and higher education institutions is the main goal of enterprises and organizations , and the main task of enterprises is to implement the strategy step by step. Accordingly, information on the number of enterprises and organizations registered in the section of economic sectors in Kashkadarya region was presented (Table 1).

Table 1 Information on the number of enterprises and organizations registered in the section of economic sectors in Kashkadarya region[2]

	Years registered					
	2014	2016	2018	2020	2022	2022/2014, – decrease , + increase, %
Total	24292	19653	19190	26000	37758	+ 155.4
Agriculture, forestry and fisheries	3319	2614	2487	3528	7038	+ 212.0
Industry	2739	2146	2133	3479	4956	+ 180.9
Construction	2617	2219	2315	3144	3493	+ 133.5
Trade	7826	5393	4645	6203	10553	+ 134.8
Transport and storage	734	643	764	894	984	+ 134.1
Accommodation and dining services	745	728	774	1189	1885	+ 253.0
Information and communication	403	234	230	296	456	+ 113.2

[1]https://www.qashstat.uz/uz/

[2]Prepared by the author based on the data of Kashkadarya Regional Statistics Department

Health and social services	642	611	403	613	799	+ 124.5
Other types	5267	5065	5439	6654	7594	+ 144.2

In addition, 1,766 enterprises and organizations were established in the region in 2014, and 2,211 in 2018. In 2022, this number increased to 9,747, which is 5.5 times more than in 2014. After all, as of November 7, 2022, the number of organizations in the republic is 14,375; number of resumes of job seekers - 265,792; number of contest participants - 1,223,123; number of participants in the test - 483,735; 206,812 people participated in the interview stage; employed - 42972 people [1]. A question arises here. As the number of enterprises and organizations in the Republic of Uzbekistan, including Kashkadarya region, is increasing (5.5 times more in the region in 8 years), there are jobs that require higher education in these enterprises and organizations. On the other hand, the number of people with higher education is increasing in our republic. Consequently, in 2016, the level of coverage of the country's youth with higher education was 9-10%, and in the 2022-2023 academic year, this indicator is 30.0%. If the demands and needs of the enterprises and organizations of the economic sectors for highly qualified personnel are coordinated with the proposals of the graduates of the modern bachelor's education courses (master's specialties) of the higher education institutions, the economy of the republic will be improved, the power of our state and the well-being of our people will be increased.

The beginning of the transition to the purposeful contract form of education indicates the development of mutual relations between the labor market and the market of educational services. After all, in recent years, the demand and needs of young people to get higher education have been increasing in our republic. The amount of demand for highly educated specialistsis the proof of our opinion (Table 2).

Table 2 Information on the amount of demand for highly educated specialists[2]

Sectors and sectors of the economy	Indicators(% of total)		The ratio of indicators, growth is equal
	Share of highly educated professionals, %	Amount of demand for highly educated specialists, %	
1	2	3	4
Information and communication	45.2 %	54.5%	1.2
Education	53.5%	71.8 %	1.3
Industry	16.7 %	66.8%	4.0
Agriculture	16.8 %	63.2%	3.8
Transportation	16.5 %	60.0 % _	3.6
Health care	17.4%	77.8%	4.5
Construction	16.7 %	68.3%	4.1

[1]https://vacancy.argos.uz/

[2]It was developed by the author based on the information of the Ministry of Higher and Secondary Special Education of the Republic of Uzbekistan

Trade	25.6 %	57.4%	2.2
Living and dining	15.9 %	64.8%	4.1
Other areas	41.4%	69.3%	1.7
by republic	**31.8%**	**67%**	**2.1**

The analysis of Table 2 shows that the share of highly educated specialists and the demand for highly educated specialists in the " Information and Communication" (45.2%) and Education (53.5%) sectors of the economy are 54.5% and 71 %, respectively. At the same time, the share of highly educated specialists was 8 % It is 16.5% in " Transport " , 17.4% in "Health" and 16.7% in "Construction" . After all, the demand for highly educated specialists in these branches and fields is 60.0% (3.6 times), 77.8% (4.5 times) and 68.3% (4.1 times), respectively (Table 2). This, in turn, requires the development of highly qualified personnel training in these branches and fields in higher education institutions.

MPTBIundertook the task of creating scientific foundations for the formation of modern quality characteristics of highly qualified personnel. Also , professional standards in different types and categoriesrelated to personnel and industry experts work to levels to be placed requirements defines initial basis serves b.

MPTBIenvisages that skilled labor resources will become an important factor of success in the conditions of economic globalization and international competition.The need to establish such activity and perform work in a centralized manner is currently connected with the unsystematic functioning of individual economic entities in the labor market and the market of higher education services. There are no institutional ties between them, there are no requirements for employees of a certain educational field (specialty, profession, position). The new economic conditions require a systematic approach to solving the problems of mutual integration of labor market requirements and educational services market.

In such circumstances, the creation of a single normative legal framework in the field of improving the quality of personnel is of particular urgent importance. Accordingly, the creation of MPTBIis intended to undertake the implementation of coordination and integration activities regarding the development and systematization of professional standards and certification of personnel activities in this field. The organization of this system serves to form and develop the system of professional qualifications in the country, and thereby to increase the quality of highly qualified personnel in accordance with the requirements of the labor market in the regions.

After all, in the conditions of current globalization, digital economy and rapid information exchange, regardless of the academic and financial independence of higher education institutions, highly qualified personnel trained in higher education institutions are the labor market enterprises (organization, department, association, union, company, firm, joint-stock company, limited liability company) in the regions. and b.) are active. Some of them (5-10%) may continue their studies at the next level of education or engage in entrepreneurship (8-12%). Therefore, opinions, proposals and recommendations, demands of employers are important in ensuring the effectiveness of training management of highly qualified personnel in HEIs . Therefore, at the present time, the state education standards and curricula are implemented in the state HEIs in coordination with the large potential employers in the regions (heads of management, company heads, LLC chairmen, concern management chairmen, etc.).

In order to develop the necessary professional standards, the MPTBIsystem collects real orders from employers in the regions for the training of highly qualified personnel in their HEIs, enterprises help them create and implement these standards, and HEIs provide new educational standards in the areas of education (master's majors) that are acutely needed in these enterprises. , prepare curricula and science programs.

The establishment of the MPTBIsystem serves for the development and support of state educational standards for the training of highly qualified personnel in the higher education system of the country, as well as for the development of the network structure, which is designed to increase the quality of higher education in accordance with these standards.

So, MPTBIis a unique organizational institution designed to act as an intermediary between enterprises (organizations) in the labor market in the regions at the state level and the private enterprises. It is not appropriate to use the standards of professional qualifications developed and used by an HEI in the work process, because modern knowledge and technologies in society do not always have the same relevance. Existing knowledge and technologies in society become obsolete in the conditions of globalization and digital economy, new ones are created, collected, stored, processed, distributed, assimilated, introduced and used. This process is carried out in HEIs in most cases based on the integration of the labor market and higher education institutions in the regions.

Taking into account that the standards of professional competence are a set of competences that determine the ability of employees to perform certain labor functions, this set of competences is also not fixed, that is, this set will also have a variable character for a certain period.

In accordance with the requirements of the times, taking into account the socio-economic situation in economic sectors and fields, taking into account the level of modernity of knowledge and technologies, professional standards and qualification standards are developed for employers to directly influence the educational programs of higher education institutions and become a means of increasing the efficiency of professional education.

The next step is to establish a system of qualification and mutual recognition that is understandable to both the employer and the employee. The important aspect of this issue is that, along with the training of highly qualified personnel in regional HEIs, they can also be sent to work after graduating from other HEIs with a referral letter from the management of a higher authority. It is appropriate that the decision of employers' associations on this issue should be focused on improving the activities of higher education institutions, which can be implemented together with regional executive authorities and employment service departments.

The integration of the regional labor market and the market of educational services can be fully implemented only with the interaction and integration of its institutions in the entire vertical direction, from the level of executive authorities and regional executive authorities to the level of microeconomic entities.

The most effective and constructive form of interaction between employers' associations, authorities and private enterprises should become a social partnership in the development of the main mechanisms for improving the professional education system for the employment of highly qualified personnel capable of working in the Republic of Uzbekistan. But this tripartite integration has not yielded results. At the same time, solving large-scale problems related to the improvement of employment policy and the development of mechanisms for its implementation, the state authorities, employers' associations and trade unions are

promoting mutually beneficial relations. In this regard, the active participation of trade unions in achieving a cultured labor market, improving the quality of personnel, their training and retraining is not felt.

This issue, in turn, on the basis of the effective integration of higher educational institutions and labor market enterprises and organizations, graduates of higher education institutions who are planned to serve in the regions for the welfare of society - between the state, employers, higher education institutions and graduates of higher education institutions in order to improve the quality and efficiency of management of highly qualified personnel. "Concept of social partnership" should be developed. This concept solves many problems that are waiting to be solved in this direction. One of them is related to the development of a strategy for the development of social partnership. Until recently, the issue of the procedure for forming general tripartite agreements and their impact on the regional and sectoral scale has not been resolved.

At the same time, today, regional organizations of employers, together with administrations and trade unions, often include more stringent requirements in their regional tripartite agreements. Among them, there are issues of social guarantees related to the increase of workers' wages and the growth of labor productivity.

Therefore, the unexplored and underutilized potential of integration subjects should be considered as one of the important directions of strengthening the integration of the labor market and the market of educational services as a direct and effective means of achieving effective integration of the market of educational services with the labor market at the level of certain production associations.

Currently, there is no list of basic requirements that should be reflected in collective agreements and that create the necessary conditions for this type of integration. However, their main contribution to integration is the activation of collective bargaining by micro-level employees between administrations.

Financing of employment policy, training and professional retraining of young workers and retraining of adults are gaining the most urgent importance in interaction between labor market entities and education services.

The integration of the labor market and the market of higher education services implies not only the activation of the efforts of individual entities in market conditions, but also their close cooperation in the field of improving the organization and management of the professional education system.

One of the most important types of education and training is the targeted form of contract, because in this case, graduates receive education based on established requirements and are provided with a guaranteed job.

educated personnel in enterprises and organizations for the development of the regional economy, bachelors and masters are trained in state higher education institutions operating in the regions on the basis of state grants and contracting agreements, and in non-state HEIs only on the basis of a fee-contract. The payment-contract type of education also applies to full-time, part-time, evening and distance types, and it is a system of contractual relations of educational institutions for sending graduates to work. In this case, employers often do not undertake to pay the cost of education and hire a graduate. However, enterprises and organizations can provide direct financial and economic support for the modernization and strengthening of the material and technical base of higher education institutions. In this regard, it is appropriate to change this procedure, because it is important for the higher education institution and the graduate if the enterprises and organizations operating in the regions pay the tuition fees of the students of

higher education institutions and hire their graduates. For the enterprise, hiring quality and competitive personnel is of great importance.

Conclusions and suggestions. Tasks (actions) performed by the MPTBIsystem to create more favorable conditions for employers to have a direct impact on the educational process are important, which further motivates the flow of investments into the education system.

In this regard, the MPTBIsystem made the following suggestions:

- it is necessary to include the costs of professional development, training and retraining in the category of direct costs, that is, the cost of production of goods and services, direct costs, including investments in the material and technical base of enterprises;

- it is appropriate to interpret corporate education systems as "cost centers" and not as a part of the commercial activities of enterprises, and to exempt the relevant expenses from income tax;

- it is necessary to create economic mechanisms to encourage financial support of state higher education institutions by enterprises and organizations. In the region, for such purposes, enterprises and organizations allocate a certain amount of funds from their profits, which in turn increases the level of human resources and staffing of the enterprise.

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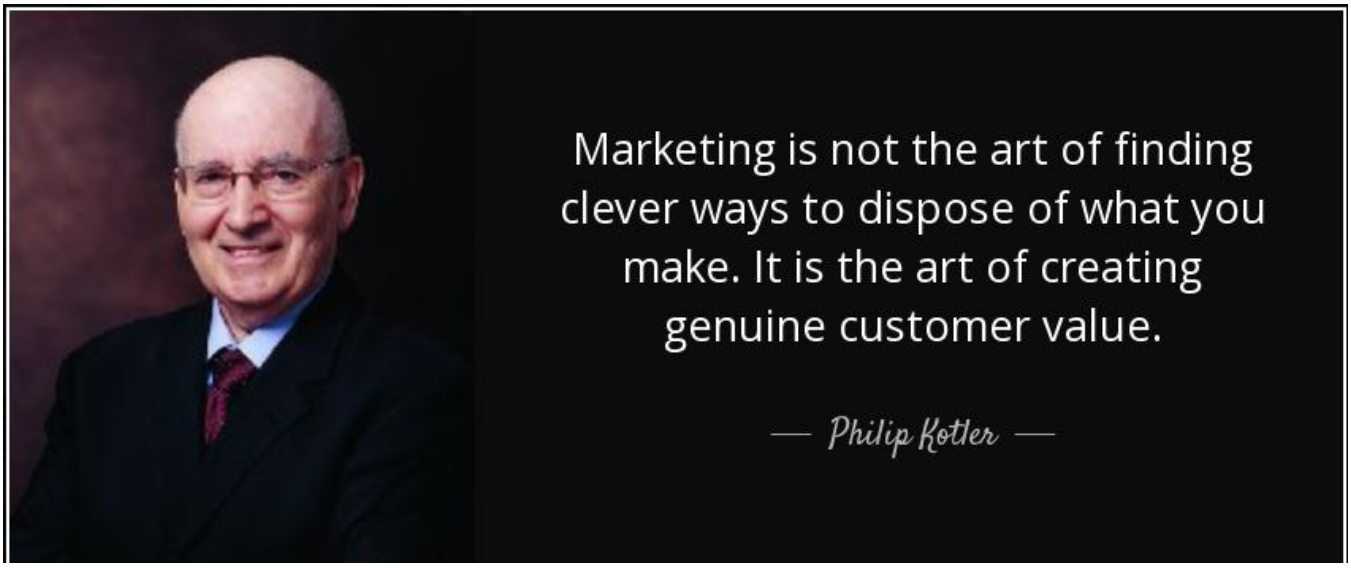

DIRECTIONS TO TRAIN GUIDE TRANSLATORS OF UZBEK INTERNATIONAL TOURISM OF NATIONAL CULTURAL HERITAGE

Kh.K. Samarov[1]

ABSTRACT

The article is based on the importance of developing national cultural heritage in the Republic of Uzbekistan.In Uzbekistan, directions for training guide–excursionists who meet the requirements of international tourism for the directions of international national heritage tourism have been researched, and recommendations have been developed based on the results obtained.

Keywords: *cultural heritage, ethnicity,guide activity, translator, intellectuality, professionalism, carpentry, mastery.*

Introduction

The definition of National Cultural Heritage Tourism was accepted in International Council on Monuments and Sites. It is also displayed on International Tourism Charter in 2002 as follows: Cultural heritage tourism is tourism that consists of getting to know the culture and the cultural environment of the places of visit, the traditions of the population, their lifestyles, artistic culture and art, and the forms of leisure activities of the local population.National cultural heritage tourism is called cultural heritage tourism in foreign countries [8, 12].

In the national tourism of Uzbekistan, we are currently trying to use the material heritage of the national heritage of our people in tourism. In this direction, historical–cultural tourism and pilgrimage tourism are developing more and more. In foreign countries, it became known that the use of material heritage assets is a priority in the use of national heritage assets in tourism [5]. In Russia, the use of national heritage assets in tourism is called “cultural knowledge tourism” [9], and in Europe it is known that they mainly pay strong attention to historical and cultural tourism [8].

This direction in tourism has formed the direction of special cultural knowledge tourism. The goal of these people is to enrich the spiritual wealth and material wealth of various countries and peoples of the world. In cultural tours, tourists get to know the culture, history, and current conditions of individual nations and peoples. Cultural tour expands a person's worldview, helps to learn about the culture, lifestyle, domestic life, customs, and current levels of development of the people who are studying.

A person realizes his place in society in the activity of cultural knowledge tourism, he determines his perception of the world and evaluates the culture of the peoples of the world. Coming to these conclusions is very important for everyone. As a result of their travels, many travelers have left works about the culture and living conditions of many peoples of the world. These scientific resources certainly served the economic and spiritual rapprochement of many peoples later. It created the foundation for the emergence of economic and cultural relations between many peoples.

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Relevance of the topic

In the perspective of the Republic of Uzbekistan, the tourism sector will be one of the rapidly developing sectors. Because we have great potential tourism resources and opportunities. Taking this into account, the “Development Strategy of New Uzbekistan” for the period of 2022–2026 of the country’s development has determined the rapid development of this sector as a leading branch of the economy.The 35th goal of this strategy includes the task of increasing the number of domestic tourists from 12 million and the number of foreign tourists visiting the republic to 9 million within the framework of the “Travel Uzbekistan” program [4].

All these tasks, in turn, require the formation and improvement of economic mechanisms in the field based on the needs of the times. In the course of research, taking into account the unique characteristics of the tourism sector, national heritage tourism, which is a component of it, its organizational and economic factors and by fully analyzing, it has been found that mechanisms arenot in use.

On November 17, 2017, the President of the Republic of Uzbekistan, Shavkat Mirziyoyev, adopted Decree No. PD–5242 “On further development of handicrafts and comprehensive support measures for craftsmen” [1]. In the decree, *“To fully preserve and increase the rich national cultural heritage and historical traditions of the peoples of Uzbekistan, to further develop national crafts, folk art and practical art, to establish craft development centers in cities and districts with widely developed folk crafts and creative traditions in our country, to restore unique types of crafts national socio–economic development programs of state importance, such as restoration and further development”*are defined.

It became clear that the organization and development of new national cultural heritage tourism in the national tourism of Uzbekistan is one of the promising types in the country’s tourism industry. In order to organize and develop international national cultural heritage tourism in the country, the first research should be in the direction of training guide–excursionists for this type.

Theme learning condition

National cultural heritage tourism is a new, promising type of tourism in our country. Currently, legal and regulatory documents for the organization and development of national cultural heritage tourism have been adopted in our country.In the Resolution of the President of the Republic of Uzbekistan on November 28, 2018 “On approval of the concept of further development of national culture in the Republic of Uzbekistan”–“to preserve the high spiritual values and spiritual heritage of our people formed over the centuries and to develop it in harmony with world culture, to widely promote national culture, its place in the international cultural space is defined as the main goal” [2].

In the Concept of the development of tourism in the Republic of Uzbekistan in 2019–2025“Improving the condition of national and cultural heritage objects, forming the necessary infrastructure for tourists around these objects; development of an effective mechanism of marketing and brand promotion”has been defined [3].

Preliminary scientific–practical research was carried out in the direction of using the national cultural heritage of our people in tourism [13]. But in these studies, national cultural heritage assets are called special types of tourism. Also, in other studies, national cultural heritage assets are called small–scale special types of tourism [6]. A lot of ambiguity arises in these naming and descriptions. First of all, the

special types of tourism that are rapidly developing in world tourism are tourism of historical and cultural monuments, pilgrimage and ecological tourism [7].

Research methods

Using expedition, itineary, monitoring, analytic, general scientific, theoretical and statistical, marketing methods.

Research analysis

Any profession is related to work and requires knowledge and experience that determine the main characteristics of this profession. Such knowledge is obtained from studying education in this profession, and experiences are acquired during work. The activity of a guide in tourism is a profession that requires perfect mastery of the above–mentioned knowledge, experience, and education. Now, the activity of a guide in the tourism of Uzbekistan is called a guide–tourist, guide–leader, guide–excursionist, guide–leader, and the term guide does not apply only to the field of tourism.

Guide in French language–guide–leader–tourist, official representative of the tourism excursion bureau, shows the tourist object to tourists and travelers, tells the history, introduces the historical and cultural attractions of the city or region.

Guide–interpreter–excursionist–accompanies foreigners on their tourist trip around the country. The guide–interpreter–excursionist is directly involved in providing services to them on the route, speaks fluently in several foreign languages, conducts excursions and itineraries independently, gives answers to tourists' questions, gives advice. Depending on the work experience and professional skills of the guide–interpreter, there are three levels of classification (from the third to the first).

A guide–interpreter is a person who interprets contracts and contracts in production processes unrelated to tourism, in the interaction of people of different languages, in cooperation activities, in the work activities of joint enterprises.Because the translation of the guide is not required in domestic tourism. The termguide–leader in tourism has more vague concepts compared to the term guide–excursionist.

In the field of tourism, in the development of a tourism company, the responsibility of the tour guide is very great. He must give a satisfactory presentation and information about the tourism object chosen by the tourists and tourists, which is unknown to them and must be seen first, and fully answer their questions. That is why the following requirements are imposed on guide–excursionists [14]:

1. Intellectuality;
2. Self–reliability, determination;
3. Communicativeness;
4. To feel that he stands at the top because of his confidence in his professional skills;
5. Organization;
6. Having a comprehensive outlook;
7. Culture;
8. Ability to analyze.

Uzbek scientists recommended that tour guides should be evaluated by the following criteria [11]:

1. Appearance, experience, modern equipment;

2. Thorough knowledge, professional professionalism;

3. Information and cooperation;

4. High social behavior;

5. The age of 20 years and above, the tour guide with 3 years of experience should not be more than 50 years old.

Requirements for the personal qualities of a guide–excursionist will include: pleasant appearance; considerate; strong memory; creative approach to work; ability to make quick decisions; what is the organization; self–confident; broad outlook; should have speech culture, correct pronunciation, vocabulary.

