AMERICAN JOURNAL OF SOCIAL AND HUMANITARIAN RESEARCH

ISSN: 2690-9626
Vol.3, No 6, 2022

Analysis of Factors Influencing the Performance of "Afrosiyob Jeans" LLC

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ANNOTATION: The article analyzes the indicators that affect the overall income of the enterprise and the impact of factors on the result. The changes in the production efficiency of the company during the reporting period compared to the previous year are highlighted, and the indicators affecting the practical analysis and efficiency of the current enterprise "Afrosiyob Jeans" LLC are studied.

KEYWORD: gross income, labor productivity, factor analysis, number of employees, working hours, working days, efficiency, reporting year.

Every manufacturer wants to make more profit and spend less. It always considers ways to make more profit, the level of development of the enterprise, that is, annually analyzes the performance indicators and predicts the future of the enterprise. Because efficiency is the end result of the enterprise. All businesses need to be significantly more efficient. Efficiency indicators create the basis for intensive economic growth of the enterprise. We need to look at each of the outcome indicators in a factor analysis and determine their impact on how efficiency is achieved and what factors influence these indicators. Because the higher the result, the higher the efficiency. This in itself leads to the development of the enterprise.

So, we need to look at what factors affect each outcome indicator. Different factors in the organization can influence the change in these indicators. From these we determine the influence of the following factors:

- The average number of working days of employees in 1 year;
- The average number of working hours of employees per day;
- Number of employees;
- Average hourly productivity of an employee of the enterprise;

We analyze the effect of such indicators on the result. The effect of these factors on the result can be calculated using the following formula:

$G_r = E_n * W_d * W_h * P_h$ *(1)*

Here:

G_r- *Gross revenue from product sales;*

ISSN 2690-9626 (online), Published by "Global Research Network LLC"
under Volume: 3 Issue: 6 in Jun-2022 https://grnjournals.us/index.php/AJSHR

E_n - *Number of employees;*

W_d - *Average number of working days of employees in 1 year;*

W_H - *Average working hours of employees per day;*

P_h- *Average hourly productivity of an employee;*

The main task of our analysis is to determine the impact of the following factors on the results. First of all, we need to determine the difference between the total income of the enterprise. The following formula can be used to determine the difference:

ΔG_r=(E_n^R* W_d^R*W_h^R*P_h^R) - (E_n^P* W_d^P*W_h^P*P_h^P) *(2)*

To determine the impact of the above factors on the overall performance of the enterprise, we need to determine the individual indices of each factor. To do this, we take the ratio of the actual factor to the planned factor and use the following formulas:

1) $I_{En} = \frac{E_n^R}{E_n^P}$ - *The index of the number of employees is given; (3)*

2) $I_{Wd} = \frac{W_d^R}{W_d^P}$ - *Index of working days*; *(4)*

3) $I_{Wh} = \frac{W_h^R}{W_h^P}$ - *Working hours index*; *(5)*

4) $I_{Ph} = \frac{P_h^R}{P_h^P}$ - *Hourly productivity index*; *(6)*

Our next step is to determine the effect of factor 1 on the total revenue of the enterprise, the number of employees, and use the following formula:

$\Delta Gr_{En} = (G_r^P * I_{En})$ - G_r^P *(7)*

G_r^P – *the enterprise's total planned income*;

We find the effect of factor 2 on the net income from the sale of products, the total income of the enterprise, the average number of working days of the company's employees in 1 year, as follows:

$\Delta Gr_{Wd} = (G_r^P * I_{En} * I_{Wd}) - (G_r^P * I_{En})$ *(8)*

To determine the effect of the result indicator, ie the total income of the enterprise, on factor 3, ie the average number of hours worked per day by employees of the business entity, we consider the following formula:

$\Delta Gr_{Wh} = (G_r^P * I_{En} * I_{Wd} * I_{Wh}) - (G_r^P * I_{En} * I_{Wd})$ *(9)*

We determine the effect of factor 4 on the total income of the business entity, ie the manufacturing enterprise, on the average labor productivity of the employee as follows:

$\Delta Gr_{Ph} = (G_r^P * I_{En} * I_{Wd} * I_{Wh} * I_{Ph}) - (G_r^P * I_{En} * I_{Wd} * I_{Wh})$ *(10)*

