

## **WAYS TO USE CAPACITY - LABOR RESOURCES IN SMALL BUSINESS**

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### **Abstract**

*In the conditions of development of market relations, the sphere of small business, the role of which in the economy becomes more and more tangible, acquires special significance. The effectiveness and sustainability of small businesses creates the conditions for active production and innovation, making them more visible in the stabilization of the labor market by creating new jobs and expanding employment. In this regard, it is necessary to rethink the attitude towards one of the main factors of production, in today's conditions, what are the labor resources, especially in the sphere of small business. For many years, man's productive abilities were considered and evaluated as one of the quantitative production factors. The task was only to successfully combine labor with capital to fulfill the production program. Since the quantitative characteristics of labor resources in small business are determined by the size of the enterprise, then their qualitative components should come to the fore. The study of the complex of labor resources problems at small enterprises makes it possible to trace the development of the market mechanism for their use in Russian conditions. Relevance, theoretical and practical significance, as well as inadequate elaboration of the use of labor resources at small business enterprises, determined the choice of the topic of this study, its purpose and objectives.*

*Keywords: Economic potential, national economy, economic activity, small businesses, income, household, microfirms*

### **INTRODUCTION**

World experience shows that small business, which today also includes medium-sized business in most countries, is a key segment of the modern market economy, in which a significant part of national economic resources are concentrated. Thus, in the advanced countries from 95 to 99

percent of the total number of enterprises operating in them belong to the sphere of small business. Small enterprises employ about 50-70% of the total number of employed in the economy and produce 50-60% of GDP of these countries (OECD, 2017). Having a significant resource base, small business has a huge impact on the nature of the economic development of advanced countries.

Each national economy, in order to be competitive in the international market, first of all, should fully use its economic potential. Since "the full use of economic potential affects the development of the country's economy" (Biryukova, 2016). Therefore it is considered expedient to dwell on the content of the economic potential. Economic potential is the combined ability of the country's economy, their industries, enterprises and economies to realize production and economic activities, produce products, goods, services, meet the requirements of the population, social needs, ensure production development and consumption. The country's economic potential is determined by its natural resources, production assets, labor and scientific and technical potential, accumulated national wealth.

The country's economic potential is represented as a complex of potential of all economic entities that can enter into the structure of its economy from a different point of view. Here you can separately highlight the economic potential of the region and the territory, the economic potential of various industries and their complexes, the economic potential of enterprises and associations. In this regard, it is considered appropriate, as a separate subject, to study the economic potential of small and business, which is an important sector of the national economy and has limited opportunities in terms of the scale of economic activity.

### **Resource potential of small business as the most important the condition of its functioning and development**

The extremely high importance of small business for a modern market economy is also determined by the fulfillment of a whole series of strategically important functions. First of all, small business is the main carrier of entrepreneurial spirit, so important and necessary for a market economy. Entrepreneurship shapes citizens' values that are important for the establishment of market institutions, develops legal awareness, personal initiative, willingness to take risks and making independent decisions. It is thanks to small business that the broad sectors of the population are involved in the business sphere.

Another major function of small business in the modern market economy is that it acts as the main source of employment for the able-bodied population and the creation of new jobs. At the same time, it is especially important that jobs are created in small enterprises with significantly less capital outlays than at large corporate structures. In addition, thanks to small

business, additional contingents of labor resources are included in the orbit of social production, which can not be involved in it in any other way. These are citizens whose labor potential is limited by objective factors: pensioners, mothers with many children, disabled people with disabilities, minors, etc. Expansion of the same employment leads to an increase in the rates of economic growth.

The economic potential of small business and the peculiarities of their use have been studied in the scientific works of economists and specialists such as A.A Biryukova, N.N Vakula, M.A Motov, I. Patrushev. Regardless of the level at which economic potential is explored, almost the same interpretation of its main elements can be found in economic literature. Without delving into some distinctive features, the following structure can be distinguished in the name of these elements: personnel (labor resources); material and technical, financial (including investment); organizational; scientific and innovative; information potential (Vakula, 2010).

Given the importance of each of the above elements, we consider it expedient to focus on the use of labor resources in small business. Various aspects of the use of labor resources in small business have been investigated by many economists and specialists.

As the experience of the developed countries of the world shows, small businesses have a strong predisposition to creating new jobs in relation to large enterprises, which is expressed in the following:

the ability of small businesses to quickly create new jobs with low capital intensity;  
relatively high capital-technical structure in small enterprises;  
the process of creating small businesses is simple;  
the activities of a certain part of small enterprises are carried out as a derivative of the activities of large enterprises;  
at small business enterprises, when the labor force is involved, the effect of quantity operates;  
wide dissemination of flexible conditions for employment and hiring (part-time or week, changing schedule, part-time, etc.).