Instructions that do not correspond to personal qualities: this work is not recommended for people with heart and blood vessel diseases, mental and nervous system disorders, speech and physical disabilities.

The results of the research

The above requirements must be strictly followed in the preparation of tour guides for the international direction of national cultural heritage tourism. Therefore, guides–excursionists prepared for national cultural heritage tourism are considered to be the ones who convey the initial information to international tourists about the fact that our nation is one of the ancient cultural centers of mankind, that our nation has a culture of ethics and creative arts, and they show and explain national heritage treasures.

We have determined the promising directions in the use of the resources of national cultural heritage tourism in Uzbekistan in international tourism, taking into account that the specialization of national cultural heritage tourism in the use of national heritage assets is also recommended to be carried out in these directions[10], international national cultural heritage using the national cultural heritage assets of the peoples living in Uzbekistan we came to the conclusion that it would be correct to train guide–excursionists for tourism in these prospective directions (Fig. 1)

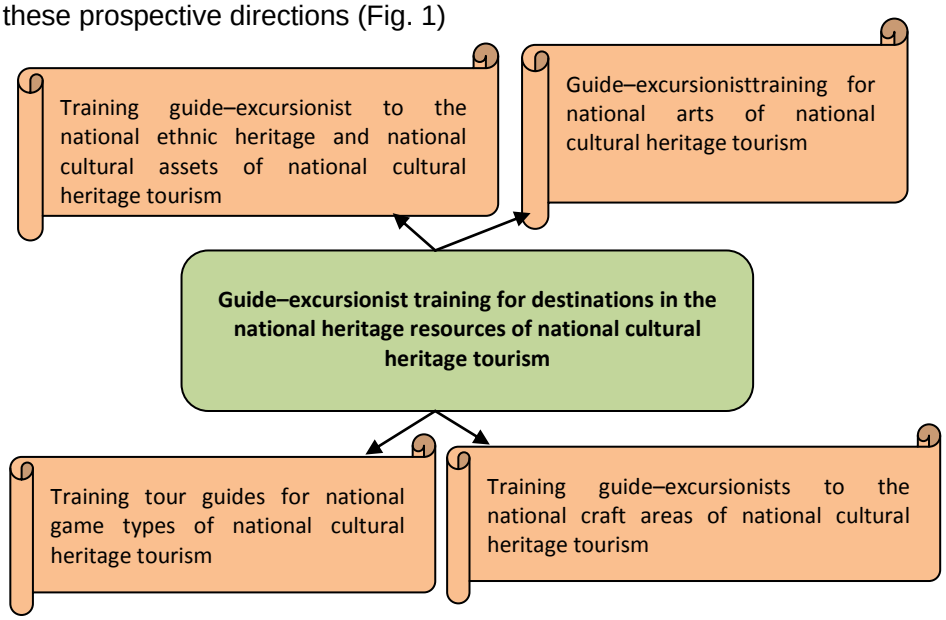

Figure 1. Guide–excursionist training for national cultural heritage tourism destinations in national heritage assets

Since the main types of tourism, such as historical–cultural tourism, pilgrimage tourism, recreation tourism and archeology tourism, are almost the same subject, the training of guide–excursionists for these types is much easier than the training of guide–excursionists for national cultural heritage tourism. Because, depending on the name of these types of tourism, the science, knowledge and experiences learned in the training of tour guides are mainly related to one topic. For example, with the development of historical and cultural tourism in the current tourism of Uzbekistan, there is a great demand for the training of tour guides for this type. Since historical cultural tourism includes tourism resources related to historical monuments, historical places and historical events, history teachers who have studied the language in this type of tourism are also working as tour guides. Similar conclusions can be drawn about pilgrimage or archeology tourism.

Since the national heritage assets of our people consist of various areas and different directions, even industries, it is very difficult to train guide–excursionists for a general direction such as the types of tourism mentioned above, and it takes a lot of time to train a guide–excursionist for all types and directions of national heritage assets. The riches of the national heritage are organized in different areas and do not repeat each other. Only the field of “Handicrafts” of our national heritage requires the guide–excursionist to thoroughly study all the following handicraft areas in our nation:

I–National Crafts:

1.1. Carpentry and carpentry directions;

1.2. Pottery and pottery directions;

1.3. Embroidery and embroidery directions (golden embroidery, flower embroidery), national costumes (national dress, national hat, satin, velvet, bekasam and sewing directions, etc.);

1.4. Directions in carpet making and carpet making.

There are more directions in the composition of the mentioned craft directions.For example, there are 6 schools of carpentry (Khorazm, Bukhara, Samarkand, Urgut, Tashkent, Fergana). There are also 4 to 10 courses in embroidery, pottery and carpet making. Therefore, in national cultural heritage tourism, we must prepare a guide–excursionist who has thoroughly mastered the history, methods, and technologies related to all directions of crafts in the national heritage of our people (Fig. 2).

With the establishment and development of national cultural heritage tourism in Uzbekistan, the need to train guide–excursionists in each field of crafts will certainly arise in the future. Current tourism company needs 4 tour guides to serve tourists and excursionists in national handicrafts. Secondly, although all directions of crafts are different, many of their aspects and characteristics are close to each other. Guide–excursionists preparing for national heritage tourism easily master these aspects and characteristics and become mature, qualified specialists (Figure 2).

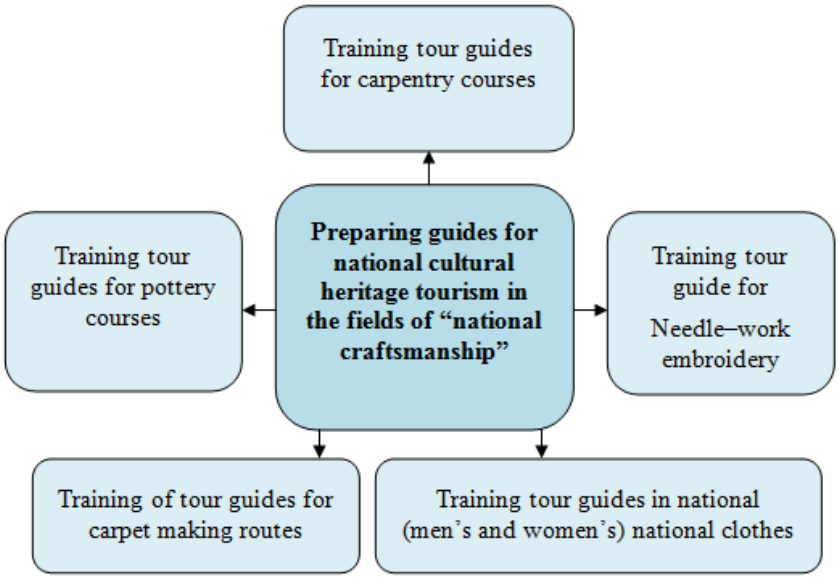

Figure 2. "Craftsmanship" for national cultural heritage tourismtraining guide–excursionists according to directions in the field

The largest group in the national heritage of the Uzbek people, which is related to the historical past life and describes the production of national products, is the craftsmanship of the nation and its types.

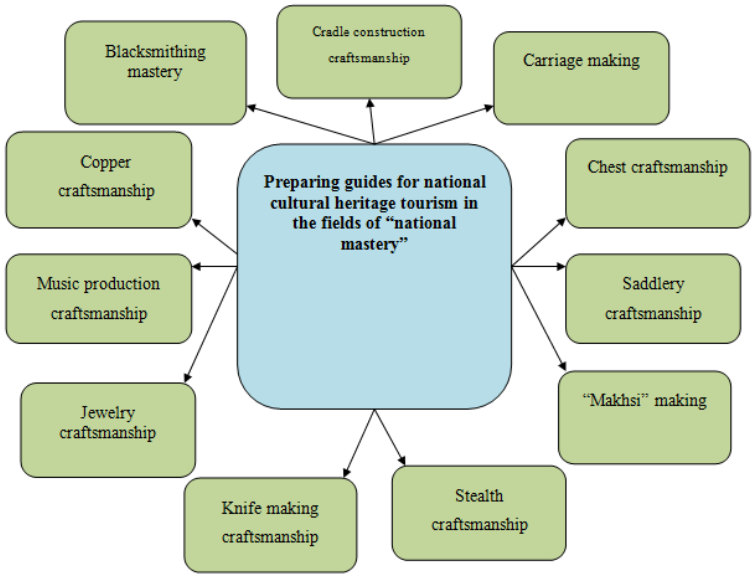

Figure 3. Training tour guides for national cultural heritage tourism in the directions of "National mastery".

When training tour guides for national cultural heritage tourism in the areas of “National Craftsmanship”, the regional head offices of the Ministry of Culture and Tourism of the Republic of Uzbekistan should pay serious attention to which types of national craftsman are operating in their regions. invented on the basis of A guide–excursionist who prepares for national mastery courses that do not exist in the region is certainly not interested, and it is necessary to take into account the fact that he lives in this region. The guide–excursionist who is trained in the region is interested only in the national mastery directions in the regions of the region, visits them and creates light conditions for his further work activities.

The tour guide preparing for national cultural heritage tourism has the following duties and responsibilities [14]:

• Good knowledge of national cultural heritage tourism routes and excursion science, excursion objects;

• Ability to develop new tours and new routes of national cultural heritage tourism;

• Be able to absorb changes in the market of national cultural heritage tourism services in time and develop new national cultural heritage tourism products;

• To master the methods of conducting tourist itineraries and excursions of national cultural heritage tourism and to be able to give lectures on new methods;

• Skilled management of excursion routes of national cultural heritage tourism;

• Being able to advertise touristic and excursion routes in national cultural heritage tourism;

• To know well the methods of national cultural heritage tourism excursions(technological map, route scheme, program of the excursion, methods of conducting the excursion, etc.) and be able to apply them freely in practice.

The above requirements are also set in the evaluation of the activity of guide-excursionists prepared for national cultural heritage tourism. That is, tour guides must be able to perform the above–mentioned professional tasks.

Recommendations

1. Guide–excursionists for international national cultural heritage tourism using the national cultural heritage resources of the peoples living in Uzbekistan should be trained in the following directions: 1. Training guide–excursionists for national ethnic heritage and national cultural resources of national cultural heritage tourism; 2.National art of national cultural heritage tourism training guide–excursionist for types; 3. Training tour guides for national game types of national cultural heritage tourism; 4. Training guide–excursionists to the national crafts of national cultural heritage tourism.

2. It is necessary to train guide–excursionists for national cultural heritage tourism in the field of “National Crafts” in the following directions: 1. Training guide–excursionists for carpentry; 2. Training guide–excursionists for pottery directions; 3. Training of tour guides for embroidery; 4. Training of tour guides for carpet making; 5. Training of tour guides for national (men’s and women’s) clothing.

3. Training tour guides in 11 directions of “National mastery” for the national cultural heritage tourism organized and developed in Uzbekistan will be targeted.

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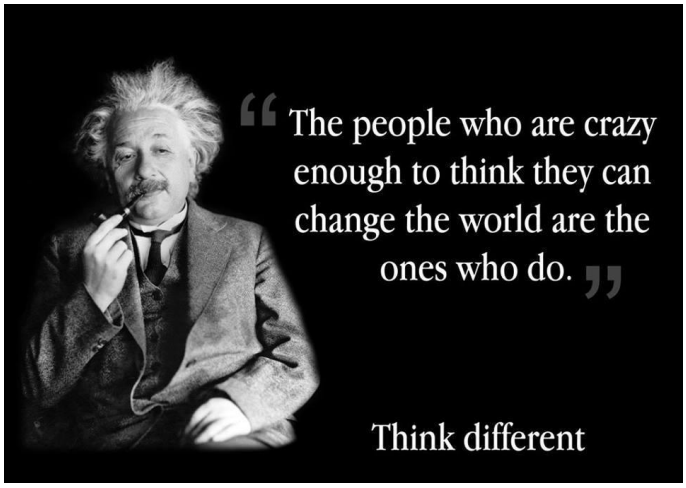

COMPETITIVENESS OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN THE CONDITIONS OF ECONOMY DIGITALIZATION

Dilnoza Ibodovna Ibodova[1], Farxad Xushbakovich Rakhimov[2]

ABSTRACT

The article describes the role, essence and significance of the digital and innovative economy in increasing the competitiveness of private entrepreneurship, small and medium–sized businesses. Also, proposals were put forward for their development in connection with the integration of science and higher education and internal and external factors of technological development.

Keywords:*private Entrepreneurship, Small and Medium Business, Competitiveness, Digital and Innovative Economy, Innovation, Digital Entrepreneurship, Digitalization, Competitive Environment.*

Introduction

Under the chairmanship of the President of the Republic of Uzbekistan Shavkat Mirziyoyev, a video conference was held on September 22, 2020 on the topic “The country’s economy has no future without digital economy” to implementthe digital economy and e–government in industries and regions [1].

In 2020, which has been declared as the “Year of Science, Education and Development of the Digital Economy”, a number of works have started in the direction of digitalization. In particular, on April 28, 2020, the President signed a decree “On measures for the widespread introduction of the digital economy and electronic government”, and large–scale systematic, practical work has been carried out.

In the fifth direction of the “Address by the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis and the People of Uzbekistan” on December 20, 2022, “Introduction of free market mechanisms, ensuring healthy competition and *privacy*of private property, supporting entrepreneurship” has been emphasized that should occupy a special place in the Constitution” [2].

In thisaddress, the tasks of resolutely pursue economic reforms, supporting the private sector by fully mobilizing internal capabilities, and first of all, takingmeasures to accelerate reforms to improve the entrepreneurial environment are defined.

The transformation of the socio–economic system observed in our republic in recent years is inextricably linked with the development and implementation ofdigital technologies. As it is known from world experience, the acceleration of IT technologies will bring socio–economic development to a new stage.In this case, as a result of the introduction of the digital economy into the activities of private entrepreneurship,

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small and midsize businesses, the opportunities will be created to dramatically increase the level of social well–being.

The emergence of new types of innovative and digital software or products (services) leads to restructuring of business processes, changes in business models, marketing management systems and changes of the consumer's point of view. From this point of view, changes in the development of private entrepreneurship, small and midsize businesses, their adaptability to the environment of innovation and digitalization, changes in business processes and business models, andabsorbing the positive aspects of interactions between innovation and the digital economy are more relevant now than ever.

There are more than 6,000 normative and 40,000 technical documents that streamline business activities today [3].

In accordance with the decree of the president of the Republic of Uzbekistan dated January 28, 2022, No. 60 "On the development strategy of New Uzbekistan dated 2022–2022" on measures to simplify the regulation of entrepreneurial activity by the state program on implementation in the "Year of honor of human dignity and active neighborhood", the requirements that prevent entrepreneurs from operating modern activities were revised and introduced.

In particular, the means of state regulation of entrepreneurship were clearly defined. These are state registration, licensing and authorization procedures, technical, tariff and non–tariff regulation, compulsory insurance, state control, protection of competition, and establishment of liability.

Furthermore, the program's 25th goal is to transform the digital economy into the primary "driver" sector and to increase its size by at least 2.5 times, while the 51st goal identifies the comprehensive introduction of innovations into the economy, as well as the development of cooperative relationships between industrial enterprises and scientific institutions.

The main part. Representatives of the classical school of political economy established the groundwork for developing views about the essence of competition and competitive interactions.In the context of contemporary economic sciences, the structural(S.L. Brew, K.R. McConnell, J. Robinson, E. Chamberlin, F. Edgeworth, etc.) and institutional (V.M. Busygin, V. Eugen, F.A. Hayek, etc.)aspects of competition and competitiveness are investigated.In the works of G.L. Azoev, I. Ansoffand M. Porter, the competitive strategy of business entity development is thoroughly discussed.

In this due consideration, small and medium–sized businesses, the level of digitization, long–term economic growth, and production efficiency based on the use of innovative technologies, as well as their financial support, are associated with the creation of new jobs and the achievement of stable income in the scientific works of V.V. Pechatkin and L.M. Vildanova in the field of private entrepreneurship [4].

The state of science, technology, and innovation in the country, as well as its guiding principles and main priorities, are carefully examined in the materials created within the scope of the UNESCO/IDB project"Development of inclusive science, technology, and innovation system in Uzbekistan" [5]. The analysis of the reforms being carried out regarding the growth of the entrepreneurial ecosystem, the digital economy, and the innovative economy in the republic was highlighted. These materials were also quoted in the overseas publication "IFIT"[6].

The 29th and 51st goals of the Program are emphasized explicitly in the "IFIT" materials. At this time, it is stated that the establishment of a business activity organization and the development of long–term

revenue sources, as well as the raising of the private sector's contribution to the GDP to 80% and the proportion of exports to 60%, are essential.

Additionally, the integration of science, education, and production in our country, innovative cooperation, the state of innovative infrastructures, and the introduction of new technologies are highlighted in the monograph of local scientists[7]. Based on international experience, the synergistic impact of switching to the cluster system, boosting competitiveness, quality, logistics, engineering, information technology, and other ways are presented.

Logic, scientific abstraction, a grouping of information, analysis and synthesis, induction and deduction methods are frequently used in order to increase the involvement of science, higher education cooperation in private entrepreneurship, small and medium–sized business enterprises, improve and regulate the existing state based on voluminous scientific technologies, innovations, and digitization, study statistical data, and economically compare and analyze.

Results and discussion

The analysis of scientific investigation demonstrates how quickly digital technologies are developing, how they are permeating traditional business, how new types of digital products and services are emerging, how many people are using online channels, how business processes are being restructured, how business models are changing, how marketing systems are being managed, and how consumer behavior is changing.

As in industrialized countries, the implementation of cutting–edge innovations in socioeconomic domains, such as digital technologies, is crucial to advancing economic development in our Republic. As a result of the introduction of the"entrepreneur" information system in our country, numerous facilities have been built for responsible businesses and organizations:

- Submission of online orders bycommercial organizations for the aim of securing loans from commercial banks and paying interest fees;
- Operational online review of the submitted orders by the "State fund for the support of entrepreneurial activity" (Fund below);
- On commercial bank loans, using an electronic digital signature, the guarantor, and the drafting of electronic contracts for the supply of reimbursement to pay interest charges;
- To commercial banks and their clients via the Fund's official website and SMS notification, allowing them to analyze orders in real–time and keep track of their execution status.

Moreover, a streamlined survey system has also been introduced in an effort to examine the socioeconomic development of the areas, monitor the business climate, further improve the licensing and permit application process, remove bureaucratic roadblocks, and combat corruption.

Additionally, systems for monitoring the daily prices of agricultural products in the "Kuylikwholesale farmers'bazar" and meat products in the peasant market "Eski Juva Chorsu" are introduced in the markets of the districts and cities of the Republic.Weekly prices for socially significant basic types of food products are also introduced.

Furthermore, an information system, "Data management",has been built by integrating information systems and databases of government agencies and organizations, allowing analysis and future projection of the nation's socioeconomic development.

The digital Tashkent situation Center was introduced within the context of launching the city of Tashkent's Geoportal. For the Digital Tashkent complicated system, a separate data center (Datacenter) was constructed with enough servers and technology, and Geoportal's licensed software platform was implemented.

Positive processes like the ones mentioned above have been organized in the Republic of Karakalpakstan using a "road map" that organizes geoportals for real –time data analysis and rapid decision–making in more than 40 areas, including service management, social sector facilities, production, road transport, and municipal infrastructure in all regions.

The article presents the importance of digital and innovative technologies in stabilizing the economy of our Republic, the materials prepared based on the information of the State Statistics Committee of the Republic of Uzbekistan regarding the current situation, and some views [8, 9] that are noteworthy in the future.

The number of enterprises operating in economic sectors, including small businesses, was 323,517 and 262,930 in 2019, 398,133 and 334,767 in 2020, and 475,197 and 411,203 in 2021.

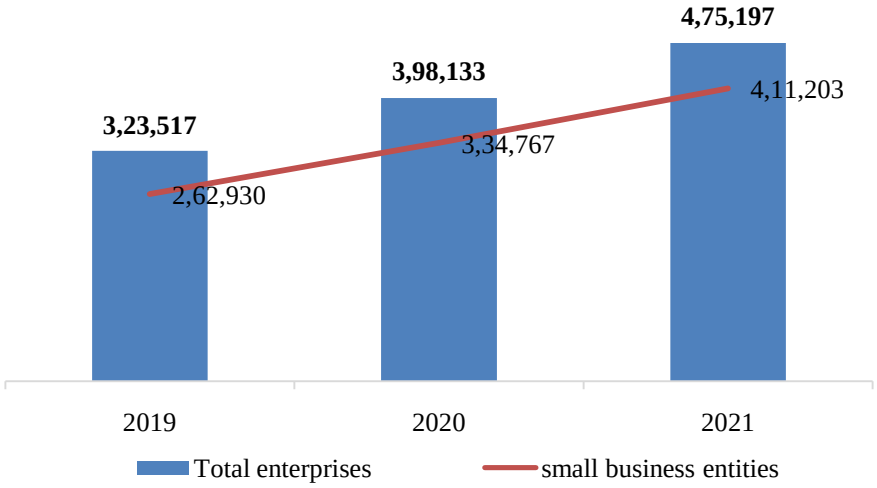

Figure 1. The number of enterprises and small business entities operating in 2019–2021

In 2021, small business firms accounted for 54.9% of the total GDP.The number of innovative businesses of all sizes, including small business entities, has expanded as a result of the methodical work on the development of the economic sectors of our republic, rising to 3916 and 2033 in 2019, 6771 and 2599 in 2020, and 3974 in 2021 from 3874 [9,10].

