

# Integral Assessment of the Capacity of Textile Industry Enterprises

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**Abstract-** The article discusses the potential of the textile industry in terms of assessing its elements and their impact on the economic activities of the organization.

**Keywords-** Potential, system, subsystem, integrated assessment, entrepreneurial potential, and economic potential.

## I. INTRODUCTION

In recent years, the volume of production in the textile industry is growing rapidly, and its share in the country's GDP is growing significantly. However, in general, the existing potential and resources of the textile industry of Uzbekistan are not fully used. This further increases the relevance of in-depth scientific and practical research of the resources and potential of textile enterprises. It is important for Uzbekistan to rapidly integrate into the world economy and create a system of rational management of textile enterprises in the context of stable conditions on world markets, effectively using their potential, in particular, and production, financial and technical capabilities. The capabilities of any business entity, i.e. its potential, are determined by various internal and external factors. The adoption and development of management decisions aimed at ensuring effective operation should be based on objective and accurate information on the potential of enterprises. Indeed, business planning and development of textile enterprises in the context of integration and innovation, effective use of its potential is a key factor in the sustainable development of these enterprises. As in practice, when all management decisions focus on economic potential to one degree or another, the issues of assessing the extent to which it is used remain relevant.

## II. LITERATURE REVIEW

The concept of "potential" is derived from the Latin "potential", which means power, hidden opportunity. Here, from the point of view of the general economy, Arkhipov V.M. [1] defines "potential" as "the available means, resources, and resources that can be mobilized to accomplish a set goal or task." While the scientist's interpretation is the basis for the formation of a general understanding of "potential", the influence of the factors that shape "potential" is not economically justified.

The concept of "potential" at the enterprise level was introduced by Kleiner GB, Tambovtsev V.L. and Kachalov R.M. [2], which suggests that, in their view, the potential of a particular enterprise consists of components that characterize its resources, status, and behavior in the external socio-economic environment.

In our opinion, this interpretation can provide a scientific and theoretical basis for the essence of the economic potential of enterprises.

In this regard, Temnova N.K. [3] the definition of "potential" by him is noteworthy, in his view: "potential" is not only a resource, but also an opportunity to carry out some purposeful activity and get results. He also emphasizes the need for a synergistic approach to "potential".

B. Ryan [4] defines organizational capacity in the following general terms, i.e., "organizational capacity refers to the actual and probable ability to perform purposeful work".

In this regard, in terms of financial and economic activities of the enterprise, Bogataya I.N. by the accounting interpretation of the definition of enterprise potential. According to him [5], "the potential of the enterprise - the assets at the end of financial and economic activities, the sources of its formation and their ability lead to certain financial results."

Bogataya I.N. The interpretation given by is relevant in today's market relations, and today the management of financial results of enterprises remains a priority.

Based on the above interpretations, "capacity" is a set of tools, capabilities, capabilities, in particular, a set of untapped reserves of economic entities, which may reveal the hidden potential of the enterprise in the real world with the change of existing conditions.

Broad interpretations of the concept of "potential" allow it to be applied to various areas of science and economics, depending on what tools, resources and resources are considered.

Such a definition of the essence of "potential" allows a wider application to various areas of economic activity of organizations and enterprises, and it can be called "economic potential".

As a result of studying and analyzing the concept of "economic potential" as an economic category, it can be said that it has not only theoretical but also practical character.

Economist-scientist Bukhalkov M.I. [6] According to him, "the economic potential of any enterprise reflects the composition of the resources at the disposal of the organization for the production of planned works, services: labor, material, financial, etc." In our opinion, Buxalkov M.I. While the concept given by is interesting, it is interpreted in a narrow sense.

Spirin V.S. According to the [7] approach, "economic potential is determined by a set of resources that contain available and unused resources".

Rayzberg B.A. [8] According to him, "economic potential explains the efficient use of the total available limited resources of the enterprise to maximize profits and is a key component of the potential of production and the economic system."

Sosnenko L.S. [9] divides the study of "economic potential" as an object into two directions. On the one hand, economic potential is considered as the total resources of economic entities, on the other hand, the ability of economic entities to absorb and process existing resources to meet the needs of society.

