

Analysis of Economic Factors Affecting the Increase of Labor Efficiency (In the Case of Samarkand Region)

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ABSTRACT

The variables impacting the growth of labor efficiency in businesses are examined in this article, and the author then offers recommendations for boosting the business's economic efficiency.

KEYWORDS: *Labor efficiency, production, wages, enterprises, population, factors, worker, labor relations, modernization, diversification, knowledge of personnel, cultural-technical, professional level, scientific-technical development.*

Introduction

The subject of improving labor efficiency is acknowledged as a pressing concern in all nations of the world due to the intensifying competition environment. The International Conference Board research group states that "every year, worker efficiency increases by an average of 3.5 to 4.0 percent worldwide. In recent years, nations like Germany, Ireland, Norway, China, and the USA have all seen high levels of worker efficiency in industrial output. Expert estimates indicate that the acceleration of creative production development and the emergence of an active investment environment were responsible for the rise in labor efficiency in industrial production¹.

The major objectives of the socioeconomic changes carried out in our nation in recent years are to quicken the pace of technological advancement, further strengthen our economic position, and eventually improve the welfare of our people. An essential job is described as "...modernization and diversification of the economy, ensuring strong economic growth through enhancing worker productivity."² The target directions in the implementation of research within the tasks defined as one of the priority directions, such as improving the legal basis of evaluation, are specifically determined by the Decree of the President of the Republic of Uzbekistan dated January 28, 2022, "On the Development Strategy of New Uzbekistan for 2022-2026"³ No. 60.

Literature review

Theoretical and practical elements of social labor relations in the workplace, issues with employee motivation, productivity, and efficiency are thoroughly investigated in the academic works of foreign economists like S.L. Brew, P. Samuelson, G. Ford, and G. Emerson.

In turn, the study of this issue has benefited from the efforts of economists in our nation. Particularly, academician K.Kh. Abdurahmanov's scientific works have extensively revealed labor efficiency and its factors [1], Kh.scientific Rejapov's research has examined the impact of funding on the training of qualified personnel [2], and Tursunkhujaev P.M. has expressed planning [3] in scientific works.

¹ <http://www.conference-board.org/data/chiefeconomist.cfm> (Conference Board халқаро иқтисодий таҳлил қилиш тадқиқотлар ташкилоти маълумоти)

² Ўзбекистон Республикаси Президенти Ш.М.Мирзиёевнинг Олий Мажлисга Мурожаатномаси. «Халқ сўзи» газетаси, 2018 йил 29 декабр, № 271 (7199).

³ <https://lex.uz/uz/docs/-5841063/> O'zbekiston Respublikasi Prezidentining Farmoni, 28.01.2022 yildagi PF-60-son

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Research Methodology

The research procedure included synthesis, analysis, and comparative analysis techniques.

Analysis and results

Today's economics has the significant issue of identifying the elements influencing labor efficiency in businesses and boosting efficiency based on study on the amount of effect. As a result, we research socioeconomic aspects that influence labor efficiency. It is appropriate to define the idea of the factor before examining the socio-economic elements influencing the rise in labor efficiency. A factor is a cause, a force that directs the development process, its unique characteristics, and its surroundings. A change in the degree of production efficiency caused by a certain objective condition or process is referred to as a factor in the area of production. Factors have the unique property that their movement is consistent throughout time and place. Regardless of the magnitude of the examined subject—whether it be at the level of the economy as a whole or at the level of inter-branches, firms, or departments—they retain their applicability in all circumstances.

Because both determinants and growth reserves of labor efficiency can affect labor productivity, it is important to make a distinction between the two. Reserves typically allow variables to be used fully⁴. Contrary to factors, reserves are mutable and subject to loss, making further improvement of labor efficiency unachievable. Additionally, it's possible that no organization has the reserves necessary to guarantee labor efficiency. For instance, there may be surplus employment in some businesses and industries while good employee distribution may be the case in others.

The execution of increasingly complicated organizational activities does not occur by itself, but rather as a consequence of the active effort of individuals who are participants in social production, according to K. Kh, one scientist who has studied the elements influencing the development in labor efficiency. This is the driving force of labor activity - the interest in obtaining a certain result, which in turn allows to satisfy the material and spiritual needs of people who are participants in production"⁵, by Z.B. Irmatova "...in exchange for the modernization of production processes its automation and mechanization, introduction of new machines and technologies at the expense of innovations, modernization of working machines, effective use of machines, diversification of production, improvement of scientific organization of labor in it, elimination of losses during working hours, foreign and domestic use of tested advanced production practices, proper organization of the system of remuneration and material incentives" by L.A. Kostin, "...increasing the knowledge, cultural-technical and professional level of personnel and labor discipline to emphasize that it depends han⁶.

According to our perspective, it is impossible to fully describe the social and economic elements that impact labor efficiency by listing them one at a time. Instead, we provide the secondary factors that affect labor efficiency along with the fundamental ones. Such an error is possible. It is important to thoroughly evaluate the nature and breadth of the elements before classifying them in accordance with the extent of their effect in order to prevent making such a grave error. It should be emphasized that in the study of social and economic variables, mutually beneficial and group factors may appear as a socio-economic factor in conjunction with a group of other factors impacting efficiency. For instance, technical and technological elements directly impact labor efficiency through labor objects,

⁴ Адамчук В. В., Ромашов О. В., Сорокина М. Е. “Экономика и социология труда: учебник для вузов” – М.: “ЮНИТИ”, 1999. - с. 156.

⁵ Абдурахмонов Қ.Х., ва бошқалар. “Меҳнат иқтисодиёти ва социалогияси” (Дарслик). - Т.: “Ўқитувчи”, 2001. - 300 б.