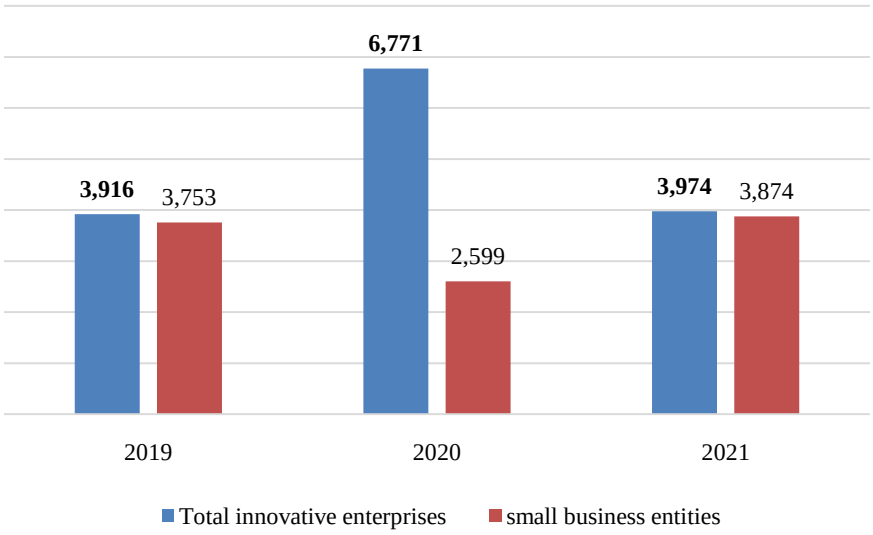

Figure 2. Innovative enterprises and small business entities in 2019–2021

Whereas the number of small business entities increased by 149.1% in 2021 compared to 2020, innovative enterprises declined by 58.7%.

At current prices, the GDP in 2021 will total 734,587.7 billion dollars. amounted to sums, or 7% more sums than in the equivalent time last year. When compared to the same time last year, the GDP deflator index was up 113.6%.

The local businesses of Uzbekistan will also be listed among the top brands in the world based on strategies relating to innovative activities, digital and “green” economic factors, added value, and the creation of new jobs in collaboration with the relevant state administration, legislative, and executive bodies. In this regard, the “Brand Finance” company activities are being carried out on luring services and comprehensive development of regions, sectors, and industries (taking into account the components of this sector).

Today, it is necessary to transform new processes based on digital technologies (digital platforms, artificial intelligence, information technologies), increase the competitiveness of small and medium–sized firms, and practice private entrepreneurship. The “Strategy of Entrepreneurship and Small and Medium Business Development of the Republic of Uzbekistan (2023–2030)” needed to be developed in this respect in accordance with the opinions and objectives of the nation’s medium–term development strategy, and pertinent proposals were made.

Conclusion

The establishmentof targeted activities focused on innovation, notable innovative development, knowledge management departments, research and development structures, forecasting and analytical departments, technology parks, or technology transfer agencies, as well as a thorough understanding of the role and significance of innovation in business structuresgoes along with professional personnel, innovative thinking and team cohesion based on it, and an inventive atmosphere are required for these processes.

Professional employees must also be able to absorb new ideas and initiatives of their own efficiently and those of others. The following reasons are responsible for this in turn:

- Using cutting-edge, digital, and artificial intelligence technology in socioeconomic sectors, examining the levels of digital transformation and the condition of digital entrepreneurship, identifying and fixing structural issues that impede growth, and creating ideas for state policy in this field;
- Coordinating policy development and implementation aimed at improving the digital entrepreneurship ecosystem, its financial mechanisms and tools, the creation of an integrated startup support system, alternative investments, including venture financing, and the regulation and growth of venture funds' economic and legal relationships;
- Increasing the contribution of science, higher education cooperation in private entrepreneurship, small and medium–sized enterprises, raising the existing situation on the basis of scientific–scale technologies, innovations, and digitalization;
- Strengthening the internal and external integration of fields and interfields in the regions, accelerating the processes of innovation and investment, enhancing the effectiveness of scientific research by encouraging creativity, planning the efficient use of current scientific potential, and organizing scientific information resource centers;
- Establishing a unified regulatory and legal framework for the growth of technology parks and building the "bridge" between science and practice that these parks need;
- Coordinating program development and implementation targeted at digital inclusion, lowering disparities between regions and population strata in terms of digital technologies, enhancing access to and uniformity of digital services, and enhancing population digital literacy;
- Coordinating the creation and execution of initiatives for small and medium –sized businesses and private enterprises, and accelerating the digitalization of "business–consumer–government" contacts and processes;
- Assessing the implementation of forecasts for the development of digital and innovative economy, digital entrepreneurship, identification of current imbalances, and actions to eliminate them.

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SUCCESS FACTORS IN STRATEGIC ALLIANCES

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ABSTRACT

Strategic thinking and applications to the business sector started in the late sixties as a result of the escalation of competition amongst business houses and conflict between large companies. Such competition influenced different companies to develop their potential, strength and stabilize their positions in local and international markets. Thus, companies have adopted effective productive and marketing policies to ensure their survival and continual growth in line with demands, market development and competition. Moreover, the need for strategic alliances and partnerships was prompted by the increase the scarcity of resources and the difficulties companies faced in securing and maintaining access to those resources' whether in raw materials and production requirements, or in qualified human resources and the combining of expertise and technical and managerial capacity, or any other financial resources or information. Thus, competition and limited resources available made it necessary for companies, especially big ones, to think of adopting comprehensive strategies that enable them to deal with different variables of the environment based on determining the strategic direction of those companies in the long future.Some companies started to concentrate widely on the environmental variables, outside the companies' domains, on the grounds that variables can make it difficult for companies to influence. Thus, companies find themselves struggling to adapt to work with the variables they can't alone control, due their limited ability to influence them. In 1980s companies suffered greatly as a consequence of competition and conflict, market expansion, maintaining the local market, or securing continual core resources that they needed, especially those target markets, and those resources of interest to all companies alike. Moreover, the scientific and technological development which happened near the turn of the millennium, coupled with the huge turbulence in the field of innovation and creativity, made companies move from focusing on strategies of "selling what could be produced" to adopt strategies such as "producing what can be sold". Consequently, companies started harsh wars among themselves. This made companies spy on each other (industrial espionage) so that they can find out the innovations and development of their competitors, in order to keep up with competition. Alternatively, the end of the last century and the first decade of this millennium, economists and strategists adopted a different approach and started to, instead of focusing solely on competition, reduce the frequency of conflict amongst them and advocate the development of cooperation between companies, rather than competition. Thus, strategic alliances and partnership, particularly amongst large companies, emerged and became the norm. Additionally, it should be taken into account that innovation is becoming at the forefront of the management policies and alliances to improve their competitiveness and standing worldwide.

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Objectives

This paper aims to investigate how firms can achieve alliance success. In global markets, the alliance failure rate is very high. This study will try to understand why, facing with such a high failure rate, more and more firms decide to enter or form strategic alliances. It appears necessary to identify key factors and show how firms can successfully manage them in each phase of alliance lifecycle.

Methodology

For this study, a qualitative approach was adopted, in order to explore and understand the research problem. The issue of alliance success factors is investigated through the analysis of the existing literature, focusing in particular on the last two decades.

Findings.

By reviewing several theoretical perspectives, we identified alliance success factors and showed what kind of relevance they have in each phase of alliance lifecycle. It was found that strategic alliances develop through three phases. Alliance success lies on successful management of key factors, involved in each phase. Research Limits. Research deals with the issues of alliance success factors at the level of a single alliance and not at the level of an alliance portfolio. Further research should extend the analysis perspective.

Managerial Implications.

Firms involved in a strategic alliance should consider several critical aspects. For the entire alliance lifecycle, they have to look for a high degree of fit with their own partners. Another important aspect is related to the risk of opportunistic behavior, which could be reduced through the choice of an appropriate governance form and the development of social capital. Although the strategic importance of alliances, they still exhibit a very low success rate; previous research showed a failure rate at or over 50% (Lorange & Ross, 1992; Bleeke & Ernst, 1993; Faulkner, 1995; Bamford et al., 2004; Lunnan & Haugland, 2008; Kale & Singh, 2009; Madhok et al., 2015; Linwei et al., 2017). The high failure rate highlights the difficulties of building successful alliances and the fact that not all firms have the abilities to maximize the potential value creation from their cooperative strategies. The reasons behind the high failure rate are mainly related to the lack of familiarity that firms have with the dynamic nature of the collaborative relationships, which are characterized by the simultaneous presence of competition and cooperation. Cooperation refers to the sharing of a common project; instead, competition concerns the achievement of personal objectives. Therefore, strategic alliances could lead to competitive or cooperative behaviors, depending on the private incentives of the partners (Parkhe, 1993). When excessive competition eclipses cooperative orientation, the strategic alliance reveals a failure and value destruction for firms involved. On such assumptions, inter-firm competition and managerial complexity have been identified as the main reasons of alliance failure (Park & Ungson, 2001). The first one refers to the risk of partner's opportunistic behavior that can undermine the spirit of collaboration (Varma et al., 2015); instead, the second one refers to potential conflicts due to lack of cultural, strategic and structural fit among partners. In today global markets on one hand, the number of alliances continues to grow and on the other hand, their success rate is still very low. It seems that that while most firms have realized the importance of strategic alliances only few of them have understood how to manage them success (Saebi, 2011; Duysters et al., 2011). The main purpose of this work is to identify the way firms can address the high risk of failure, investigating the main factors that lead strategic alliances toward success. The research aims to understand why, facing with such a high failure rate, more and more

firms decide to enter or form strategic alliances. It appears therefore necessary to identify key factors and show how firms can successfully manage them in each phase of the alliance lifecycle.

Literature Review

1 Transaction Cost Theory Transaction cost theory (Coase, 1937; Williamson, 1981) shows how firms choose the most appropriate governance structure. The theory states that transaction costs are due to bounded rationality, opportunistic behavior and assets specificity. Bounded rationality, caused by complexity and environmental uncertainty, is the impossibility to foresee all possible situations that may arise and their outcome (Cesarani, 2014). Williamson (1981) defines opportunistic behavior as "self- interest seeking with guile"; it means that partner pursues personal goals at the expense of the collective ones. Assets specificity is investments made for supporting a particular transaction, which do not create value outside of it. In the field of strategic alliance, they are termed as "investment in partner-specific". According to Transaction cost theory, when firms choose the mode of transactions, they are moved by the aim to reduce costs. Williamson (1981) states that firms minimize costs when the governance form matches exchange conditions. In the logic of Transaction cost, strategic alliances are an intermediate or hybrid organizational forms, located in the middle, between market and hierarchy. They are the most appropriate governance form to govern relationships that are not very complex as to require the use of hierarchy, but more complex than those entrusted to the market Alliances allow firms to decrease the amount of production and transaction costs because it is expected that partners behave cooperatively toward common goals. However, strategic alliances are not exempt from the risk of partner's opportunistic behaviors. In order to reduce such risk, Transaction cost supports the choice of equity joint venture because ownership aspect tends to limit the risk of opportunism. Equity alliances create a situation of "mutual hostage"; in fact, sharing equity fosters the alignment of partner's objectives. Finally, Transaction Cost Theory identifies "the choice of an appropriate governance structure" as a key factor for alliance success.

2 Knowledge Based View & Social Exchange Theory Knowledge based view (Grant, 1996; Spender, 1996) states that firms, in choosing alliance strategies, are moved by the aim to "learning". Through cooperative agreements, firms can enhance their knowledge base. According to Kale & Singh (2007) firms, from prior experience, learn more about alliance management and develop alliance know-how that could be used in future alliances. Strategic alliances become a popular vehicle for organization learning and knowledge sharing (Jiang et al., 2016). Although strategic alliances offer opportunities for knowledge sharing, they also carry the risk of knowledge leakage to partner (Jiang et al., 2016). Firms have to consider also negative aspects, involved in knowledge sharing, such as the risk of core competences appropriation or a learning race. In order to prevent this kind of risks, it is necessary to develop "relational capital" among partners; it acts as a safeguard against the risk of opportunistic behavior. Such assumption introduces the next theoretical perspective: Social exchange theory (Blau, 1964); it supports the logic of "relational based governance", highlighting the importance of developing social capital for reducing the threat of partner"s opportunistic behavior (Gulati, 1995). The theory identifies relational factors such as mutual trust and mutual commitment as forms of relational safeguard. Mutual commitment is a sense of duty toward the partner; it creates a sense of loyalty and cooperation and provides a basis for communication between partners (Muthusamy & White, 2005). Trust is as reliance on another part under conditions of risk .The combination of these two relational factors creates a sense of loyalty and cooperation among partners and reduces the risk of opportunistic behavior (Gulati, 1995). The development of social capital has positive effects on alliance relationship; it enhances openness and accessibility, increases the scope of the relationship and

mutual knowledge learning (Kale & Singh, 2009). In a strategic alliance, high degrees of trust and commitment foster not only the mutual learning but also the development of new skills and competencies. Finally, Knowledge based view and Social exchange theory identifies the “development of social capital” as a key factor for alliance success.

3 Resource Based Theory The Resource based theory (Barney, 1991; Peteraf, 1993) highlights the critical role played by resources. Strategic alliances are considered as a mean to access to unavailable resources and develop jointly new ones. Firms are bundles of resources and their competitive position is defined by their own resources endowment. Markets are often incomplete and imperfect and therefore it is not easy for firms to acquire the needed resources. Such resources, indeed, may be not perfectly tradable or even not tradable at all. Therefore, companies decide to form or enter into a strategic alliance for filling their gap of resources. They share resources with partners and identify the most optimal configuration that maximizes the value of such resources. Resource based view identifies complementary resources as s key factor for alliance success. Lambe et al. (2002) define complementary resources as the degree in which firms can cover each other‟s lack of resources defines them. High similarity among resources allows firms to gain economies of scale and exploit the existent competitive advantages; different but complementary resources allow gaining economies of scope, synergies, developing new resources and subsequently achieving new forms of competitive advantage (Ireland et al., 2002). The combination of complementary resources leads the development of “idiosyncratic resources” (Lambe et al., 2002). They are valuable resources, developed during the alliance lifecycle (Jap, 1999). These resources have little value outside the alliance relationship and allow firms to achieve a strong competitive advantage when they are combined in a way that competitors cannot easily replicate. Finally, Resource based view identifies the “crucial role of complementary and idiosyncratic resources” as key factor for alliance success.

4 Dynamic Capability and Alliance Capability View Dynamic Capabilities view (Teece et al., 1994) has been largely used to explain the conditions of alliance success. The theory is considered as an extension of the Resource based view; in fact, it states that under unpredictable market conditions, resources endowment is no more sufficient to justify the heterogeneity in firms‟ performance (Saebi, 2011). Dynamic capabilities view emphasizes the reconfiguration of such resources (Helfat and Peteraf, 2003). Firms that operate in a dynamic environment have to identify the best way of integrating, renewing, reconfiguring and recreating their bundle of resources. Companies, in order to strengthen their competitiveness, need to develop a high order of resources that enhance the productivity of the basic ones. Dynamic capabilities are defined as organizational routines that affect change in the firm‟s existing resource base (Eisenhardt and Martin, 2000). They are heterogeneously distributed among firms and therefore represent a source of competitive advantage. As stated by Saebi (2011), Dynamic capability view has an important implication on alliance literature; it promotes a shift in research focus from relational or structural factors, peculiar to the individual alliance relationship, towards managerial capabilities specific of a single firm. According to such assumption, alliance success lies not only in the relationship between partners, but also in each firm‟s alliance management capabilities (Duyster et al., 2011). The concept of alliance capabilities derives from the assumptions of Dynamic capabilities view. Alliance management capabilities are a kind of dynamic capabilities, defined as superior firm‟s capabilities in managing alliances (Heimeriks & Schreiner, 2010). They are heterogeneously distributed across firms and for this reason are useful to justify performance difference among firms. Lambe (2002) states that alliances are successful if firms develop the capabilities needed for managing them. Finally, Dynamic capability and Alliance capabilities view identify “alliance management capabilities” as key factor for alliance success.

Findings

1 **Alliance Formation Phase** Alliance formation phase is the initial phase in which firms manifest an interest in forming a strategic alliance; they analyze reasons and potential alliance benefits, select partners and choose the most appropriate form of cooperation for alliance management. In this phase, there are two key factors: partner selection and choice of the most appropriate governance form for alliance management. Partner selection is very crucial for alliance success. Das & Teng (2003) states that choosing the right partners means finding desirable matches between partners‟ resources, goals and strategies. From the beginning and for the overall alliance lifecycle, firms have to look for a certain degree of fit between partners. Alliance success depends on a high level of fit among partners. Lack of fit could lead the alliance toward failure. Firms involved in partner selection activity have to consider three fundamental criteria: partner complementarily, congruence and compatibility. Partner complementarily refers to the concept of strategic fit. Strategic fit is higher when the alignment of complementary resources is useful to bridge the gap of each partner; in fact, complementary resources play a critical role for alliance success. Partner congruence refers to partners‟ goals and objectives alignment. In order to achieve success, partners have to define clear and compatible goals. Partner's objective could be different but they have to be compatible. Goals that cannot be achieved simultaneously lead alliance toward failure. Partner compatibility refers to partners‟ cultural and organizational fit. Cultural fit means that the partner is sensible toward different cultures and willing to find integration between the elements of distance (Child et al., 2005). Cultural resistance creates conflicts that could jeopardize the alliance success. Organizational fit means that partners are willing to adapt to each other's management practices, organizational culture, procedures, and working (Park & Ungson, 1997). Lack of organizational fit could arise conflicts and coordination problems and lead toward alliance failure. The choice of the most appropriate governance form for alliance management is the second key activity of the formation phase. It allows reducing the risk of opportunistic behavior. Firms can choose between different forms: equity ownership, contractual provisions and self-enforcing governance. (Kale & Singh, 2009). The equity ownership is preferred when the risk of opportunistic behavior and environment uncertainty are very high. Contractual provisions are useful to clarify mutual rights and duties, partners‟ contributions, the way through which exchanges take place and potential conflicts are solved (Kale & Singh, 2009). Self- enforcing governance is a "relational based governance"; it stress, as stated by Social exchange theory, the importance of developing relational factors for alliance success.

2 Alliance Operational Phase The operational phase is the phase in which alliance vision is translated in economic reality; it is called by Das & Teng (2003) as crossroads, because partner interactions are very high and the risk of conflicts increases. Partners work on a daily base and they have to take important decisions related to coordination and monitoring of alliance. Activities, management of communication and learning process. This is a very critical phase in which many alliances fail. Success factors, involved in this phase, are coordination, trust and commitment, control, communication and conflicts. Coordination is an essential factor in alliance relationship development for managing the interdependence (Varma et al., 2015). Mohr & Spekman (1994) defines coordination as a set of tasks that each partner expects the other to perform in order to reach the common objectives. High level of coordination allows companies to achieve stability in alliance relationships. Coordination lapses such as unclear roles, procedures and responsibilities lead to alliance failure; in fact, firms have to developed and appropriate framework for their ongoing interactions, composed by rules, policies and procedures that guide cooperation (Varma et al., 2015). Trust and Commitment represent the soft side of alliance management. The development of social capital enhances alliance success likelihood; it supports and fosters an effective alliance operation day-to-day,

allows firms to increase productivity, lower costs and promotes a sense of belonging among partners (Varma et al., 2015). Without feelings of trust and commitment, partners could act opportunistically such as they could hold back important information or could gain unfair advantages on the others (Gulati, 1995). The combination of these two relational factors helps firm to reduce the risk of opportunistic behavior, it leads partners to work together towards common objectives (Yang et al., 2011). Control is a set of rules and mechanisms that allows to make partners‟ behavior more predictable and to bond their actions to cooperation intents. It is necessary, for alliance success, that firms establish an appropriate level of control, which allows partners to balance collaborative aspects with the competitive one. Inadequate level of control may limit the protection and the efficient utilization of valuable resources. On the other hand, an excessive control on alliance activities could destroy goodwill and benevolence among partners, which will have limited autonomy to perform their job (Child et al., 2005). Establishing an appropriate level of control, through formal control mechanisms such as protocols and periodic checks, enhances cooperation and helps to solve potential conflicts and problems in real time (Sklavounos et al., 2015). Communication is a very critical factor for alliance success; it collects information about the trustworthiness of each partner, helps to manage potential conflicts, integrates potential differences and promotes coordination between different levels of hierarchy. In order to enhance alliance success likelihood, it is necessary that information sharing among partners is timely and open and that feedbacks are credible and accurate. Alliance success depends on how partners manage the information flows. Regular sharing of information about day- to day-managerial operation promotes coordination and promotes the development of mutual commitment toward the achievement of common goals (Spralls et al., 2011). According to Neisten & Jolink, (2015) open communication promotes a better and mutual understanding among partners regarding rules, obligations and develop shared model to work together. Partners with a shared vision will be more committed to the alliance (Spralls et al., 2011). Conflicts often exist in alliance relationship due to the high level of interdependence among partners; the success factor lies in the way they are managed and solved. Managing conflicts is a critical challenge for alliance management (Das & Teng, 2003). The main sources of alliance conflicts are due to organizational, managerial and cultural differences among partners. Khanna

et al. (1998) identified another source of alliance conflicts in asymmetrical partners „contributions and returns; fundamental conditions for alliance success is creating a win- win situation. Perception of equity leads partners to remain committed for all the duration of the alliance. In addition, a different set of alliances expectations could lead to conflicts; partners could have different objectives, but it is important that these objectives are compatible and that they can be achieved simultaneously.

