

BUSINESS MANAGEMENT IN PRODUCTION ORGANIZATIONS

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ABSTRACT

Productivity is one of the most important stages of economization. It must meet as fully as possible the human, personal and general needs, which are ever-increasing. Thus productivity has simultaneously become a condition for the existence of people and human societies, and a major carrier of prosperity and social progress.

In order for production to be able to respond as accurately and easily as possible to the requirements and tasks that are set, the need has arisen for a theoretical and practical study of production issues. Being productive interest of social activity, it must be studied comprehensively, to find its features, to follow and analyze the directions of its development, as well as to determine the laws of its most successful development with volume in the direction it has taken .

The study of all these problems should be done as comprehensively as possible, with the participation of experts of all profiles and on a scientific basis. For a more detailed analysis of all the problems of economics, and thus of productivity, in the first place should be engaged economic sciences. However, in addition to economic sciences, no less important task in studying and finding the orientation of the further development of social economics and thus production have other sciences such as social and legal sciences, as well as natural and technical sciences and art. . Among the social and economic sciences, which directly or indirectly have to deal with research and study of economic developments and thus short-term or long-term social needs, which also nurture the orientation of economization, undoubtedly occupy an important place in the sciences of economic policy. Economic policy must study the laws of social development and must provide the most appropriate forms of interconnection between

productive forces and productive relations, including the social economy from every point of view

In the modern economy, among the many problems that require adequate solutions, a special place is occupied by issues such as those related to social reproduction (social reproduction). Among them as the most relevant for our studies here are the problems, namely issues related to production (technical and economic part of the business), and then other issues related to production, such as: distribution, exchange and spending. New forms of economic activity of the company are developed through separate organizational units called economic enterprises, respectively economic organizations. The productive activity of the company takes place through separate productive economic organizations, the so-called productive enterprises, respectively the productive working organizations or simply the productive organizations.

The industrial productive activity of the company through the industrial productive organizations is called industrial production. The term "industry" is of Latin origin and means: diligence, diligence, diligence and hard work in general, as creativity. Industrial production represents the process of obtaining material goods by applying mechanical work, wherever and whenever the conditions exist. The ever-increasing presence of mechanical work in industrial production is ensured by the uninterrupted exchange and development of tools and work items. Industrial production must provide products for both personal use and for common and general social use, as well as for the further purposes of industrial production. For this reason the process of obtaining material goods with industrial production must be well thought out and purposeful, because the way and speed of obtaining usable values in industrial production gives many products but also spends many tools and items of labor. Therefore if the process of obtaining material goods in an industrial way is not well thought out large losses of labor, time, energy and tools occur.

Industrial production consists, therefore, of the change of form and appearance, first of all of the natural goods, and later of those items which are separated from the bosom of nature, and which from the beginning of human action have, enclosed in itself the considerable amount of work. The results of industrial production are called industrial products or simply products. In parallel with industrial products, with usable material goods, or usable material values, in industrial production are also announced "unusable industrial products" - production services (transport, information, nutrition, etc.).

Work tools (machines, tools, installations, etc.) and work items (facilities), means of production, means of production are exchanged and developed inseparably. The means of production form

the material basis of industrial production. The mode of industrial production depends on the relationship between the productive forces and the productive relations. The more developed the means of production and the more perfect the productive forces and productive relations, the more suitable will be the conditions for meeting the human needs of a society with industrial products, both in terms of variety and in terms of quantity and quality.

Keywords: Management, Economics, Business, Innovation, etc.

1. Business economics of the enterprise business economics of the production organization

The word economy is of Greek origin and means house order. Later this expression came into use to express the general economic regulation, for all organized human actions to create the necessary material goods. For no human system can exist if its members do not produce the necessary material goods, To meet their individual, common and general social needs.

Economics as a special concrete and practical scientific discipline, deals with the study of these human activities, general productive relations at a certain level of development of material productive forces, productive relations, as well as certain organizational forms of activities in the economics of any country in general.

Thus the economy of a country includes the whole economy of that country. The economics of certain economic branches research the legality of the development of those branches, of their parts and seek the best solutions of economic tasks. Thus, for example, the problems of agriculture deal with the economics of agriculture, the problems of industry deal with the economics of industry, the problems of circulation deal with the economics of circulation, the problems of construction deal with the economics of construction, and so on. Since certain production tasks within these branches take place in production organizations, where organized production operations take place according to certain technical and economic laws, there is a need to study the economic legality of the production of production organizations.

The study of the economics of industrial production organizations deals with the economics of industrial production organizations, as a special discipline which studies the goals of establishment, operation, circumstances and development of internal and external business of industrial production organizations, in terms of rationality, economy and profitability of work.

So the economics of the industrial production organization is a theoretical discipline which explores the concrete economic reality of the organization, To find economic legitimacy in the

realization of the most appropriate relationship between the results and elements of factors engaged in the reproduction of the production organization.

It always requires new methods To improve the relationship between the results of work and business in general of the productive and non-productive economic organization and investment in labor. Accordingly, economics studies of economic organizations mainly include:

- commitments (investments) in the reproduction of the organization,
- results of this reproduction (reproduction - reproduction),
- the relationship between the results achieved and the commitments made,
- factors that condition the relationship between the results of work and reproduction and engagements in the reproductive work (reproduction) of the productive organization (economizing).

In addition to general economics which studies common problems For all economic organizations, it has been presented as a necessary need for the establishment of separate, individual economies. These economics deal with the study of special problems for industrial organizations, mining, trade, agriculture, construction, private economics, etc.

