THEORETICAL ASPECTS OF UTILIZING LABOR POTENTIAL IN SMALL BUSINESSES.

Turginova Mavludahon Makhammadjanovna
Assistant of the "Economics" Department,
Andijan State Technical Institute

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Abstract
This article examines the theoretical foundations of the concept of labor potential and its effective use in small business conditions. Key factors influencing the formation and development of labor potential, as well as the specifics of its application in small businesses, are highlighted. Special attention was paid to the experience of the Republic of Uzbekistan, including statistical analysis of employment and labor productivity in the small business sector.

Introduction. In the current conditions of market economy development, the human factor is becoming a key element of enterprise competitiveness. Labor potential reflects the totality of employees' physical, intellectual, and professional abilities that can be used to achieve business goals. In small business, the effective use of labor potential plays a particularly important role, as limited resources require maximum returns from each employee.

Main part

1. Concept of labor potential

In our country, the development of labor relations in the field of entrepreneurship in recent years, consistent measures to support and stimulate this process, as well as a number of adopted program directions, necessitate the development of this area. In the context of economic liberalization in our country, large-scale reforms are directly related to the development of labor relations in the field of entrepreneurship, and their development has a significant impact on the socio-economic development of society, including ensuring employment.

Labor potential is a set of quantitative and qualitative characteristics of the workforce, including the level of education, professional skills, experience, health, and motivation of employees. It is defined as the ability of personnel to perform a certain volume of work, taking into account time and quality [1-3].

2. Factors influencing labor potential

The following factors influence the formation and use of labor potential [4,5]:

- level of education and professional training;
- work experience and qualifications;
- working conditions and salary level;
- motivation and social security;
- Innovative environment and career advancement opportunities.

Although the structural-evolutionary basis of labor relations in small business and private entrepreneurship is manifested by agents, its two main theoretical aspects differ. Firstly, this direction allows for a clear structure of the analyzed forms and types of labor. This is because the entire life cycle of an employee does not always proceed sequentially, because at each of the above-mentioned stages, the employee is guided by their inner feelings. After hiring an employee and concluding an employment contract, both the employer and the employee can make certain changes to the employment contract or, after improving the employee's qualifications, establish new working conditions, etc., and so on, secondly, this direction has theoretical significance, its practical significance is less. Since in small-scale production it is difficult and complex to divide the hired labor into specific periods, the internal and external conditions for the development of small and private entrepreneurship do not allow this.

3. Use of labor potential in small business

In small business, each employee performs a wide range of functions, which requires versatility of skills and a high degree of responsibility. The effective use of labor potential here is linked to the flexibility of labor organization, the optimization of work processes, and the creation of a favorable psychological climate.

The innovative structure, as shown in the figure, determines the modern features of relations in the field of innovative activity, such as the business environment, initiative, and reproduction of labor relations (productive forces (labor)). In small business, every employee should be provided with a normal workload. For this, it is necessary to take into account many factors. In particular, working conditions are based on normalizing workload or creating and protecting working conditions: physical, psychological, and environmental. The structural composition of labor relations in small business and private entrepreneurship is grouped according to labor, socio-economic, and innovative structures, where labor relations represent the effective organization of economic activity and the improvement of innovative entrepreneurial relations that bring greater returns than traditional entrepreneurship. The improvement of these relations also places special demands on entrepreneurs, demanding constant creativity and research,

the acquisition of new knowledge, its practical application, the search for and effective use of new technologies.

4. Features of labor potential in small business in Uzbekistan

In Uzbekistan, small business is the main source of employment. According to the State Statistics Committee, in 2024, the share of employees employed in the small business sector amounted to about 75.6% of the total number employed in the economy. Labor productivity in this sector is also gradually increasing due to the introduction of new technologies and vocational training programs.

In the era of globalization, the process of assessing the use of human resources in the activities of small business entities in each economic region and region is aimed at studying the following issues: assessment of the effectiveness of human resource use. This category of issues includes the analysis of the number of employees, their composition and qualification level, the study of opportunities for improving their professional skills, verification of data on the effectiveness of working time, the study of the dynamics, forms, and causes of labor activity, as well as the analysis of the implementation of the established labor discipline, the study of the influence of the number of employees on production indicators, and the calculation and comparison of profitability with labor costs. It can be said that the main task of studying the use of labor force is to identify all factors that hinder the increase in labor productivity, leading to the loss of working time and a decrease in wages. In this regard, assessing the effectiveness of human resource utilization is carried out in the following important areas: providing the organization with the necessary personnel, determining the dynamics and directions of workforce movement, and improving labor productivity indicators.