Let's analyze the effect of all factors on the result using the above formulas. The effect of all factors must be equal to the total difference of the result. To determine this, we use the following formula:

$\Delta Gr = \Delta Gr_{En} \pm \Delta Gr_{Wd} \pm \Delta Gr_{Wh} \pm \Delta Gr_{Ph}$ *(11)*

ISSN 2690-9626 (online), Published by "Global Research Network LLC"
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Applying our theoretical knowledge in practice, we will consider what factors affect the efficiency of the enterprise, and in conducting this analysis, we will find internal opportunities for the improvement of the enterprise.

We will consider the economic analysis of the efficiency of the light industry directly using the above-mentioned method, ie the index method. In order to consider the evidence in practice, we present the data of "Afrosiyob Jeans" LLC, one of the largest exporters in Samarkand region. *(1-table)*:

"Afrosiyob Jeans" LLC according to the company's report for 2020-2021 [1]

(*Thousand soums*) 1-table

№	**Indicators**	**2020-year**	**2021-year**	**Difference (+;-)**
1	Gross revenue from product sales ; *Gr(thousand soums)*	32652282,06	64893554,09	+32241272,03
2	Number of employees;*En(person)*	850	970	+120
3	Average number of working days of employees in 1 year; *Wd(day)*	209	306	+97
4	Average working hours of employees per day;*Wh (hour)*	8	8	0
5	Average hourly productivity of an employee; Ph*(1q/(2q*3q*4q)*	22,9751	27,3286	+4,3535

(1-table) As can be seen from the table, the total number of employees in the light industry during the reporting period increased by 120 people compared to the previous year, so the average number of working days per year increased by 97 days, but the average number of employees, the average income per employee, ie 1 hour of labor productivity per employee, increased by 4.3535 thousand soums. As a result of these factors, the total income of the enterprise increased by 32241272.03 thousand soums. However, it is not possible to know to what extent any of the factors listed in the table above affect the overall profitability of the enterprise.

We will consider separately the analysis of the above-mentioned method, ie the index method, to determine the effect of each factor on the change in the result, based on practical data. As can be seen from the table above, the total income from the sale of products in the reporting year increased by 32241272.03 (64893554.099-32652282.06) thousand soums. Let's find out what caused these numbers to change and what caused them to change.

The first step is to determine the individual index of each factor:

1) We make the individual index of the number of employees of the enterprise in the following calculations:

$$I_{En} = \frac{970}{850} = 1{,}1411$$

2) Individual index of average working days of employees in 1 year:

$$I_{Wd} = \frac{306}{209} = 1{,}4641$$

[1] Based on the report of "Afrosiyob Jeans" LLC

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3) Individual index of average working hours of employees in 1 day:

$$\boldsymbol{I_{Wh}} = \frac{8}{8} = \boldsymbol{1}$$

4) The last factor is the individual index of productivity of an employee of the enterprise for 1 hour:

$$\boldsymbol{I_{Ph}} = \frac{27{,}3286}{22{,}9751} = \boldsymbol{1{,}1894}$$

We present the calculations we have made above in tabular form, so that the basic calculations are convenient for us in our work.*(2-table)* **(2-table)**

№	**Indicators**	**Last year**	**Reporting year**	**Indicator Index** (*L.y/R.*y)
1	Number of employees; *En(person)*	850	970	1,1411 ($\boldsymbol{I_{En}}$)
2	Average number of working days of employees in 1 year; *Wd(day)*	209	306	1,4641 ($\boldsymbol{I_{Wd}}$)
3	Average working hours of employees per day; *Wh(hour)*	8	8	1 ($\boldsymbol{I_{Wh}}$)
4	Average hourly productivity of an employee; *Ph(1q/(2q*3q*4q)*	22,9751	27,3286	1,1894 ($\boldsymbol{I_{Ph}}$)
5	Gross revenue from product sales; *Gr*(*thousand soums*)	32652282,06	64893554,09	

Let's look at the change in the result using the table below:

1) Determine the effect of the number of employees on the change in results, the total income of the enterprise:

$\Delta \boldsymbol{Gr_{En}}$ **= (32652282,06* 1,1411) - 32652282,06 =**

= 37259519,06- 32652282,06= 4607237

Due to the increase in the number of employees in the reporting year by 120 people, the total revenue from the sale of products at the enterprise increased by 4607237 thousand soums.

