

Main Directions and Development Prospects of Risk Management in Industrial Enterprises **Mukhitdinov Shuhrat Ziyavitdinovich**

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Abstract: This article analyzes modern approaches to risk management in industrial enterprises, their main directions, and development prospects. It is scientifically and methodologically substantiated that effective risk management contributes to increased production efficiency and the rational use of resources.

Keywords: risk management, industrial enterprise, hazard analysis, strategic planning, efficiency, sustainable development, risk minimization.

Introduction.

In a market economy, the stable operation of industrial enterprises depends on numerous internal and external factors. Among these, risk management plays a crucial role. Global economic instability, intensified competition, technological advancements, and other factors generate various risks in the activities of enterprises. Therefore, identifying, assessing, and improving the risk management system has become one of the most pressing issues of modern management.

Risk management not only helps prevent potential negative consequences but also contributes to enhancing the efficiency of production processes, optimizing resource utilization, and developing a well-grounded approach to strategic decision-making. This article explores the main directions of risk management in industrial enterprises, best practices, existing challenges, and promising approaches. The research findings serve as a scientific and practical basis for forming an effective management system in this field.

Literature Review. The analysis of theoretical and methodological approaches presented in scientific and practical sources indicates that the methodology of risk management, the prevention of losses caused by risks, and the formation of an effective management system in the efficient operation of industrial enterprises have been extensively studied by economists, with specific proposals put forward.

Uzbek scholars X.J. Qambarov and A. O‘rolov have conducted research in the field of strategic management and risk planning. In their studies, they emphasized the necessity of managing risks in an integrated manner within enterprises—that is, assessing financial, technological, human resource, and external environment risks within a unified system.

According to foreign scholars, production-related risks are associated with a wide range of factors. For instance, British economist A. Marshall identified sources of risk such as fluctuations in raw material and finished goods markets, unexpected changes in fashion, technological innovations, and the entry of new and powerful competitors into the market. Professor I.A. Blank described enterprise risks as "negative consequences associated with the likelihood of loss of income or capital under conditions of uncertainty in the process of financial and economic activity."

P. Drucker emphasized that in management, risks should not be ignored; rather, they should be anticipated and transformed into a competitive advantage.

The afore-mentioned scientific studies and theoretical definitions demonstrate that there are various approaches to the concept of risk. Risks do not constitute a single factor, but rather a multifaceted and complex system formed under the influence of internal and external factors. This necessitates conducting in-depth research on the issue.

Research Methodology. In order to prevent the negative consequences of risks affecting the activities of industrial enterprises and to effectively organize management mechanisms, this study analyzes the scientific works of both domestic and foreign researchers, relevant academic literature, and recent periodical publications. In identifying risks and assessing their impact on production processes, the study employs not only empirical approaches but also explores theoretical foundations.

Analysis Results. Risk management is considered one of the most critical management processes in modern conditions. However, its importance is often insufficiently recognized in the practical activities of enterprises. Researchers' views on the role of risk management within the corporate governance system are largely consistent in meaning.

