



Article

# Innovative Directions of Organizing Management Accounting in Business Entities

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**Abstract:** This article examines the organization and improvement of management accounting in business entities, an extensive study of foreign experience in this regard, the development of systematic measures to organize quality control in management accounting, ensure product quality in business entities, and factors influencing it. The article analyzes approaches to organizing quality control in management accounting. Also, the problems that arise in improving innovative areas of organizing management accounting in business entities are studied and scientific proposals are developed to solve them.

**Keywords:** Business Entity, Quality Control, Management Decisions, Management Accounting, Profitability, Cost Optimization, Production, Profit, Financial Stability, Costs, Innovative Technologies, Export, Long-Term Strategies, Resources, Investments

## 1. Introduction

When carrying out production activities, enterprises that operate with management accounting pay special attention to the issues of selling their products on the market before organizing production. Of course, finding a buyer for the manufactured product is very relevant today, because profit can be obtained only when the manufactured product is sold according to plan. Storing the manufactured product in the warehouse leads to a waste of material resources, as well as a decrease in the turnover of financial funds. For this, it is important for business entities to organize management accounting and maintain it effectively. It is advisable to study foreign experience in this regard.

One of the new and promising areas of further development of management accounting in our country, based on the most advanced experiences of world practice, is the quality indicator and its essence, its assessment criteria, the principles of its organization and management, the improvement of the regulatory and legal framework of management accounting, the development of a management accounting chart of accounts, further improvement of budgeting, the organization of segmental reporting by responsibility centers in accordance with international standards, and the introduction of investment project analysis.

Among the important branches of management accounting, which is difficult to reflect in accounting and has its own characteristics, and research in this area should be further expanded - quality management in an economic entity. Quality is the most important characteristic of a product or service produced as a result of any entrepreneurial activity.

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The first studies on quality management date back to the 1930s. Historically, quality management arose as statistical control in mass production, aimed at ensuring the stability of the quality of products being produced.

The results of scientific research show that enterprises that organize and operate management accounting provide effective management. They perform the tasks of planning production, calculating costs using modern methods, preventing various deviations in the costs incurred and preventing their impact on the cost, as well as organizing quality control for the quality of the product. Among the foreign scientists who conducted research on the organization of quality control in management, it is necessary to recognize the research of A.V. Feigenbaum, Deming, Eddous M., Stanfield R., Makino T., Okasi M., Doke H., Makino K. and others.

Of the domestic scientists who conducted scientific research on the organization of quality control in management, the scientific research of M.Q.Pardayev, A.X.Pardayev, Z.A.Pardayeva, B.A.Khasanov, M.M.Tolahojaeva, R.D.Dosmuratov, O.O.Sobirov and others is of great importance.

Deming, who conducted research in the field, believed that statistical quality control is the only and most important factor in ensuring the production of high-quality, cost-effective products at all stages of production that the buyer needs. He believed that statistical control can only be implemented through the use of statistical methods.

It was during this period that A.V. Feigenbaum created his thesis on general quality control. According to Feigenbaum, the principle of general quality control is that such control begins with the initial processing of the product and ends with it reaching the consumer, fully satisfying his needs.

Economists A.Pardayev and Z.Pardayeva noted that the quality of the product produced by an economic entity is determined by the degree of satisfaction of the requirements placed on it and is formed in the form of technical conditions. However, the decisive factor in determining the quality of the product is determined by the degree of satisfaction of consumer requirements.

Also, the economist O.Sobirov, without denying the opinions expressed by the above scientists, expressed the approach that "The effectiveness of quality control is determined by the effectiveness of the organization of product production from the design to its completion and sale to the consumer, as well as the consumer's use of it for a certain warranty period". The above approaches are of great importance in expressing the purpose of organizing "quality control".

## **2. Materials and Methods**

During our research on the organization and improvement of quality control in management accounting, the following methods were effectively used: data collection and grouping, use of expert opinions, comparative analysis, horizontal analysis, logical and comparative thinking, and other methods.

## **3. Results**

As part of the first research on quality management, a statistical method of quality management was proposed by specialists. At that time, for example, in the practice and experience of USA companies and firms, there were some noteworthy aspects. The USA government was directly faced with the problem of producing and supplying certain types of export-oriented products. In this case, USA government orders were mainly fulfilled by private business entities. The reason was that the need to produce highly reliable and high-quality products was the most important issue. It was necessary to ensure effective quality control in large-scale production. It was precisely then that the statistical method of quality control was widely used.

