

The Objective Need to Improve the Mechanism of Increasing Labor Efficiency in Industrial Enterprises

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Abstract:

In this article, the objective necessity of improving the organizational and economic mechanism of increasing the labor efficiency in industrial enterprises in the conditions of the transition to the innovative economy of our country is explained from a scientific and theoretical point of view. Also, indicators of labor efficiency, labor productivity, and production efficiency in industrial enterprises were theoretically and comparatively compared, the concept of labor efficiency was given an author's definition, and scientific and theoretical proposals were developed to improve the organizational and economic mechanism of increasing labor efficiency.

Keywords: labor efficiency, labor quality, labor consumption, saving live labor, labor productivity, innovative economy, economic growth, decent labor, mechanism, socio-economic efficiency, organizational-economic efficiency.

Introduction

In order to ensure stable economic growth in our country, the process of transition to the innovative development system of the economy is being implemented. The President of the Republic of Uzbekistan, Sh.M. Mirziyoev, in his speeches, stated that one of the most important tasks to be implemented in order to further develop the economy of our country is "...modernization and diversification of the economy, ensuring high economic growth by increasing labor productivity"[1]. In fact, the ability to increase the economic competitiveness of our country through the creation of industrial products and services that meet today's requirements, the introduction of innovations into practice has always been of great importance in the development of production.

In the current modern stage of the economy, innovative activities play an important role in the development of developed countries. As a result of the development of the innovative information and communication technology industry alone, this industry accounts for about 5.5 percent of the global gross domestic product. We can see that this indicator has a significant weight in the economy of developed countries, for example, it is more than 11.8 percent in South Korea, 7.0 percent in Sweden, and 6.8 percent in the United States. It should be noted that the role of innovations in the modern economy is increasing, they have become the main factor of economic development.

In the conditions of the transition to the innovative economy, the improvement of labor efficiency in industrial enterprises is manifested in production relations, the mechanism of economic management, forms and processes of labor organization. It should be noted that the innovative development strategy of our country sets the goal of "entering the ranks of the world's 50 most advanced countries according to the Global Innovation Index by 2030" [2]. According to the laws of society's development, socio-economic development does not proceed uniformly, but is based on the principles of rising from the bottom up, from simplicity to complexity.

This is one of the universal laws of development. The economy of each time is based on its political, social and economic structure. The current stage of development is based on the establishment of an efficient economy based on modern management and innovation. These two aspects leave their mark on the economic development of each period and determine the level of development. This stage gives rise to economic transformation processes, i.e. creates a material and technical-technological basis for the transition from one stage of development to the next stage based on improved innovation.

Research methodology

Methods such as systematic analysis, induction-deduction, complex evaluation, grouping, logical and comparative analysis were used in the process of researching the stages of formation of theoretical knowledge related to the improvement of the mechanism of labor efficiency in industrial enterprises.

Literature review

Before analyzing the concept of labor efficiency in industrial enterprises, we consider it appropriate to understand the essence of the concept of efficiency. The concept of "Efficiency" is interpreted as a broad, universal economic category, which includes scientific, technical, social, economic and other results. Recognizing that the concept of efficiency is a complex concept, in the scientific literature (efficiency - English) (efficientia - Latin), which has several translational interpretations, to explain the somewhat common phrase "efficiency" with concepts such as "efficiency, productivity, ability to move and operability"[3] possible

Various scientific studies have been carried out by many economists on the concept of efficiency, and they have expressed their views. For example, efficiency is defined by V.V. Novozhilov as follows: "...efficiency is generally expressed in the ratio of costs to obtain useful results (efficiency)" [4], by L.M. Chistov: "efficiency is the resources used per unit of time is the concentration of useful properties in the form of a product produced at the expense of a unit" [5],

Mature scientists of our country have also expressed their views on the concept of efficiency. In particular, it is defined as follows by academician K.Kh. Abdurahmonov: "The concept of efficiency is an extremely broad concept, it reflects the ratio of the obtained effect to costs" [6], by A. Olmasov, A. Vahobov: "Efficiency is the ratio of the result obtained from production with resource costs means comparison, that is, it shows what has been achieved by spending"[7], and by B.A. Abdukarimov, M.Q.Pardaev: "...efficiency is the result of an ongoing economic process"[8] is given. In these approaches, economic interest and social benefit achieved in production and non-

production relations are manifested in excess or superiority compared to the intended goal. The concept of efficiency is widely used in all sectors of the economy, and it allows to use it in explaining the concepts of production and labor efficiency.