⁶ Ирмадова З.Б. “Корхоналарда меҳнат унумдорлигини ифодаловчи кўрсаткичлар ва уларни аниқлашни такомиллаштириш йўллари”. “Иқтисодиёт ва инновацион технологиялар” илмий электрон журнали. № 1, январь-февраль, 2015.

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technology level in manufacturing, working environment, and job satisfaction. These elements also include social and economic variables that indirectly influence worker productivity. Labor efficiency in the utilization of labor force and working time is directly impacted by organizational elements, such as labor division and collaboration, workplace structure, and production development. On the other hand, the degree of labor organization and production has an impact on a significant socio-economic factor, determining the working conditions and work order, as well as its intensity at various times, the uniform distribution of the workload, and in fact, the length of the working day and week.

We examine the variables by breaking them down into distinct economic and social categories in order to more thoroughly assess the extent and character of socio-economic factors impacting labor efficiency. An economic factor is produced by the labor incentive system's influence on labor productivity.

The main contributor to an improvement in labor productivity is an increase in the worker's socioeconomic capacity to meet his or her basic demands and replenish the energy used. Consumption may be separated into social and material categories based on an individual's innate traits. They operate as an individual workforce in order to properly meet their demands. Mutual reliance is a manifestation of both the need and the drive to act in response to its fulfillment. Motivation to work will develop if the individual's requirements are met in exchange for successful labor at work. This will undoubtedly reveal the employee's job drive and work attitude.

It is advisable to use the minimal monthly pay as a basis for calculating the indicator of the minimum quantity of financial resources required for human consumption (Table 1).

Table 1. Dynamic analysis of incomes, minimum and average monthly wages for the population of Samarkand region.⁷

№	Indicator name	Years					In 2021 compared to 2020, percent
		2017	2018	2019	2020	2021	
1.	Population (thousands)	3651.7	3720.1	3798.9	3877.4	3947.7	101,8
1.	<i>including:</i>						
	Female	1819,5	1852,1	1889,8	1927,7	1962,0	101,7
	Male	1832,2	1868	1909,1	1949,7	1985,7	101,8
2.	Number of working age population (thousands)	2069,4	2092,5	2108,2	2120,7	2137,1	101,9
3.	Employed people (thousands)	1 523,1	1 463,3	1 455,8	1 418,3	1 441,3	101,6
4.	Employed people of working age population weight, percent	64,1	64,5	65,0	65,7	66,5	101,2
5.	The share of working-age people in the total population, percent	56,4	55,9	55,2	54,5	53,1	97,4
	Gross regional product						

⁷ O'zbekiston respublikasi davlat statistika qo'mitasi Samarqand viloyati statistika boshqarmasi electron sayti samstat.uz/uz/ ma'lumotlari asosida muallif tomonidan to'ldirildi.

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6.	(GDP), billion soums	27 039,0	32 863,7	39 050,5	43 834,7	53 749,9	122,6
7.	The minimum monthly wage (soums)	962920	1059590	1101105	1118400	1130240	101,1
8.	Average monthly salary, (soums)	1163436,8	1444104,0	1909801,1	2115415,9	2458983,3	116,2
9.	GNP per capita, million soums	7,3	8,7	10,2	11,0	13,4	121,8

Table 1's data demonstrate that the average monthly wage of labor resources employed in the area is 21 times less than the minimum wage. The average annual rise in the minimum monthly pay is 101.1%, while the average annual increase in income is 116.8%. This means that the minimum wage has climbed by 7.3% more than the average income. Given that the employed people would have more social and personal requirements, it is only reasonable for their consumption costs to exceed the minimal amounts stated. The importance of pay in meeting these social and personal requirements on time cannot be overstated. Wages boost labor productivity and the socioeconomic potential of hired labor resources. Of the labor resources that are engaged (2021), 1,883,000 work for regional industrial businesses.

In our perspective, the effective and intense utilization of human labor, which assures the rise of efficiency indicators, is the primary manifestation of the influence of wages as an economic factor on the increase of labor efficiency. In a broad sense, the foundation for future increases in labor efficiency is laid by the employee's sense of contentment with the pay, material rewards, and moral incentives he receives as a consequence of his job. In actuality, the majority of employees are content with their jobs and do them, which eventually guarantees an improvement in labor productivity and socioeconomic efficiency.

Fair labor compensation that accounts for both the worker's contribution to production and social norms at the level of consumer satisfaction will boost employee motivation by supporting diligent and effective work, ultimately leading to the full utilization of the labor force's potential for production. permits.

Conclusion and Recommendations

Increasing staff productivity in businesses continues to be the most crucial socioeconomic problem at hand. Naturally, this enhances and solidifies the incentive system's position as a tool for increasing workplace productivity. In the course of this observation and research, which was done to develop the key strategies and mechanisms for increasing labor productivity based on the comprehensive use of all available resources in order to immediately reverse the economic crisis, we have reached the following scientific conclusion.

When evaluating professional activity, it is preferable to employ a selection based on the openness and equity principles; this includes: - introducing a key performance indicator (KPI) system across all companies. Through indicators, the system enables you to see the motivating and successful system of labor compensation in enterprises; it also strengthens the information and digitization systems across all organizations. It is appropriate to implement a contemporary innovation system in businesses at this point in time, when time is moving quickly and the digitization system is permeating all spheres. The success and standing of businesses and organizations may generally be increased by carefully choosing and placing the right people in management. There is a necessity for innovative methods, a critical analytical mindset, and the establishment of suitable circumstances for the top employees, particularly in today's world. Additionally, in the market economy, the proper and efficient utilization of elements influencing the organization's people management effectiveness is crucial for boosting the latter's economic efficiency. All these developments signify a further

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strengthening of Uzbekistan's personnel reforms.

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