### III. RESEARCH METHODOLOGY

The research was based on the research results of foreign and domestic researchers on the topic and used methods such as statistics, selective observation, comparison, expert evaluation.

### IV. ANALYSIS AND RESULTS

It is known that in order to ensure the competitive advantage of industrial enterprises, it is necessary to adapt internal capabilities to the influence of external factors, and it is important to assess the level of existing capacity in this process. Therefore, in our research, we found it necessary to explore ways to improve the competitiveness of the existing complex in the ginning industry, which is the first link in the cotton complex, and to improve the method of assessing the level of competitiveness.

One of the distinguishing features of ginneries is that the consumption of raw materials in the structure of production costs in these enterprises is quite high (85-90%). Therefore, in the process of calculating the competitiveness of these enterprises, it is necessary to pay sufficient attention to this situation.[11]

Therefore, in assessing the competitiveness of the ginnery, it is advisable to use a calculation method that allows to take into account the distinguishing features of its production, important indicators of competitiveness. The most common method in this regard at the moment is to determine the integral indicator of competitiveness. Typically, this indicator is determined by summarizing the unit and group criteria of competitiveness by calculating them sequentially.

It is known that in order to increase the competitiveness of the enterprise and the brand, it is necessary to use the existing potential wisely. Therefore, in our research, we have focused on such a situation in the development of a method for assessing the competitiveness of the ginnery in the search for opportunities to use its potential.

We will consider the content of this method and whether it is worth evaluating the competitiveness of the ginnery.

The essence of the method of determining the integral indicator of competitiveness is to calculate the competitiveness of the ginnery under study, comparing it with the conditional-leading enterprise formed from the values of the highest performing enterprises in the industry or the highest available indicators in the industry.

We have divided the indicators needed to assess the competitiveness of the ginnery into the following groups [10]:

1. Cotton fiber competitiveness.
2. The level of utilization of the internal potential of the enterprise.
3. The level of compliance of the enterprise with external environmental factors.
4. Business activity of the enterprise.

Therefore, the assessment of the aggregate group performance in the search for opportunities to use the potential of the ginnery is calculated by the following formula:

$$R_i = \sqrt[n]{a * R_t + b * S_i + c * S_t + d * K_{if}}, \quad (1)$$

where  $R_i$  is the aggregate group indicator of the competitiveness of the i-gin;  
 $R_t$  is an indicator of the competitiveness of the cotton fiber of the i-ginnery;

$S_i$  is the level of utilization of the internal potential of the i-gin;  
 $S_t$  is the degree of compliance of the i-gin with external environmental factors;  
 $K_{if}$  - business activity of i-ginnery;  
 a, b, c, d are the coefficients of the degree of importance of factors in assessing the competitiveness of the ginnery.

Thus, the use of this method of assessing the competitiveness of the enterprise plays an important role in finding opportunities to use the potential of the ginnery.

The concept of the potential of the enterprise, its components, and the issue of its evaluation has been extensively studied in research work. However, the issues of categorizing descriptive indicators, assessing the potential of selected sectors, which fully cover the specific development characteristics of the real sector of the economy, have not been sufficiently studied.

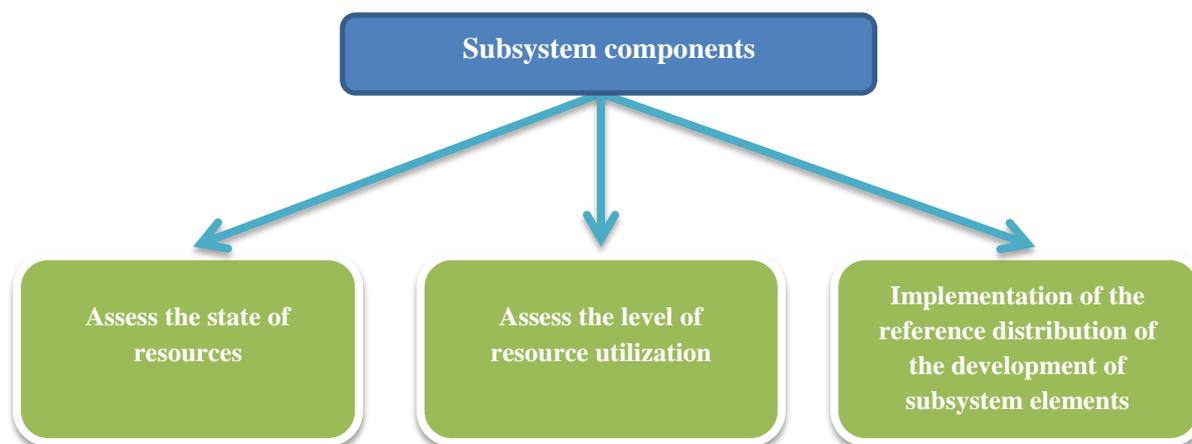
Based on the study of research on the potential of enterprises, it is possible to distinguish the following three areas [11].