To date, the complex of non-standard forms of employment is different, among them, as important, we can distinguish the following:

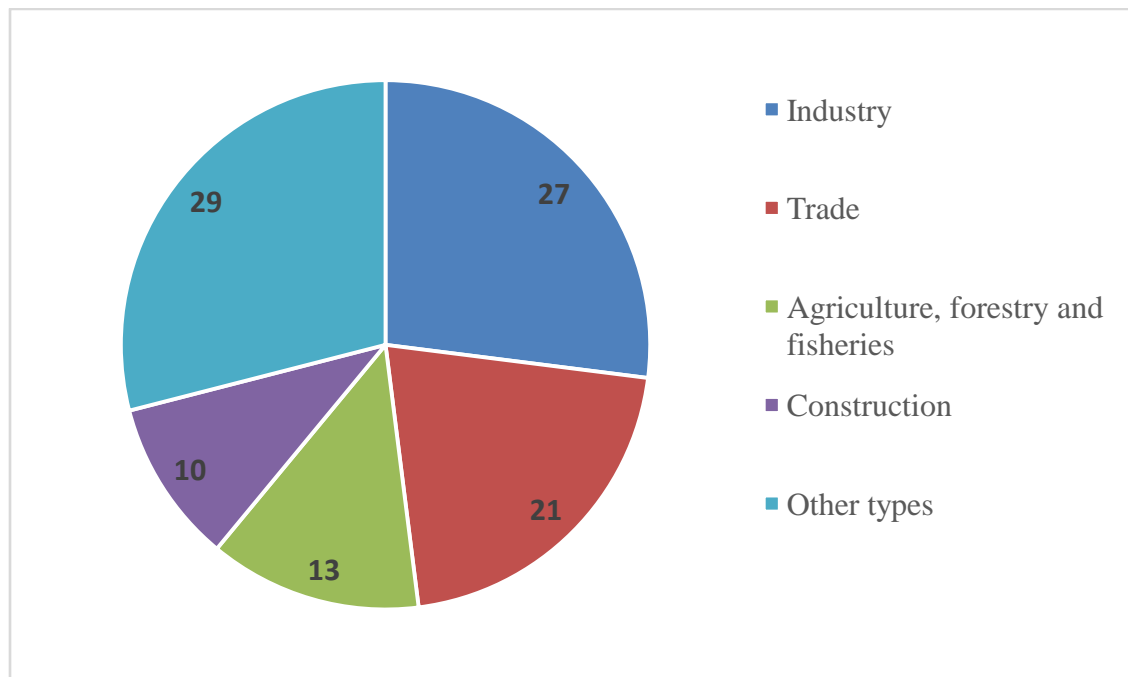
part-time employment;  
overtime work;  
temporary employment for a fixed period on the basis of a labor contract (temporary or fixed-term employment);  
casual employment, which is expressed as a method of obtaining additional wages in the case of low pay at the main place of work or inadequate income from labor (casual employment), (usually associated with a low level of labor qualification) (Zibarev, 2006);

employment on the basis of contracts of a civil-law character (contract work);  
 employment in temporary work agencies;  
 secondary employment, characterizing the presence of additional (second, etc.) jobs on a regular basis (secondary employment);  
 informal employment consisting of employment in individual entrepreneurship, self-employment employment, employment in the household, related to the production of goods intended for resale, employment not registered in the formal sector (informal employment).

### Analysis of small business development

Today Uzbekistan pays special attention to the further expansion of ways of using the potential of labor resources in small business. As a result of systemic measures, in this direction in 2017 the share of small business and private entrepreneurship in the total number of employed was 78.3%.

As a result of the measures taken to form the business environment, to fully support and further stimulate the development of small business and private entrepreneurship, in January-December 2017, 38,2 thousand new small business entities and microfirms (without dehkan farms and farms, 122% over the same period 2016). The largest number of small businesses was created in industries (27 percent), trade (21 percent), agriculture, forestry and fisheries (13 percent) and construction (10 percent) (State Committee on Statistics of Uzbekistan).



### **The share of newly created small enterprises and micro-firms by types of economic activity for January-December 2017**

The subjects of small business and private entrepreneurship in January-December 2017 (State Committee on Statistics of Uzbekistan):

- industrial output for 57 095,6 billion soums (39,6 percent of total industrial production) or 102.1 percent to the level of January-December 2016;
- investments for 19,407,1 billion soums (32,0 percent of the total volume of the republic's investments) or 95,5 percent to the level of January-December 2016 were spent;
- construction works were completed for 22 173,8 billion soums (65,1 percent of the total volume of construction work), or 103,2 percent to the level of January-December 2016;
- services (68161,9 billion soums) (58,4 percent of the total volume of services) or 99,9 percent to the level of January-December 2016 were made (rendered);
- 88,4 percent of the total volume of retail trade turnover was formed, which amounted to 93 508,0 billion soums (an increase of 1,1 percent);
- exports of goods (goods and services) by \$ 3,763,5 million (27,0 percent of total exports), which is \$ 624,4 million, or 19,9 percent more than 2016.

The growth in the volume of exports was facilitated by an increase in the number of small enterprises and microfirms exporting goods and services. In comparison with 2016, their number increased by 1310 units, in particular, industrial (733), trade (329), agricultural (162).

