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## PROSPECTS FOR THE MANAGEMENT OF RESTRUCTURING PROCESSES IN INDUSTRIAL ENTERPRISES

SULAYMONOV BAHODIR ABDUALIMOVICH

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### Abstract

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#### Keywords:

*economy, industry, national economy, restructuring, management, privatization.*

*The article examines scientific-practical and methodological approaches to improving the management of restructuring of industrial enterprises. Also, scientific and practical recommendations for the management of the restructuring of organizational structures of industrial enterprises have been developed and relevant conclusions have been formed.*

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#### Author correspondence:

**Sulaymonov Bahodir Abdualimovich**

*Senior Lecturer of the Department of Management and Marketing, Tashkent Institute of Finance, Tashkent, Uzbekistan*

*Email: sulaymonovbahodir@tfi.uz*

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### INTRODUCTION

The intensification of economic competition in the world and the acceleration of globalization processes require special attention to the level of implementation of the results of research, development and management of activities to increase the competitiveness of countries. It can be observed that the scale of restructuring of economic activity in the world and within individual countries is growing every year. From 2009 to 2019, the share of industrial enterprises in GDP in developed countries, including Germany, increased by 2.08%, South Korea by 0.6%, France - by 1.16%, Sweden - by 0.2%, China - by 8.7%. This means that according to the EU's Lisbon Strategy, industrial enterprises need to be restructured to meet today's requirements in order to increase the share of industrial enterprises in GDP in order to transform the European economy into a competitive and sustainable, science-based economy.

In international practice, many international organizations, such as the World Bank, the International Monetary Fund, and the United Nations Development Program, are conducting extensive research to improve methodological recommendations for economic restructuring. According to a World Bank study of the impact of economic restructuring on the efficiency of industrial enterprises in developing countries, the relatively high rates of economic growth in countries that have effectively managed restructuring processes. These studies have been developed by reputable research centers and will improve the management of restructuring processes in industrial enterprises based on international experience. These cases are an important factor in further improving the management of

restructuring processes in industrial enterprises in ensuring the stability of the economy based on the experience of developed countries.

### **LITERATURE REVIEW**

The restructuring process is a comprehensive tool that serves to gain a competitive advantage, and a one-sided understanding of it leads to the limitation of the existing opportunities available to restructuring.

Leading economists in the field of crisis management, including restructuring, argue that restructuring is of a more fundamental and long-term nature. In particular, CIS scientists I.I. Mazur and V.D. Shapiro describe the restructuring as "a set of measures to ensure the adaptation of the enterprise to changing market conditions and its development strategy" [2].

G.A. Alexandrov pays special attention to the fundamental, comprehensive characteristics of restructuring. He acknowledged that "restructuring is a fundamental complex change, based on the transformation of the business structure, which covers all aspects of the enterprise and the main objectives of the enterprise; The ultimate goal of restructuring is to overcome the crisis, increase efficiency and competitiveness, and increase revenue" [3].

L.P. Belykh and M.A. Fedotova outlined the ultimate goals of enterprise restructuring. According to them, "restructuring is a process aimed at creating conditions for the effective use of all factors of production in order to increase financial stability and competitiveness" [4].

O.S. Sukharev offered a more comprehensive description of the content of the restructuring process, emphasizing the leading role of public policy in the restructuring process. According to him, "restructuring is applied at the level of enterprises, regions, all sectors of the economy and leads to the formation of state-controlled competitiveness, employment growth, real incomes and investment in industrial complexes, and by both domestic and foreign competitors. is a set of measures sufficient to ensure the specified competitive pressure" [5].

Restructuring is required by the intensification of competition as a result of the development of productive forces, the changing market environment. In this context, R. Yaushev's definition sheds light on the economic nature of restructuring: "Restructuring is a set of measures to choose the development strategy of the enterprise and the transition from the initial state to the strategy chosen by the enterprise" [6].

### **RESEARCH METHODOLOGY**

This article discusses the management of restructuring processes in industrial enterprises methods such as verbal interpretation of scientific-theoretical foundations, statistical observation, induction and deduction, scientific abstraction were used.

### **ANALYSIS AND RESULTS**

Improving the conditions for the restructuring of industrial enterprises will serve to expand the opportunities to increase production in the industry and, ultimately, to accelerate economic growth in the country.

It should be noted that restructuring is not only the creation of new organizational structures, but also a process that provides a new management culture, new thinking of leaders and professionals, in other words, the implementation of new approaches and ideas.

In contrast to the concept of profit maximization, the concept of a value-based approach to management allows a different approach to the process of restructuring and reorganization of enterprises, measures, opportunities, as well as the theoretical foundations of this process. Value appraisal is an integral part of the value management concept.

