

Prospects of Introduction of Integrated Quality Management Systems at Enterprises of Uzbekistan

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ABSTRACT

This article explores the prospects of implementing integrated quality management systems in enterprises across Uzbekistan, focusing on the insurance sector. The ISO 9001:2015 standard is highlighted as a universally applicable framework that aligns well with the principles of financial organization. Through thorough implementation of specific sections of the standard, insurance companies can enhance customer service quality and strategically position themselves in domestic and foreign markets. The government's role in encouraging certification and providing benefits for compliant enterprises is discussed, alongside global statistics on ISO certification. Case studies, such as the implementation at "Uzbekinvest" Insurance Company, demonstrate the positive impact of quality management systems on business performance.

Keywords: integrated quality management systems, insurance sector, certification, risk management, professional development.

INTRODUCTION

Presently, in the world and domestic markets of financial services more and more attention is paid to the availability of certificates of compliance with international standards of ISO series. Conventionally and expectedly the most demanded among them is the international standard "ISO 9001:2015". The standard "ISO 9001:2015" is a universal standard applicable to organizations of any sphere, form of ownership and size, and it is quite interesting that the requirements of this standard most fully correspond to the general principles of organization of activity of enterprises of the financial sphere, in particular, the insurance sector.

High-quality and most complete implementation of the sections of the standard below:

- 5.1.2 Consumer orientation;
- 6.1 Action on risks and opportunities;
- 8.3 Design and development of products and services;
- 9.1.2 Customer satisfaction;
- 10.2. Nonconformities and corrective actions.

enable the insurance company to adhere to high standards of customer service and are a confirmation of the fact that the quality of insurance services provided by the Company is regarded by the Company as a strategic basis for its development, increasing competitiveness and securing leading positions in the domestic and foreign insurance markets.

Consulting companies provide services on the implementation of quality management systems in the Republic in accordance with international standards.

Certification of quality management systems is carried out by certification bodies accredited in the established order in the National Accreditation System in the agency "Uzstandart".

For the purpose of increasing the competitiveness of Uzbek enterprises' products in the foreign and domestic markets and increasing export potential, the Government of the Republic adopted a number of regulatory acts and resolutions, the first of which was the Decree of the Cabinet of Ministers of Republic of Uzbekistan № 349 of July 22, 2004 "On measures to introduce quality management systems at enterprises in accordance with international standards".

In addition, in order to stimulate the implementation of management systems, a number of benefits and preferences were approved and implemented for enterprises that have the relevant certificates, including:

- reduction of the taxable base by the amount of funds allocated for the implementation of quality management systems during the next 5 years;
- in conducting tenders for the purchase of products for state needs other things being equal, priority is given to domestic suppliers with a certified quality management system;
- enterprises that have implemented a quality management system in accordance with international standards have the priority right to be included in the Localization Program according to international standards, whose projects meet the above criteria, as well as projects that provide for the production of export-oriented types of products;
- exemption of enterprises with testing laboratories from paying customs duties, including value added tax when importing technological equipment, etc.

Let us consider the level of implementation of international standards at the enterprises and organizations of the republic in comparison with the global indicators:

- Certificates valid in the world, total – 2 405 360;
- China is the leader of the world rating – 1 196 734 (49.7%);
- Italy is in the second place– 141 051 (5.8%);
- India is in the third place – 93 436 (3.8%).

By CIS countries:

- In the Russian Federation – 4 235 (0.18%);
- Uzbekistan – 3 476 (0.14%);
- Kazakhstan - 822 (0.03%).

As mentioned above, the most popular and demanded standard in the world is ISO 9001. The standard first appeared in 1987 and was a regulation that standardizes processes in industry. However, based on the requirements of time, taking into account scientific and technological progress and changes in the paradigm of management of organizations, it has been revised several times, and an updated version of the standard was published in September 2015.

In terms of the main changes, apart from the most notable concept - "risk-based thinking", the next version of the ISO 9001 attempts to overcome a frequent problem: functioning of Quality Management System (QMS) processes separately from real production activities. On this basis, in order to fully integrate the processes into the company's activities, the leadership requirements have been significantly updated.

