

IMPROVING MANAGEMENT MECHANISMS TO INCREASE THE STRATEGIC COMPETITIVENESS OF SERVICE ENTERPRISES.

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Abstract: *The article highlights the importance of effective use of resources, management quality, human capital potential, service quality, and innovative capabilities in ensuring the competitiveness of service enterprises. Also, based on statistical indicators of the development of the service sector of Uzbekistan, current trends are analyzed and their impact on the competitive environment is assessed. The results of the study are of practical importance in developing strategic management decisions in service enterprises and improving mechanisms for increasing competitiveness.*

Keywords: *Service enterprises, competitiveness, strategic management, external and internal environment, management mechanisms, service sector, innovative potential, human capital, economy of Uzbekistan.*

Nowadays, the sustainable operation of service enterprises in the conditions of rapidly developing economy is directly dependent on the use of modern and effective mechanisms for managing competitiveness. Insufficient use of these mechanisms limits the opportunities of enterprises in the competitive struggle, which, in turn, requires the improvement of management methods and strategies.

The essence of this mechanism is a set of strategic and operational decisions based on the principles of systematicity, consistency and continuity aimed at maximizing profits and efficiently using resources, taking into account the dynamic impact of external environmental factors in a comprehensive manner, constantly updating competitive advantages, as well as developing the enterprise.

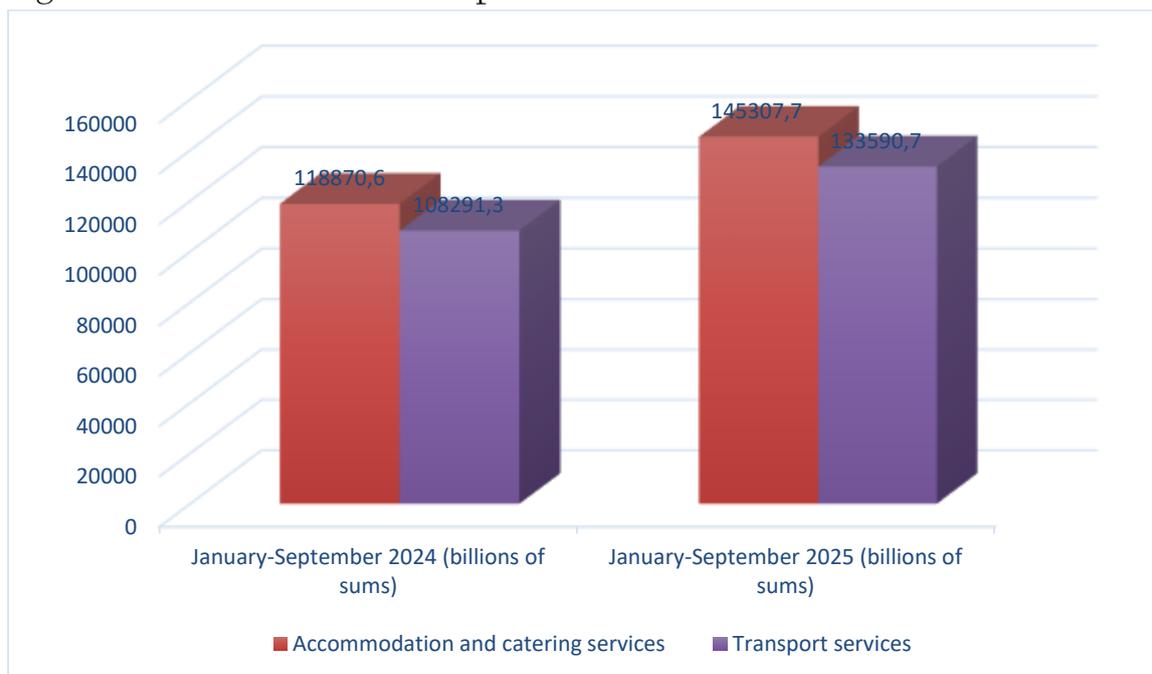
Statistical data show that the service sector in the Republic of Uzbekistan is one of the important components of the economy. The variety of services makes a significant contribution to the volume of total services. For example, in January-September 2024, the share of accommodation and catering services in the structure of the service sector amounted to 118870.6 billion soums, which had a major impact on the growth of the total volume of services. Also, the share of transport services contributed to 108291.3 billion soums, which was one of the factors of growth in the total volume of services.





In January-September 2025, accommodation and catering services amounted to 145307.7 billion soums, and the volume of transport services amounted to 133590.7 billion soums. (Figure 1)

Figure 1. Services sector in the Republic of Uzbekistan.



The results of this analysis show that the annual increase in the volume of services provided by enterprises operating in the service sector and the growth trend in the economy indicate a positive formation of the market situation. The increase in the volume of services indicates that the competitive environment of service enterprises is increasing, and at the same time, the need to create new opportunities and competitive advantages arises. Competitiveness management is understood as the process of constantly, systematically, purposefully influencing the factors and conditions that ensure the provision of high-quality services. Competitiveness management is considered an important process for successfully introducing competitive goods and services to the market and reducing the impact of external and internal factors.¹

The interaction of external and internal environmental factors is of decisive importance in the formation of the competitiveness of an enterprise and its effective management. These factors have been widely studied in the theory of strategic management, and their comprehensive analysis ensures the adaptability of the enterprise to market conditions. Competitiveness is interpreted as a set of interrelated structural elements that form the dominant aspects of the enterprise's activities and determine its position in the market. Existing scientific approaches to this concept show that