Until now, there is no single opinion among economists about the method of organizational and economic assessment of labor efficiency in industrial enterprises. Many economists argue that the concepts of "labor efficiency" and "labor productivity" are similar concepts. For example, V.I.Ivanitskyi, I.N.Maksimenko and N.N.Ushakova [9] put forward the opinion that: "labor efficiency is characterized by the reduction of labor costs or increase of creation for the volume of work performed." A.O'lmasov and A.Vahobov recognized that: "labor productivity means the result of labor, labor efficiency" [7].

Analysis and results

Production efficiency represents the extent to which labor, material and natural resources are usefully used in the production of products in industrial enterprises. Its level can be calculated using complex indicators. The most important of them is the volume of the created product equal to each of the indicators such as material, labor and financial resources, labor productivity, fund return, product quality and cost. The difference between production efficiency and labor productivity is that efficiency represents the efficiency of the consumption period, outside the scope of the production process.

Labor productivity in industrial enterprises is an important indicator of labor efficiency, its result is expressed in the form of labor product (in units of time or value). Labor efficiency, unlike labor productivity, shows not only the result of labor, but also the amount of labor and its quality. The quality of work should be understood in two ways. In a narrow sense: product quality, in a broad sense: social utility, labor results meet the requirements. Another important aspect of labor efficiency is that it represents the economy in the use of labor resources and the efficiency of human labor. We classify the different aspects of these categories, which differ from each other in terms of the level of economic use, in Table 1 below.

Table 1. Comparative comparison of production efficiency, labor productivity and labor efficiency in industrial enterprises¹

On aspects of differentiation	Production efficiency	Labor productivity	Labor efficiency
Field of work	Production of material wealth	Work in the field of material production	Gross useful labor (tangible and intangible production)
Impact on the amount of material value and services being created	An increase in production efficiency leads to an increase in material values necessary for accumulation and meeting current needs	The growth of labor productivity increases all the material values of the society	The increase in labor efficiency leads to an increase in the volume of services along with material values
Performance measurement indicators			
	Production efficiency	Labor productivity	Labor efficiency
At the general economic level			
The ratio of GDP or final product volume to material, labor and financial resources		The ratio of gross output produced in material industries to the total number of people employed in this industry	The ratio of the volume of the created final product to the cost of labor and the quality of

¹ Манба: муаллиф томонидан ишлаб чиқилган.

		labor in economic sectors
At the network level		
The level of satisfaction of gross needs for a given product by the network. The ratio of the volume of produced or net product in kind to each of all resources used	The ratio of the normative net product produced in the network to the total number of people employed in the industrial production of the network	The ratio of the product in the network to the labor capacity and quality of labor in the network
At the enterprise level		
Labor productivity, return on capital, production capacity, cost, plan execution, profitability indicators	The ratio of net output to each worker of industrial production personnel, or the ratio of labor costs per unit of output	The ratio of the net product created and material assets produced (with qualitative indicators) to the saved working time and live labor

V.V. Novozhilov made a great contribution to the study of the labor efficiency index in industrial enterprises as a socio-economic category, in his opinion, "...the useful feature of a product does not depend on its quantity. A product can be useful or useless, necessary or superfluous. The increase in the production of surplus products can lead to an increase in the volume of labor, but this will have a negative effect on its efficiency"[4]. By O.I. Volkov, the concept of labor efficiency is "... labor productivity related to the reduction of labor costs for the result of labor performed during a unit of time", by A. I. Rofo, "labor efficiency is productivity, the efficiency of people in production activities" [11] defined as

In economic dictionaries, labor efficiency is described as "...the labor efficiency of people. Definitions such as "description of the use of labor resources" [12] represent the result of high efficiency at the cost of minimum labor expenditure. In these given definitions, the concept of labor efficiency is approached from a narrow point of view, if we consider the given definitions separately, O.I. Volkov: "labor efficiency is achieved by reducing labor costs", A.I. Rofo: "labor efficiency is achieved only by human development the result in the production process", V.F. Potudanskaya: "labor efficiency is the result of rational use of resources", L.A. Kostin: "labor efficiency represents favorable working conditions", A.S. Volchyonkova: "labor efficiency is the use of the labor potential of workers expresses productivity" [13], by I.T. Abdukarimov and others: "labor efficiency is measured by its effectiveness, i.e., the result corresponding to one employee (one labor potential) in a certain time unit" [8]. In economic dictionaries, labor efficiency is described as "...the labor efficiency of people. It represents the result of high efficiency at the cost of minimum labor expenditure" [14], "description of the use of labor resources", "the indicator of the volume of work contributed by workers to the enterprise (organization)" [15].

Another group of scientists think that labor efficiency belongs to the non-production (service) sector, because the expenses made in this sector do not give results in the long term, but when the time comes, they give results in such a way that it cannot be measured by any quantitative and qualitative measures. . Labor efficiency in the field of material production is productive work that creates the necessary material conditions for human life, improves the performance of its indicators in life conditions, and also helps to ensure the spiritual development of society members.