The second major change was the revision of the requirements to identify the context/environment of the organization, which is vital for forming a more correct idea of what the organization receives from outside and how to assess the result of its work. The quality management system in accordance with international standards has been implemented in "Uzbekinvest" Insurance Company since 2004. Certification was carried out by the world-famous Certification Body - "RW Tuv" (Germany).

Thus, the company became the first organization of the financial sector of the republic to receive an international certificate of compliance with the requirements of ISO 9001. Implementation of the quality management system had a very effective impact on the company's business.

In particular, there were:

- management and business processes were optimized and interconnected;
- the setting of corporate goals was significantly improved;
- the company's client-orientation increased, and client requirements became a priority;
- an efficient document management system was introduced;
- a corporate knowledge base was developed for the company's employees.

In 2016, the transition to the new, current version of the ISO standard from 2015 was carried out.

The transition was ensured without the involvement of external consultants, as by that time the company's specialists had accumulated sufficient experience in maintaining and improving the QMS, having participated in external and internal audits of the system and having taken a number of international advanced training courses.

It should be noted that this time the company became the first organization of the financial sector to be certified according to the new version of the standard.

These measures as well as further development of the Company's QMS significantly improved business indicators:

- the volume of gross insurance premiums collected has increased more than 11 times since 2016 and amounted to 100.0 million USD by the end of 2023;
- increased customer focus, improved quality of service and service in general, as well as timely payment of insurance indemnities for insured events allowed to increase the customer base by 4.2 times, from 207 000 customers in 2016 to 867 000 in 2023;

- optimization of business processes, cost reduction, as well as increased staff engagement and motivation allowed to increase the productivity of employees more than 12 times.

Thus, at the end of 2016, the insurance premiums collection indicator per 1 employee amounted to 71 thousand USD. And by the end of 2023 - this indicator amounted to - 909 thousand USD.

At the same time, within the framework of fulfillment of the requirements of the standard to ensure the competence of specialists, we have implemented the concept of "continuous training", which is realized through the School and Academy of Insurance and specialized training courses.

Also, the process of professional development is reinforced by internships for prospective employees held at leading universities and insurance companies in the USA, UK, Japan, China, South Korea, Turkey, Czech Republic and other countries.

Let us take a more detailed look at the level of implementation of the standard ISO 9001:2015 according to the world statistics:

- ISO 9001:2015 certificates in the world total - 1 265 216 - 52.6% of the total number of certificates for all valid standards.

The following are the Top 10 countries with the largest number of valid certificates:

1. China – 551 855 (43.6%);
2. Italy – 94 216 (7.4%);
3. India – 61 653 (4.9%);
4. Germany – 47 576 (3.8%);
5. Great Britain – 43 765 (3.5%);
6. Japan – 38 916;
7. Spain – 32 059;
8. USA – 29 579;
9. South Korea – 27 155;
10. France – 21 880;
- ...
50. Russia – 2 619;
- 61. Uzbekistan – 1 302;**
88. Kazakhstan - 346.

As seen from the above data, the top countries are the countries with the most developed and actively developing economies, with a large share of China - 43.6% of the total number of certificates.

The rapidly changing world, the development of digitalization and the growth of the level of social and economic life of the population of the countries of the world, increase the

requirements of consumers to the quality of products and services, including insurance services.

Organizations in their turn, in order to maintain their market position and retain their customer base, adjust to the ever-increasing market requirements, and at this stage there is a worldwide trend to increase the number of integrated, which means several implemented standards for management systems.

It is worth noting that Italy occupies the 2nd position in the global ranking in terms of the number of valid certificates, as there is a wide use of mandatory certification within the framework of approval of products/services by administrative authorities, as well as voluntary certification of management systems.

At the same time, in developing countries of the world the tendency to increase the number of certified enterprises in the service sector continues (manufacturing sector traditionally remains the leader in terms of the number of certificates).

Taking into account the progressive development of Uzbekistan's economy, active state stimulation of exporting enterprises, privileges provided to foreign and local investors, in order to increase the competitiveness of products in international markets, as well as its quality, confirmed by certificates of conformity.