1. A potential is a set of resources necessary for the functioning and development of a system (resource approach). In this case, the potential assessment relies on quantitative and qualitative analysis of the description of individual resource types, but its synergistic effect is not taken into account in this process.
2. Capacity includes a system of conditions (factors) that ensure the achievement of the set goal. Consequently, the analysis and evaluation of the description of individual resource types will need to be supplemented with indicators that describe the effectiveness of the system as a whole, taking into account the impact of management.
3. Understanding the essence of the concept of potential is an approach that takes into account the possibilities between the tasks to achieve the goal set by the system and the achievement of the goal, using the available resources. This is complemented by the identification of unused system resources and the activation of it in previous approaches.[12]

One of the main methodological tasks of research on economic potential is the selection of its evaluation methods. Scientific and economic substantiation of methods and indicators of economic potential plays an important role in the development of strategies to ensure the economic potential of enterprises and increase it in the future. Therefore, since the assessment of the economic potential of the enterprise is a complex process, it is expedient to consider it as a system.

Taking into account the interdependence, complementarity, interaction of the elements of the controlled and managed subsystem of an industrial enterprise, it is necessary to evaluate a number of components, namely management, production, labor, marketing, financial components, without which the system would not exist.

Skvortsov V.A., Babeni I.P. A systematic approach to the assessment of enterprise capacity has been implemented by management, production, labor, financial organizers as subsystem components [12]. Therefore, we consider it necessary to include marketing potential in this system, as it is important due to the nature of this industry, considering the activities of enterprises in the textile industry as a whole system. In assessing the capacity of each component of the system, the allocation and assessment of resources, analysis of the efficiency of use of these resources and the reference distribution of the operation and development of a particular subsystem element were taken into account (Figure 1).



Source: Developed by the author.

Figure 1. Components of the enterprise capacity assessment system

The proposed method of assessing the potential of textile enterprises includes the following steps:

Assess the status of the resource organizers of the individual subsystem components of the potential using primary indicators. It is advisable to use analytical methods of systematic analysis in the analysis and evaluation of the status of each resource component resource organizer [13].

We propose an algorithm for calculating the integral indicator of organizational capacity builders:

- A table of indicators describing the dynamics of capacity change is formed. In this case  $x_{ij}$  is the amount of j-indicator in  $t_i$ -year of the studied period; [14]

-  $S_j$  -  $\sigma_j$  is the standard deviation of the j-index in;

- standardized values are calculated using the following formula:

$$Z_{ij} = \frac{x_{ij}}{S_j} \quad (2)$$

- for the period under study (at least three years) as the best indicator  $x_j^e$  the reference value of the indicators;

- standardized values of standards are calculated using the following formula:

$$Z_j^e = \frac{x_j^e}{x_j} \quad (3)$$

- In the complex assessment, the share of each indicator is calculated using the following formula:

$$a_j = \frac{Z_j^e}{\sqrt{\sum_{j=1}^n (Z_j^e)^2}}; \quad (4)$$

- the value of the potential function for years is calculated using the following formula:

$$y_i = \sum_{j=1}^n a_j * Z_{ij}; \quad (5)$$

- the reference value of the potential function is determined as follows:

$$y^e = \sum_{j=1}^n a_j * Z_j^e; \quad (6)$$

- potential value in t-year is determined as follows:

$$S = \frac{y_i}{y^e}; \quad (7)$$

As a result of the calculations, an integral estimate of the available resource status and the level of security in a separate subsystem component of organizational capacity at each stage of the calculation (in t) is found. [15]

The potential change will be in a dynamic view. At each stage of the calculation, the reference value corresponds to 100%. In dynamics, the actual value of the integral indicator indicates the degree to which the enterprise is close to the reference value in a given year.