3 Alliance Evaluation Phase The evaluation phase represents the moment of the alliance lifecycle in which it matures and realizes its potential benefits. Alliance performance evaluation and further alliance development are the two key elements involved in this phase. They are closely intertwined; partners, through the performance assessment, decide the further alliance development (Tjemkes et al., 2013). Alliance performance evaluation is a very critical factor because it shows the progress during the alliance lifecycle. Previous literature looked at alliance performance as the extent to which alliance objectives are reached. Performance evaluation allows partners to understand if an alliance requires adaptations or termination (Tjemkes et al., 2013). Partners have to develop an integrated performance evaluation approach, composed by metrics that assess all the multiple aspects of strategic alliances performance. There are many different kinds of performance and their combination provides an integrated and coherent performance evaluation outcome. Each kind of performance provides important information about a particular aspect of alliance development (Tjemkes et al., 2013). Economicperformance evaluates the

economic value of the alliance relationship; it allows partners to assess whether the alliance is useful to increase their value. Strategic performance evaluates the alliance management effectiveness; it provides important information for stakeholders, top management and alliance managers and shows how critical factors have to be managed for achieving a superior alliance performance. Operational performance assesses efficiency and effectiveness of alliance process on a daily base. Learning performance provides important information about the outcome of leaning process. Relational performance assesses the value of interpersonal relationship. Measuring the status of alliance relationships is a key activity, because valuable relationships among partners enhance alliance success likelihood. An appropriate alliance evaluation, based on such different kind of alliance performance, provides a comprehensive understanding of alliance status and supports the partners in decision making about the further development of the relationship. Further alliance development shows how the alliance evolves over time; it includes several development options leading to re-organization or termination. The options of further alliance development are natural end, extension, premature termination, changes in the alliance structure and takeover of one partner by the other (Tjemkes et al., 2013). Alliance natural end is the situation in which alliance comes to a natural end because the goals have been met Alliance is extended or expanded when partners decide to prolong their collaboration or expand it to new joint projects. Premature termination means that the alliance ends before the objectives have been reached. Partners could decide to terminate the alliance if it generates insufficient value or when they perceive an unfair value sharing related to their contribution. Changes in alliance structure means changing alliance governance forms such as when a firm decides to take an equity share in its partner, turning non-equity into equity alliance. Takeover of one partner by the other is the situation in which a partner internalizes alliance activities and acquires all the control. The strategic alliance ends because one partner acquires the other.

Conclusions

Over the past two decades, strategic alliances have become an important source of growth and competitive advantage. Firms engage in a large number of cooperative agreements, in order to strengthen their competitive position, enter new markets and access critical resources and capabilities. Although the strategic importance of alliances, they still exhibit a very low success rate. The research contributes, through the literature review of important theoretical perspectives, to identify several critical factors and show how firms have to manage them successfully for the entire alliance lifecycle. The development and management of alliance success factors increase the overall alliance success. However, this study is subject to limitations. First, the research is mainly based on theoretical assumptions; further researches should test its validity through an empirical analysis. Second, the research deals with the issues of alliance success factors at the level of a single alliance and not at the level of an alliance portfolio. Further research should shift the focus from a dyadic to a portfolio level, attempting to uncover the issues that emerge from the management of multiple simultaneous alliances with different partners. In fact, in order to respond to the increasing globalization of markets, firms often operate and compete through global networks. It should be interesting to investigate firms" challenges in managing a complex alliance portfolio. The study has some managerial implications about the decisions and actions to take during the alliance lifecycle. In fact, when a firm decides to enter or form a strategic alliance, it should take into account several critical aspects. During formation phase, as well as for the entire alliance lifecycle, firms have to look for and maintain a high degree of fit with their own partners together with the choice of the most suitable alliance governance form. Alliances often fail because inexperienced firms pay more attention on their own objectives, instead of conducting a detailed due diligence in partner selection. During operational phase, firms should focus on the development of

relational factors such as coordination, communication, trust and commitment, and conflicts resolution. A set of these factors represents the alliance social capital, which leads to high levels of cooperation, fosters information sharing, reduces relational risk and promotes open communication among partners, increasing the overall alliance success likelihood. Finally, during evaluation phase, alliance performance evaluation is required, through many points of view: economic, strategic, operational, learning, and relational. The combination of such aspects provides a comprehensive and integrated evaluation of the alliance relationship and gives guidelines for further developments. Finally, forming a strategic alliance requires a high effort to coordinate and integrate two or more independent firms, and the effort is even greater when they come from different national, cultural, political, managerial and economic backgrounds. It means that partners have to understand differences and being willing to find a compromise when differences lead to conflicts. In the context of global markets, differences could be very high and may hinder the process of building and managing the strategic relationship; if not properly handled may constitute cause of alliance failure.

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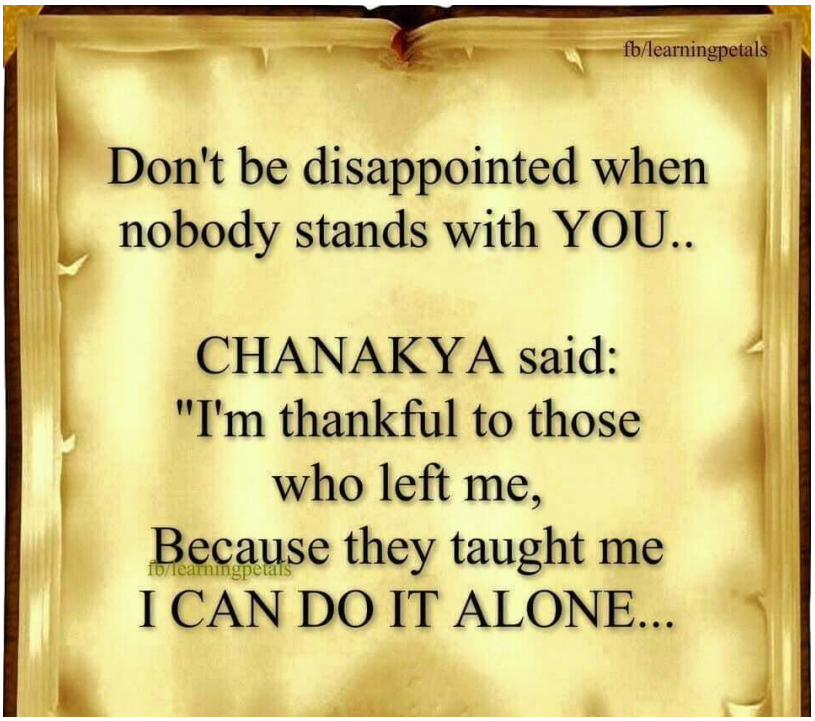

IMPROVING THE ECONOMIC MECHANISM OF INNOVATIVE DEVELOPMENT OF THE SERVICE SECTOR

Farhod Safarov[1]

Introduction.

Firstly, it is essential to recognize the significant contribution of the service sector to the global economy. According to the World Trade Organization (WTO), the service sector accounts for more than two-thirds of the global Gross Domestic Product (GDP) and is the largest sector in many economies, including the United States and Japan. In 2020, the service sector contributed about 63.2% to the GDP of the United States and 71.6% to Japan's GDP, as per the World Bank data.

Secondly, innovation is a key driver of economic growth in the service sector. Innovation in the service sector is essential for firms to differentiate themselves from their competitors, increase productivity, and enhance customer satisfaction. Moreover, innovation in the service sector can create new jobs and industries, leading to economic growth. According to the OECD, innovation in the service sector accounted for 70% of total innovation activity in OECD countries in 2019.

However, despite the critical role of the service sector in the global economy and the importance of innovation, there are still challenges in the economic mechanism of innovative development of the service sector. For example, according to the World Economic Forum, the service sector lags behind other sectors in innovation and productivity growth. Moreover, many service firms face difficulties in accessing financing and investing in innovation.

Therefore, studying and improving the economic mechanism of innovative development of the service sector is of utmost importance and relevance. It can help firms in the service sector to increase productivity, competitiveness, and growth while addressing the challenges they face in accessing financing and investing in innovation.

Furthermore, statistical data provides evidence of the importance and relevance of this study. For instance, a report by the OECD states that firms in the service sector that invest in innovation are more likely to experience productivity growth and increase their market share. Another report by the European Union finds that the service sector accounts for more than 70% of total investment in research and development (R&D) in the European Union, highlighting the importance of innovation in this sector.

In conclusion, improving the economic mechanism of innovative development of the service sector is crucial for enhancing productivity, competitiveness, and growth in the sector. Statistical data provides evidence of the importance and relevance of this study, highlighting the critical role of innovation in the service sector for the global economy.

Literature review.

There have been several scientific papers published on the topic of improving the economic mechanism of innovative development of the service sector. These studies have approached the problem from various perspectives. Antonelli, Barbiellini Amidei and Quatraro (2019) studied the relationship between innovation

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and productivity in the service sector, using data from European countries. The authors find that innovation positively affects productivity in the service sector, and they suggest that policies that promote innovation can have a positive impact on economic growth.Gallouj and Djellal (2010) provides a comprehensive review of the literature on innovation in the service sector. The authors examine different types of innovation in the service sector, including organizational, process, and product/service innovations. They also discuss the challenges and opportunities for innovation in the service sector, such as the importance of customer involvement in the innovation process. Álvarez González and Fernández Llera (2018) examines the financing of innovation in the service sector, using data from Spanish firms. The authors find that service firms face more difficulties in accessing financing for innovation than manufacturing firms. They suggest that policy interventions, such as providing tax incentives for R&D investment, can help to promote innovation in the service sector. Di Maria, Ganau and Mocci (2020) studies the relationship between innovation and internationalization in the service sector, using data from Italian firms. The authors find that innovative firms are more likely to engage in international activities, such as exporting and foreign direct investment. They suggest that policies that promote innovation can also encourage internationalization in the service sector. Popescu and Teodor (2020)conducted research on the relationship between innovation, growth, and human capital in the service sector, using data from European countries. The authors find that human capital is an important factor in promoting innovation and growth in the service sector. They suggest that policies that promote education and training can help to enhance human capital in the service sector.

These papers demonstrate that there are different perspectives and approaches to studying the problem of improving the economic mechanism of innovative development of the service sector. Some studies focus on the relationship between innovation and productivity, while others examine the financing of innovation or the role of human capital. However, they all highlight the importance of innovation for the service sector and the need to improve the economic mechanism to promote innovation and growth.

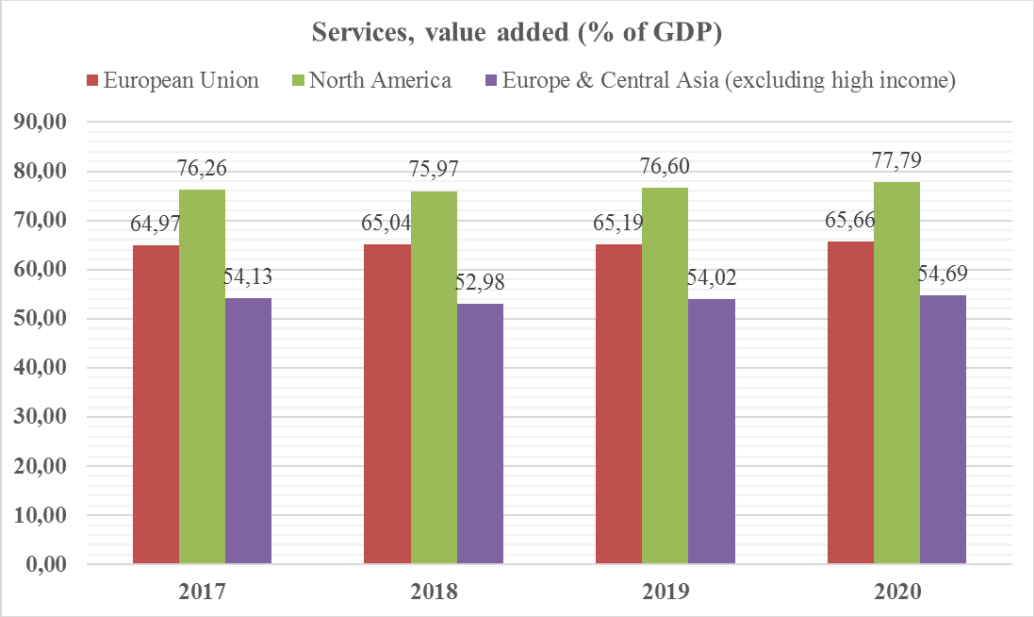
Results.

Historically, the service sector has been slower to adopt new technologies and innovations compared to other sectors, such as manufacturing. However, this trend has been changing in recent years, with the service sector increasingly adopting and developing new technologies and innovations to improve productivity, customer experience, and competitiveness.

Regional differences can also affect the service sector's innovative development. For example, in developed countries like the United States and Europe, the service sector is a significant contributor to GDP and employment. These countries have invested heavily in research and development, education, and training, which have helped to promote innovation in the service sector.

On the other hand, in developing countries like those in Asia, Africa and Central/South America, the service sector is relatively underdeveloped and lags behind other sectors. There are often limited resources available for research and development, and the education and training systems may not be adequately geared towards promoting innovation in the service sector.

In terms of periods, the COVID-19 pandemic has had a significant impact on the service sector's



innovative development. The pandemic has accelerated the adoption of digital technologies and innovations in the service sector as businesses had to adapt to new ways of delivering services and interacting with customers. This has led to the emergence of new business models and opportunities for innovation in the service sector.

Overall, analyzing data from different regions and periods can provide insights into the factors that promote or hinder the service sector's innovative development. Factors such as access to resources, education and training, regulatory environment, and technological advancement can all play a role in promoting innovation in the service sector.

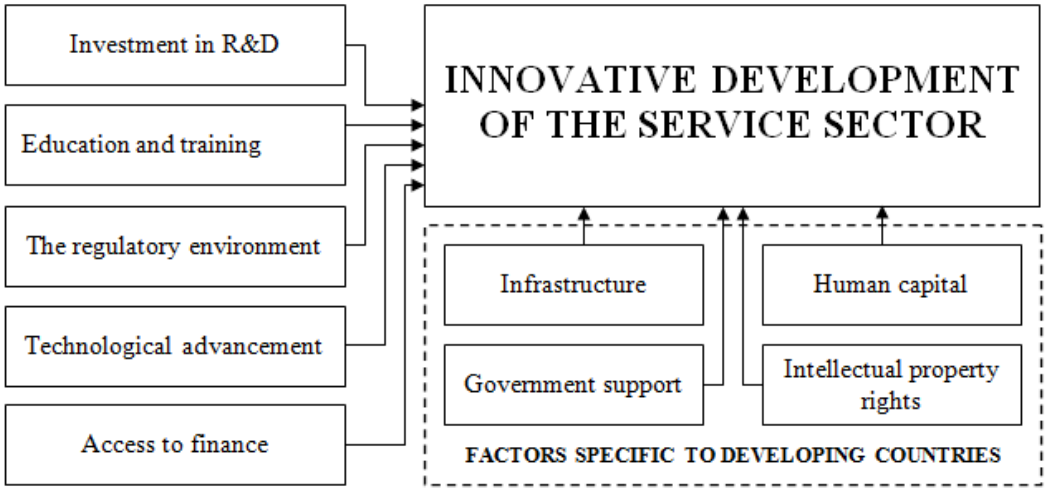
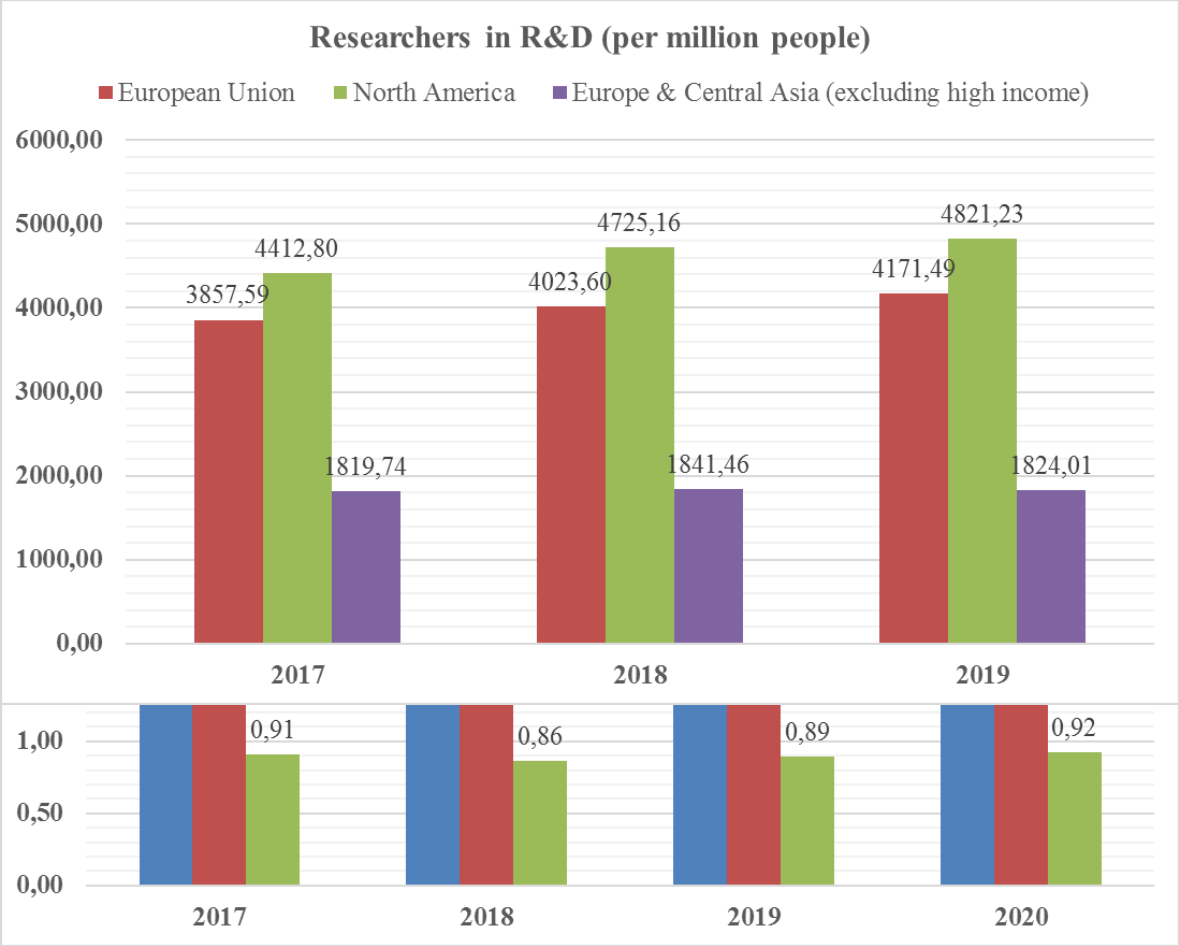


Figure 1. The main factors that can influence the innovative development of the service sector

Investment in R&D is a crucial factor in promoting innovation in the service sector. According to the OECD, the service sector accounts for more than two-thirds of R&D spending in most OECD countries. For example, in the US, R&D spending in the service sector increased from $70 billion in 2000 to $125 billion in 2018. Similarly, in the UK, R&D spending in the service sector increased from £8.7 billion in 2000 to £25.9 billion in 2018.



As the charts show, in North America and the European Union, R&D expenditures and the number of researchers tend to grow steadily. This is not the case in Europe and Central Asia, except in high-income countries.

Education and training can play a vital role in promoting innovation in the service sector. In developed economies, there is a strong emphasis on education and training, which helps to build a skilled workforce that can support innovation. For example, in the EU, around 38% of the working-age population has tertiary education. In developing economies, however, education and training are often limited, and the skills gap can hinder innovation in the service sector.

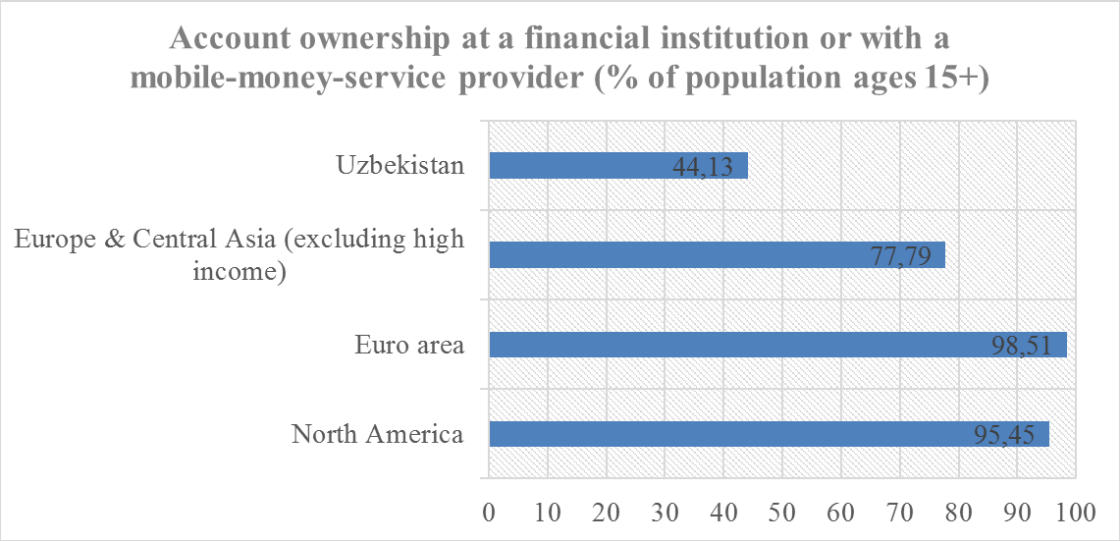
The regulatory environment can either promote or hinder innovation in the service sector. According to the World Bank's Ease of Doing Business Index, countries with a more business-friendly regulatory environment tend to have higher levels of innovation. For example, in 2020, the top five countries in the

Ease of Doing Business Index (New Zealand, Singapore, Hong Kong SAR, Denmark, and Korea) all ranked in the top 30 in the Global Innovation Index.

