

Risks in Production and Theoretical Foundations of their Management

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Abstract. In this paper, the scientific and theoretical views of scientists on the risks at manufacturing enterprises, the impact of uoar on the economy of the enterprise and the volume of production, types of risks and their characteristics were studied. Attention is also focused on the types of risks affecting the production enterprise, the set of risks and the stages of risk management are analyzed.

Key words: production, enterprise, risk, types of risks, risk, gross regional product, set of risks, management.

Introduction

As a result of the focus on the development of entrepreneurship in our country, along with the creation of a business environment among the population, the strengthening of the infrastructure of production and service systems is being achieved. Many scientific and theoretical views state that entrepreneurship is an economic activity initiated by existing laws on the basis of risk and property liability for the benefit of property owners.

In the literature created by Western scholars, entrepreneurship is considered to be a multifaceted activity aimed at making a profit, the art of management, economic and organizational creativity, a bright demonstration of initiative and constant readiness for risk, and so on. . This, in turn, indicates the need for effective business management.

2 Materials and Methods

Any management activity can face dangerous levels at different levels, which is due to the multifactor dynamics of the external environment of the object of management and the role of the human factor in the process of influence. In almost all branches of management theory and practice, the problem of risk assessment and management plays a special role in choosing the optimal ratio of risks and the level of management activity in the business. Scientists have developed many theoretical foundations in this regard.

According to modern management theory, Navikov D.A. “The management system should include technical, natural, biological, social and other components,” he said, noting that currently management methods should include automated control, automated control, and organizational management. [1]

Our scientists M.Sharifkhojaye and Y.Abdullayev defined the concept of risk with the concept of risk and defined it as "Risk is the risk of complete or partial loss of a resource or income." [2]

A. Marshall, a British economist, believes that the risks in manufacturing are caused by "fluctuations in the markets of raw materials and finished products, unexpected changes in fashion, new inventions, the entry of new and strong competitors in their fields, and other reasons." [3]

3 Results and Discussion

Manufacturing enterprises are among the entities that have the socio-economic power to ensure the stability of the country's economy. However, changes in the times, changes in governance, and uncertainties have had a profound effect on the potential and economy of manufacturing enterprises. The efficiency of manufacturing enterprises also depends on key factors: political, economic, social, environmental and technological.

Currently, as a result of economic reforms carried out by the state, economic growth in the field of industrial entrepreneurship has been recorded, and the volume of gross regional product is growing (Table 1).

1-jadval Gross domestic product (GDP) in the Fergana Valley in 2018-2020 (billion soums)¹

№	Name of the region	Year					
		2018	Growth rate (in percent)	2019	Growth rate (in percent)	2020	Growth rate (in percent)
1	Namangan	18 046,0	104,5	23 144,8	107,6	26 632,3	104,8
2	Andijan	26 503,0	109,8	33 242,4	105,9	37 913,7	102,8
3	Fergana	26 611,5	107,7	31 818,4	104,5	36 538,9	103,0

As can be seen from the table, in 2018, Andijan region was the leader with a gross regional product of 109.8%, while in 2020, Namangan region is the leader in the Fergana Valley with a growth rate of 104.8%. reached

Production risks have their own characteristics. Risks are divided into internal and external types, which can manifest at different levels of the production process and lead to different risks.

The research process shows that when considering the definitions given by scientists on the theoretical aspects of risk management in manufacturing entrepreneurship, they can be divided into two types (Table 2).

¹ Author's work based on the data of the State Statistics Committee of the Republic of Uzbekistan

Table 2 Types of definitions of the theoretical basis of risk management in manufacturing entrepreneurship²

№	A ta’rif	B ta’rif
1	Risk of total or partial loss of resources or income	Fluctuations in the markets of raw materials and finished products, unexpected changes in fashion, new inventions, the entry of new and strong competitors in their fields
2	Avoid minimizing profits	Risks are a factor that requires a reward
3	The probability of adverse effects in the form of loss of income or capital in the context of uncertainty in the conduct of financial and economic activities	The occurrence of an unpleasant consequence in case of failure to achieve the expected result
4	Production risks are one of the types of potential risks that affect an enterprise and are characterized by the nature of the risks that arise during the production process or in the supply of raw materials.	

As can be seen from the table, the negative effects of risks in manufacturing are assessed in column A mainly on the impact on resources, income, capital and raw materials, while in column B changes in market relations, competition, unfavorable conditions and demand for rewards is assessed as the effect of motivating factors.

In today's economy, risk management involves three key areas:

1. identification of risks in the activities of business entities in conditions of risk and uncertainty;
2. develop the ability to respond to possible negative consequences in the course of activities;
3. develop and implement measures that can neutralize or compensate for adverse effects.

It should systematically express the uncertainty of the relationship between the optimal alternative and the consequences of economic transactions carried out by the entrepreneur (Figure 1).

