

ELEMENTS, METHODS AND MEANS OF AN ECONOMIC MECHANISM FOR INCREASING THE EFFICIENCY OF SERVICE ENTERPRISES

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Abstract. This article analyzes the role of the service sector in the modern economy and examines complex approaches to enhancing operational efficiency. The study elucidates the socio-economic nature, substance, and development principles of efficiency in service enterprises. It classifies the elements, methods, and instruments of economic mechanisms for improving efficiency in the service sector, proposing a conceptual model that demonstrates their interrelationships. Particular attention is devoted to scientific and methodological approaches for assessing internal and external operational efficiency, including multifactorial indices, digital transformation-based monitoring systems, and benchmarking methods.

Keywords. Service sector, operational efficiency, economic mechanism, evaluation methods, digital transformation, corporate governance.

The service sector is one of the most dynamically developing sectors of the modern economy, accounting for a high share of national production. Globalization processes, the transition to a digital economy and changing consumer demands require service enterprises (SCEs) to achieve a new level of quality. At the same time, the issue of increasing the efficiency of enterprises is becoming the main condition for ensuring their competitiveness and viability.

The concept of efficiency is a complex indicator that includes not only financial results, but also the efficient use of resources, service quality and social responsibility. The specific features of the service sector - the immediacy of services, subjective assessment of quality, simultaneous production and consumption - complicate

efficiency management. Therefore, the development of theoretical foundations, economic mechanisms and assessment methods for increasing efficiency in this area is an urgent scientific task.

The socio-economic significance of improving the efficiency of service enterprises is determined by the priority areas of the regional economy. First of all, the service sector is the main source of employment, plays an important role in increasing the income of the population and ensuring social stability. By increasing efficiency, enterprises will be able to preserve jobs and create new highly qualified jobs. In terms of content, the efficiency of the service sector includes operational, financial and social dimensions. Operational efficiency reflects the speed of the service process, the efficiency of resource use and the level of optimization of processes. Financial efficiency is assessed by indicators of capital productivity, asset utilization efficiency and financial stability. Social efficiency includes customer satisfaction, the normality of service quality and environmental safety.

From the point of view of the principles of development, the effectiveness of modern MCC is realized in the following areas: first, the principle of customer-centric approach, that is, all management decisions should be aimed at meeting customer requirements; second, innovative management that supports radical and elementary changes and motivates employees; third, increasing the transparency and efficiency of activities through the introduction of information technologies; fourth, continuous improvement based on the principles of sustainable development (kaizen). The analysis shows that to ensure efficiency, the internal environment of the enterprise must be adaptable to external conditions. This, on the one hand, requires technological innovations, and on the other hand, it creates the need to improve the professional skills of employees. In particular, by standardizing and automating service processes, operating costs can be reduced by 20-30%, which gives a significant advantage in corporate competition.

The economic mechanism for increasing efficiency in service enterprises is a complex system, the elements of which are closely interconnected. The main elements include a financial incentive system, a pricing mechanism, cost management, investment policy and competition mechanisms. The financial incentive mechanism is one of the most powerful tools for increasing efficiency. This mechanism involves a modern organized wage system, bonuses and premiums, as well as employee participation in the enterprise. Practice shows that a variable wage system based on the KPI (Key Performance Indicators) system increases employee efficiency by 15-25%. In particular, incentives linked to service quality and customer satisfaction indicators give high results in increasing efficiency. The pricing mechanism is aimed at ensuring the optimal balance between service prices and enterprise efficiency.

By dynamically managing prices, that is, by adjusting prices according to changes in supply and demand, it is possible to overcome the contradiction between the profitability of the enterprise and the purchasing power of its customers. Modern service enterprises increase their market share using skimming (creaming), penetration and psychological pricing methods. The main focus of the cost management mechanism is on optimizing operating costs. In this process, the Activity-Based Costing (ABC) method is widely used. With the help of this method, the enterprise clearly determines how much it costs to provide a specific type of service and optimizes expensive operations. Also, by using outsourcing and offshoring mechanisms, it is possible to transfer auxiliary functions to external providers and focus on the main activity.

Increasing efficiency through the investment mechanism is aimed at introducing new technologies, modernizing infrastructure and improving personnel skills. In particular, the introduction of CRM (Customer Relationship Management) and ERP (Enterprise Resource Planning) systems within the framework of digital transformation significantly

increases the efficiency of working with customers. Studies show that switching to digital systems can reduce customer service times by 40% and reduce errors by 60%.

Performance evaluation is the scientific basis for making management decisions. For modern MNEs, performance evaluation requires a multifactorial approach and involves the use of a number of methods. Specific (quantitative) assessment methods include, first of all, the analysis of a set of various indicators. The Balanced Scorecard (BSC) is one of the most common methods, which evaluates from the perspectives of financial, customer, internal business processes, and growth and learning. This method evaluates not only financial results, but also non-financial factors such as corporate culture, employee satisfaction, and process quality. The Data Envelopment Analysis (DEA) method is effectively used to assess technical efficiency. This method allows you to compare enterprises providing the same type of service and identify the most effective options for using resources. The DEA method allows you to identify “best practices” in a multifactorial environment. Time series analysis is used to monitor dynamic efficiency. This method analyzes changes in indicators over time and identifies trends and seasonal fluctuations.

This helps to predict future performance and take appropriate measures. The benchmarking method is important in assessing the performance of MNCs. This method allows you to identify shortcomings in your activities and eliminate them by comparing them with the performance of leading enterprises in your field (leads). In particular, process benchmarking can optimize service processes. Qualitative assessment methods include customer surveys, in-depth interviews, and focus groups. Using the SERVQUAL model, the gap between service quality and customer satisfaction is identified and clear directions for improving performance are identified. In the context of digital transformation, Big Data analytics is opening up new opportunities for assessing performance. By analyzing data in real time, the enterprise immediately

identifies shortcomings in operational performance. Using Machine Learning algorithms, advanced approaches are being used to optimize the cost structure and predict profitability.

Improving the efficiency of service enterprises is a complex problem, and to solve it, it is necessary to combine theoretical knowledge, economic mechanisms and scientific assessment methods. Experience shows that ensuring efficiency is not limited to optimizing internal resources, but also requires an integral interaction with the external environment.

Among economic mechanisms, financial incentives and cost management occupy a leading position, as they are the “boat” tools of management. At the same time, the possibility of increasing efficiency without the introduction of modern information technologies is limited. Digital transformation not only increases operational efficiency, but also allows you to create new business models.

When choosing assessment methods, it is necessary to adhere to a multifactorial approach, since assessing service activities by one-sided financial indicators is not enough. The integration of balanced scorecards and digital analytics methods gives the most effective results.

As directions for future research, it is possible to single out the issues of forecasting efficiency based on artificial intelligence, fully automating service processes, and ensuring sustainability in terms of economic security. For service enterprises, efficiency has become a strategic advantage, a key factor determining their competitiveness and long-term development.

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