Technological advancement is a crucial factor in promoting innovation in the service sector. The adoption of new digital technologies, such as AI, IoT, and cloud computing, can help businesses to improve productivity and customer experience. According to a report by the McKinsey Global Institute, digitization could add $2.2 trillion to the GDP of the G20 countries by 2025.

Access to finance is a critical factor in promoting innovation in the service sector. Startups and small businesses often face challenges in accessing finance, which can hinder their ability to innovate. According to the World Bank, only around 34% of adults in developing economies have a bank account.

In addition to the above factors, for developing countries, some of the main factors that can influence the innovative development of the service sector include:



Infrastructure: Access to reliable infrastructure, such as electricity, internet connectivity, and transportation, is crucial for promoting innovation in the service sector.

Human capital: Education and training are essential for building a skilled workforce that can support innovation in the service sector. In developing countries, there is often a lack of access to quality education and training, which can hinder innovation.

Government support: Government policies and support can play a crucial role in promoting innovation in the service sector. Developing countries often lack the resources and infrastructure to support innovation, and government support can help to fill this gap.

Intellectual property rights: Intellectual property rights (IPR) can play a crucial role in promoting innovation in the service sector. Developing countries often lack strong IPR regimes, which can hinder innovation by reducing incentives for businesses to invest in R&D.

Based on the above and the experience of developed countries, we can offera number ofeconomic mechanisms that developing countries can implement to promote the innovative development of the service sector.

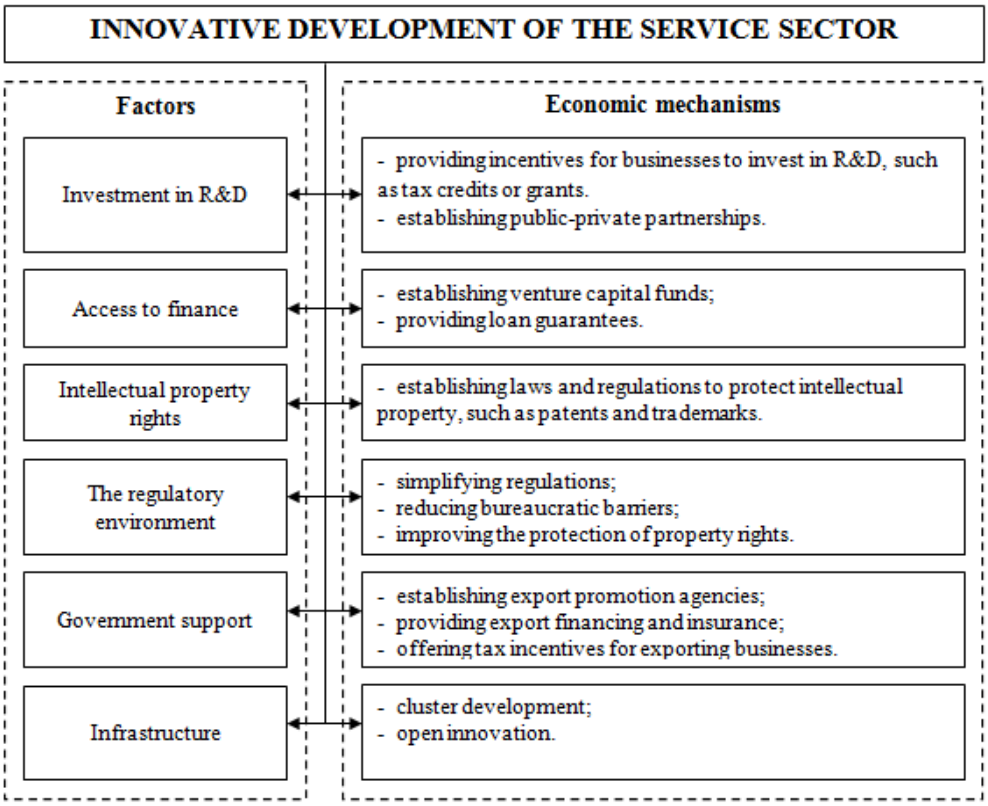


Figure 2. Economic mechanisms of innovative development of the service sector

As we have written before, investment in R&D is the most important factor in the development of the service sector.Developing countries can encourage investment in research and development to promote innovation in the service sector. Governments can provide incentives for businesses to invest in R&D, such as tax credits or grants. Also,these countries can establish public-private partnerships to promote innovation in the service sector. This can involve collaboration between government agencies, businesses, and universities to support R&D, technology transfer, and the commercialization of innovations. For example, in India, the government has established several public-private partnerships to promote innovation in the service sector, such as the Innovation in Science Pursuit for Inspired Research (INSPIRE) program.

An equally important factor is access to finance.It is very important topromote access to finance for startups and small businesses to support innovation in the service sector. Governments can establish venture capital funds or provide loan guarantees to encourage private sector investment in innovation. For example, in Nigeria, the government has launched several initiatives to support access to finance for startups and small businesses, such as the Bank of Industry's Youth Entrepreneurship Support (YES) program.

Intellectual property rights are an important element in the system of economic development. Strengthening ofthe intellectual property rights regimes helps to promote innovation in the service sector. This can involve establishing laws and regulations to protect intellectual property, such as patents and

trademarks. For example, in Brazil, the government has established several initiatives to support intellectual property rights, such as the Brazilian Patent and Trademark Office (INPI).

Regulatory reform can be undertaken to create a more conducive environment for innovation in the service sector. This can involve simplifying regulations, reducing bureaucratic barriers, and improving the protection of property rights. For example, in Georgia, the government has implemented several reforms to improve the business environment, including simplifying procedures for business registration and reducing the number of permits and licenses required to start a business.

In order to achieve significant foreign trade results that show stability and self-sufficiency of the economy, it is necessary to stimulate an export-oriented policy. Countries with a high share of imports can adopt export-oriented policies to encourage businesses in the service sector to develop innovative services for export markets. This can involve establishing export promotion agencies, providing export financing and insurance, and offering tax incentives for exporting businesses. For example, in Colombia, the government has established several initiatives to promote the export of services, such as the ProColombia agency.

Cluster development contributes to improving the efficiency of the use of infrastructure in the service sector. Developing countries can promote cluster development to foster collaboration and knowledge-sharing among businesses and research institutions in specific industries or regions. Clusters can help to create a critical mass of expertise, infrastructure, and resources that can support innovation and growth in the service sector. For example, in Malaysia, the government has established several industry clusters to promote innovation and competitiveness, such as the Malaysia International Islamic Financial Centre (MIFC) cluster. Open innovation is also a systemic mechanism indeveloping service sector. Governments can encourage open innovation by fostering collaboration between businesses, research institutions, and customers. Open innovation can help to reduce the costs and risks of innovation by enabling businesses to tap into a broader range of expertise and resources. For example, in South Africa, the government has established several innovation hubs to promote open innovation and collaboration among businesses and research institutions.

The implementation of these economic mechanisms can have several benefits for the innovative development of the service sector in developing countries. These include:

1. Increased productivity and competitiveness. Investment in R&D and innovation can help businesses to improve productivity and competitiveness, which can contribute to economic growth.
2. Job creation. The growth of the service sector can lead to the creation of new jobs, particularly in knowledge-intensive industries.
3. Improved quality of services. Innovation in the service sector can lead to the development of new and improved services, which can benefit consumers.
4. Increased exports. The development of innovative services can increase exports, which can contribute to economic growth and diversification.
5. Increased innovation and competitiveness. The adoption of these mechanisms can help businesses in the service sector to become more innovative and competitive, which can contribute to economic growth.

6. Improved access to markets. Export-oriented policies and open innovation can help businesses to access new markets and customers, which can contribute to increased revenues and profitability.
7. Improved business environment: Regulatory reform and cluster development can create a more conducive environment for business innovation, which can lead to increased investment and growth in the service sector.
8. Enhanced collaboration and knowledge-sharing. Cluster development and open innovation can foster collaboration and knowledge-sharing among businesses, research institutions, and customers, which can lead to the development of new and innovative services.

Conclusions.

Based on the analysis of the scientific papers and statistical data, as well as the experience of developed and developing countries, several conclusions can be drawn regarding the innovative development of the service sector.

Innovation in the service sector is becoming increasingly important for economic growth and competitiveness, both in developed and developing countries.Developing countries face unique challenges when it comes to promoting innovation in the service sector, such as a lack of infrastructure, human capital, and access to finance.To promote innovation in the service sector, developing countries can implement economic mechanisms such as investment in R&D, public-private partnerships, access to finance, and strengthening of intellectual property rights.The implementation of these economic mechanisms can lead to several benefits, including increased productivity, job creation, improved quality of services, and increased exports.However, there is a need for further research on the specific challenges and opportunities for promoting innovation in the service sector in developing countries, as well as the effectiveness of different economic mechanisms in achieving these goals.Overall, the innovative development of the service sector is a complex issue that requires a multi-faceted approach involving government policies, private sector investment, and collaboration between various stakeholders. By promoting innovation in the service sector, countries can achieve sustainable economic growth and improve the well-being of their citizens.

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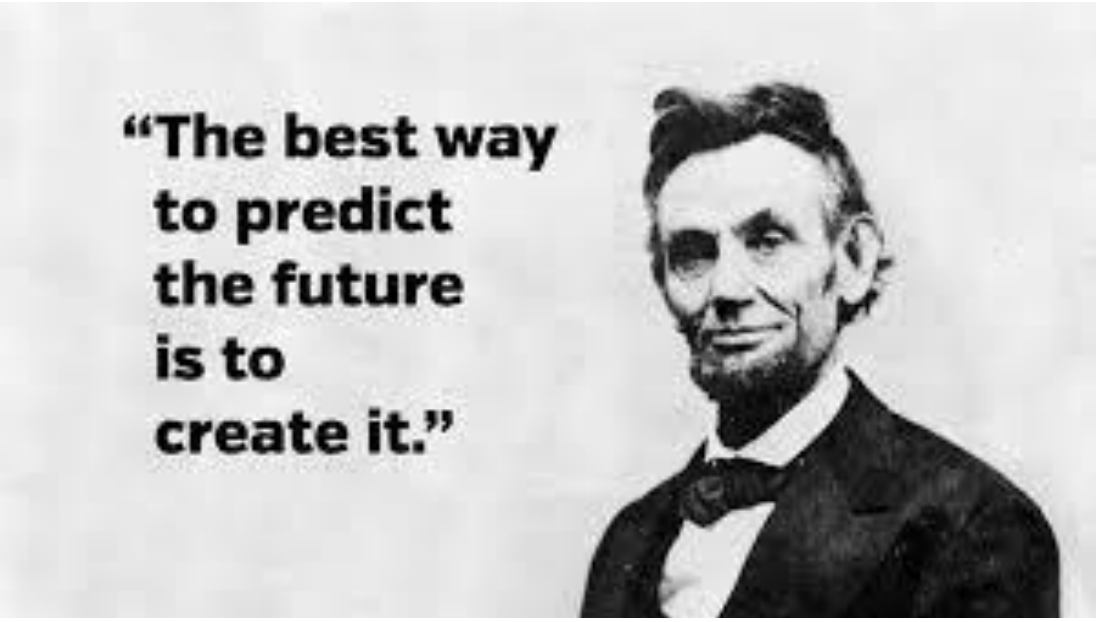

THE ISSUES OF ENSURING AUDITOR INDEPENDENCE BASED ON INTERNATIONAL AUDIT STANDARDS

Muydinov Erkin Djamaldinovich[1]

ABSTRACT

In accordance with the international standards of the audit, suggestions and conclusions were given on the auditor's independent activity, ensuring that all the work performed by him is in accordance with the standards accepted in international practice, and giving correct and accurate conclusions in the reports compiled on the results of the audit. This article highlighted the importance of the principle of "independence" that should be taken into account when deciding whether to accept a new audit client or continue a relationship with an existing company.

Keywords: *Auditor's Independence, Objectivity, Auditor's Honesty, Rules of Professional Conduct, Factors Negatively Affecting the Auditor's Independence.*

Introduction

According to the international standards of auditing, the auditor must comply with ethical and independence requirements related to the verification of financial statements [1].

The principles of independence, objectivity and honesty are not only the norm or standard of auditing, but the rule of professional conduct is the pillar that forms its philosophical structure.

Auditor independence:

a) Independence of thinking, that is, the ability of the auditor to express an objective opinion regardless of the presence of factors that may negatively affect his activity;

b) Independence of behaviour, that is, during the auditor's activity, he should organize his work and perform such actions that even a third party, who is the best specialist in this field, cannot object to his honesty, impartiality and professional skills after studying his working documents. is manifested in the ability to provide.

Literature revive

The issue of auditor's independence has been a cause of controversy between government agencies, theoreticians and experts working in practice since the emergence of this field of activity. In the opinion of the American scientist, Professor Dj. Robertson, who is considered a major expert in audit theory and practice:

1) even if the management of the company has initiated or is threatening to initiate legal proceedings against the auditor referring to deficiencies in his audit or professional services, or

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2) the auditor's independence should be considered violated even if the auditor accuses the management of the client company of fraud or deception and initiates legal proceedings against him or threatens to initiate them [2].

The English scientist Professor R. Dodge said that in England when the auditor is connected with the management of the client company or its employees by thick friendship, family ties and marital relations; the auditor's independence is also violated when his salary from one client is more than 15% of his total income [3].

In Germany, this level is set at 25% [4].

According to the articles of Section 101 entitled "Independence" of the "Code of Professional Conduct" developed by the American Institute of Certified Public Accountants (American Institute of Certified Public Accountants) and currently in force, if the auditor has given a financial loan to the client company or received a loan from it if so, his independence is violated. In addition, these professional rules require the auditor to avoid the following situations, which are classified as factors undermining his independence:

- Becoming a member of the board of trustees with the client owning more than 10% of the company's capital or undertaking to own it;
- Ownership of more than 5% of the capital of the client company by the auditor's family members and his close relatives [5].

From the information given above, it is clear that the independence of the auditor is a condition for the legal justification of his activity. If the auditor is not independent, all the work performed by him is considered not to be in accordance with the standards accepted in international practice, and this auditor should be excluded from giving a conclusion to the report drawn up on the results of the inspection. If the audit organization appoints him to conduct an audit while being aware of circumstances that may undermine the auditor's independence and allows him to comment on the report based on the audit results, he should expect negative legal situations that will cause serious financial losses in the future. Such unpleasant situations are often encountered in the world of audit practice. In this regard, the latest information published in the press is related to the activities of the Canadian branch of Deloitte, a real estate auditing company. The essence of the situation is that the US Board of Supervisors of companies traded on the stock market found Deloitte Canada to have violated the principle of independence by conducting an audit of the activities of a South African mining company, which was audited by the consulting company Deloitte Canada. in value, i.e. fined in the amount of 350 thousand US dollars [6-10].

Methodology

In the process of preparing the article, the methodology of determining the independence of the auditor in the existing relationship between the auditor and the client of audit organizations with many years of practical work experience in the market of audit services and operating based on international audit standards was studied, and test questions on the practical application of this principle were developed on the basis of this.

Analysis and Results

Auditor independence is an audit principle that implies that the auditor does not have financial, proprietary, related or other interests in the results of the work in forming his opinion on the reliability of the

audited economic entity's financial statements. At the same time, the auditor's independence is reflected in the fact that he is not a full-time employee of a state agency, he does not work on the orders of law enforcement agencies and under their instructions and control.

The importance of this principle is that no matter how qualified and experienced the auditor is, if he cannot prove his independence, his opinion on the financial statements will have no value for the client and third parties. There are many factors that have a negative impact on the auditor's independence, and it is difficult to list them all. However, by studying the textbooks, practical manuals, laws, other regulatory documents, the press and modern electronic networks that cover the theory and practice of international auditing, we considered it appropriate to inform the reader of the following important situations that cause the auditor's independence to be violated. According to international auditing practice, if the auditor

- Received direct or significant indirect financial income from the audited company or agreed to receive it;
- If he is a director, commander or spender of any property of the company, as a result of which he can receive a direct or large amount of indirect financial income from the company;
- The company, together with its management and major enterprises, has an investment or is integrally connected with the investigation of the investments made in the company, and its net income or income is dependent on it;
- Is associated with the company as a founder, assignor or trustee, and has received the right to vote and has thus become in fact one of the directors or an employee of the company.
- If the company is deemed to be a distributor of a pension or employee profit-sharing fund.
- If during the appointed period of the audit, the client, formally or informally, outside the audit organization where he works, has restored, maintained and/or prepared the financial statements of the company.
- If the auditor has put his real estate as collateral for the loan taken by the client enterprise or the client enterprise has given a letter of guarantee for the loan taken by the auditor.
- If the auditor was intimidated or pressured by the responsible employees of the client enterprise or the persons hired by them in order to obtain a positive conclusion.
- If the management of the auditing organization forces the auditor to give a positive conclusion contrary to the results of the audit in order not to lose a large client, it is considered to have undermined his independence.

In order to prevent such unpleasantness, and financial and image losses, the audit organization shall, in accordance with international auditing standards and ethical requirements, cover its employees, as well as, if necessary, other persons (including experts engaged by the employees of the audit organization), in which independence should develop policies and measures to ensure compliance with the requirements. In this case, first of all, before the person responsible for quality control of the audit organization enters into an initial relationship with a new client or agrees to continue a previously established relationship with a permanent one, In order to comply with the main principles of international audit standards on client acceptance, it is necessary to conduct a test to determine the independence of the auditor and the client. In this case, the level of independence of the auditor is determined on the basis of the relationship between the

auditor and the client, the client and the auditor, and the audit organization and the auditor and vice versa, the factors that threaten his independence are studied and evaluated.

Below, for this purpose, the form and content of the test, prepared with a critical study of the internal standards used in the auditing organizations operating as a model from the international audit practice, is presented (Table 1).

Table 1.Questionnaire. QUESTIONNAIRE ON CONFIRMING THE INDEPENDENCE OF AUDITING GROUP MEMBERS OF "XYZ" LLC AUDITING ORGANIZATION

Customer:	"Sharq" Joint Stock Company				
Customer reference letter	10.03.2023 No. 03/23	Executor:	Mahsudov A.A	Created:	15.03.2023
Audit period	01.01.2022 - 31.12.2022	Examiner:	Mansurov B.B	Checked:	15.03.2023

Full name of the audit team member*: Mahsudov A.A

tr No	**QUESTION**	**Answer**		**Explanation**
		Yes	No	
1	Were you an employee of the applied enterprise during the period when the audit is expected to be conducted?			
2	Did any of your family members (parents, spouse, brothers, sisters, or spouse's parents) work at this company during this period or are they currently working?			
3	Have you or any of your family members (parents, spouse, siblings, or spouse's parents) previously been a partner in the founders of the business you applied for?			
4	Are you currently working on a business project in partnership with the applied company, or do you have such a plan in the near future?			
5	Did you have formal or informal contractual relations outside of the auditing organization regarding accounting, preparation of financial and/or tax reports, and participation in management with the applied enterprise during the period when the audit is expected to be conducted?			
6	Are you considered a major shareholder (property owner), participant or trusted representative of the company you			

	applied for?			
7	Have you ever borrowed or lent large amounts of money from the applicant company or its executives with outstanding balances?			
8	Are you a guarantor for the debt received by the applicant company or its leader, with the balance still available, or is the company or its leader a guarantor for the debt received by you?			
9	Have you received gifts of significant value or other types of recognition from the officials of the company to which you applied?			
10	Has the management of the auditing organization of the applicant company initiated or is threatening to initiate legal proceedings against you without your knowledge, referring to the shortcomings of your previous audit or similar service activities?			
11	Without the knowledge of the management of the audit organization, have you started or are you threatening to start a legal process accusing the management of the company of fraud or deception?			
12	Before the start of the audit, have you noticed any pressure on you or your family members by the company officials or the person(s) they hired or the management of the audit organization?			
13	Are there any other circumstances between you and the applicant company that could cause a conflict of interest not taken into account in the test?			
14	Do you confirm compliance with the requirements of honesty, impartiality and professional conduct standards for the auditor?			

** filled in separately by each auditor*

Auditor: _____ Mahsudov A.A.

(Signature)

Date: March 15, 2023.

Introduced:

Person responsible for quality control: _____ Mansurov B.B.

(Signature)

Date: March 15, 2023.

Many years of experience in our audit practice show that factors that threaten the auditor's independence may arise during the audit process or at its conclusion. In such cases, the auditor conducting the inspection should immediately contact the head of the audit organization in writing. The head of the audit organization must assess the situation himself or with the help of an experienced specialist, or if the situation is serious, with the help of a lawyer (experts) and take the actions provided for by the law. After the situation has been thoroughly investigated with the help of experts, the client will be discussed with the management of the enterprise.