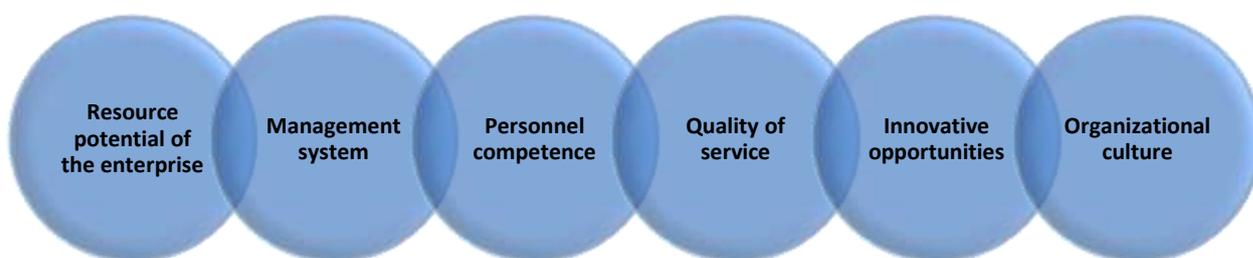
¹ <https://fundamental-research.ru/ru/article/view?id=39672>



competitiveness can be considered as a specific state that is formed in the internal environment of the enterprise, and it is this state that allows for the establishment of effective and stable interaction with the external environment.

In particular, from the point of view of the subjective approach, competitiveness is manifested as the result of optimal management decisions and mechanisms aimed at increasing the efficiency of the internal environment of the enterprise. Despite the conditions of strong competition, in the current market economy, competing enterprises have almost equal access to production resources and factors of production, and it is precisely through the market mechanism that access to these resources is relatively balanced. Therefore, the decisive factor in achieving competitiveness is not the availability of resources, but the efficiency of their use and the quality of management.

Figure 2. Internal environmental factors of corporate competitiveness.



It is worth noting that internal environmental factors represent the set of resources and opportunities that an enterprise has under its control. According to the Resource-Based View (RBV) theory, it is internal resources that are the main source of sustainable competitive advantages.²(See Figure 2)

The resource potential of the enterprise includes material, financial, human and information resources. The effective combination of these resources ensures the stability of service processes.³

The management system determines the mechanism for implementing the enterprise's strategy. An effective management system ensures the speed of decision-making, the efficiency of resource use, and internal consistency.

Personnel competence is a key factor in service quality and innovative potential. According to the theory of human capital, the knowledge and skills of employees are an important resource that determines the competitiveness of an enterprise.

Service quality plays a crucial role in ensuring customer satisfaction and loyalty. The Service Quality Model (SERVQUAL) is widely used in service enterprises to build competitive advantage.

² Barney J. Firm Resources and Sustained Competitive Advantage. — Journal of Management, 1991.

³ Grant R. Contemporary Strategy Analysis.



Innovation capabilities serve to increase competitiveness by creating new services, improving existing services, and introducing digital technologies.

Organizational culture, on the other hand, is an important factor determining employee motivation, openness to innovation, and collective effectiveness.

External environmental factors include market conditions, consumer demand, competitor activities, government regulatory policy, technological development rates, and socio-economic conditions. The internal environment is represented by the enterprise's resource potential, management system, personnel competence, service quality, innovative capabilities, and organizational culture. According to the theory of strategic management, the external environment includes the following main elements:

First, market conditions represent the general economic conditions of a company's operations. They are characterized by changes in the ratio of supply and demand, price levels, and market capacity. This factor is important in making short- and long-term strategic decisions;

Secondly, consumer demand is one of the main factors of competitiveness for service enterprises. The volume of demand, its composition and consumer behavior play a decisive role in shaping the service portfolio of the enterprise. This aspect is interpreted in marketing theory as a consumer-oriented approach;

Thirdly, the activities of competitors determine the intensity of competition in the market environment. According to M. Porter's "five forces model", the strategy of competitors, their barriers to entry and the availability of alternative services directly affect the competitive advantages of the enterprise;

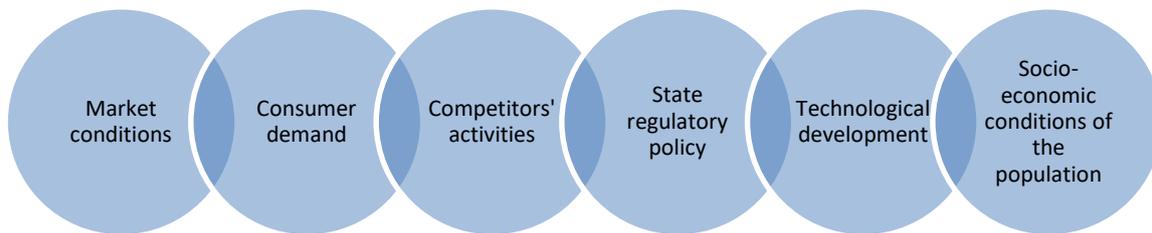
Fourth, government regulatory policy has a significant impact on the activities of the enterprise through taxes, licensing, standards and regulatory legal acts. This factor is studied as a political factor within the framework of PEST (Political, Economic, Social, Technological) analysis;

Fifth, the pace of technological development determines the possibilities for modernization, digitalization of service processes and the introduction of innovative services. Technological factors are seen as an important source of increasing competitiveness;

Sixth, socio-economic conditions are related to the income level of the population, employment, demographic processes and social needs, and directly affect the formation of demand for services. (Figure 3)

Figure 3. External factors of corporate competitiveness.





According to statistical data and research results, the positive dynamics of internal and external environmental factors in ensuring the competitiveness of enterprises in the service sector is leading to an increase in the intensity of competition among enterprises. This situation requires service enterprises to constantly improve the mechanisms for forming and managing competitive advantages.

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