This text mainly deals with industrial production organizations. Therefore, the economics of the production organization, which is presented here is related to the research of internal and external business of industrial production organizations, in terms of increasing the economy, productivity, rationality - rationalization of their productive and non-productive activities, respectively by the aspect of rationalization of the technical, economic, economic and commercial part of their business.

Many scientific disciplines participate in the overall business of industrial manufacturing organizations. Experts of certain scientific and technical profiles are engaged for their successful implementation. In order for the organization to achieve the greatest possible results of the overall business, the close cooperation of all engaged experts is needed and their work is coordinated and harmonized in all stages of work and at all levels of the organizational structure of the economic organization. In modern industrial production organizations today are engaged technicians, economists, lawyers, sociologists, psychologists, etc., to solve various production tasks and various problems associated with the business of such organizations.

It is understood that for this it is necessary for each of the experts in certain scientific fields to have a little knowledge from the scientific disciplines, the knowledge of which needs to be stuck in making certain decisions. In this way, the results that the organization achieves represent the synthesis of their joint activity. Figure 4.1 gives a graphical representation of the interrelationships of specialist knowledge intensities, meaning the suboptimal mean of the four experts (y_1 , y_2 , y_3 , and y_4). It can be seen from the figure that their knowledge matches significantly, but they can successfully solve certain problems in their narrow specialist fields (x_1 , x_2 , x_3 , and x_4) - where they have a high intensity of knowledge.

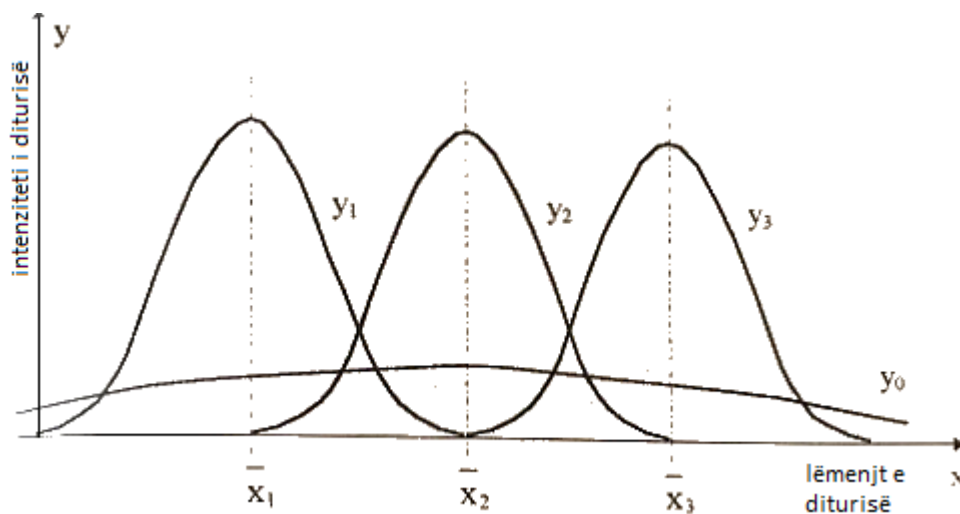


Figure 1. Graphic representation of the interconnection of intensities of specialist knowledge

Experts of different profiles (technicians, economists, industrial psychologists, industrial sociologists, architects, doctors, hygienists, ecologists, linguists, etc.), working in certain teams should analyze the work of the industrial production organization and the internal and external business of it, in as much detail as possible from the point of view of socio-economic and general social rationality.

1.1. Study of domestic business economics

The study of the internal business economics of the industrial organization must deal with interpersonal relationships at work and with finding such a combination of work tools, work items and engaged energies of all kinds, in order to achieve success the larger the manufacturer.

The study of the external business economics of the industrial production organization is concerned with finding such relationships between the branch organizations, which will enable

the organization to more easily and better to be able to perform the tasks, to which are presented with the social plan of development and business in real market conditions, respectively business, according to market conditions. In this way the business economy of industrial production organizations discovers and researches the economic circumstances and conditions of the interconnection of their internal and external business.

1.1.2. Study of foreign business economics

The study of the external business economics of the organization of the industrial production organization is about finding such relationships between the branch organizations, which will enable the organization to more easily and better to be able to perform tasks. which are presented with the social plan of development and business in real market conditions, respectively business, according to market conditions.

In this way the business economy of industrial production organizations discovers and researches the circumstances of the economic conditions of the interconnection of their internal and external business.

4.2. Tracking the business of the manufacturing organization

The following are used to monitor the business success of production organizations:

- total revenues,
- tools engaged in reproduction (reproduction),
- costs, and
- reproductive cycle.

Due to the importance of these followers of the business success of industrial manufacturing organizations we will process them separately.

2.2.1. Total revenue

Total revenues of the industrial production organization make the values which are realized in monetary units:

- with the sale of goods and services within the joint organization in the composition of which it has combined work and assets (eg: composite enterprise),

- by selling products and services in the domestic and foreign markets,
- with the participation in the revenues realized jointly and in the revenues realized jointly on the basis of the union of labor and assets,
- with free exchange of goods,
- on the basis of compensations, regressions, premiums, grants, and on the basis determined by law or by contract in accordance with the law,
- from extraordinary revenues which make the amounts realized from the disputed interest, from the rebate given with delay, the cash register (cash register) for the compensation of the damage, on the basis of the determination of the surpluses of the material, the small inventory, the production of unfinished, semi-finished and parts of own products, finished products and goods, revenues determined late from the business period in the previous year, etc.

All these elements, which form the total income of the enterprise - productive or non-productive organization - can be divided into three basic groups:

- revenues from the sale of goods or services or goods and services,
- revenues from internal realization, and
- other revenues realized with the business of the enterprise.

Figure 4.2 presents in detail the resources which form the total revenues of the industrial production organization - the enterprise.