If the parties do not agree during the discussion, the audit organization applies one of the measures up to the shareholders (owners) of the client enterprise, giving a negative audit opinion on its financial report or refusing to give an opinion.

Conclusion

In conclusion, it can be said that the main goal of auditor independence is to ensure objectivity, which is one of the important ethical principles in the process of conducting audits or rendering professional services. Because the auditor's opinion is valuable only if it is based on independence, objectivity and honesty.

Therefore, during their activities, audit organizations must strictly observe the principle of "independence" classified as one of the pillars of audit activity in the "International Standards of Audit" and the "Rules of Conduct of the Auditor". I hope that the test questions recommended by the author, who has 25 years of practical experience in the field of auditing, will help them.

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ORGANIZATIONAL AND PRACTICAL ASPECTS OF THE INTERNAL AUDIT SERVICE OF HIGHER EDUCATION INSTITUTIONS

KhojaevAzizkhonSaidalokhonovich[1]

ABSTRACT

This article describes the organization of the internal audit service of higher education institutions, and the areas of activity to be implemented. Also, the organization of internal audit and financial control services in higher education institutions, control of facilities, and their procedures are described in detail. Ways to improve the organization of internal audit and financial control services in state higher education institutions were researched. In the research work, the areas of activity of the internal audit and financial control service of the state higher education institutions, and the inspection objects are described in detail. Also, the control objects that need to be given importance by the chief auditors are described.

Keywords:*higher education institution, state budget funds, extra-budgetary funds, income and expenditure estimates, control, internal audit, financial control, state financial control, public financial control, internal audit and financial control service.*

1. Introduction

Today, the state budget allocated to state higher education institutions is on average 25-30 percent. The remaining parts are financed by extra-budgetary funds [1]. From this point of view, financial control operations are carried out to determine the effective use of funds from the state budget and extra-budgetary funds, and ways to eliminate identified deficiencies are found. In higher education institutions, these works are carried out by the internal control department along with the external control bodies.

Today, we cannot imagine our work without modern information technologies. These modern technologies, in turn, gave special impetus to the development of internal control of higher education institutions. Chief auditors not only study the legal compliance of financial control and audit work, but also reduce the cost of accounting, and systematic study through them leads to an increase in management efficiency. In these cases, modern information technologies are increasingly influencing the development of internal control.

According to the Decree No. PF-6300 of the President of the Republic of Uzbekistan dated August 27, 2021 "On measures to further improve the state financial control system", internal control work in state institutions is regulated, and now the main issues are researching the organizational and practical aspects of the internal audit service of higher education institutions, it consists in increasing the efficiency of the work of chief auditors, reducing financial errors and shortcomings based on the organization of systematic control of control objects [2]. This determines the relevance of the topic chosen for research.

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2. Literature Revive

Several foreign and local scientists have conducted scientific research on the theoretical, scientific-methodical and practical issues of organizing internal audits in higher education institutions.

The research of foreign scholars ZamzulailaZakaria, Susela Devi Selvaraj, and ZarinaZakaria stated that the functions of internal audit in higher education institutions in Malaysia, organization, collection and presentation of evidence, as well as the need to form a correct perception of the role and scope of internal audit by the management of higher education institutions [3].

Steven De Simone and Kevin Rich's research examines the determinants of the presence and use of internal audit functions in US colleges and universities, as well as their relationship to financial reporting quality outcomes [4].

Russian economist Sh.E.Amirkhanov's scientific research covered the issues of internal financial control organization in budgetary organizations, in particular, in professional educational organizations [5].

Economist O.V. Zhuravleva's scientific works describe the procedures for organizing and conducting internal financial control in higher professional educational institutions [6].

In the works of economists A.K.Ibragimovand B.B.Sugirbaev, theoretical and practical issues of budget control and audit organization were studied [7].

In the scientific works of the economist S.U. Mehmanov, the issues of improving the internal audit methodology in budget organizations were studied [8].

In the research works of the economist Sh.V.Ganiev, the issues of improving the organization of financial control in budget organizations are described in the example of the educational system [9].

In the academic works of the economist Z.U.Khamidova, the issues of organizing the activities of internal audit and financial control services in budget organizations in higher education institutions are described [10].

In the above scientific research works, as well as in the adopted codes, regulations and orders, the issues of internal audit and financial control organization in budget organizations are covered [10, 11, 12]. However, in these studies, the lack of necessary research for the effective organization of internal audit and financial control of higher education institutions has led to the study of this topic as a research object.

3. Methodology

In the course of the research, methods such as systematic approach, comparative analysis, grouping, comparison, and economic analysis were widely used to clarify the theoretical-methodological and practical aspects of the research work. The article examines the issues of improving the methodological basis of the organization of internal audits and financial control of extra-budgetary funds of state higher education institutions.

4. Results and Discussion

Continuous internal audit in the activities of higher education institutions allows the university management to effectively organize the following activities:

- Quick control of the integrity and reliability of the accounting data of the higher education institution, prevention of financial errors, fraud, UzASBO[1]timely detection of deficiencies based on data processing in the program;
- To better monitor and analyze the relevant data on the critical control objects of the higher education institution
- Helps to quickly identify financial errors, fraud, and irregularities in the economic activities of the higher educational institution under investigation and inform the management to take timely measures and eliminate identified deficiencies and violations.

Today, internal audit and financial control - an important form of state financial control - is emerging as a completely new promising direction in determining the future performance of a quality educational institution and increasing the effectiveness of external control work.

Thus, internal audit and financial control is an important management function performed by the management entity of the managed entity based on the rights, obligations and practical actions of authorized persons to verify its activities following the decisions taken to comply with the law.

Internal audit and financial control cover all stages of the higher education institution's educational process, scientific research and innovation activities, and financial and economic and international cooperation activities. In this case, control work is organized following the work plan of the internal auditor in each direction, and the educational process, scientific research and innovation activities, educational services implementation processes, entrepreneurial activities related to finding extra-budgetary funds, and the ongoing work in the direction of international cooperation should also be the object of inspection.

Internal audit and financial control cover all areas of higher education management. First of all, special attention is paid to issues related to the flow of state budget funds and the evaluation of the effectiveness of the use of state property from internal audit and financial control. Also, today, all state, self-financing, and higher education institutions that have achieved financial independence provide for the correct formation of income and expenses of extra-budgetary funds and study whether they are carried out based on current norms.

Internal audit and financial control are aimed at ensuring compliance with financial legislation and financial discipline in the process of formation and use of funds at the macro and micro level in order to ensure the appropriateness and efficiency of the financial operations of the higher education institution.

To describe the control system, the distribution of internal audit and financial control links of the higher education institution is of particular importance. Internal audit and financial control are primarily carried out by audit commissions and internal audit and financial control services of the university. Internal audit and financial control allow for quickly identifying, preventing and limiting financial and operational risks in the activity of the higher education institution, as well as possible abuses by officials. Properly organized internal audit and financial control reduces the costs of the organization and helps to manage its resources effectively. Internal audit and financial control can be achieved by solving the following tasks:

[1]"UzASBO" is a software package developed by budgetary organizations for keeping organizational records in a single system.

- Ensuring timely completion of income and expenditure estimates;
- Establishing effective internal audit and financial control procedures and their systematic implementation
- Guaranteeing an effective and transparent management system of the university, including preventing and putting an end to abuses by the leaders;
- Prevention and assessment of operational risks in financial business activities
- To ensure the reliability of financial information provided to management (guardianship) and scientific councils.

If we look at world practice based on research, the following three types of state financial control have been developed:

- Compliance control, i.e. assessment of the compliance of the activities of the state financial control facility with the requirements of current legislation;
- Control of financial reporting, i.e. assessment of reliability, reasonableness and timeliness of financial reporting;
- Performance control. In this case, the funds of the republican or local budgets, state assets, guaranteed state loans, and proceeds from the sale of goods are evaluated as an object of state financial control.

Implementation of internal audit and financial control in higher education institutions, as well as deviations from income and expenditure estimates, as well as detection of violations of the principles of legality, efficiency and economy of spending available material resources at the earliest possible stage. This makes it possible to take measures to correct financial mistakes and shortcomings, hold the guilty parties accountable, collect damages, and take measures aimed at preventing such offences in the future.

The internal audit and financial control system of higher education institutions should include:

1) Management and financial control work carried out by all departments of the higher education institution;
2) Specialized divisions of internal audit and financial control independent of accounting and financial services.

The most important condition for the implementation of internal audit and financial control is accounting, financial data in statistical and quick reports, as well as summarized financial indicators reflecting various aspects of the economic activity of the higher educational institution.

Five main goals of internal audit and financial control in a higher education institution are defined:

1. Ensure reliability and completeness of information;
2. Ensuring compliance with established plans, procedures, and legal documents;
3. Ensuring the preservation of existing material and technical assets of higher education institutions;
4. Ensure economical, efficient and targeted use of assets, resources and funds;

5. Practical assistance in achieving goals and objectives by the structural units of the higher education institution.

In our opinion, the internal audit and financial control system of a higher education institution should consist of the following elements:

- Control subject (who controls);
- The object of control (who controls);
- Control subject (controlled objects);
- Control principles;
- Control technique and technology;
- Control process; collection and processing of initial data for control;
- Control result and costs of its implementation;
- Making appropriate financial decisions based on control results.

Each of the main tasks of higher education institution management is inextricably linked with a certain stage of control activities.

1. Planning - collection and processing of information, development of management decisions.
2. Organization and regulation of the implementation of management decisions.
3. Accounting is the collection, measurement, recording and processing of information related to the implementation of management decisions.
4. Analysis - dividing the data obtained at the accounting stage into separate components; studying and evaluating them in order to make optimal management decisions.

To implement effective management in a higher education institution, it is necessary to highlight the priorities of internal audit and financial control:

- Comply with legal requirements,
- Control over the correct and complete formalization of documents of economic activity of the higher educational institution;
- Control of timely preparation of reliable financial reports, prevention of financial errors and omissions;
- To fulfil the orders, decisions and existing regulations of the university management;
- Control over the preservation of the property of the higher education institution;
- Controlling the volume of sales of paid educational services, controlling the price of services and controlling financial results (profit);
- Timely determination of income and expenses of higher education institutions based on the results of business activities found outside the budget;
- Control over the targeted spending of the state budget and extrabudgetary funds (Fig. 1).

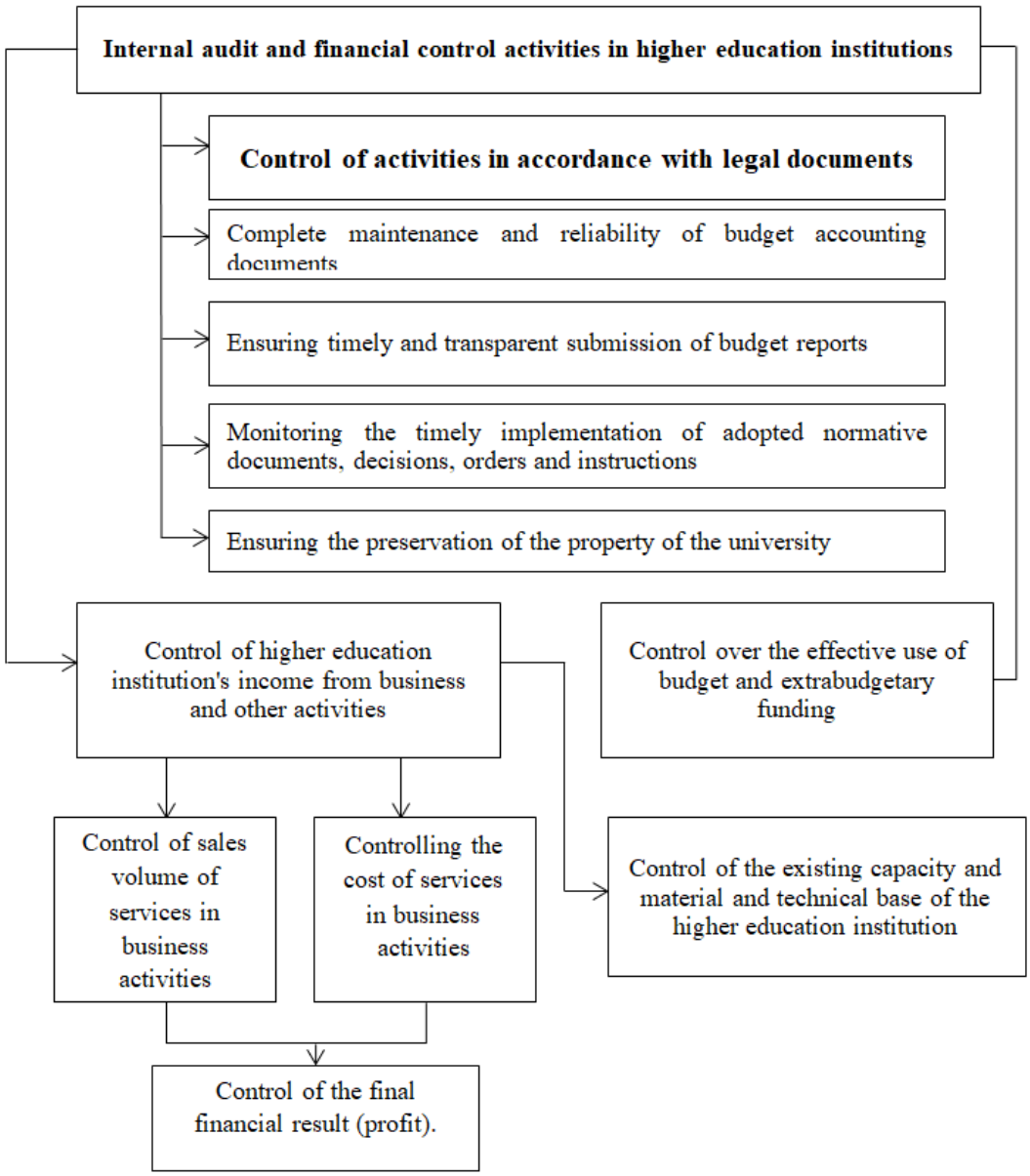

Figure 1. Priorities in the internal audit and financial control system of the higher education institution

Studies in the activities of internal audit and financial control in the activities of higher education institutions are mainly:

- Compliance with legal requirements;
- Accuracy and completeness of budget accounting documents;
- Timely preparation and submission of reliable and transparent reports;
- Monitoring the execution of orders, decisions and regulations;
- Ensuring the preservation of the property of the higher education institution;

- Control of income and expenses in business and other income activities;
- Control the cost of paid educational services.
- Monitoring the state of the existing material and technical base of the higher education institution and its effective use;
- Includes monitoring the final financial results of the higher education institution.

The systematic approach to the organization of internal audit and financial control in state higher education institutions includes the following steps:

1) development of internal audit and financial control tools in a public higher education institution (that is, determining the main features of internal audit and financial control);
2) defining the main elements of internal audit and financial control in a higher education institution;
3) setting the goals and main tasks of the internal financial control activities in the higher education institution;
4) development of the concept of effectiveness of internal audit and financial control in a higher education institution;
5) determining the principles of the effectiveness of internal audit and financial control in a higher education institution and the basic requirements for its organization;
6) is an expression of defining the main stages of organization of internal audit and financial control in a higher education institution.

The operating conditions of the internal audit and financial control implementation mechanism reflect the internal audit and financial control environment and are defined as follows:

1. The management strategy and work style of the heads of the state higher education institution (leaders' attitude to financial, commercial and risks within the university; their adequate understanding of the role of internal audit and financial control), the organization and improvement of the internal audit and financial control system in the management of the higher education institution actions;
2. The organizational situation of the internal audit and financial control service in the higher education institution, that is, the place and importance of this important centre of responsibility in the organizational structure;
3. Goals, tasks and main strategies of the course of action adopted by the higher education institution (its guidelines, work plans, etc.);
4. The scope of work in the higher education institution of the organizational structure and the compatibility of its level of complexity;
5. Defining and documenting the powers and obligations of structural employees;
6. To study the financial errors and deficiencies identified as a result of control by the head of the higher education institution, to make appropriate decisions on them in a timely manner;
7. Providing management with transparent and reliable information;
8. Types of activities of the higher education institution and their scope;

9. Regulation of relations between divisions, employees of the higher education institution, existence of established procedures and their execution;
10. Establishing financial control procedures of the higher education institution and documenting them in a timely manner;
11. Methods of communicating rules to employees;
12. Proper organization of the processes of budgeting, planning of activities, and preparation of financial information for external and internal users;
13. Systematic personnel management mechanisms;
14. Work motivation, professional training, intellectual level, personal qualities, moral principles, as well as physical, mental, gender and age characteristics of the employees of the higher education institution;
15. Its size and compliance with established procedures of the documentation and record-keeping system at the higher education institution;
16. External influences - level of economic development, the economic stability of the market, tax policy, etc.;
17. The level of compliance with the current legislation and cooperation with external control bodies;
18. Such as risk prevention and adequate assessment of operational risks.

5. Conclusion

The following conclusions were made based on the research conducted on the organizational and practical aspects of the internal audit service of higher education institutions:

1. The strengthening of control activities in regulating the activities of state higher education institutions is the reason for carrying out certain checks on the efficiency of management in them. In recent years, the organization of internal audit and financial control works in higher education institutions across the country, the effective internal audit service in the activities of higher education institutions so that the members of the Board of Directors (or Trustees) and the university councils have transparent information about the risks occurring in their institutions and think about them. organization and processes related to the real state of financial objects make perfect knowledge a necessity.

2. The main goal of internal audit and financial control is to carry out comprehensive and systematic control work on the activity of all structural divisions of the higher education institution, to increase its efficiency, to ensure the preservation of material resources, to ensure the effective use of financial resources, and to prevent financial errors and shortcomings.

3. Internal audit and financial control department - provides opportunities to reduce risks and effectively manage them by organizing continuous monitoring and verification to assess the reasonableness and effectiveness of management decisions, identify deviations from estimates and dangerous situations, and inform the management in time to make decisions. In other words, the internal audit and financial control department is a form of feedback that provides transparent information about the real situation of managed objects of financial and economic activity to the governing body of a higher education institution and provides necessary information on the implementation of management decisions.

4. Based on the study of the higher education institutionwhile the internal auditors paid special attention to the implementation of the state budget funds based on estimates, now there is a need to separately control the non-budgetary funds of educational institutions. Because the financing of higher education institutions from the state budget is an average of 25-30 percent per year, and the rest is financed from funds found outside the budget. At the same time, it is expedient to monitor new directions of extra-budget funds for higher education institutions in the prescribed manner.

This ultimately ensures systematic control of the internal audit and financial control service of higher education institutions based on the effective organization of organizational and practical aspects.

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SELF-SERVICE TECHNOLOGY AND IT'S IMPACT ON PERCEIVED SERVICE QUALITY AND CUSTOMER SATISFACTION.

Ramavtar Singh Tomar[1], Dr. Rajeev Baijal[2]

ABSTRACT

A bank is a monetary establishment that gives banking and other monetary administrations to its clients. By and large a bank is an organization which gives basic financial administrations like tolerating stores and giving credits. Banks are the fundamental members of the monetary framework in India. Every one of the banks defend the cash and resources and give advances, credit, and installment administrations, for example, financial records, cash requests, and clerk's check. The banks likewise offer venture and protection items.

The concept of 'Service' has got transformed into a new delightful function of Self- service technology (SST).Self-service technologies are speeding at a faster rate all over the world and many organizations have started to add self-service technology to their service delivery system e.g. commerce, banks, educational institutes, tourism, health care etc. Consumers are enabled by virtue of Self-service technologies to produce their own service encounters via machine interaction rather than interacting with firm's service personnel. Service providers using Self- service Technologies as a part of their strategy wish to gain enhanced acceptance and usage of these technologies by potential consumers.

Subjects: *Relationship Marketing; Retail Marketing; Services Marketing*

Keywords*: Service Quality; Self - Service Technology; Customer Satisfaction; Perceived Service Quality*

INTRODUCTION

HISTORY OF INDIAN FINANCIAL FRAMEWORK

The first bank in Quite a while, called The General Bank of India was laid out in the year 1786. The East India Organization laid out The Bank of Bengal/Calcutta (1809), Bank of Bombay (1840) and Bank of Madras (1843). The following bank was the Bank of Hindustan which was laid out in 1870. These three individual units (Bank of Calcutta, Bank of Bombay, and Bank of Madras) were called Administration Banks. Allahabad Bank which was laid out in 1865 was interestingly totally run by Indians. Punjab Public Bank Ltd. was set up in 1894 with central command at Lahore. Somewhere in the range of 1906 and 1913, Bank of India, National Bank of India, Bank of Baroda, Canara Bank, Indian Endlessly bank of Mysore were set up. In 1921, all administration banks were amalgamated to 22 structures the Magnificent Bank of India which was controlled by European Investors. After that the Save Bank of India was laid out in April 1935.

Self Service Technology

Service quality conceptualization incorporates procedure related to service delivery (Parasuraman et al., 1985) and service outcome (Lehtinen & Lehtinen, 1991). The discussion related to service quality dimensions and its measurement was emerging phenomena in past decades (Jain & Gupta, 2004; Lehtinen & Lehtinen, 1991). A number of researches have been perused in order to inspect the paradigm of

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service quality (Cronin, Brady, & Hult, 2000; Cronin & Taylor, 1992; Parasuraman et al., 1985).Parasuraman et al. (1988) conceptualized service quality as a five dimensions construct in term of its concept and structure. These dimensions include (1) Reliability, (2) Responsiveness, (3) Assurance,(4) Empathy, and (5) Tangibility.