Deming played a great role in the formation of statistical methods of control and quality management, and in its subsequent development as a science and practice. According to Deming, statistical quality control is the only and most important factor ensuring the production of high-quality products that are necessary for the buyer at all stages of production. He believed that statistical control can be implemented only through the use of statistical methods.

Considering the importance of organizing quality control in management, it can be expressed as “the effectiveness of quality control is determined by the efficiency of the organization of production from the design of the product to its finalization and sale to the consumer, as well as the period of use by the consumer for a certain warranty period”.

The adoption of the Decree of the President of the Republic of Uzbekistan “On the Development Strategy for the Development of the Republic of Uzbekistan for 2022-2026” set urgent tasks for each enterprise, such as ensuring the quality and affordability of the products it produces. Product quality is important not only for selling the manufactured product in the domestic market, but also for exporting the product abroad, and attention to its price is a necessary issue. Because in developed countries, competing enterprises are conducting a lot of scientific research on reducing the quality and price of their products from year to year. In practice, these studies are bearing fruit. Such countries include Japan, the USA, Germany, China, Russia and other countries. These countries are able to supply the world market with high-quality and affordable products through the rational use of available resources.

The results of the research show that for the first time in the world, it can be said that the most advanced quality management system in the world was formed in Japan. Deming played an important role in improving quality management in the industry of Japan and other developed countries.

The expression Deming cycle is known to everyone, in which the role of statistical control methods of product quality and the sequence of the main stages of control are defined. As early as 1959, some Japanese experts believed that it was appropriate to understand the term “quality control” as “quality management”. This meant not only controlling the quality of the finished product, but also controlling all stages of production and management.

It was during this period that A.V. Feigenbaum created his thesis on total quality control. According to Feigenbaum, the principle of total quality control is that such control begins with the initial processing of the product and ends with its receipt by the consumer, fully satisfying his requirements. It can also be seen that general quality control is widely used in Japan. Unlike Feigenbaum’s general quality control, which was previously in the form of quality control of the finished product, in Japan control has developed to the level of scientific methods and has become popular in various areas - in the areas of service, sales, personnel management, decision-making, or in other words, the entire management cycle.

Statistical quality control - modern quality control using statistical methods. When we say general quality control - we mean the coverage of all activities of the company, that is, it is quality control in which all employees of the business entity participate and cooperate.

#### **4. Discussion**

The quality of the product produced in the business entity is determined by the degree of satisfaction of the requirements set for it and is formed in the form of technical conditions. However, the decisive factor in determining the quality of the product is determined by the degree of satisfaction of consumer requirements.

In order for a business entity's product to be profitable, that is, for the product to bring its manufacturer the amount of profit it planned, the consumer must cover its production costs and agree to pay the established profit. The most complex structure of the business entity's management system is the quality management of the products they produce. To ensure high product quality, it is necessary to create an effective control system that covers the entire process, from the control of incoming raw materials to the implementation of after-sales service.

It is known that the consumer prefers to purchase a high-quality product that fully meets his requirements, even if the price is higher. At the same time, using high-quality products and services of well-known companies and business entities is considered prestigious and reputable.

## 5. Conclusion

Based on the above, it can be concluded that the enterprise's special attention to the quality of each product during the production process ensures the profitability and financial stability of the enterprise and serves to guarantee the achievement of its future strategic goals. It is known from foreign experience that companies that produce goods of poor quality and cannot fulfill the specified task are liable, and according to court claims, business entities that produce low-quality products pay large fines for producing such defective products.

Many companies even insure themselves against the production of low-quality products. In addition to the material damage caused by the production of low-quality products, companies producing such products also suffer moral damage due to the widespread coverage of cases of low-quality goods by the media. This also has a negative impact on the reputation of such companies.

Of course, the production of low-quality products leads to the financial stability of the enterprise, in particular, the sale of manufactured products and the loss of material values.

Below, it is appropriate to dwell on our proposals for preventing the production of low-quality products:

- a. Systematic organization and effective maintenance of management accounting in the activities of business entities;
- b. Strict definition of control functions for the effective operation of management accounting and the correct use of costs;
- c. Organization of quality control in management accounting and thereby ensuring the stability of product quality and prices;
- d. Prevention of inefficient consumption of material resources through the production of low-quality products;
- e. To comply with the 4 stages of organizing management accounting in order to prevent the risk of not selling the products produced in the planned volume;
- f. To develop liability measures for the production of low-quality products.

The implementation of these proposals will ensure that business entities have a high level of income from their activities. A high level of responsibility will ensure that the products produced are of high quality and affordable. Achieving such results will create opportunities for exporting products not only to the domestic market, but also abroad.

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