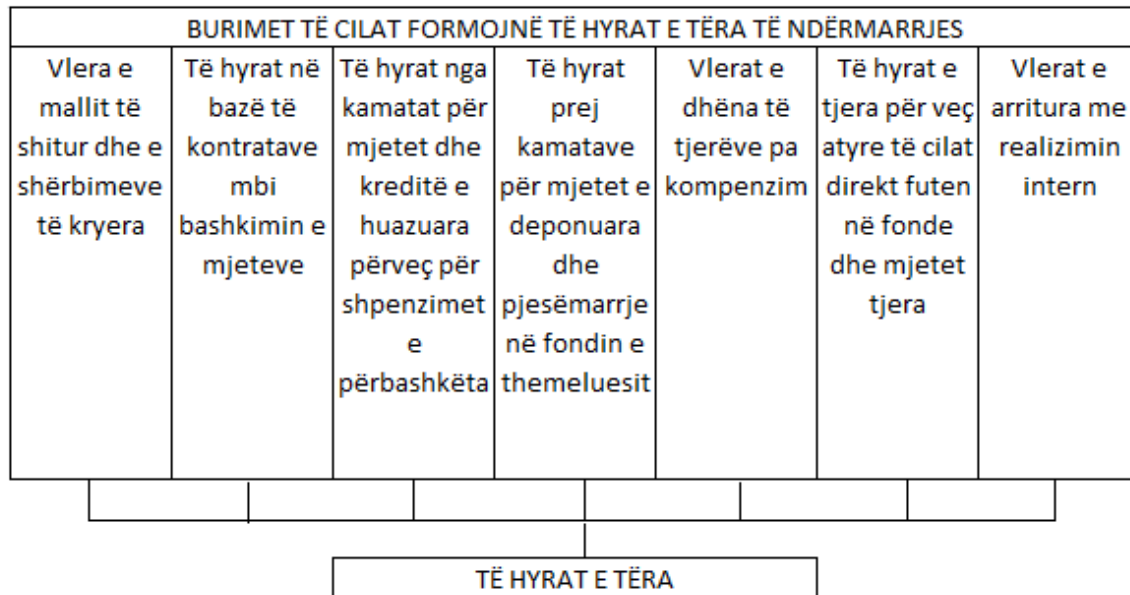


Figure 2. Presentation of resources which form the total revenues of the industrial production organization - the enterprise

Distribution of total revenues. The distribution of all revenues is done after determining their amount. This distribution is done in figure 4.3.

- Revenues to cover all direct material costs, material business costs,
- Revenues to cover the depreciation of fixed assets, depreciation,
- Revenues to cover the foreseen needs to be covered by the revenues, the entire revenues of the promising industrial organization.

According to figure 4.3 we have: $T_h = H_{am} + H_m + T_a$, (nj.m./vit), or: $T_h = H_a + T_a$, or:

$T_h = H_c + H_{md} + H_{fd} + H_{tv} + T_a$ (nj.m./vit), respectively:

$T_h = H_c + H_v + T_a$, (nj.m./vit), where we have: $H_m = H_v$ (nj.m./vit), or

$H_v = H_{md} + H_{fd} + H_{tv}$, nj.m./vit, and $H_a = H_c + H_v$

$H_c = H_{am} \text{ nj .m. / Vit.}$

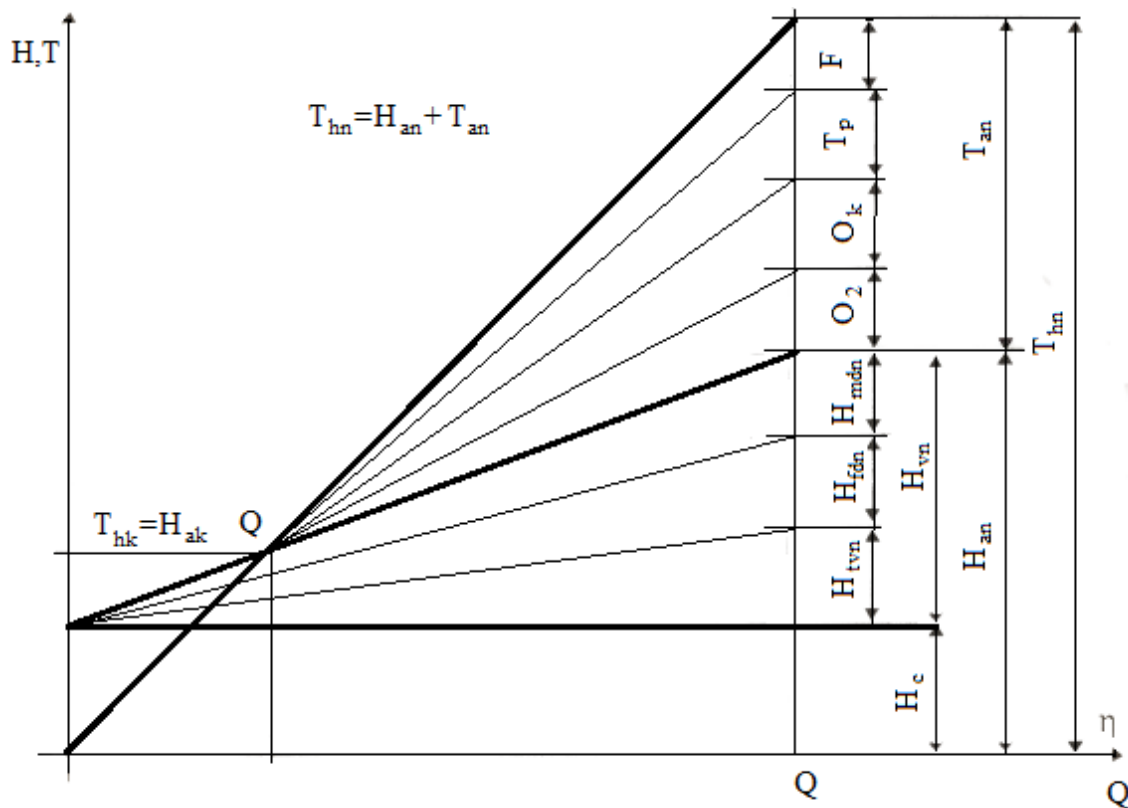


Figure 3. Distribution of total revenues

Q_n - nominal volume of production Q_k - critical volume of production

here are: H_a (nj.m./vit) - total business expenses, H_m (nj.m./vit) - material expenses H_{am} (nj.m./vit) - depreciation expenses and T_a (nj.m. /vit) - total income.

1.2.1.1 Material business expenses

These expenses are made for the material needs of the production process, such as:

- Work items,
- Work tools,
- Manufacturing and non-manufacturing services
- Personal production data, and
- Other business records.

In Fig. 4 are given the elements which form the material business expenses of industrial manufacturing organizations.

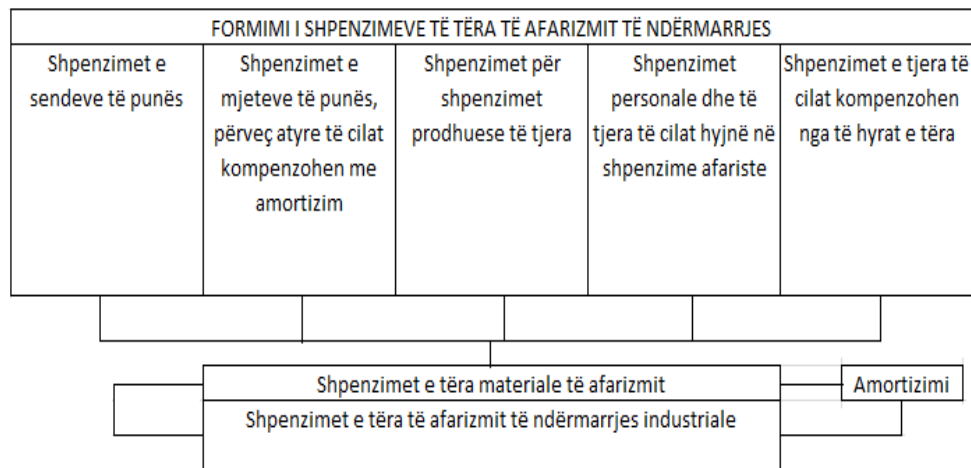


Figure 4. Elements of material business expenses of industrial manufacturing organizations

1.2.2. Total income

The entire income is generated by the production organization within the total income, when from these is compensated the value of material costs, spent entirely in the process of reproduction, and the reproduction of fixed assets is ensured, respectively the depreciation costs are covered (fig.4.3):

$$Ta = Th - (Ham + Hm) \quad (nj.m./vit), \quad \text{or} \quad Ta = Th - Ha \quad (nj.m./vit),$$

$$Ha = Ham + Hm \quad (nj.m./vit),$$

where are: Ha (nj.m./year) - total business expenses,

Ham (nj.m./year) - total depreciation expense,

Hm (nj.m./year) - all material costs,

Th (nj.m./vit) - total revenues of the production organization and

Ta (nj.m./vit) - income of whole of the production organization.

1.2.2.1 Distribution of total income

According to Figure 4.3 the total income of the enterprise is divided into: Ok - contractual obligations, O1 - legal obligations, Tp - personal income and F - funds.

1.2.2.2 Contractual obligations

They are covered by the entire income of the production organization and are: interest on loans and compensation of various banking operations, insurance premiums, liabilities from the combination of means of work and business, as well as other contractual obligations.

1.2.2.3 Legal obligations

should be covered by all income and can be: income tax of the organization, various contributions (For education, health care, employment, child protection, etc.)

1.2.2.4 Personal income

Assets that are thus allocated to personal income from the total income of the organization represent gross personal income. This income belongs to the employees in proportion to their contribution to the work and their participation in the development and advancement of their organization, so that each employee is guaranteed the amount of personal income that ensures social welfare. Because personal income serves to meet such personal needs, common and general social needs.

1.2.2.5 Funds

Which are formed from the entire income of the organization are: business fund. reserve fund, fund for common expenses, fund for joint reserves, fund for social and political communities, etc.

The height of the entire income of the production organization or other joint labor, and thus the height of profit depends not only on the structure of production, business conditions (internal and external), ie on the conditions in which reproduction takes place, but also on the commitment of each member of the working team, to achieve the highest possible income, within which the entire income is realized. However, the profit that is the result of successful business, should be expressed as the difference between the total cost of production and the total selling price of the same product.