Moreover, to determine service quality, a scale named as "SERVQUAL" was introduced regarding face-to-face environment of service process. A three-dimensional model of service quality was presented by Grönroos (1984) named "technical quality, functional quality, and corporate image". Similarly, another model was offered by Lehtinen and Lehtinen (1991) with three dimensions named as (1) Physical Quality, (2) Interactive Quality, and (3) Corporate Quality. According to them, physical quality is related to physical products that are included in service production process in term of ser- vice delivery as well as service consumption. So, in the customary service circumstances, measurements of service quality have paid attention largely on the interactions of clients with the organization's staff (human-human encounters) as well as by some marketing mix variables.

Self-service Technology is an innovative channel of marketplace transactions in which no interpersonal contact is required between customer and service provider (Meuteret Al.,2000), while self-service activities are necessarily completed by customer themselves (Globerson and Maggard, 1991). A company can improve its profitability by enabling customers to access self-help services (Bateson, 1985). Self-service has became became an important part of daily life (Globerson and Maggard, 1991).

SST (Self-service technology) or TBSS (Technology based self-service) is termed as an activity or benefit based on hard technologies that service providers offer so that customers can perform the service or parts of service by themselves (Anselmsson, 2001).

SSTs (Self-service technologies) are the technological interfaces that enable customers to take advantage of a service without any service employee involvement (Meuter et al., 2000). Conducting bank transactions through automated teller machines (ATM), self-service gas stations, self-health diagnosis, shopping through the Internet, making reservations and purchasing tickets through kiosks, checking out of hotel rooms through interactive television, using self- scanning systems at retail stores, vending machines, Internet banking, phone banking, kiosks, self scanning check out, are some of the examples of Self- service technologies.

Literature provides several measurement scales to measure service quality construct. However, scale like SERVQUAL (Parasuraman et al., 1988) and SERVEPREF (Cronin & Taylor, 1992) are basically designed to investigate the interaction of customer to employee (interactive person) during the service delivery process, while they do not address the interaction of customer to technological interface (interactive equipment). Barnes and Vidgen (2001) established a new measurement scale named WebQual Index for quality of Internet site. Yoo and Donthu (2001) suggested an instrument named as SITEQUAL, which was specifically developed in order to measure the customer experience of perceived service quality related to internet shopping sites. Parasuraman, Zeithaml, and Malhotra (2005) established E-S-QUAL for assessment of the service quality provided by online shopping sup- pliers.

Self Service Technology and Customer Satisfaction

Satisfaction contemplates the extent to which a consumer emanates positive sentiments to a ser-vice encounter (Lin & Hsieh, 2006). Satisfaction is concerned with customer's situation of being ef

fectively compensated in a purchasing circumstance in exchange of certain cost (Al-Alak, 2009; Jeong, Cha, & Jang, 2016).

In accordance with the views of Oliver (1997), satisfaction is regarded as the "customer's gratifying reaction". It is basically an assessment with respect to the characteristics of product or service providing a pleasant degree of consumption-related experience. As stated by value percept theory, satisfaction is regarded as emotional response which is initiated through the process of cognitive evaluation (Parker & Mathews, 2001).

Grounded on expectations disconfirmation theory in e-services settings, customer satisfaction isseen to be an affective reciprocation and satisfaction can only be attained when a customer is confident that their expectations are met from e-service encounter (Chang & Chen, 2009).

In the context of electronics e-retailers. Bogicevic, Bujisic, Bilgihan, Yang, and Cobanoglu (2017) captured the airport SSTs' perceptions and found a positive impact of air ports SSTs on traveler's satisfaction. The scholars found positive association SSTs user's satisfaction, loyalty, and behavioral intentions (Demirci Orel & Kara, 2014; Lin & Hsieh, 2007; Zhao, Mattila, & Eva Tao, 2008). Demirci Orel and Kara (2014), by employing SSTQUAL, investigated that self-checkout service quality positively impacts loyalty through the indirect effect of customer satisfaction. Iqbal, Hassan, Sharif, and Habibah (2017) found the partial mediation of customer satisfaction among the relationship of service quality, corporate image, and customer loyalty. Therefore, following hypotheses has been proposed.

H3: SSTs service quality has positive and significant relationship with Customer Satisfaction.

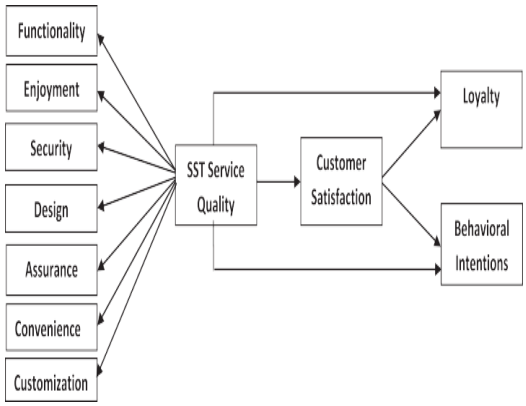
H4: Customer satisfaction mediates the relationship between SST and Customer Satisfaction,.

H5: Customer Satisfaction mediates the relationship between SST and Perceived service quaity.

Anderson and Swaminathan (2011) through qualitative analysis identified the key factors driving satisfaction and customer loyalty in e-markets settings. Kasiri, Guan Cheng, Sambasivan, and Sidin (2017) analyzed the positive impact of customer satisfaction on loyalty in presence of technical and functional quality elements of service quality. Therefore, based on above discussion following hypotheses could be formulated (Figure 1).

H6: Customer Satisfaction has positive and significant relationship with Behavioral Intentions H7: Customer Satisfaction has positive and significant relationship with Customer Loyalty.

Figure.1 Hypothesized mode



Research Problem

In the Worldwide setting, the manner by which banks convey administrations has gone through a change in outlook with the banks progressively going in for electronic and helped administrations in oneself help mode through different electronic channels. In India too this pattern is apparent. Extreme rivalry and expanding client assumptions have constrained all significant business banks, regardless of the areas, to take on the arrangement of banking administrations through ATMs, web banking, phone banking and versatile banking.

The administrations through these channels offer colossal benefit both to the banks and to their clients. For the banks the benefits, are diminished exchange costs and lesser packing in their branches. For the clients, these channels offer the comfort of doing bank exchanges from their preferred spots, even homes and directing them whenever of the day they need.

Clients are the soul of any business no matter what its inclination, type and size.Promoting has its emphasis principally on the recognizable proof of theof the equivalent. Banks are not a special case for this standard. However Self-administration banking advances have extraordinary potential in bettering financial administrations in India, this potential isn't completely used. Data about these administrations isn't generally dispersed so buyers can successfully profit from the administrations. Information on the data on conduct of self help banking customers is subsequently basic for the banks to all the more likely designer the data items that would help clients in using the administrations. Bank clients additionally benefit since they get data items that best meet their data needs. However not much is been aware of the data conduct of self help banking purchasers. The shortfall of data on self - administration banking advances influences the manner in which clients utilize the administrations as they are not very much educated.

3.2 Research Objectives

i. To investigate the impact of segment factors on the reception levels of Self-Administration Advances by bank clients.
ii. To foster a system to figure out the impact of client conduct factors on the use of self-administration innovations.
iii. To uncover the connections among the convictions, mentalities and the utilization expectations about them, and relate them to the use of Self-Administration Banking Advancements.
iv. look at the mindfulness level of self-administration innovations among the clients of nationalized banks.
v. To find the fulfillment level and quality impression of bank clients who are utilizing these administrations.
vi. To look at the variables that helps and hampers the reception of these administrations.
vii. To figure out the difficulties looked by the financial clients in rehearsing these self-administration advances.

Research Questions

The following research questions are addressed in this study:

- What are the factors that have a direct impact on how consumers use self-service banking technologies?
- How do consumers' perceptions of the utility, simplicity, and security of self-service banking

technologies relate to one another?

- How do these opinions impact the likelihood that customers will use self-service banking technologies?

Hypotheses of The Study

The significant speculations which are connected to the goals of the Study are proposed:

- H01A.The adoption levels of the Self-Service Technologies by bank

  Customers vary significantly with the variation in the gender.

- H01B.The adoption levels of the Self-Service Technologies by bank

  Customers vary significantly with the variation in their age.

- H01C.The adoption levels of the Self-Service Technologies by bank customers vary significantly with the variation in their type of
- H01D.The adoption levels of the Self-Service Technologies by bank

  Customers vary significantly with the variation in their income level

- H02.The adoption levels of the Self-Service Technologies by bank customers vary significantly with the variation in their place of Residence
- H03.There is a relationship between the various dimensions of Self-

  Service Technologies Adoption

Research Methodology

Research in like manner speech alludes to a quest for information through level headed and deliberate technique for tracking down answer for an issue. As per Clifford Woody, an exploration includes characterizing and rethinking the issue, figuring out speculation or recommended arrangement; gathering, coordinating and assessing information; making derivations and arriving at resolutions to decide if they fit the planning theory.

Research Plan

The kind of examination configuration utilized in this study is clear exploration. The fundamental motivation behind this sort of examination is to figures out the extent of the populace having specific attributes and to find relationship among factors. The ongoing Study, utilizing an overview technique, utilizing an organized poll which was directed through private contact strategy, attempts to distinguish the qualities of the clients and non-clients of Self-Administration Banking Advancements, for example, ATM administrations, Web banking, Phone banking, Versatile banking and Portable wallet. Further, an endeavor is made to appraise their use designs relating to Self-Administration Banking Advancements and their associations with segment, attitudinal and perceptual variables of bank clients.

Sample Design:

A multi-stage examining configuration has been finished for the concentrate wherein the topographical area was first fixed, trailed by the banks from which the respondents were inspected.

Geographical degree of the Study

The Study requires the contributions from clients of Oneself Assistance Banking Advancements alongside those from non-clients; the different boundaries investigated in this study like consumer loyalty, use designs, reception levels (degree of use, etc could be had exclusively from the clients of these administrations. Thus while choosing the geological areas care was taken so the areas chose have a sufficient portrayal of the clients of web banking, phone banking, versatile banking and versatile wallet.

Gwalior Area is a regulatory locale of Madhya Pradesh state in southern India.

As indicated by 2011 enumeration, Gwalior region had a populace of 2,032,036 with a sex-proportion of 864 females for each 1,000 guys. It is one of the generally vigorously banked locale having a sum of 242 bank offices with the majority of the branches in country and semi-metropolitan regions. Among the 242 bank offices, nationalized banks involve the significant commitment with almost 130 branches though the rest has a place with the old and new confidential banks and State bank of India gatherings. No unfamiliar bank is accessible in this area. State bank of india, one of the main nationalized banks in India turns into the Lead bank in Gwalior District . According to the report of the lead bank, the locale has every one of the 19 nationalized banks. The RBI orders the financial focuses into metro, metropolitan, semi-metropolitan and country fixates in view of the populace in the particular financial regions.

Population of the Study

The populace for the Study can be characterized as all the financial clients in the chose locale who are utilizing somewhere around one of Self-Service Technology and matured over eighteen years. The condition that the respondents ought to use something like one of Oneself Assistance Banking Innovation channels is followed in light of the fact that the area of the Study was basically on reception, fulfillment levels and use examples of the respondents as for the administrations presented through these electronic financial channels.

Sample Size

As indicated by the Rao soft online example size number cruncher at 95% certainty level and 50 percent as the reaction dispersion, the absolute example of 377 has been gotten from the complete populace of 400 since the populace is obscure. The dispersion of the example respondents is given in the accompanying table.

Sampling Method

The Study populace is boundless. The whole Gwalior region was chosen in light of a delineated proportionate irregular testing strategy followed by the comfort examining procedure. So the analyst has gathered the information from 377 respondents in the Study region.

Data Collection Method

Primary Data

To satisfy the characterized goals, an example Study was embraced by utilizing a very much outlined poll which was properly filled in by the respondents. Every one of the inquiries are shut finished inquiries with different decisions and Likert five point scaling methods were taken on. The scientist has additionally led interview plan with the supervisors of bank offices in Gwalior area through unstructured inquiries for resolving the significant issues of the exploration issue.

Secondary Data

The auxiliary information relating to the Study was assembled from the records distributed by Hold Bank of India. Further, the optional information was gathered from various driving financial diaries and magazines. Various standard reading material would be utilized to get relevant writing on the financial administrations. Web sources connected with banks were likewise alluded to gather about SSTs in the Study region.

Table 1 Summary of test results of the study hypothesis

S.No	Hypotheses	Results
1	**$H_0$1A**.The adoption levels of the Self-Service Technologies by bank Customers vary significantly with the variation in the gender.	Not supported
	$H_0$1B. The adoption levels of the Self-Service Technologies by bank Customers vary significantly with the variation in their age.	Supported
	$H_0$1C. The adoption levels of the Self-Service Technologies by bank customers vary significantly with the variation in their type of Occupation.	Supported
	$H_0$1D. The adoption levels of the Self-Service Technologies by bank Customers vary significantly with the variation in their income level	Supported
2	**$H_0$2.**The adoption levels of the Self-Service Technologies by bank customers vary significantly with the variation in their place of Residence	Not Supported
3	**$H_0$3**.There is a relationship between the various dimensions of Self-Service Technologies Adoption	Partially correlated

General findings

Demographic profile of the respondents

- There were 377 responders, and the majority (68.2%) of them were men.
- An overwhelming majority (31.8%) of the 377 respondents fall into the age range of 18 to 27.
- Majorities of the respondents (37.9 percent) have completed their master's degree in terms of their educational background.
- The largest percentage of respondents (38.7%) are students pursuing various professional degrees.
- The majority of respondents (54.1%) are married.
- Most of the respondent's income (62.3 percent) falls into the no income or up to $15,000 category.
- The majority (50.1) of respondents come from the district's semi-urban area, while the second-largest number (27.9) come from the rural area Branch visit frequency

When asked how often they visit a prime bank, the majority of respondents (46.9 percent) said once a month was the preferred frequency. Maximum (23.6%) of the responders visit just infrequently after that. According to the literature review (Joshua 2009), customers that use self-service banking technology visit branches less frequently.

When branch visit frequency and demographic factors like gender are compared, it is discovered that men make up the majority of respondents (68.2 percent), while women make up the majority of respondents (31.8 percent), who visit branches on a monthly basis.

Factors affecting adoption and adoption levels of self-service banking technologies

Demographic factors and adoption levels of Self-Service banking Technologies

Gender wise comparison of adoption levels

Even though the male respondents outnumbered the female respondents in terms of adoption rates, the difference is only statistically significant when it comes to telephone banking at a 95% confidence level. According to several studies conducted abroad (Laforet and Li, 2005), men predominate among SST adopters.

Age wise comparison of adoption levels

According to the results of the ANOVA test, adoption rates for all Self-Service technologies, including ATMs (ATM adp), Internet and telephone banking (IB adp), mobile banking (MB adp), and mobile wallet (MW adp), are significantly higher among the various age groups. Also, it has been discovered that marketing efforts for these services must focus on the 18–37 age range because it has the highest likelihood of adopting SSTs.

Occupation and adoption level

According to the results of the ANOVA test, there is a significant difference between the various occupational groups in terms of adoption levels for all Self-Service technologies, including ATM adoption levels (ATM adp), Internet banking adoption levels (IB adp), telephone banking adoption levels (TB adp), mobile banking adoption levels (MB adp), and mobile wallet adoption levels (MW adp). With the exception of ATMs and banks, the self-employed and business people are the ones who use these self-Service technologies the least.

Income wise comparison of adoption levels

The analysis of variance test clearly shows that there is a statistically significant difference between the adoption levels of Self-Service Technologies (ATM adoption levels, Internet banking adoption levels, telephone banking adoption levels, mobile banking adoption levels, and mobile wallet adoption levels) with respect to income levels. Most services' highest adoption rates are demonstrated by the study's particular income category (30000-45000 per month).

MANAGERIAL IMPLICATIONS AND SUGGESTIONS

a. One of the main barriers to the adoption of SSTs may be a lack of understanding among non-users. When compared to urban and semi-urban clients, the level of awareness among rural customers is quite low. The nationalised banks must use marketing strategies including publicity, advertising, and other promotional techniques to raise the degree of awareness among various consumer groupings.

Banks can host awareness events for the adoption of SSTs, such as CASA (opening of current and savings accounts), to raise awareness and provide clients with training.

b. The survey reveals that the majority of users are only utilising SSTs on a monthly basis, thus the nationalised banks must encourage current consumers to use these services more frequently. SSTs include internet banking, telephone banking, mobile banking, and mobile wallet. They may not use these services as frequently as they could due to their anxiety about using them. By rewarding points and/or lowering the service fees, banks can entice their clients to use these services more frequently. Several private banks benefit from having free financial transfers. Nationalized banks ought to offer similar perks to loyal customers.
c. Using a mobile device for banking transactions makes them even more flexible, and perhaps banks can persuade customers of the inexpensive start-up costs of both telephone banking and mobile banking.
d. Although being the most widely utilised SSBT and accounting for more transactions than even traditional branch banking, ATMs are still used by the bulk of consumers as convenient cash dispensers. The use of its value-added services, including cellphone recharge, financial transfers, and even some of the basic services, like cash deposit, needs to be encouraged.
e. As it is found that fund based transactions and other value added services are utilised only by a fraction of the sampled respondents, the banks have to encourage the adoption of these services in order to assure the full potential of SSTs and safe manner of doing so.
f. Because female customers are less likely to embrace SSTs than male customers, banks must make extra efforts to promote these services to female clients.
g. To increase the likelihood of acceptance, the banks must first advertise SSTs to the highly educated 18–27 age range. In order to increase consumer uptake, it is important to market to people in the age range of 28 to 37, who are also potential customers for particular services.
h. According to the survey, customers from rural regions use self-service banking technologies at much lower rates than those from urban and semi-urban areas, with the exception of telephone banking. Thus, banks should take action to increase usage in rural areas. Although every bank in a rural region has an ATM inside the branch, nobody uses it. For tasks like cash withdrawal, passbook entry, and other services, banks should assign a staff member.
i. The relative advantage, feeling of self-efficacy, and absence of necessity for personal contact are proven to have the greatest effects on the overall adoption of Self-Service technology, outweighing the other two factors. Hence, banks will undoubtedly profit if they find more customers who choose technology over personal service and persuade them of the relative benefits of using the SST channel.
j. The level of consumer satisfaction with SSTs is significantly influenced by the service quality, so banks must raise the standard of services offered through these self-service banking channels. For instance, banks can guarantee the quality of their Internet banking services by creating websites with all the necessary information, high levels of security that assure flawless transactions, a variety of options, quick resolution of complaints, and simple navigation. Similar to how they should monitor the availability of cash at ATMs frequently, banks could improve the quality of their ATM services by keeping cash always available.

Conclusion

According to the report, banks in India offer a wide range of services through self-service electronic banking channels such ATMs, online banking, telephone banking, mobile banking, and mobile wallets. Prior to today, only private banks had taken the effort to offer these services, but the situation has changed, and more public sector banks are actively pushing electronic channels among their clientele. Nonetheless, it has been discovered that only ATMs are used often by the public. The adoption of other SSTs has yet to accelerate significantly.

The study has made an effort to examine consumer behavior towards the adoption of these SSTs holistically by taking into account aspects of all five popular SSBT, including ATMs, internet banking, telephone banking, mobile banking, and mobile wallet.

The suggested model created using the essential elements from the established frameworks from the behavior and technology acceptance literature and similar research done in other countries are able to describe the phenomenon of SSBTs uptake and usage relatively well in the Indian context also. These models are effective in highlighting a number of implications pertinent to both academics and practitioners in this field. According to the survey, self-service banking technologies have a big potential to change how Indians conduct banking and improve their lives in terms of technology if the right steps are taken by Indian banks.

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IMPROVEMENT OF TECHNOLOGY AND STAGES OF RISK MANAGEMENT IN INDUSTRIAL ENTERPRISES

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ABSTRACT

The industrial network is one of the integral parts of the state economy and is of strategic importance in the study of the gross domestic product. In the article, the actions that can be carried out in the management structure to eliminate the risk, as well as measures for the organization of risk management, are proposed.

Keywords: *industrial enterprises, GDP, risk, outsourcing, extensive, intensive, headquarters management methods, risk management technology, risk management stages.*

1. Introduction

The technological unity of the management process requires a systematic organizational structure. In practice, business models of experienced corporations are used for an effective management process. However, management experience does not work as efficiently as learned enterprise management. Personnel is recognized as the main condition of proper effective management. However, in an enterprise without systematic management, profitability does not increase despite the maturity of human resources [1,2,3,4].

2. Literature revive

M.K. Chernyakov touched on the issues of risk management and their effective elimination in the digital economy [13].

Risk factors that arise in the information society and digital transformation processes are analyzed. Georgiosa Bartsasa and Kostasa Komnitsasa used general methodological methods covering the life cycle of enterprises in risk assessment [1,3,2,4].

In this case, the risks affecting the enterprise as a result of linking the life cycle to financial, economic and environmental indicators were measured. From the above, it can be seen that risk management has recently become one of the most important issues, and much attention is being paid to the introduction of information technologies. Research and development related to the effective disclosure of its technology and stages in risk management is decreasing.