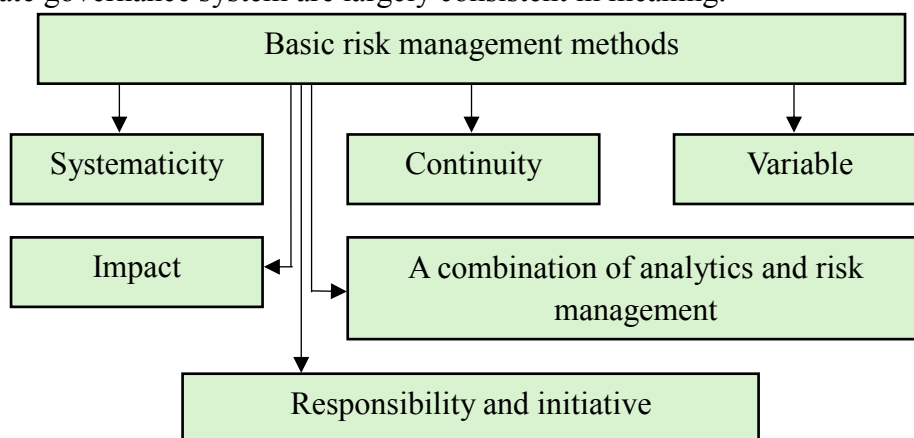


Figure 1. Classification of risk management in the enterprise management system

In essence, although mitigating the negative consequences of risk requires a systematic approach, many authors—such as I. Balabanov [1] and Yu. Tyuleneva [2]—consider risk management to be a distinct management process within the enterprise.

The main methods that should guide the implementation of the strategy and tactics of enterprise risk management are illustrated in the following figure (Figure 1).

The necessity of implementing the principle of stability lies in the fact that effective risk management is impossible without taking into account both internal and external relations within the enterprise's activities. Violation of this principle, due to the absence of a unified risk management process within the enterprise, leads to the inability to implement individual measures aimed at mitigating the negative impact of risk factors [3].

The principle of continuity implies that the analysis of risks within an enterprise and the search for ways to mitigate their negative consequences must be carried out on an ongoing basis. The need for its implementation contributes to enhancing the overall economic stability of the enterprise in the market [4].

In our view, the proposed classification framework forms the foundation of the risk management process and most adequately reflects its essence.

It is well known that a risk management system consists of both the object and the subject of management. The enterprise itself, its economic relations with other business entities, its employees, technological processes, and information flows are considered managed objects [5]. The level of risk is controllable and variable. The management subject refers to a specialized group of individuals who ensure the targeted functioning of the managed object through various methods and influence tools—typically, these are top managers [6].

The risk management process involves solving specific tasks, such as: analyzing potential threats; comparing possible losses and gains; selecting an optimal alternative; and implementing measures aimed at reducing the negative consequences of undesirable events [7].

The risk management process can be represented as a set of standard management functions, since we have concluded that risk management is a relatively distinct management process, and therefore, a traditional approach to the distribution of functions has been applied. The functions of risk management include the following:

- Planning, which is a set of actions aimed at defining goals and objectives and developing ways to achieve them. This process involves forecasting potential risk factors and determining an acceptable level of risk;
- Organizing – the creation of a risk management system, the definition of functions, and the establishment of relationships among management units;
- Coordinating, which entails targeted intervention to ensure consistency across all parts of the risk management system;
- Controlling, which includes monitoring, recording, and analyzing information. This involves comparing the actual state of the controlled object with the expected one, identifying and assessing discrepancies;