Academician K.Kh.Abdurahmanov defined the productive nature of labor efficiency: "when determining labor efficiency, compare its results not only with costs in the field of material production, but also with all labor costs (all labor resource costs), that is, those employed in material

production and non-production sectors , to consider those who are studying, those who are employed in the household and personal auxiliary economy" [6].

If we proceed from the general description of labor efficiency, it is essentially characterized by the ratio of the results obtained, such as labor productivity, to the costs, that is, these two social and economic categories reflect the income in relation to labor costs in industrial enterprises, but they represent a set of different socio-economic relations at different levels. In our opinion, based on this specificity, the specific characteristics of the category are as follows: first, labor efficiency directly represents productive spending; secondly, the cost and quality of labor in the production of material products; thirdly, the deepening division of labor; fourth, technological level; fifthly, decent working conditions created for people to work; sixth, represents the calculation of socially necessary labor costs.

The uniqueness of labor efficiency as a socio-economic category is that its nature and content cannot be evaluated economically with simple quantitative and qualitative indicators. Labor efficiency should be assessed not only from an economic, social, but also from a socio-economic point of view. For example, if we take measures to improve production and socio-economic labor relations, these measures can be measured by economic indicators and their effectiveness can be evaluated from a socio-economic point of view.

Although labor in the field of non-production cannot be called productive, it should be noted that its importance is special. Therefore, labor efficiency does not belong to a single sector, but covers all production and non-production sectors of the economy.

In our opinion, on the basis of the definitions and classifications given by the above economists, it is necessary to take into account its socio-economic characteristics when elucidating the essence of the labor efficiency category. Therefore, in the conditions of the transition to the innovative economy, it is appropriate to give a large-scale author's definition of the concept of labor efficiency in industrial enterprises, taking into account the principles of decent work and the specific nature of the national economy.

In our opinion, labor efficiency is a socio-economic category, which is to achieve high labor productivity by reducing labor costs and increasing labor quality in the process of production (non-production) based on the principles of decent labor. Labor efficiency in industrial enterprises represents both economic and social aspects of workers and employees, and describes its results quantitatively and qualitatively. One of the important factors is the reduction of labor costs per product unit, the increase of product quality and production profitability, and the improvement of labor efficiency in achieving economic growth.

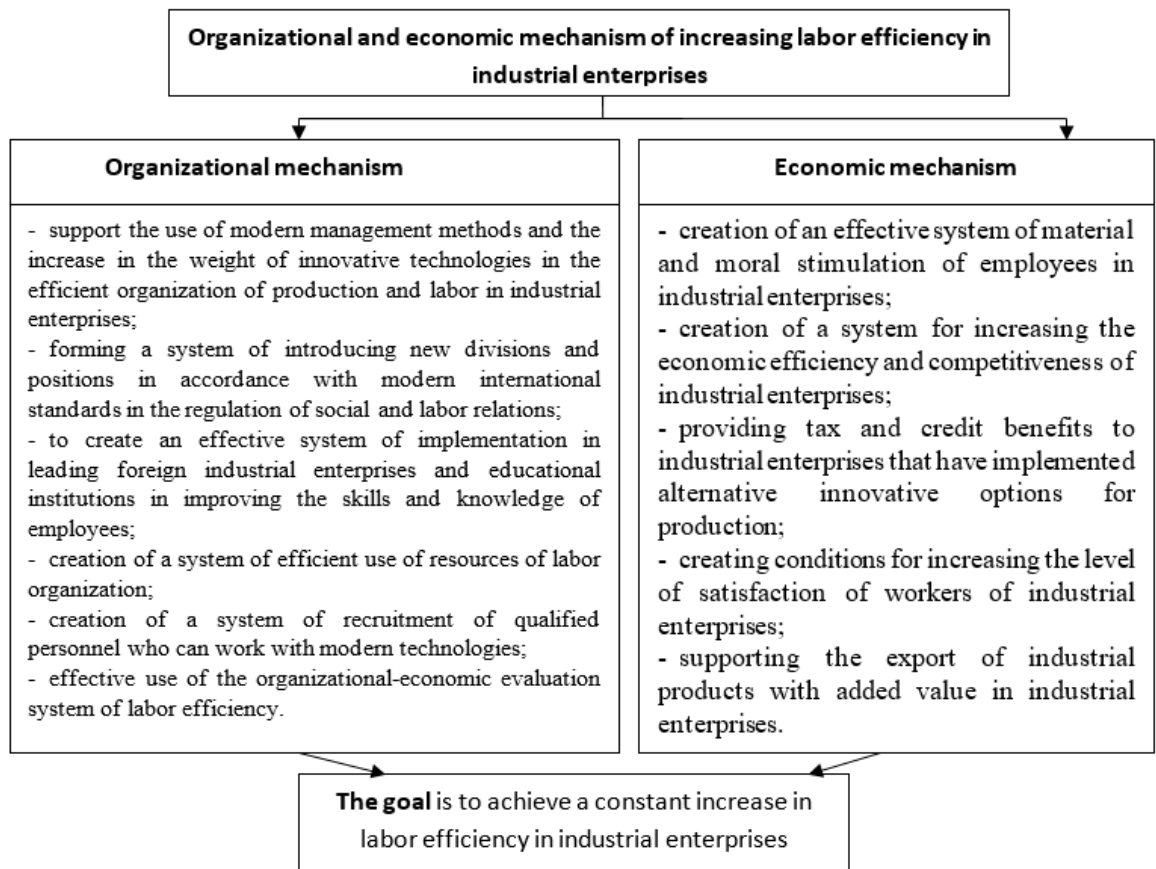
It is important to understand the concept of mechanism when describing the organizational and economic mechanism of increasing labor efficiency. The term mechanism is widely studied in economic and technical complex studies. The term "mechanism" is derived from the Greek word "mechane" meaning "machine" [12] and is a purposeful system designed to perform one or more actions, and these actions cause other actions. Based on the description of the mechanism, it is possible to state the objective necessity of improving the organizational and economic mechanism of increasing labor efficiency in industrial enterprises.