3. Methodology

Тадқиқот жараёнида ишнинг назарий-услубий асосларини ўрганишга бағишланган тизимли ёндашув, қиёсий таҳлил, гуруҳлаш, таққослаш каби статистик тадқиқот усуллардан кенг фойдаланилган.

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4. Results and discussion

As of January 1, 2023, 98,800 industrial enterprises are operating in the Republic of Uzbekistan, of which 16,800 (17.0% of the total number of registered enterprises) are located in Tashkent, 11.1000 (11.2%) are in Fergana region, 10 0.0 thousand (10.1 %) correspond to Tashkent region, 9.9 thousand (10.0 %) to Andijan region and 8.9 thousand (9.0 %) to Samarkand region[1].

According to preliminary data, in January-December 2022, 551.1 trillion will be spent by republican enterprises. Soum industrial products were produced, and compared to January-December 2021, the physical volume index of industrial production was 105.2%.

Due to the distribution of production of industrial products per capita and the location of large industrial enterprises, Navoi region (80,546.7 thousand soums), Tashkent city (36,873.8 thousand soums) and Tashkent region (31,354.3 thousand soums) are lower than the average national level. (15,458.1 thousand soums) shows a significant increase.

By the end of 2022, the share of the industry in the structure of GDP is 33.4%, taking the second place after the service sector. From this it can be seen that the industrial network is of strategic importance in the republic. In the conditions of the growth of the number of industrial enterprises and the increase in the volume of production per capita, the protection of industrial enterprises from risk and the reduction of losses have become one of the important issues. For this, it is necessary to introduce effective risk management mechanisms in industrial enterprises.

In order to organize a systematic management policy, it is necessary that the technological sequence, control elements, links between departments and links, and functions are complementary rather than overlapping. Technological measures of risk management in enterprises include the following methods:

1) Extensive management method. An extensive risk management department will be established.

2) Intensive management method. Tasks, functions, powers and responsibilities related to risk management are distributed among managers-employees in an intensive way.

3) Staff management method. In the headquarters management method, a separate temporary structure is established in emergency situations.

4) Method of outsourcing services. In the outsourcing method with the help of consulting companies, the help of temporary managers is used.

The above-mentioned methods of effective risk management are organized by enterprises taking into account their capabilities and risky situations. In many large industrial enterprises, risk management appears as a department, link or element of management. That is, the technology of risk management in an extensive way is supported by large corporations. In this, organizational aspects of risk management technology are studied in vertical and horizontal poles. The vertical division of all technology stages comes from the level of the organizational structure of the management system, taking into account the priorities of the stage of achieving the risk management goal. In this, hierarchically subordinate departments share authority and responsibility at the subordinate level and work at that level [11,12,].

[1] https://stat.uz/uz/default/choraklik-natijalar/21516-2022#yanvar-dekabr // 15.03.2023

The horizontal division of risk management technology is manifested in the distribution of functions and functional tasks in the technology of separate stages, the assignment of specific tasks to the task positions of departments and their employees [5,6].

Such an accounting of risk management technology introduces the principle of hierarchy. Accordingly, the risk management process will exist at the level of the department with the authority of management and the managed departments. These are: executive and coordinating structures.

In departments at the coordinating level, administrative and control personnel coordinate work in all areas of the risk management system. The core of this management system is the "coordination service". The service coordinates risk management processes. The activity of this function is to organize the process of work execution deadlines, the size and form of presentation of results, the procedure and composition of analysis methods, the level of risk assessment, the preparation of necessary data, the collection of current data, the organization of the process of developing measures to reduce the level of risk, and the approval of the developed proposals to the management of the organization. conduct, after they are approved, are considered related to the work of organizing anti-crisis measures [7,8,9].

Two main functions are performed at the executive level: continuous control of the level of risk arising in business activity; managing the level of risk associated with the process of making decisions and correcting the development of undesirable events.

In general, to choose the above technological measures of risk management, the enterprise should take into account the following situations:

1. Enterprise size. Since small enterprises have limited management resources, they use cost-effective methods of risk management. Through these methods, there is an opportunity to effectively manage risk at a low cost. It is also important to note that since small enterprises are flexible and elastic to the market, assessing and eliminating the risks affecting them does not lead to large losses.

2. Organizational and legal form of ownership. A sole trader, unitary enterprise or smaller limited liability and additional liability companies can also benefit from the distribution of risk-related tasks or support from a consulting firm. Large enterprises, corporate associations, and joint-stock companies will be able to eliminate risk and establish effective management by introducing an additional department, department or committee into the management structure. It has been observed in practice that if there is a shortage of personnel at this place, they hire temporary managers from consulting corporations at the same time.

3. The strength or weakness of the risk. When the risks affecting the company's activity are strong, the advice of an additional headquarters management or consulting firm is used. In case of weak risks, the existing personnel in the enterprises will have the opportunity to solve the problems.

4. State enterprises and unitary enterprises, which do not have the opportunity to change the organizational management structure, will be able to solve problems by implementing the division of tasks according to risk. In many cases, measures related to risk management are developed by establishing working groups, commissions, and staffs in state enterprises.

5. Field of enterprise activity. For professional services and businesses dealing in financial markets, risk management can be outsourced to professionals rather than creating an additional department in the organizational management structure. Large players in the consumer goods market with a stagnant economy use extensive methods.

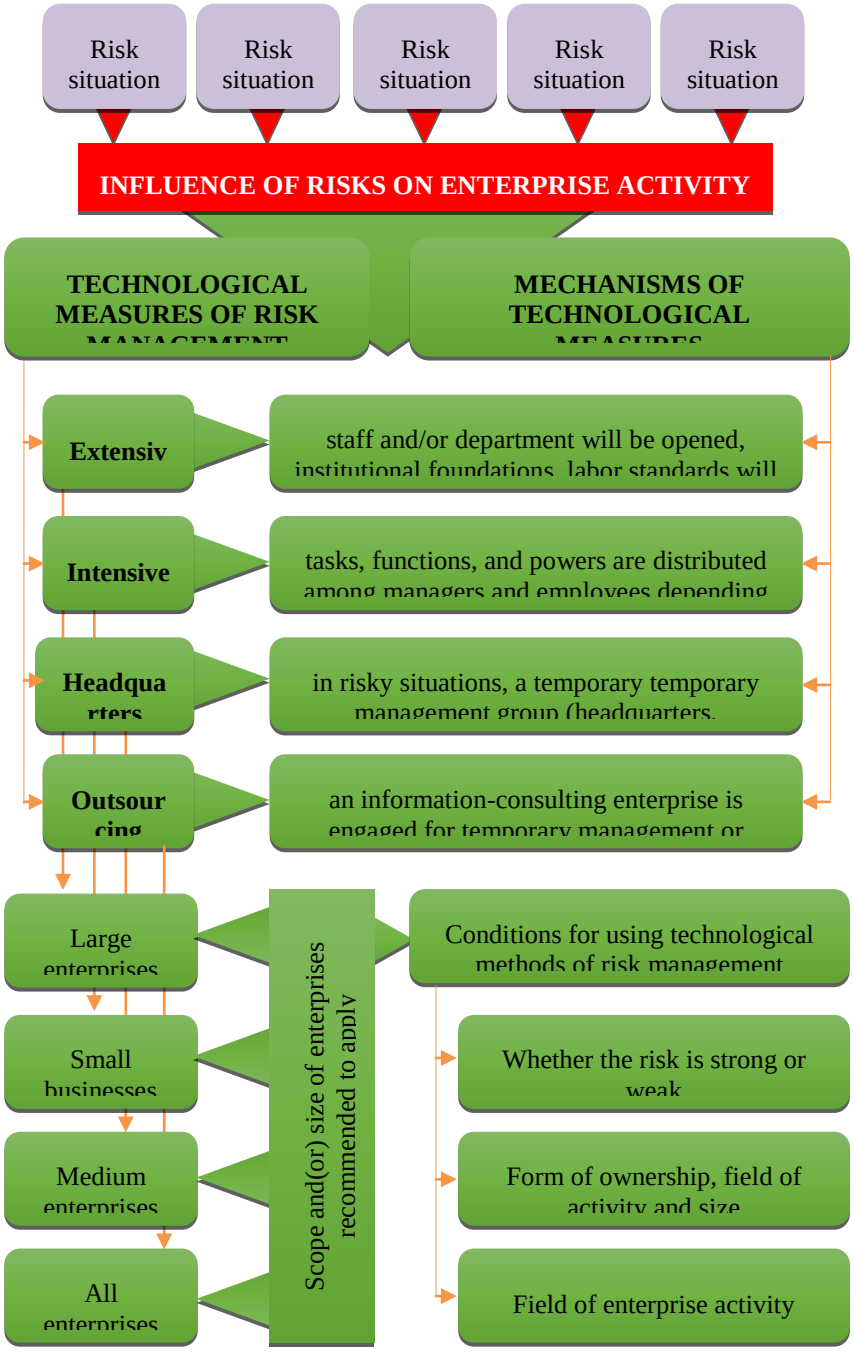

Figure 1. Risk management technology application mechanisms [1]

[1] Author development

Risk management technology is reflected as a goal-oriented activity of a financial manager and considers the composition of the risk management process, that is, determines decision-making in this area and the relationship between them.

Risk management technology is a process designed to take measures against the influence of risk factors in the enterprise based on the procedures indicated above. Risk management technology includes conditions for their elimination, starting with the impact of risks on the enterprise. Industrial enterprises cannot leave the technological sequence of management, regardless of which methods they choose for the technological measures of risk management, through which mechanisms. Violation of the sequence of risk management or non-compliance with established rules will disrupt the management process and reduce its effectiveness. Sometimes, industries seek to use generally accepted best practices in risk management, mitigation, or preventive measures [9,10,11]. They implement several strategies such as insurance, hedging, risk avoidance, or similar. But the fact that the technology is not set up correctly, the process and sequence of work are not understood, and the specific systems and mechanisms are not working make any best practice an ineffective measure. Considering that the risks affect each enterprise differently according to its nature, the enterprise can eliminate the risk by applying simple anti-risk measures in the right technological sequence. Therefore, enterprises should develop risk management technology and its implementation system in proportion to their activities. There is a generally accepted sequence of risk management technology. This sequence includes the process of identifying risk factors from goal setting to risk elimination.

In general, the risk management process is reflected as a 3-step process:

The first step is to identify the risk and set a goal to manage it. In this case, the main goal is chosen based on the generally accepted goals of the industrial enterprise. A tree of objectives is created.

The second step is risk assessment and analysis. This stage includes the processes of risk factor visualization, risk factor identification, risk indicator selection and evaluation, and data analysis for decision-making.

The third stage is the development of risk reduction measures. In this case, the risk is managed during the implementation of the decision.

The stage of setting the goal corresponds to the formation of the initial risk. At this stage, the first activity related to risk management technology begins. That is, the objectives of risk management are determined. According to the objective, these measures will clarify whether the risk should be reduced and/or reduced to an appropriate level of risk. The main goal will be to reduce or eliminate the risk. It defines the objectives of risk management.

The goal reflects the future performance model of the industrial enterprise. The considered risk factors and causes of the required result make a clear choice of resources and ways of their use. In this case, the causes and symptoms of the result should be clear.

The second stage is the stage of risk analysis and assessment, and the diagnosis of risks affecting the economic activity of the enterprise is carried out. The stage of risk assessment and analysis includes the following: a manifestation of risk factors, identification of risk factors, selection of indicators and risk assessment, and development of options for decision-making.

These risk factors are manifested. This is because the initial risk that occurred in the first stage shows its

factors and causes in this stage. Then the risk factors are identified by experts. It primarily examines the type of risk and its level of damage.

In the determination of risk factors, it is studied which object the risk affects, which risk factors are more dangerous and which have the appropriate level of risk, and which of the risk factors can be controlled and which cannot be controlled. Identification of risk factors is carried out as a result of studying risks into groups and types. That is, whether the risk has been encountered in the enterprise before and is recognized by the enterprise, or whether it is a new type of risk, this issue will be clarified. Attention is also paid to the possibility of early detection or not. After determining the degree of recognition of the risk, a diagram of its impact on the industrial enterprise is developed. That is, from a strategic point of view, with what factor the risk starts to affect, and which objects it affects later, these issues are studied. How much risk is affected and its level is determined as a result of the above foods. If it is not possible to determine it, the enterprise will have to clarify the unclear information. Determinized models are used to identify known risks, probabilistic models to identify predictable risks, and statistical modelling or expert evaluation to identify unknown risks.

In the second stage, after the risk has been identified, its assessment indicators are selected. In this case, depending on the risk, indicators are selected to assess the losses and expenses from it. There can be several indicators, mathematical models or expert evaluation methods. Which method to choose depends on the type of risk. The risk is analyzed and evaluated using the selected risk assessment method. In this, the expected result of the risk is studied, and causes and factors are analyzed and diagnosed. Then the received information is fully and thoroughly analyzed for decision-making.

Identification of risk factors occurs for a certain sphere of activity of an industrial enterprise or in the section of specific business operations.

In the process of risk identification, it is necessary to first understand the relevance of risks to the company's activities. It is also necessary to understand the possibility of managing them. In the absence of necessary information, it is advisable to develop and use a scenario for changing the enterprise environment. These scenarios should define the occurrence of risky situations.

It should be noted that one of the main tasks of the enterprise is to narrow the circle of certain risk factors depending on the possibility in the process of risk identification, and it will not be possible to expand it at the specific stage of risk analysis.

The third-stage risk management process also requires sequential activities. This stage begins with the selection of strategies and tactics for risk management. A risk management strategy includes a period of risk elimination. The strategy determines the ways and means of using resources to achieve the risk management objective. Risk management tactics include current activities related to the elimination or reduction of risk.

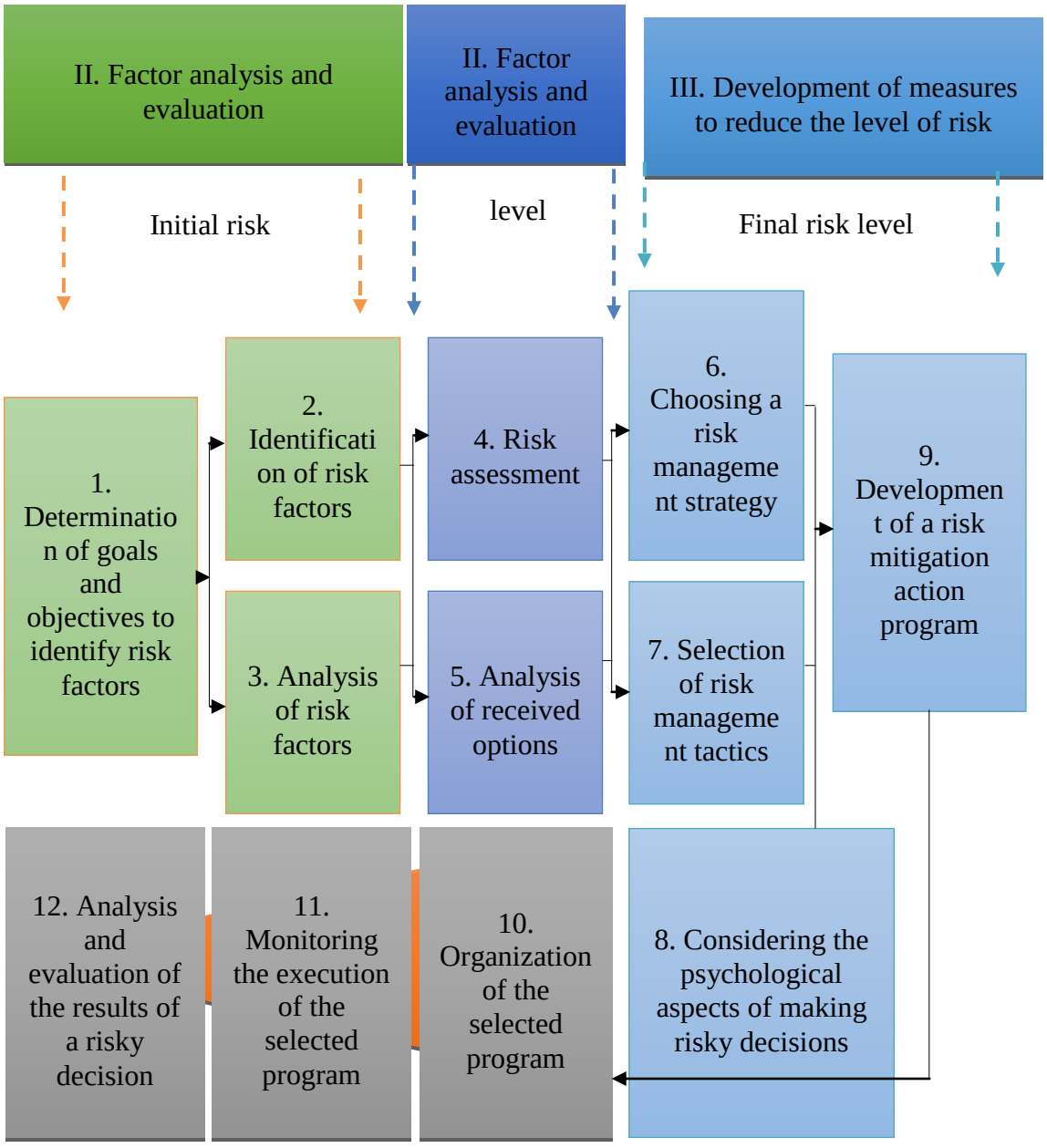

Figure 2. Risk management technology[1]

The next task at this stage is the selection of risk management methods and tools. In this case, managers choose resources to be spent on risk management and effective ways of managing it. Decisions related to risk management and elimination can be different depending on the manager's psychological

[1] Author development

level. Managers who are not in a critical situation can make wrong decisions in such situations, and this situation can end up in the loss of the enterprise. Therefore, in this process, the psychological aspects of risky decision-making related to the manager's activity are studied. The decision made by the manager is discussed by specialists and experts.

Also, at this stage, a risk mitigation program will be developed. The program may include a range of measures based on factors such as risk status, exposure level, baseline and assessed risk. An additional area of risk management implementation is the policies, procedures, and regulations that underlie the developed program. Policy development eases the process and drives decision-making during risk management. Clarification and penetration of the policy are considered a factor. Tamil defines the rules for the implementation of actions developed for a specific situation. Constraints limit the actions of subjects to a limited number of alternatives. If the successful implementation of the program depends on the exact performance of the task, then rules are developed for the implementation of all the articles and methods of the program, as well as setting the limits of alternative decisions and restrictions on freedom.

It can be seen that by the third stage, the risk reaches its final level. After the program is developed, the final risk level will be clear. Then, work is carried out on the implementation of the developed program. Implementation of the program is monitored.

The implementation of the risky decision is evaluated and the mistakes made are identified, and the cycle starts again according to the principle of the algorithm. The technological structure of this mentioned risk management can be systematized by the following figure.

5. Conclusion

Initial risk includes methods for identifying risk by analyzing it. The assessed level of risk includes the procedures before determining the scope of the risk and the level of damage it will cause. A final risk level de-risking program is implemented. This technological sequence of risk management must be implemented in industrial enterprises as a management system regardless of which of the extensive, intensive, headquarters or outsourcing methods are chosen. Then, through the technology of risk management, the enterprise will be able to create a suitable experience for itself. Industrial enterprises are recommended to establish systems of risk elimination based on the above mechanisms.

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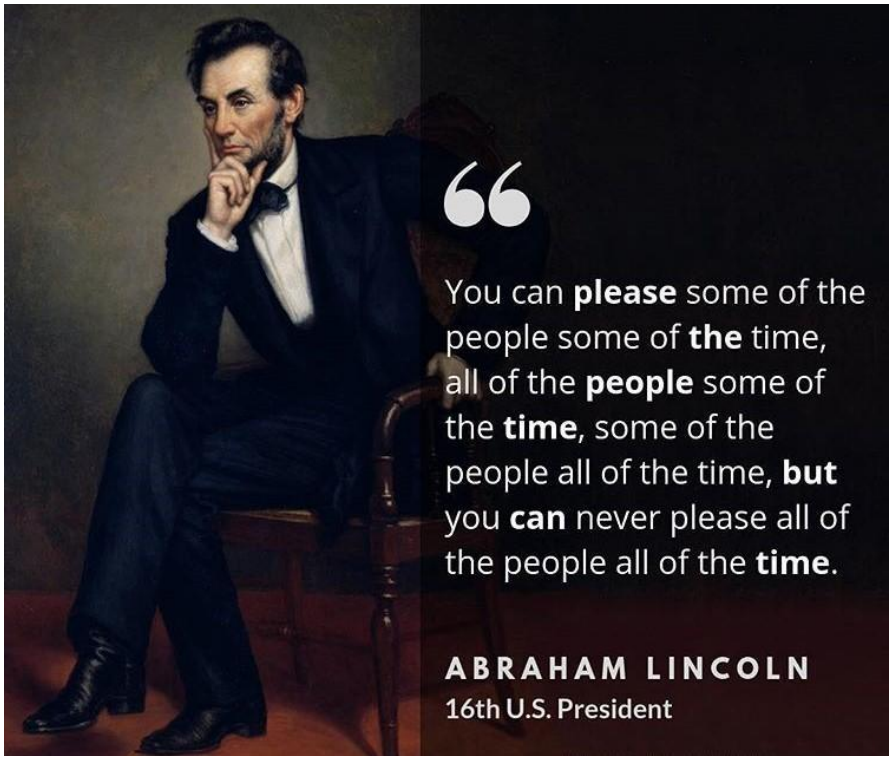

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