Using statistical, operational, and other reporting documents containing various information about the company's employees as information sources for analyzing the development of small businesses serves as a primary factor in correctly assessing the effectiveness of human resource utilization and developing methodological foundations. The assessment of the organization's personnel is carried out according to quantitative indicators, for which the payroll fund, average wages, and the number of employees are calculated. Along with quantitative indicators, qualitative indicators characterizing professional qualifications, education, and the sex and age composition of employees are also studied. At the same time, studying the personnel composition also allows for the analysis of the effectiveness of using this type of resource. Personnel analysis is carried out for each individual unit and according to a separate criterion (for

example, work experience or qualification level). The indicators selected as a result of the analysis are also compared with the level of labor productivity in a specific unit. In improving the efficiency of human resource utilization in small business activities, labor productivity is primarily studied through the level of performance of labor productivity tasks, the development of reserves for improving labor productivity indicators and measures for their utilization, as well as factors influencing labor productivity change.

Conclusion. Effective use of labor potential in small businesses requires a comprehensive approach, including improving employee qualifications, enhancing working conditions, and creating motivational mechanisms. For Uzbekistan, the development of the vocational education system and state employment support programs remains an important direction.

In the current conditions of economic modernization, special attention is being paid to small business and private entrepreneurship enterprises in our republic, as this process requires new innovations and initiatives, and only on their basis can economic development be ensured (by saving resources and producing high-quality finished products). For this, small business and private entrepreneurship enterprises should pay special attention to introducing the latest achievements of science and technology into production. Significant work is being carried out to further develop the small business and private entrepreneurship sector, which is playing an increasingly important role in the national economy, and thereby filling the domestic market with competitive, high-quality, and export-oriented products, creating new jobs, and on this basis increasing the income of the population and ensuring sustainable economic growth. At the same time, this sector is becoming the main driver for increasing tax revenues to the state budget and increasing the share of gross domestic product, which is considered the main indicator of economic development. Small business and private entrepreneurship are becoming the basis and main force of social, economic, and political stability in our society. The most important issue at the stages of economic reforms in our country, laying the foundation for fundamental changes in the structural composition of the economy, is the organization and development of entrepreneurship and private business. To achieve this goal, a number of economic reforms have been carried out, and large institutional foundations have been created to enhance its role. These include regulatory legal acts that organize and guarantee entrepreneurial activity, non-governmental organizations and enterprises that assist entrepreneurs. In short, the formation of the complex of private entrepreneurship and small business in Uzbekistan is proceeding successfully.

Appendix: Statistical analysis

The following figure shows the dynamics of the share of employees employed in the small business sector in Uzbekistan for the period 2020-2024. The data shows a positive trend.

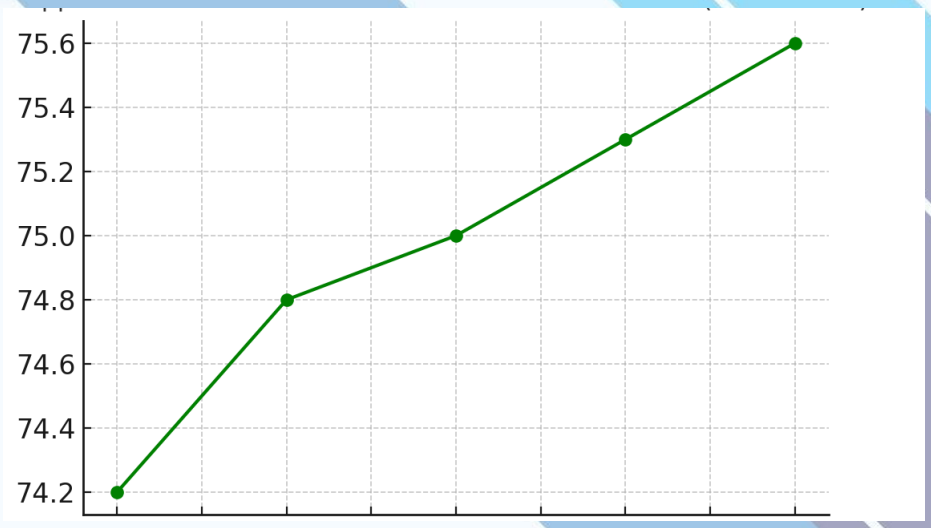

Fig 1. Labor productivity in small business in Uzbekistan (conditional data)

Year Productivity (thousand sum/people) Note
2020 32500 According to research data
2021 34200 According to research
2022 35900 According to research
2023 37500 According to research
2024 38800 Forecast

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