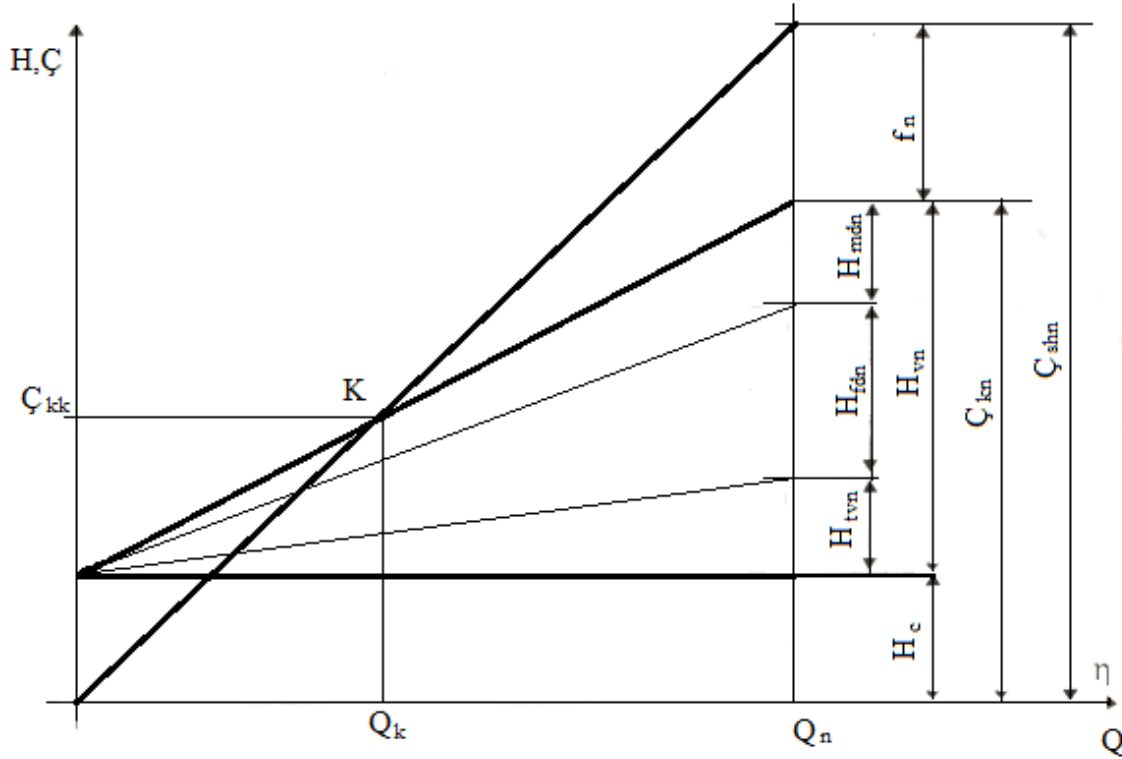


Figure 5. Graphic representation of profit realization in industrial production organization

From figure 4.5 we have:

$$\text{Çsh} = \text{Çk} + f \text{ (nj.m / year), or}$$

for

$$\text{Çk} = H_c + H_v \text{ (nj.m / year)}$$

we have:

$$\text{Çsh} = H_c + H_v + f \text{ (nj.m / year)}$$

$$\text{from where we have: } f = \text{Çsh} - \text{Çk} \text{ (nj.m / year)}$$

or

$$f = \text{Çsh} - (H_c + H_v) \text{ (nj.m / year),}$$

where are: Çsh (nj.m / year) - total selling price of production, Çk (nj.m / year) - total cost of production cost, f (nj.m / year) - total profit for certain volume of production. Hc (nj.m / year) - whole constant costs, and Hv (nj.m / year) - whole variable costs.

If the height of the total income of the organization is examined from the aspect of participation of the general social working conditions in it, as well as from the aspect of the commitment of the employees of the production organization to achieve the highest possible income with their work, then Two principles can be applied to the distribution of the entire income of the organization:

- the principle of sharing income according to solidarity, and
- the principle of income sharing according to work contribution.

There is also a category of revenue sharing. This division adheres to the criterion of what is the share of the means created with the work of others spent in the formation of total revenues, and what is the participation of the work of the present creators. In this way we distinguish the transferred value with the recreated value of of total revenues. The way of their formation within the revenues of the production organization is as follows:

Value carried forward:

1 / - material costs

- spent material,
- spent energy,
- foreign services, investment maintenance costs, and
- other material costs from the carrying amount.

2 / - depreciation:

- deregistration of the value of fixed assets.

Value created:

3 / - mandatory allocations before determining revenues:

- data which are accepted as material expenses (per diems, author fees, student awards in economics, etc.),

- conditional segregation, losses, expenses (repayment of loans, derecognition of the difference in the price of aggregates, coverage of the unamortized part of fixed assets, etc.).

4 / - total income:

- gross personal income, legal obligations, and

- contractual obligations, and funds.

From what was said about the formation of the portion of the carrying amount and the portion of the recreated value of assets, which form the total revenue, we see that the portion of the total revenue includes the value of assets spent on production, whereas the recreated part of the total revenues represents the result of the living work of the producers.

The largest part of the recreated value of the production organization is the part of total revenues which is divided into total revenues. When the contractual and legal obligations are deducted from the total income, and the gross personal income remains the funds of the production organization. The portion of assets allocated to funds is called profit.

The transmission of business results through the transferred value and the recreated value of total revenues is of great importance for both the production organization and society as a whole. Because, the recreated value, as a result of the living work of the producers, represents the share of the total national income.

1.2.3. Business expenses

In the technical-economic part of the business, ie in the production phase, material (labor items, raw materials and other material necessary for the production process), production tools (buildings, machines, tools, apparatus, installations, etc.) are spent, as well as workforce. Such costs represent the value of the elements of productivity expended in the productivity of the productive effects — of products and services. Expenditures are commonly defined as monetary expressions of expenditure on tools, work items and other material, driving energy and other energy, foreign services and live work. According to this definition, business expenses consist of:

- labor costs
- living labor costs
- labor costs

- the cost of labor items

In addition to these costs, which are also called production costs, in the overall business of manufacturing organizations, other costs are incurred, which arise in connection with the development of accompanying production functions, such as planning costs, work preparation, supply, sales, organization, financial business, construction and the like. These expenses are not made directly with the production, therefore they have a follow-up character of the reproductive process. So these costs are not reproductive.

The amount of total expenses of the production organization is influenced by:

- internal factors, and
- external factors.