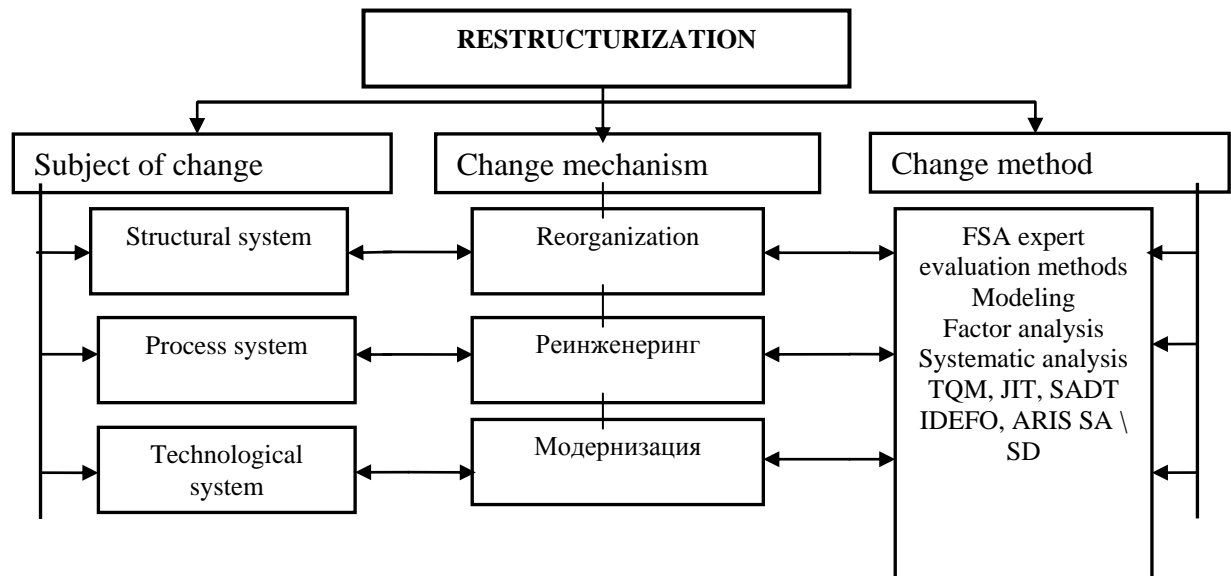
It is the assessment of the value of the company created as a result of structural and organizational restructuring of the company and the possibilities of its implementation, the value of the company's alternative strategies and the value of specific programs within this strategy. In this context, the process of restructuring and reorganization emerges as a means of increasing the value of the company, and the need to apply them in an ongoing or ongoing crisis will not be effective.

Regardless of who initiates the restructuring, its goal is to increase the efficiency of the enterprise and its market value. The analysis of the restructuring of the enterprise is aimed at how to allocate a certain part of the reasonable market value required for the implementation of the planned activities, to convert the remaining resources that are not needed to perform the main tasks of the new enterprise into cash inflows. In this regard, a careful study of the value of each business unit and all its existing assets of individual parts of the enterprise under consideration, and then find ways to not only improve the nature of cash inflows from production activities, but also to exclude such resources. It is necessary to determine the market value.

The main focus of restructuring initiators is, of course, gaining control over large sums of money. If the enterprise is expected to be transferred to another owner as a result of the restructuring, then the consolidation of the relevant assets may result in an increase in the depreciation account base and, in this regard, the possibility of future tax benefits. Therefore, the profit tax is reduced due to the effect of the use of the tax credit, which in turn leads to an increase in total cash receipts and, ultimately, the implementation of the transaction at higher prices. A methodological approach to the problems associated with restructuring is to find sustainable measures to increase the competitiveness of industrial enterprises and improve the economic and financial mechanism of operation.

The essence of the economic mechanism of restructuring is based on the need to use different forms and methods of reforming production mechanisms in order to increase the level of flexibility in a competitive market environment.

According to the results of the study of the views of domestic scientists and foreign experts, the restructuring complex has been transformed into a systemic form and divided into the subject, mechanism and method of its constituents [7] (Figure 1).



**Figure 1. Restructuring lash of the complex structural appearance**

According to the results of the analysis, the following are the most relevant methodological problems of restructuring:

- The problem justifying the need for restructuring;
- The problem of preparing for the restructuring process;
- The problem of adaptation of the enterprise;
- The problem of maintaining stability.

Any business restructuring program is based on concepts that fit the purpose, task, measure, type of restructuring. Based on the general experience of restructuring of industrial enterprises in our country can be divided into six concepts of business strategy for restructuring:

1. **The concept of crisis management.** Restructuring of all financial indicators (capital, receivables, payables) will be carried out to restore the company's solvency in the short term. Bankruptcy (voluntary or compulsory) is carried out in the absence of the possibility of financial restructuring.

2. **The concept of financial recovery.** All types of financial restructuring are carried out for the purpose of financial rehabilitation: restructuring of the property complex of the enterprise, optimization of the use of business resources. The result is a stabilization of the enterprise's finances, including solvency.

3. **The concept of increasing business value.** The main goal is to increase the value of the business, to achieve strategic consistency with it. To do this, measures will be taken to manage risk factors, form an optimal capital structure, implement various forms of reorganization (merger, consolidation, separation, division, restructuring).

4. **The concept of innovative development.** It is necessary to strengthen the innovative potential of the enterprise. This requires the launch of new goods, technologies and production, development, investment and implementation of innovative projects.