² Source author development

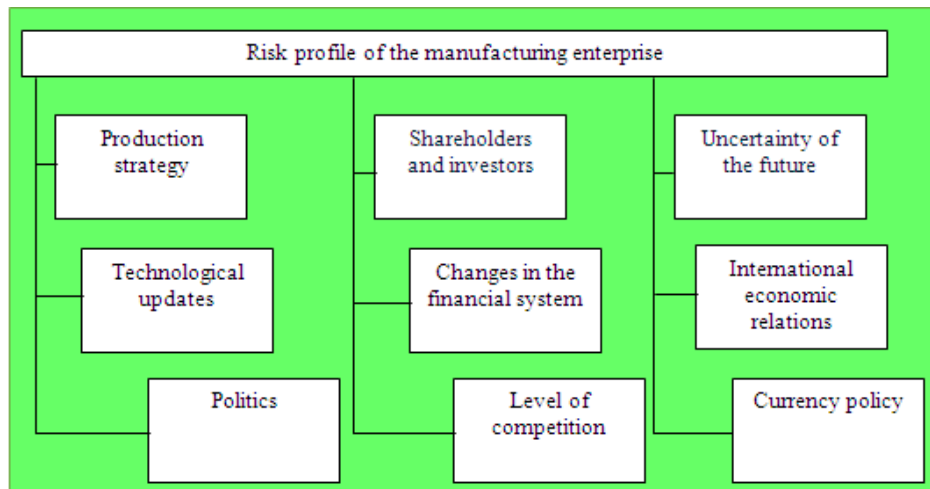


Figure 1. A set of risks that affect a manufacturing enterprise³

It can be concluded from the figure that the main risks affecting the management of a manufacturing enterprise are factors such as raw materials, natural resources, market demand and changes, which have a direct impact on the risk profile complex of the manufacturing enterprise.

Risk management is now a key factor in any business. This is because any organization operates under uncertainty and seeks to increase revenue in a constantly changing market environment. The risk factor arises in different areas of activity, and timely identification, analysis and appropriate decision-making on specific risk management allows the organization to avoid harm, and therefore the company's protection mechanism is one of the factors of success. Therefore, the organization of risk management activities in enterprises is one of the most pressing issues and requires special attention.

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The organization of risk management in a manufacturing enterprise is a system of measures aimed at the rational integration of all its elements in the process of risk management (Figure 2).

³ Source author development

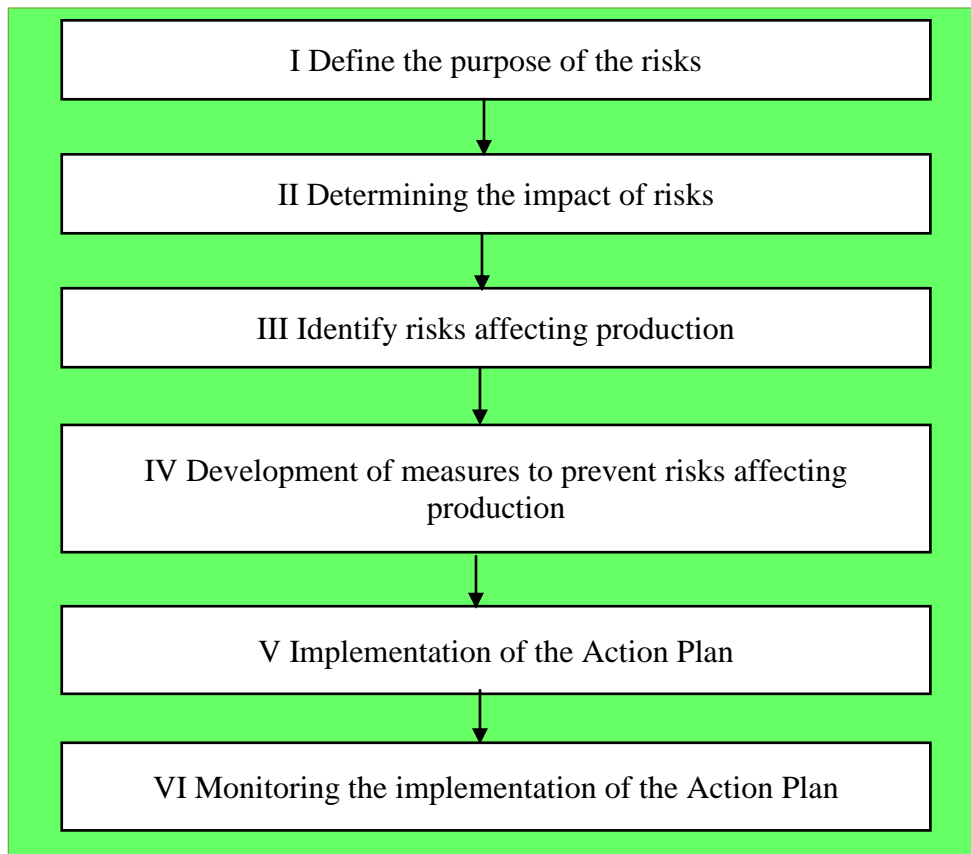


Figure 2. The stage of organization of risk management in a manufacturing enterprise⁴

As can be seen from the picture, the stages of risk management in manufacturing enterprises require the adoption and constant monitoring of a program of measures to identify and prevent the risk factors that affect production. This, in turn, will increase management efficiency by identifying and eliminating factors that affect production.

The effective organization of the risk management process in the activities of manufacturing enterprises should take into account the following:

- identify situations and unfavorable conditions that do not achieve the set goals;
- take into account the harmful properties that affect production;
- take measures to minimize and manage risks in the manufacturing business.

Studies show that in order to increase the effectiveness of risk management in manufacturing enterprises, it is necessary to reserve some of the production resources, which will allow to eliminate the financial consequences associated with the risks.

4 Conclusion

In conclusion, the economic aspects of risk management in manufacturing should be aimed primarily at maintaining economic stability. Their main task is to adapt to stable periods in

⁴ Source author development

the development of the economy, to implement management methods that maximize the maintenance and improvement of economic stability, and to implement decision-making.

Risk management is a set of procedures and technologies for making and implementing management decisions aimed at limiting (minimizing) risks in ensuring the economic sustainability of manufacturing enterprises. Therefore, risk management is often presented as a system of managing economic, primarily financial, relationships that develop in an enterprise in a risk environment. It is important to note that risk management is not an aid in itself, but an aid to the organization's core business. Risk management is a tool to help an enterprise achieve its goals.

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