Internal factors include subjective factors, such as the level of scientific organization of production, training of management and creative staff, etc., and objective factors such as: the norm of material consumption, production construction, etc.

External factors that affect the total costs of the production organization are: market, constructive obligations, legal obligations, insurance, etc.

1.3. Production organization costs

1.3.1. Cost sharing

By nature, function, mode of distribution, time of development, mode of engagement in the production process and composition costs can be varied. Therefore for research the study and their atom und can be classified according to different criteria.

Expenditures by origin, respectively their nature can be:

- labor costs,
- labor costs,
- labor costs,
- foreign service costs, and
- costs of legal obligations and contractual obligations.

Operating costs, respectively operating costs are:

- planning, construction and design costs,
- labor preparation costs,
- creation costs,
- costs of supply, sale, transportation, distribution and storage,
- expenses of the economic-financial part of the business, and
- control costs, etc.

The costs according to their distribution to the carrier, respectively the distribution costs are:

- direct (direct), and
- indirect (indirect).

Expenditures according to their relation to the realized volume of production, respectively dynamic expenditures are:

- constant (fixed, permanent), and
- variable (proportional, variable).

Costs according to the engagement in the production process, respectively storage costs can be:

- primary, and
- secondary.

Expenditures according to their content, respectively composition are:

- simple (elementary, original) and
- composite (complex, intricate).

1.4. Calculation of expenses

The calculation is about the distribution of business expenses in the production products and services of the production organization.

For the business success of industrial production organizations, one of the primary tasks for the successful organization of production is the research, determination and systematic and uninterrupted calculation of all costs, which arise in relation to both the technical and economic part as well as the technical part. of commercial business. Such a calculation is called a calculation, from the word "calculus", which in Latin means small stones from limestone, which here means: to count "small stones", - the constituent parts of expenditure.

Based on the calculation in the producing organizations, the purchase price and the selling price of the production are determined. In this case the purchase price refers to the cost of production cost within the manufacturing organization.

In order to make the most accurate and easy calculation of the cost of production cost within the production organization, the most accurate and appropriate distribution of costs of all types, which are presented in relation to the productivity of that production, must be made. . For this purpose, the costs are divided into the component part, in the so-called price elements, they are classified according to the types and are calculated for what production or service effect.

For the research and study of the methods applied by the calculation, the following are commonly distinguished:

- calculation according to the time when it is drafted (done), and
- calculation according to design (making) methods.

The calculation according to the time when it is done includes:

- preliminary or planned calculations, which are made before the start of production, in which the planned values of the work effects are given for the quantities planned according to the plan prices, and
- Supplementary or accounting calculations, which are compiled after the creation of production or after the provision of production service, based on accounting prices or other records, and which serve to determine the real value of production or production service for the current calculation period .

The calculation according to the design methods includes:

- divisional calculations or divisions,
- supplementary calculations or additions, and
- "direct costing" calculations.

For the successful implementation of these methods of compiling calculations, it is of special importance to know the places where the costs arise and their bearers, as well as the knowledge of how different types of costs participate in the entire production and service costs.

The places where the costs arise are the production and service organizational parts of the production organization. Number, size and production program, number of technological production processes and organizational form of the production organization. However, the places where costs arise in the manufacturing organization may or may not match the number of organizational units. The number of spending places depends on the methodology of dividing the production organization into spending places. Thus, the method can be used to determine the places of expenditure:

- according to the existing division of labor,
- according to different stages of the production process,
- according to the different effects that are produced (products or services), etc.

The purpose of assigning the places where the expenses arise is to enable the view of the places where the expenses arise according to the areas of responsibility and to enable the complete calculation of the expenses according to their bearers. Because in this way it is possible, both in the technical and economic part and in the commercial economic part of the business, to have control over the economy and profitability of the productive and service operations of the organization, and to determine the way of stimulating those responsible for the success of units manufacturing and the entire manufacturing organization.

For cost carriers are taken the effects of productive labor (products and services). Expenditure portals are determined after the organization is divided into places of expenditure. By dividing the costs into countries and their carriers, the real possibility is created for the calculation of the cost price and the selling price for products and services, which will be launched as final products in the market.

From this it is seen that products and manufacturing services close in themselves the costs which arise in most places of expenditure. The number of locations and cost carriers depends very much on the production structure itself (size and complexity of the technological operations to which they are subject). This complex task of determining expenditures by countries and cost bearers is performed by calculations. However, for this purpose, in production practice, various methods and tools are used to identify and track them, using the technical and technological documentation of the organization, and in the first place the operational calculation list.

In order to determine the manner of participation of total costs in the effects of production (products and production services), the costs are broken down into production units (per piece, m, m², m³, kg, t, kWh, lit, etc.) .

According to the nature of the expenses or according to the way of their participation in the production, the expenses are divided into:

- direct costs, and
- indirect or indirect costs.

Direct costs can be directly included in the countries where they are born and according to the bearers who create them. The quantities of these expenses are recorded exactly according to the places where they are created and the effects of work (products and services) performed, according to work operations.

In direct (single) expenses participate:

- creation material (main and auxiliary material, energy, technological fuel),
- personal income of creation (personal income of workers who have participated directly in the creation of production or in the provision of productive service).

These costs are called direct costs of material or labor, because they can accurately calculate the amount of their direct participation in a production or service unit.

The depreciation portion of fixed assets, which relates to the production created or the service provided, can also be calculated at the same direct costs.

Indirect costs can not be included with the places where the costs arise nor with the bearers of the costs. Therefore, these expenses are termed as general expenses. Indirect costs contain the common costs of more hd countries and more cost carriers, respectively more work effects (products and manufacturing services). And, since it is not known which part of these expenses in labor effects is made according to certain assumption, which represents the key to the distribution of common expenses. The accuracy of the distribution of these costs, as we see depends a lot on the suitability of this key, which can create disagreements with the manufacturer.