5. **The concept of antitrust.** The main goal is to support a competitive environment through the establishment of independent businesses. The main measures

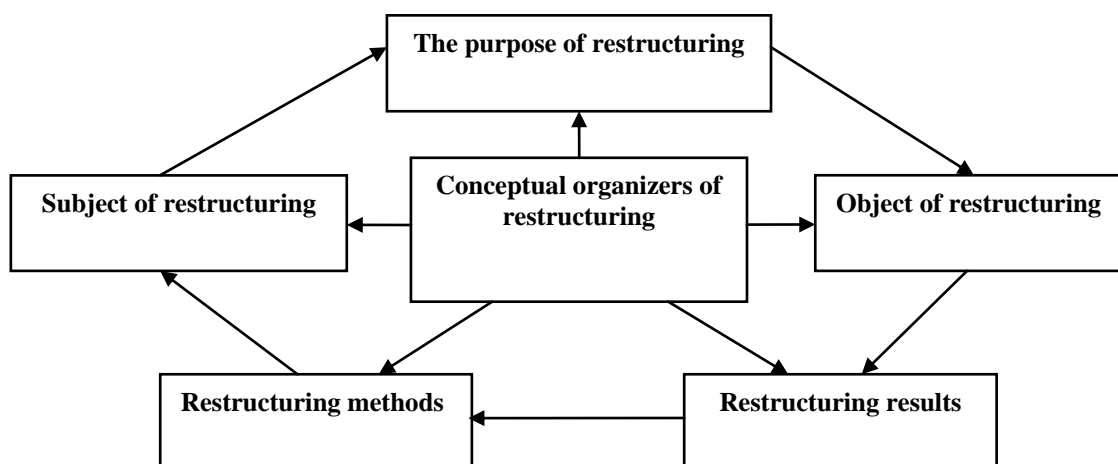
include: increasing the efficiency of property use through the free sale of shares of state and unitary organizations, joint-stock companies owned by the state, the transfer of control over their management to other entities. Natural monopoly, bringing the price of a monopoly product to a level consistent with optimal costs. For example, the transfer of shares of JSC "Uzmetkombinat", JSC "Almalyk Mining and Metallurgical Combine" to international companies with expert expertise in the field of metallurgy, through the structural restructuring of JSC "Uzbekistan Airways", FE "Uzbekneftegaz", JSC "Uzbekenergo" we can cite the emergence of organizations that create competition instead of natural monopolies.

**6. Marketing concept.** In order to find effective channels for the sale of products, it is necessary to develop a strategy for the movement of goods and services in the market, as well as to identify a new "cluster" of goods that the company can occupy in the market. This concept primarily involves the restructuring of production (restructuring of the structure of primary and secondary production) and marketing (sales and movement of goods in the market).

The restructuring of the business is carried out on the basis of different concepts, each of which ensures the achievement of certain goals. In order to achieve the set goals, it is necessary to identify certain supports and methods of restructuring. Given that restructuring has a complex, fundamental, and comprehensive characterization, it is clear how broad the scope of its methods is. This can include all methods of finance, human resources, production, investment management, logistics, management accounting, control, marketing.

Another element of restructuring is the known result of its implementation, which does not always fully meet the previously set goal. An analysis of the outcome and effectiveness of a particular management decision is an important step in restructuring.

Modern management accounting methods, control system, economic analysis, audit allow to timely eliminate the negative aspects that occur in the process of restructuring and reduce the importance of planned economic and financial indicators. In this way, the conceptual organizers of the restructuring of industrial enterprises - the object, subject, purpose, method and results emerge (Figure 2).



**Figure 2. Conceptual components of restructuring<sup>1</sup>.**

<sup>1</sup> Scientific development of the author

In order to successfully restructure, enterprises need to develop their own restructuring concept, which addresses the problems that exist within the enterprise; short-term and long-term goals; transformational changes applied to a certain area of activity; restructuring supports and methods appropriate to these conditions; necessary financial, labor, material resources; methods of evaluating the effectiveness of the measures taken and the procedure for analyzing the policy of the enterprise in the event of changes in the parameters of the internal and external environment, or to identify violations of the actual state of the planned results. A comprehensive approach to the restructuring of the economy, both within the organization and within the national economy, will ensure that it is aimed at increasing the efficiency and competitiveness of activities.

### CONCLUSION

In the modern context of the development of economic relations, local enterprises in the industrial sector need effective methods and techniques to increase competitiveness. In the context under consideration, it is important for many industrial enterprises to address the strategic challenges of developing local industrial enterprises, not only to operate, but also to use certain management methods to ensure their competitive position in the market.

The vitality of any enterprise in the industrial complex includes the prospects for the development of an efficient manufacturing enterprise based on the implementation of well-coordinated production processes. Even more important is the area of activity of the industrial enterprise, the right choice of technology to carry out production operations will ensure the success of the enterprise.

From this, we can conclude that there is no harmful and unprofitable type of activity, but there are right and wrong approaches in carrying out the production process. All the problems are not with this or that type of activity, but with the wrong methods, approaches and management methods.

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