2) We calculate how the average number of working days of employees in 1 year affected the total income of the enterprise:

$\Delta \boldsymbol{Gr_{Wd}}$ **= (32652282,06*1,1411 *1,4641)-(32652282,06*1,1411)=**

= 54551661,85-37259519,06= 17292142,8

The increase in the average number of working days per year by employees in the enterprise increased by 97 days, which led to an increase in total revenue of the enterprise in the reporting period by 17292142.8 thousand soums compared to the previous year.

3) The effect of the average number of hours worked by employees per day on the total income of the enterprise:

$\Delta \boldsymbol{Gr_{Wh}}$ **= (32652282,06*1,14 11*1,4641*1)- (32652282,06*1,1411*1,4641)=**

= 54551661,85 - 54551661,85= 0

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Since the average number of hours worked per day in the enterprise did not change, it did not affect the total income of any enterprise.

4) In the reporting year, we will consider how the average hourly productivity of an employee of the enterprise affects the total income of the enterprise, ie the result:

ΔGr_{Ph} = (32652282,06*1,1411 *1,4641*1*1,1894) –

-(32652282,06*1,1411 *1,4611*1)= 64883746,61-54551661,85 = 10332084,76

Due to the fact that the average hourly productivity per employee in the light industry, ie the average income per employee, increased by 4.3535 compared to last year, the result increased by 10332084.76 thousand soums.

From the above calculations, it can be seen that the total income of the enterprise, ie the net income from the sale of products in the reporting period increased by 32241272.03 thousand soums compared to the previous period (64893554.09 -32652282.06). This change was due to four factors:

ΔGr=4607237+17292142,8+0+10332084,76=32231464,56

In the beginning, we looked at the theoretical and practical impact of the indicators we have mentioned on the overall profitability of the company. The effect of factors on the outcome can be analyzed in a variety of ways. However, we selected the index method from these and determined the difference in total revenue of the enterprise over the years. In the reporting year, the light industry enterprise "Afrosiyob Jeans" LLC earned 32241272.03 thousand soums more than last year. Then, when we studied and analyzed the factors influencing this number, it turned out to be 32231464.56 thousand soums. In fact, these numbers should be equal, that is, they should balance. These numbers (32241272.03 -32231464.56) differ by 9807.47 thousand soums, which is why when we calculated labor productivity it was 22.97514921 (2020) thousand soums. We get this as 22.9751, which is the next whole number in 4 room ten thousand units. When we calculated both the reporting year and the individual index, we got 4 rooms in ten thousand units. As a result, our accounts differed by 9,807.47 thousand soums. The company's total revenue in the reporting year almost doubled compared to last year. This result is positively affected by the increase in the total number of employees, the average number of working days per year, the average income per employee, the average productivity of 1 hour. One of the main reasons for this is the increase in working days by 97 days. Because in 2020, measures have been taken in each country to prevent and reduce the global pandemic. Therefore, quarantine rules have been introduced in our country. Afrosiyob Jeans LLC also did not operate for 3 months in compliance with quarantine regulations. That had a big impact.

In general, in our theoretical and practical analysis, we can be sure of what factors influence the overall result, what indicators need to be further developed, and which indicators have shortcomings. If such an analysis is carried out not only in the light industry, but also in other manufacturing enterprises and other activities, it will be able to accurately predict the future and see the shortcomings of the enterprise. As a result of the above factor analysis, we have seen that the production efficiency of Afrosiyob Jeans LLC is also changing for the better. Doubling the total income in 1 year is definitely a good result. Even if we look without quarantine, that is, without reducing the number of working days, we can be sure that there is an increase in the overall production efficiency of the enterprise. If the company operates in this way, it can achieve higher results than it predicts.

ISSN 2690-9626 (online), Published by "Global Research Network LLC"
under Volume: 3 Issue: 6 in Jun-2022 https://grnjournals.us/index.php/AJSHR

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