1. In the second stage of the calculation, on the basis of the selected indicators, the efficiency of the enterprise's use of available resources is calculated according to the method described above. The result of this calculation phase provides an integral estimate of the efficiency of the use of the elements of the potential components of the t-calculation phase in dynamics.

2. At this stage, opportunities are sought to expand and strengthen the capacity based on the results of comparing the actual value of the indicators that characterize the individual components of the potential with the reference value. Comparison of the dynamics of the benchmark and the actual performance is done using Kendall's color coefficient. Calculations are performed on the intervals ( $t_{1-t}$  (2)) and  $t_{2-t}$  (3)). At this stage, the system is balanced and its potential for future capacity expansion is assessed.

3. Estimation of enterprise potential in t-steps is carried out using the following formula:

$$K_i^c = \sqrt[3]{P_i^t * \Delta P_i^t * \Delta D_i^t}, \quad (7)$$

here,  $K_i^c$  – t – the generalized integral value of the potential t– component in the calculation step, the share in units;

$P_i^t$  – t – potential in the calculation step integral integral value of the constituent resources, the share per unit;

$\Delta P_i^t$  – t – potential in the calculation step t– integral value of the efficiency of resource use of the organizer, the share per unit;

$\Delta D_i^t$  – t – potential in the calculation step t– integral value of the correspondence of the actual and reference values of the dynamics of the indicators characterizing the structural equilibrium of the component, the share in units.

Assessment and analysis of the economic potential of textile enterprises JV “BAYPAK TEXTILE” operating in Uchtepa district, Tashkent region, “OSBORN TEXTILE” JV operating in Bostanlyk district, Tashkent region, “UZTEX TASHKENT” operating in Sergeli district, Tashkent city, Was carried out by “CHINOZ TEXTILE” LLC operating in Chinoz district.

The analysis shows that the volume of production of cotton yarn at the enterprises of the textile industry, which is the object of research, has sharply decreased, but at the enterprises of JV "BAYPAK TEXTILE" and JV "UZTEX TASHKENT" the cost of production has increased.

In particular, the volume of production at CHINOZ TEXTILE LLC increased sharply, ie in 2015 it produced 3.6 thousand tons, and in 2018 this figure almost doubled and reached 6.6 thousand tons.

The analysis shows that in all enterprises, except for JV "BAYPAK TEXTILE", the ratio of working capital is higher than the established norm. It is obvious that in BAYPAK TEXTILE JV this indicator has been low for many years, according to experts, this situation is considered as an indirect sign of misreporting.

The following main factors contributed to the growth of the level of working capital in the enterprises of the textile industry under analysis:

The growth of own working capital, in particular, in the FE "OSBORN TEXTILE" in 2018 increased by 18.0% and amounted to 15.9 billion, respectively, in the JV "UZTEX TASHKENT" - 42.5% and 13.2 billion. soums, “CHINOZ TEXTILE” LLC - 16.6% and reached 12.3 billion soums;

- decrease in the amount of current accounts payable, in particular, the amount of current accounts payable in JV "UZTEX TASHKENT" in 2015 amounted to 19.8 billion soums, in 2018 this figure decreased by 22.3% or 14.6 billion soums;

- Decrease in the share of receivables from current working capital, in particular, the share of receivables in JV "UZTEX TASHKENT" in 2015 amounted to 38.2%, in 2018 this figure decreased by 11.1% and reached 27.1%;

- growth of financial stability of enterprises;

- increase in the number of solvent buyers.

