Financial and Economic Sustainability
FINECS ISSN-2181-1636 Vol. 2, Issue 1, March, 2022
https://finecs.net

FACTORS INFLUENCING THE COMPETITIVENESS OF SMEs

Hamdamov Omonullo
Associate Professor of Tashkent Institute of Finance

Abstract:
This paper studies the factors influencing competitiveness of small and medium enterprises in Uzbekistan, the survey has been conducted among 100 SMEs and the results have been analyzed

Keywords: competitiveness, innovation, technologies, SMEs, Uzbekistan

INTRODUCTION

The economic efficiency of any state is determined, first of all, by the volume of the gross product per capita; the rate of inflation, unemployment; development of innovative technologies; resistance to possible world economic crises.

There are many methods and ways that affect the achievement of economic growth and the rational use of the country's resources. Small and medium business is one of the segments that have a significant impact on economic development in general.

Saturation of the market with a variety of goods and services, the formation of a healthy competitive environment, and the creation of new jobs directly depend on the confident development of small and medium-sized businesses. And, of course, - strengthening the industrial and agricultural potential of the Russian regions, improving the quality of life of the population of the country. In addition, small and medium-sized businesses are the most effective conductors of new technologies and innovations, which is due to the peculiarities of small enterprises and their advantages in R&D.

Thus, ensuring the competitiveness of small and medium-sized businesses should become one of the leading directions of the state regional policy to achieve a high level of social and economic development of the region and improve the welfare of residents.

Increasing the competitiveness of small and medium-sized businesses in the region should be not only the task of the business itself, but also the goal of the activities of state authorities. Power and business should jointly develop mechanisms to ensure the competitiveness of enterprises.

LITERATURE REVIEW

Enterprise competitiveness. The study of the competitiveness of enterprises, proposed in the economic literature by the authors A. Voronov, A. Dementyeva, I. Maksimov, M. Melnikova, A. Semenenko, S. Tsvetkova and others, allows us to conclude that most often the concept of “competitiveness of an enterprise "Are reduced to" ... the ability of an enterprise to produce a competitive product " [1]. However, given that at present enterprises can produce various types of products and simultaneously operate in different product (industry) markets within the framework of diversification strategies, at any given moment in time the level of competitiveness of the enterprise and the level of

competitiveness of the products produced by it do not coincide. First of all, it should be noted that as a basis for comparing the level of competitiveness of an enterprise, data on competing enterprises, and not on manufactured goods, are used. At the same time, when comparing a given enterprise with competing enterprises, it is necessary to take into account various categories of competitors: direct competitors (producing the same products); indirect competitors (producing substitute goods); potential competitors (producing goods or services that allow satisfying this need in another way), which may belong to different industries or areas of activity. The choice of certain types of competitors for the enterprise under study depends on the goals and objectives of the researcher, which, in turn, leads to the use of different types of goods as a basis for comparison (basic product; substitute product; service that allows satisfying this need in another way); or various industries with the specifics of the development of competition and market relations.

Industry competitiveness. Research on the competitiveness of the industry is usually based on the definition of M. Porter, who focuses on identifying criteria for assessing the level of competitiveness in the world economy. Due to the lack of a clear concept, it is quite often that competitive industries are given out as either "specialization industries" (including international ones) or "dominant industries" (occupying a high share in the structure of the economy).[2]

Technology refers to the use of cutting-edge operating systems, information systems, and real-time data as a necessary component of operations aimed at maximum efficiency. This will undoubtedly improve the organization's competitiveness. According to Pushpakumari, M.D. and Watanabe, T. [3], technological innovation can be viewed as the catalyst for changes in an organization's competitive position, which is contingent on its ability to drive or at the very least keep up with such changes. Information technology is viewed as a new source of competitive advantage critical for long-term survival in the twenty-first century. IT enables organizations to improve their management processes and operations, as well as their productivity and flexibility. Thus, information technology has the potential to increase the efficiency and effectiveness of operations.