Indirect costs include:

- general creation costs (ward directing), and
- general management and sales expenses (directing and selling).

Total creation costs relate to the costs of most work (or cost) effects, which arise directly from creation. The key that is used to share these ward expenses can be set either through personal income for the creation of the product or through personal income for the provision of the production service.

1.5. Pricing

1.5.1. Methods for determining prices

The three methods mentioned for compiling the calculations are used for determining the prices:

- separation method of calculations,
- supplementary methods of calculations, and
- "direct costing" method of calculations.

Division method of calculations. This method is applied by dividing all the expenses of the production organization from the reviewed period of production development, by the total amount of working effects (products and services) of the same period:

$$\frac{\text{shpenzimet e tëra të periudhës kalkuluese}}{\text{efektet e tëra të periudhës kalkuluese}} = \frac{\text{çmimi i tërë i kushtimit}}{\text{njësive e efekteve}}$$

In this accounting way the whole cost of the cost is obtained, therefore the division method of calculation does not need to divide the whole business expenses into direct and indirect. Due to the unclear picture of the distribution of costs provided by this method, its use is made mainly in manufacturing organizations with a simple production structure, with special or similar products and services, depending on the type of composition.

According to the forms in which the division calculation is used, the following are distinguished:

- simple division calculation,
- divisor calculation with the help of equivalent numbers, and
- divisional calculation of related products.

1.5.2. Price formation

Their structure is of great importance for the pricing methodology. The structure of prices or services represents the share of price elements and the system of ordering these elements, viewed from the point of view of the share of total costs, which have arisen in relation to the overall business of the manufacturing organization.

Labor effect price formation is done by including all production-related expenses such as, for example, direct and indirect costs, which enable the control and analysis of price elements, as well as the mutual comparison of prices.

Within the general business policy of the production organization, three types of awards are formed:

- cost price,
- selling price, and
- supply price.

The cost price and the selling price are formed for the finished work effects, which are achieved in the manufacturing organization. Whereas the supply price represents the price of the tools and items with which the organization is supplied, buying them as final products of other production organizations.

1.6. Business cycles

1.6.1. Reproduction cycle

The reproductive cycle is of great importance, not only for the short-term follow-up, but also for the long-term follow-up of the business success of industrial manufacturing organizations. The technical and economic part of the business of production organizations depends mainly on the economic and profitable use of tools and work items and the time when they are involved in production processes.

The production process includes all the activities necessary for the conversion of the work item into finished production. The production process consists of work processes. The work process represents certain actions with the work tools on the work items. These creative actions form the productive process. Creative actions are implemented with certain work operations.

Considerable resources are engaged in every production process. These tools are engaged from the moment of storage (in the form of money) until the moment of their release in the production cycle.

According to the time of engagement of tools in reproduction are distinguished:

- work cycle,
- engagement cycle, and
- reproductive cycle.

1.6.2. Work cycle

The work cycle is the time of reproduction extension from the beginning of activities to the last activity. The work cycle depends on the production structure. So for each production the next work cycle is foreseen. Each of the work cycles contains these three phases:

- preparatory phase,
- technological stage, and
- the final stage

Preparatory phase. This phase begins with the beginning of the first productive activity in the preparation of the work process.

Technological phase. In the technological phase of the work cycle, the use value of work items is changed by the action of work tools.

The final stage. This phase begins with the first finished product quality control operation, and ends with the final finished product delivery activity.

1.6.3. Asset engagement cycle

In this cycle we distinguish:

- engagement of means of production, and
- engagement of means of reproduction.

Engagement of means of production. This commitment begins with the engagement of tools and work items in the production cycle. This engagement begins with the first technological operation, and ends with the last technological operation on the work item.

Engagement of means of reproduction. This starts with the tools engaged before the technological phase of production, with the collection of material needed for the technological phase of production, and ends with the engagement of the same tools in the process of reproduction, as finished products.

1.6.4. Reproduction cycle

This cycle begins with the engagement of tools and work items in the creation of the necessary material goods, and ends with the conversion of the monetary means acquired for them into engagements in the previous material form. For this reason, the reproduction cycle and the work tools engagement cycle coincide in case the unblocking tools at the end of the engagement cycle immediately engage in reproduction again.

1.7. Measuring business results

Based on the systematic and inseparable monitoring of the technical and technological part and the economic and commercial part of the business, a request is submitted for measuring and expressing the business results of both the first part and the second part, as well as the business in whole. Since the overall activity of production organizations requires that the results of the reproduction process be greater than the means committed to them, they must work according to the requirements of the savings account, respectively production organizations are required to with business income. comprehensive to cover outflows and create certain economic productivity.

1.7.1. Factors that affect business results

The overall business results of productive organizations are influenced by a large number of different factors. Some of these factors are directly related to the business conditions of the economic and commercial part and some to the business conditions of the technical and economic part of the organization.

For easier study of them, the factors are divided into:

- subjective factor, and

- objective factor.
- Subjective factors. These fortunes in terms of their source are more individual, and for this reason they are even more diverse for different production organizations, even with the same production programs.
- Objective fortunes. These are factors that must be taken into account in certain working circumstances and conditions and which are not, but may be individual. These factors in a business period can be a determinant of prior data for that period and, as such, must be taken into account when planning business success. In terms of character they can be:
 - mainly external objective factors,
 - mainly internal objective factors.

1.8. Indicators of business success

Indicators that are used in practice are divided into groups according to different criteria. Such a breakdown of business success indicators is as follows:

- unified business success indicators,
- unified indicators of economy conditions, and
- unified distribution indicators.