The following measures are recommended for detailed consideration and implementation:

1. **State regulation.** In the conditions of modernization and development of the economy of the republic, it is proposed to regulate the processes of certification of enterprises and organizations in the first place on export-oriented production, with the formation of intersectoral standardization, which will invariably lead to the alignment of the quality of exported products and services of national manufacturers, based on the implemented target program to improve the quality of individual industries or regions. At the same time, based on the developed criteria for assessing the level of implementation of management systems, it is proposed to maintain a register of enterprises-leaders of this rating, with the subsequent provision of benefits and preferences to them by the state.
2. **Professional development system.** Implementation of a developed and functioning system of standardization at the state level will not be possible without well-trained specialists, possessing expert knowledge as in their specialized field, as well as knowledge and principles of development and implementation of management systems, including integrated. Proceeding from this, it is necessary to organize training of specialists of enterprises and organizations on appropriate courses and trainings, both on the basis of the "Institute of Standards" - State Institution "Research Institute of Standardization, Certification and Technical Regulation", and in own/foreign training centers and specialized training centers.
3. **Professional network of participants of the standardization and certification market and certification.** Realization by the state of complex measures to develop and increase the activity of the sphere of standardization and certification, will lead to increased interest of business structures and stimulate the entry into the market of new,

both local, and foreign training and consulting organizations and certification bodies. In accordance with the comprehensive program of standardization and certification of enterprises and organizations, working in interconnection on the principle of public-private partnership, the government and professional participants of this market will create a strong and effective tandem within the framework of training of the "main" force - "quality managers".

4. **Increasing the Engagement of Leaders.** As part of enhancing the involvement of company executives in the analysis of internal processes and the level of compliance with standards, it is necessary for leaders to demonstrate personal interest in order to bring quality systems closer to the meeting rooms of decision-making top management. Leader engagement will lead to the involvement of line managers and enable the optimization and improvement of functioning processes. Ultimately, the effectiveness of organizational processes will confirm the high level of management system, increase trust in the organization from consumers and investors.
5. **Implementing a comprehensive risk-oriented approach** within the framework of defining the organization's context - its external and internal operating environment, as well as external and internal relevant parties - will allow for the implementation of an effectively functioning organizational risk management system. Compliance with the requirements of the risk management standard should become the main tactical goal in maintaining market positions, as it is the thorough examination of the enterprise's external and internal operating environment, assessment of potential risks, and proactive measures to prevent them that will enable the most seamless response and adaptation to rapidly changing market conditions and consumer demands.
6. **The implementation of integrated management systems** is a complex innovative project aimed at comprehensively enhancing the efficiency of overall organizational management, which will be extended to all departments, ensuring that each employee carries out quality and traceable activities at every stage of the production process.

Integrating quality, environmental, safety, and social responsibility management systems that meet the requirements of international standards can be a fundamental factor for the sustainable development of the organization specifically and industries in general.

CONCLUSION

Therefore, the implementation of comprehensive state regulation and incentivization of enterprises and organizations for the adoption of management systems, as well as the organization of wide-ranging opportunities for training and skills enhancement for specialists, serves as the primary line for improving the quality of goods, works, and services at the republican level.

As the second line, and also as a connecting link, the establishment of an Association or Union of professional participants in the standardization and certification market is proposed. Given the dynamic development of processes in the country's economic life, this association will serve as an actively functioning business entity aimed at improving the professional and business environment. It will also take into account the interests of its members.

The third and most important line of action will be the enterprises and organizations themselves, whose top management's engagement will increase when they see the benefits for their business development through the implementation of the measures outlined by the government. In this case: Firstly, they will have an incentive for further development of management systems, inevitably leading them to implement integrated systems. Secondly, with the increase in the business's value component, an essential complex risk-oriented approach will also develop in the conditions of a highly volatile external environment. Thirdly, as a result of the increased level of employee engagement, there will be a strengthening of internal corporate culture and an increase in employee motivation to achieve common corporate and financial goals.

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