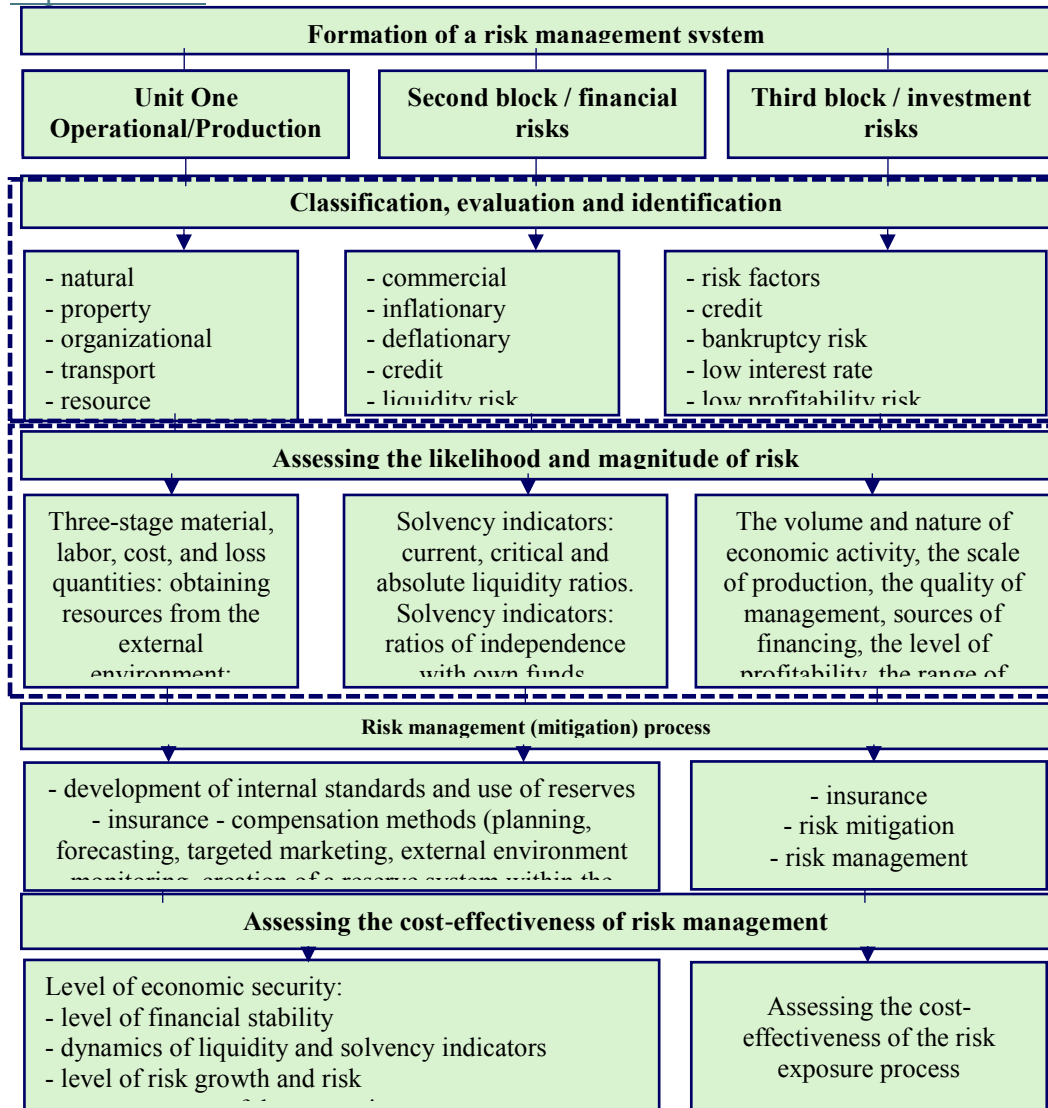


Figure 2. Concept of forming a risk management system in manufacturing enterprises

- Regulation, which refers to the intervention aimed at eliminating significant discrepancies between actual and expected conditions, and ensuring the stability of the object when deviations from set parameters occur. The regulation process involves adjusting the level of risk when it deviates from the expected value;

- Motivation, which is reflected in encouraging the enterprise team to take measures aimed at increasing the overall efficiency of the management system. From this perspective, it is critically important to find an optimal balance between responsibility and initiative in risk-taking.

Thus, the risk management mechanism encompasses the influence of the external environment on the enterprise, with its central component being the risk management subsystem, whose effective functioning is supported by auxiliary elements. In our view, only a comprehensive and systematic analysis of a specific management process can lead to the development of a concept capable of producing practical outcomes.

Impact factor 9

Based on the above, we have developed a general concept for the formation of a risk management system (Figure 2), the ultimate goal of which is to ensure the stable operation of the industrial enterprise.

Conclusion and Recommendations. The results of the study show that risk management in industrial enterprises is an integral part of an effective management system, playing a crucial role in ensuring the enterprise's operational stability, financial sustainability, and competitiveness. Viewing risk management as a distinct management process highlights the need for in-depth analysis of its strategic and operational impacts. In this context, approaches based on the principles of continuity and stability are of great significance for improving the risk management system.

The study substantiates the need to integrate risk management functions with classical management functions, emphasizing the importance of systematically implementing planning, organization, control, and motivation. The risk management subsystem enables the adoption of effective decisions by conducting an in-depth analysis of both external and internal factors influencing enterprise activity.

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