



## WAYS AND METHODS OF REDUCING PERIOD COSTS

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### Abstract

This article analyzes the main ways and methods of reducing period costs in enterprises. The impact of period costs on the financial results of enterprises and the mechanisms for their effective management are examined. In addition, the possibilities of increasing the profitability of enterprises through the optimization of management costs, administrative expenses, and selling expenses are highlighted. The study substantiates that rational use of resources, application of modern management methods, and improvement of the cost planning and control system are important factors in reducing period costs.

**Keywords:** Period costs, cost reduction, cost management, enterprise efficiency, financial results, administrative expenses, selling expenses, profitability, efficient use of resources, economic efficiency.

### Introduction

With the introduction of the concept of “labor resources” into economic science, scientific, theoretical, and practical research has been conducted on their effective use, activation, and improvement. Activities aimed at increasing the activity of labor resources and improving their use are multifaceted. The activation of labor resources involves complex processes such as the formation of spiritual values, family issues, home and school education, personnel policy, human physical health, preservation of cultural traditions, education, working conditions, and other factors. Therefore, when analyzing ways to improve the use of labor resources, different studies highlight various directions.

Although the number and composition of approaches to improving the use of labor resources differ across studies and scientific literature, they can generally be summarized as follows. Research in this area mainly focuses on several directions, with some receiving more attention than others. These directions include improving the qualifications of employees, retraining and professional development, improving





working conditions, implementing effective motivation, regulating wages within the firm, organizing management culture, improving healthcare systems, and others.

In the second half of the twentieth century, a remarkable phenomenon occurred worldwide. A group of countries that had long been economically backward managed to become technologically advanced within a relatively short historical period. They achieved this mainly through effective use of labor resources and the application of modern management technologies. As a result, they began to dominate world markets with high-quality and competitive products. Examples of such countries include Hong Kong, South Korea, Malaysia, and Thailand. These countries are not rich in natural resources. Since the 1970s, they have invested mainly in the development of human resources. Young people were sent to developed countries to study and acquire advanced technical knowledge. This knowledge later became the intellectual capital of their countries.

The professional training and development of personnel are directly related to the introduction of new equipment and technologies, changes in employment, scientific and technological progress, and reforms in the economic management system. Rapid technological development and the inflow of new information and knowledge require continuous training and professional development of workers, engineers, and administrative staff.

Today, due to rapid technological changes, one of the primary challenges is computer literacy. Analysis of job advertisements shows that modern computer specialists must first of all be creative and professionally competent individuals. They must be able to think independently and work in the interests of the enterprise.

According to Western experts, the period during which half of a worker's knowledge becomes outdated has shortened to 3–5 years. In other words, within 3–5 years, half of a worker's knowledge may become obsolete. Labor increasingly requires higher levels of knowledge and skills, while low-skilled occupations and manual labor are gradually disappearing.

Enterprises with highly qualified employees achieve greater success. The need to train employees arises in the following situations:

- ✓ when a new employee is hired;
- ✓ when an employee's position changes;
- ✓ to improve qualifications and knowledge;
- ✓ to improve the psychological environment within the enterprise;
- ✓ when production processes change;
- ✓ when the product composition changes, and so on.



Training can be organized in the following ways:

- ✓ two-week courses separate from production;
- ✓ two-year programs without leaving production;
- ✓ special training programs;
- ✓ training conducted by managers;
- ✓ special assignments;
- ✓ internships in other enterprises;
- ✓ training abroad;
- ✓ participation in seminars and conferences.

Employee training and development aim to:

- ✓ restore partially forgotten knowledge;
- ✓ learn new methods related to scientific and technological progress and changes in production, labor, and management organization;
- ✓ retrain employees in new qualifications required by modern forms of collective labor organization and management restructuring.

In our republic, the adoption of the National Program on Personnel Training has defined the main directions and stages of providing the economy with qualified personnel. Today, under the conditions of independence, training employees abroad is also widely practiced. This training pursues two main goals:

- ✓ preparing specialists who meet global standards in the specialties required by the republic;
- ✓ enabling specialists to acquire modern knowledge in the universities of developed foreign countries.
- ✓ Such specialists are essential for developing the economy, science, technology, and production of independent Uzbekistan in accordance with international standards.

Improving working conditions also plays an important role in the effective use of labor resources. In developed countries, the organization of relationships between humans and technology and working conditions is studied as a separate discipline called **ergonomics** (from the Greek “ergos” – work, and “nomos” – law or rule). This fact itself demonstrates the importance of working conditions in activating labor resources.

The production environment is characterized primarily by sanitary and hygienic working conditions such as temperature, noise, lighting, dust, gas contamination, vibration, work safety, work and rest regimes, and interpersonal relations among employees.





Thus, working conditions are considered from technical, organizational, psychophysiological, social, and legal perspectives.

When designing working conditions, factors such as gender, age, health, qualifications, and psychological and social characteristics of employees are taken into account. A system of recommendations and regulatory materials of varying degrees of generality and obligation (recommendations of the International Labour Organization, sectoral, regional, factory, and enterprise standards) has been developed and must be considered when designing working conditions.

The main regulatory documents governing working conditions include sanitary norms for enterprise design, construction rules and standards, state standards, and occupational safety requirements.

Sanitary standards determine the permissible concentration of harmful substances in workplaces. To ensure normal working conditions, it is necessary to improve technologies, automate equipment, ensure proper sealing of machinery, and organize effective ventilation in production buildings.

### **Ways to Reduce Period Costs**

In any production enterprise, there are many ways to reduce period costs, including:

- ✓ searching for ways to reduce occupational safety and labor protection expenses;
- ✓ purchasing higher-quality materials for special clothing and footwear so that they last longer;
- ✓ reducing excessive advertising costs once the product has secured its place in the market;
- ✓ carefully selecting rental buildings and premises for sales needs, ensuring that additional repair costs are not required;
- ✓ minimizing labor costs related to product sales as much as possible;
- ✓ following international delivery rules such as CIF and FOB to avoid unnecessary transportation expenses between buyer and seller;
- ✓ appointing responsible staff to prevent product losses during transportation, storage, and sales;
- ✓ reducing penalties and fines caused by violations of tax and other legal regulations;
- ✓ deducting penalties from drivers' wages for violations of transportation rules.





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