The low level of working capital of the analyzed textile enterprises can be justified by the following main factors:

- BAYPAK TEXTILE JV does not have its own working capital, ie in 2015 the goods were operated on the basis of immobilization of suppliers and contractors for 2.5 billion soums, by 2018 this figure decreased by 55.8% to 1.1 billion soums;

- High amount of current accounts payable, in particular, increase in current accounts payable in JV "BAYPAK TEXTILE", ie in 2015 the current accounts payable amounted to 5.4 billion soums, which in 2018 increased by 7.4% or 5.8 billion soums. Soums, respectively, "CHINOZ TEXTILE" LLC increased by 5 times and amounted to 17.0 billion soums;

- High share of receivables from current working capital, in particular, the share of receivables in JV "BAYPAK TEXTILE" in 2015 was 35.4%, in 2018 this figure increased to 16.3% and reached 51.7%. Respectively, the share of receivables in “CHINOZ TEXTILE” LLC increased from 28.2% (in 2015) to 51.1% in 2018 or 22.9% compared to 2015, in “CHINOZ TEXTILE” LLC in 2015 to 15.4% reached 61.6% in 2018 or increased by 46.2% compared to 2015.

During the years of analysis, the current liquidity ratio of BAYPAK TEXTILE JV was much lower than the norm. However, in other textile enterprises under analysis, this figure is high, on the one hand, it is considered a positive situation, on the other hand, it means that enterprises do not use working assets enough and there are barriers to obtaining short-term loans (Figure 1).

As can be seen from Figure 1, in 2018, compared to 2015, the solvency of CHINOZ TEXTILE LLC decreased sharply, which can be explained by an increase in short-term liabilities of the enterprise. The following key factors influenced the growth of the current liquidity ratio of the analyzed textile enterprises:

Growth of own funds of enterprises, in particular, in 2015, the amount of own funds in OSBORN TEXTILE FE was 62.0 billion soums, an increase of 8.7% or 67.4 billion soums in 2018, respectively, UZTEX TASHKENT In JV - 2 times and 60.5 billion soums, in "CHINOZ TEXTILE" LLC - increased by 2.2% and amounted to 42.7 billion soums;

- decrease in the amount of short-term liabilities, in particular, the amount of short-term liabilities in JV "UZTEX TASHKENT" in 2015 amounted to 19.8 billion soums, this figure decreased by 34.5% in 2018 or 13.0 billion soums;

- Increase in revenue from sales of products, in particular, the amount of revenue from sales of products in 2015 at OSBORN TEXTILE FE was 73.9 billion soums, which in 2018 increased by 52.2% or 112.5 billion soums, respectively. CHINOZ TEXTILE ”LLC - 40.2% and 36.6 billion soums;

- collection of receivables, in particular, the amount of receivables in JV "UZTEX TASHKENT" in 2015 amounted to 11.1 billion soums, while in 2018 this figure decreased by 47.9% or 5.8 billion soums.

On the basis of this method, the potential of textile enterprises that are part of the Association "Uztextile

Industry" was assessed on the basis of reporting materials for 2016-2018. The results of the calculations show that the generalized integral value characterizing the potential of these textile enterprises ranged from 0.42 to 0.56. These data suggest that the existing potential in these textile enterprises has been underutilized.

## V. CONCLUSION

To increase the economic potential of textile enterprises that are members of the Association "Uztextile Industry" we make the following proposals:

- rational use of the existing raw material base, finding a solution to the problem of alternative transport in its transportation;
- It is necessary to purposefully organize government support for the development of cotton and textile clusters;
- It is necessary to put an end to the monopolistic competition of cotton and textile clusters in the domestic market;
- It is necessary to create a research base for a systematic study of the state of the world commodity market and marketing of the activities of exporters;
- effective use of existing equipment and technology, its constant updating at the expense of modern equipment;
- It is necessary to organize the management of the enterprise's potential using modern methods;
- It is necessary to establish regular training of employees in textile enterprises;
- Rational use of financial resources of textile enterprises should be established;
- It is necessary to increase the export potential of textile enterprises through the production of quality products;
- Assistance in opening a network of presentation centers abroad, the establishment of joint chambers of commerce and industry and business councils;
- It is necessary to improve the system of support for local producers. Import-related raw materials, which are not produced in our country or imported in small quantities, should be encouraged by setting low or "zero" rates for domestic production, which depends on the materials.

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