- an increase in the freight turnover of motor transport by 5,3 percent (77.9 percent of the total volume of freight turnover);
- the passenger turnover grew by 3,1 percent (94,8 percent of the total volume of passenger turnover);
- employment of 10 587,7 thousand people or 78,3 percent of all employed in the economy (an increase of 1,8 percent) was provided.

The share of small business and private entrepreneurship amounted to 27,0 percent in exports (26,0 percent in January-December 2016), industry - 39.6 percent (45,3 percent), services – 58,4 percent (61,4 percent), construction – 65,1 percent (66,9 percent) and employment - 78,3 percent (78,2 percent).

### **A set of measures to improve the efficiency of the use of labor resources for small businesses**

In this regard, we consider it advisable to further expand the opportunities for using the potential of small business workforce, expand the activities of business education aimed at the following tasks:

prevention of discrepancies in professional activity, qualifications and skills as a result of structural changes related to the development of the market economy system, ensuring their adaptation to existing new requirements;

in a prompt manner, the provision of an updated structure of the economy, as well as the new professional business sectors that make up its new business sectors, with modern knowledge and skills;

the promotion of youth employment, including the provision of sufficient knowledge and skills to organize their business;

increase the skills and qualifications of employees, specialists and managers of the state and non-state sectors, meet their needs for rapidly changing and developing knowledge, etc.

In addition, effective mechanisms are being introduced to further expand the opportunities for non-standard forms of using the potential of small business workforce. As a striking example, the creation of a limited company "Consortium for the Support of Homework", according to the President's Decree, whose main goal is to increase the budget revenues of the family due to the further development of homemaking as one of the effective tools to attract unemployed people to productive activities, as well as expanding the use of financial resources for the purchase of modern machinery, equipment, raw materials and materials, a limited liability company "Ground Service" aimed at providing practical assistance to farmers and dekhkan farms and owners of gardens in the production and sale of agricultural products.

The introduction of the above mentioned mechanisms in practice will create opportunities for further expansion of ways of using the potential of labor resources in small business.

## CONCLUSION

In the conditions of economic reform, the development of small and medium-sized enterprises, which are already dynamic, mobile structures that attract highly skilled labor in the most able-bodied age, is of great importance.

The strategic objectives of the development of market relations are the efficient and rational use of labor resources in small and medium-sized enterprises, including in the printing industry.

The use of labor resources in small and medium-sized enterprises involves identifying a set of reserves that stimulate the economic interests of both workers and entrepreneurs. These include: stimulating creative work; mobilization of internal resources of small and medium-sized enterprises; Creation of qualitatively new workplaces, assuming availability of multi-profile work functions; saving labor costs; testing of new promising forms of labor remuneration; the development of fundamentally different approaches to the selection of workers; close attention

to the social needs of workers; the creation of psychologically compatible working groups; transition to management of business risks related to the human factor.

Based on the results of the study, the following proposals were made: a) the creation of conditions for the openness of financial and socio-economic information with a view to its further scientific testing and scientific expertise; b) the creation of methodological developments in the standardization and remuneration of labor in small and medium-sized enterprises, taking into account both the established practice and on the basis of scientific recommendations; c) the formation of a bank of new professions for small and medium-sized businesses, introducing it into the classifier of professions; d) improving the methodology of questionnaires in order to obtain new data on the use of labor resources in small and medium-sized enterprises; e) organization of associative democratic structures of small business (AMB) for structural mutual assistance and solving specific organizational, technological, information and financial issues. The main directions of institutional support for small innovative business are: (a) improvement of legislation regulating its economic activities and providing its support and protection; (b) the formation of infrastructure that contributes to the development of small innovative business; (c) elimination of administrative barriers that impede the development of small innovative businesses. Unlike institutional support aimed at creating favorable conditions for the functioning and development of small innovative business as a whole as an independent segment of small business, resource support is aimed at providing financial assistance to individual small innovative business entities. This support in advanced countries is carried out in various ways in many ways and in different forms.

The most important strategic tasks for the development of small innovative business are the following: (a) creating a favorable institutional environment for small business innovation; (b) the development of infrastructure to support the innovative activity of small businesses; (c) scaling up small innovative business; (d) improving the system of state support for small innovative business.

One of the most important directions in the formation of an institutional environment favorable to innovation is the development of legislation on innovation. Along with the development of general legislation on innovation in general, it seems appropriate to ensure the development of special legislation on the innovative activity of small businesses. The solution of this task can be carried out in two directions: first, through the adoption of new independent regulatory and legal documents relating to small innovative business, and secondly, by implanting certain provisions on small innovation business in existing documents. Special attention is required by legislative support of the rights of small business entities to intellectual property.

## RECOMMENDATIONS FOR FUTURE RESEARCH

This research focuses on expanding the ways in which the workforce can be used in small businesses, with research that helps increase the productivity of small and medium-sized businesses and increase employment. The implementation of effective mechanisms to further expand the capacities of small businesses to utilize the potential of non-standard forms of manpower capacities contributes to the wider use of labor resources in small businesses. This study will play an important role in raising the financial capacity of small businesses in the country.

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