The objective need to improve the organizational-economic mechanism of increasing labor efficiency can be considered in three directions: the first direction is related to the study of the main criteria and indicators of the organizational-economic mechanism of increasing labor efficiency in industrial enterprises based on the nature of industrial activity based on systematic approaches to evaluation; the second direction is to determine the factors influencing the increase of labor efficiency in industrial enterprises and econometric assessment of their impact; the third direction is related to the research of priority directions for improving the organizational and economic mechanism of increasing labor efficiency in industrial enterprises. These three areas are closely

related to each other and their main goal is to scientifically and theoretically justify the improvement of the organizational and economic mechanism of increasing labor efficiency in industrial enterprises, following the principles of decent work.

The organizational-economic mechanism includes the following organizational tasks: first, the use of modern management methods; secondly, application of innovative technologies in production; thirdly, to create a system that allows for organizational and economic evaluation of work; fourth, strengthening labor discipline and rational use of the working time fund; to economic tasks: firstly, implementation of appropriate material and moral incentives for work; secondly, to increase the level of interest of employees in increasing the economic and financial efficiency of the enterprise; third, to improve the welfare of employees.

When forming an organizational-economic mechanism that increases labor efficiency, the purpose of the mechanism should be reflected, taking into account the elements and tasks of labor organization. The structure of action was expressed by dividing the elements of the organizational-economic mechanism into separate organizational and economic ones. (Drawing 1).



Drawing 1. The main elements of the organizational and economic mechanism of increasing labor efficiency in industrial enterprises in the conditions of the transition to the innovative economy²

Studying the interrelationships of the elements of the organizational-economic mechanism of increasing labor efficiency in industrial enterprises in this chart 1 provides not only a logical-functional, but most importantly, a complete disclosure of the main features of the mechanism. In this case, the mechanism acts as a lever that ensures the fulfillment of tasks and principles to achieve the set goal.

² Developed by the author.

At the level of industrial enterprises, its development should be carried out in an inextricable relationship with the compatibility of the main organizational and economic parameters, in particular, the compatibility of the goals and priorities of increasing labor efficiency based on the principles of decent work.

Conclusions and recommendations

In the conditions of the transition to innovative development of our country, it is important to improve the organizational and economic mechanism of increasing labor efficiency in the development of strategies and tactics for increasing industrial production potential. Labor efficiency, as a socio-economic category, differs from the concepts of production efficiency and labor productivity in terms of its characteristics, and expresses productive labor consumption, labor quality, and decent labor.

In our study, after studying the definitions of the concept of labor efficiency given by foreign and domestic scientists and taking into account the specific nature of the industry, an author's definition of the concept of labor efficiency was developed. It should be noted that an increase in labor efficiency in industrial enterprises ensures a decrease in labor costs per unit of production, an increase in product quality and production volume. Labor efficiency shows socio-economic and organizational-economic efficiency, taking into account the fact that it expresses the effectiveness of labor costs. It describes the relationship between labor input and results, indicating the level of productivity and relations of production.

The priority directions and goals of increasing labor efficiency in industrial enterprises include the implementation of innovative technologies in enterprises, the search for and use of new sources of natural resources as raw materials for production, the use of modern management methods, the effective promotion of labor, and the compatibility of creating safe working conditions. . In many cases, one task cannot be performed independently of the others. In the successful development of industrial enterprises, it is important to follow the main elements of the labor efficiency improvement mechanism.

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