Although resources are classified in a variety of ways, the most widely used classification system is based on three categories: tangible, intangible, and capabilities. Williamson distinguished physical capital, human capital, organizational capital, financial capital, technological capital, and reputational capital[4]. Additionally, resources must meet certain criteria if they are to serve as sources of competitive advantage. According to some authors, and from all perspectives, while resources are sources of competitive advantage, not all resources provide these benefits.

MATERIALS AND METHODS

The study used a descriptive research design and included the top 100 small and medium-sized enterprises (SMEs) in Tashkent, Uzbekistan. A stratified random sampling technique was used to select a sample size of 25 SMEs that represented 30% of the target population. Five categories comprised the stratus: real estate, supplies, services, distribution, and manufacturing. The study analyzed primary data collected through the

administration of questionnaires to top management employees. The data were edited for completeness, coded, and transcribed into the Statistical Package for Social Sciences (SPSS) for analysis. Both descriptive and inferential statistics were used to analyze the data. The mean and standard deviations were used as descriptive statistics, whereas correlation and regression analysis were used as inferential statistics. Correlation analysis was used to ascertain the nature and strength of relationships between variables, whereas regression analysis was used to ascertain the independent variables' influence on the dependent variable.

Table 1

Response rate[1]

Response Rate	Frequency	Percent
Returned	21	84%
Unreturned	4	16%
Total	25	100%

Twenty-five questionnaires were distributed; twenty-one were properly completed and returned, while four were not. This equates to an overall success rate of 84 percent.

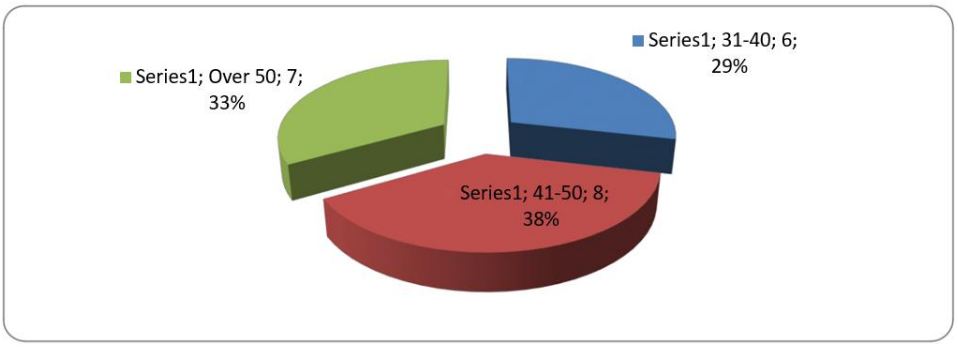


Figure 1 Age Bracket of the Respondents[2]

According to Figure 1, 38% of respondents were between the ages of 41 and 50, 33% were over 50, and 29% were between the ages of 31 and 40. The findings indicate that respondents are evenly distributed across age groups, implying that the organization employs competent and experienced employees who provide accurate responses to the study. Adoption of technology has significant correlation with organizational competitiveness.

Table 2

[1] Author's calculations
[2] Author's compilation

Level of Adoption of Technology within SMEs in Uzbekistan

Adoption of technology has significant correlation with organizational competitiveness.	0.0%	14.3%	9.5%	38.1%	38.1%	4	1.05
Technology advancement has significantly Promoted market-like forms of production and distribution in our company.	9.5%	4.8%	23.8%	23.8%	38.1%	3.75	1.4
Adoption of technology promotes high levels of efficiency and performance within our organisation.	14.3%	9.5%	9.5%	38.1%	28.6%	3.57	1.4
E-commerce is certainly a very effective tool when it comes to establishing customer relations and provision of access to global markets.	9.5%	4.8%	9.5%	33.3%	42.9%	3.95	1.284