As the conditions of economization change with the development and advancement of the productive forces, the indicators of business success also change. The purpose of these changes is that by implementing certain indicators, manufacturing organizations can compare and evaluate the success of their own business with the success of similar organizations anywhere in the country or in the world.

Unified measures according to these unified indicators which are most often used to show business success are:

- economy (economy),
- profitability (profitability),
- liquidity (liquidity), and

- labor productivity (labor productivity).

With economy, profitability and labor productivity is expressed all the success of economics of productive organizations, because in their coefficients enter the basic elements of reproductive processes. Thus we have:

For the economy the coefficients: $E = \frac{Q}{A}$, or $E = \frac{TH}{H}$

For labor productivity: $P = \frac{P}{F}$, or, and $P = \frac{TH}{F}$

For profitability: $R = \frac{Ta}{Ma}$,

Where are:

Q - the total volume of production, the effect of labor, which represents the purpose of production,

A - value of physically engaged tools (work tools, work items and human value)

Th - total revenues, value of products and services provided,

H - total costs of production elements,

F - labor force, as an expression of individual and general social wealth,

Ta - total income, as a value expression of the work done in social reproduction,

Ma - engaged tools, without which there is no continuity of reproduction.

1.9. Measures to increase labor productivity

From what was presented regarding the issue of labor productivity, the most important factors that affect labor productivity can be classified into two main groups:

- Internal factors of productivity, which can be subjective (for example: ability and willingness to work) and objective (for example: size of the enterprise, technical level of tools, organizational form of the enterprise, etc.) and
- External factors of productivity, which affect outside the production organization and create external conditions and circumstances affecting the productivity of the enterprise (for example: employment rate instead of pre-source resources, level of scientific, educational and research work, credit and tax policy, etc. .)

All these factors have more or less an impact on measures to increase labor productivity. By studying these factors, it is necessary to find opportunities to influence them, in order to increase labor productivity. For easier study of them and to find more easily the important influencers for them, all the factors of productivity are divided according to the nature and intensity of their influence. Factors with the greatest impact on labor productivity include:

- natural factor,
- social factors,
- human factors,
- organizational factors, and
- technical and technological factors (developmental factors).

Investments are always necessary, because only in this way can the productive forces of the enterprise be developed, a fair division of labor can be made and competitive labor productivity can be ensured.

conclusions

Managing an organization, in terms of quality, means that all activities are subject to defined quality objectives, and to achieve these objectives, the organization has developed a system of plans, has the necessary resources and takes action to achieve the goals. .

In order for the consumer to receive quality products, a management system is needed that takes into account the interests of all actors. This approach makes the implementation of the quality system throughout the integrated supply chain less controversial. The implementation of the proposed system may allow the production manager of:

- Manage production immediately, minimizing risks;
- Avoid unreasonable losses and minimize production costs;
- Receive real-time operational information;
- Manage processes flexibly.

These principles of quality management form the basis of the philosophy philosophy of quality management system standards in the ISO 9000: 2000 family.

Evaluating the effectiveness of quality management systems, as well as any systematic changes in the activities of the organization, is a very difficult task. Although improvements resulting from the regulation of quality management system activities should actually (and not formally) be qualitatively tangible, the systemic effect is difficult to determine.

Product quality management should be performed systematically, ie. the enterprise must establish and operate a product quality management system.

recommendation

As we have mentioned business is the basic cell in which income and profit are created, but this is not the main reason for doing business. The main reason for doing business is to meet the common needs of society.

In the competition in the market, functional quality is becoming more and more important. This requires the introduction of new organizational systems not only in production systems but also in quality management systems. Quality management systems are increasingly integrated with the organization's management system. High quality is becoming the factor that unites organizational units, connects them with a common goal, breaking down barriers between them.

For products to be competitive, constant, focused, attractive work of manufacturers to improve quality, systematic quality control is necessary, in other words, we can say that any enterprise that wants to strengthen its position in fierce competition and to maximize its profit, should pay close attention to the quality management process.

It is worth noting the annual increase in competition in the market. One of the key aspects of this process is precisely the compliance of the goods with the quality standards. As a result, companies need to pay more and more attention to this aspect of production. In this regard, there is a need for a certain material base, as well as modern equipment and technology. However, the most important point is the staff. It is important to implement the right motivation system as well as a management philosophy in which each employee will feel personal responsibility for the final characteristics of the product.

conclusion

Company management plays a key role in the success and the way a company operates and operates.

Managers are those who carry on their shoulders a great responsibility in the failure or success of the company.

The objective of this paper is to elaborate as best as possible the impact that the managerial level has on engineering products, or we can say the impact on a company of a different nature. Recognizing the requirements and interests of employers and employees or employees, managers and owners of capital, as common and non-antagonistic requirements is the new basis of company management.

The real interest of these stakeholders in the general economic activity is really the same. We can justify this with the example of providing conditions for the existence of one party as a condition of existence of the other party. Prosperity of employers can not last for a long time if it is not accompanied by prosperity of workers or other stakeholders and vice versa.

So finally we can say that successful implementation is possible if:

- The main regulated activities of the company, as well as compliance with the documentation system of its real activities.
- Process management, within the framework of which the requirements for resources, inputs and procedural results are clearly defined, the criteria for evaluating customer satisfaction and performance and fixing deviations by identifying the causes and their further elimination.
- Direct involvement of senior managers in planning, analyzing and coordinating system performance.
- Improving process efficiency indicators, in the presence of increased customer satisfaction and product quality.
- Willingness of staff to work (with the right motivation and resources needed).
- Improving the overall performance of manufacturing companies.

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