According to Table 2, 76.2 percent of respondents agreed that technology adoption has a significant correlation with organizational competitiveness, 61.9 percent agreed that technological advancement has significantly facilitated market-like modes of production and distribution in their organization, and 61.9 percent agreed that technology adoption promotes high levels of efficiency and performance. 76.2 percent of respondents agreed that E-commerce was an extremely effective tool for establishing customer relationships and providing access to global markets, 85.7 percent agreed that their company was able to increase market size and structure through technology, and 71.5 percent agreed that the Internet was assisting us in enlarging existing markets. Additionally, 71.5 percent agreed that E-commerce reduces information and transaction costs associated with operating in international markets and provides a cost-effective method of strengthening customer-supplier relationships, while 76.2 percent agreed that technology has prompted their company to develop innovative methods of advertising, delivering, and supporting their marketing efforts.

Organizational Culture and Competitiveness

The study's final objective was to determine the impact of organizational culture on Small and Medium-Sized Enterprises in Uzbekistan.

The findings indicate that 57.2 percent of respondents agreed that their organization encourages innovation, 61.9 percent agreed that employees are willing to try new things, and 95.2 percent agreed that employees have high performance expectations. Additionally, 76.2 percent of respondents agreed that their organization's employees are competitive, 76.2 percent agreed that their organization's employees collaborate with others, and 85.7 percent agreed that their organization's employees respect individual rights. Eighty-five percent of respondents agreed that their organization is fair, 80.9 percent agreed that their organization provides job security, 71.4 percent agreed that their organizations are customer-focused and prioritize customer needs, and 76.2 percent agreed that their firms have shaped a customer-responsive culture through the hiring of outgoing employees.

CONCLUSION

The study concludes that strategic leadership has an effect on organizational competitiveness by establishing SMART goals and objectives and establishing clear vision and mission statements to guide the company's operations. The firm's long-term competitive advantage is contingent upon effective strategic leaders. This is because effective strategic leadership can help an organization maintain its focus during periods of economic uncertainty. A strategic leader's commitment and enthusiasm shapes the organization's common goals and inspires and motivates people to perform even better.

The study concluded that technology enhanced organizational competitiveness by increasing internal efficiencies and facilitating a more effective management of the external environment. Adoption of information technology improves the effectiveness of external activities, such as electronic marketing and e-commerce. IT is used to support operational efficiencies in order to reduce costs and increase overall business efficiency. By ensuring low-cost and high-quality products, operational efficiencies assist businesses in gaining a competitive edge.

The findings indicate that the majority of organizations have placed a premium on developing human resources that aid in identifying and operating in markets. Additionally, they assessed their resources and capabilities and recognized their value to the firm. Thus, the study concludes that internal organizational resources benefited the competitiveness of small and medium-sized enterprises in Uzbekistan.

REFERENCES

Воронов А. Международная конкуренция в XXI веке // Маркетинг в России и за рубежом. 2009. № 2. С. 16-24.

Вагин С.А. Тенденции развития корпоративного управления в мировой экономике. СПб.: Изд-во СПбГУЭФ, 2012. 181с.

Pushpakumari, M.D. and Watanabe, T. (2010). Do strategies improve SME performance? An empirical analysis of Japan and Sri Lanka.Meijo University.

Williamson, P.J. (2009). Strategy as options in the future, Sloan Management Review, Vol. 40 No.3, pp.117–27.

Qiuhong J. &Tiorini A. (2009). Strategic Management in East Asia SMEs: The Case Study of SMEs in China and Indonesia

Ray, G., Barney, J. B., & Muhanna, W. A. (2004). Capabilities, Business Processes, And Competitive Advantage: Choosing the Dependent Variable In Empirical Tests Of The Resource-Based View. Strategic Management Journal, 25(1), 23-37.

Thompson, A., Strickland, A. J. and Gamble, J. (2012). Crafting and Executing Strategy: TheQuest for Competitive Advantage: Concepts and Cases. McGraw-Hill