

**MECHANISMS OF INCREASING LABOR PRODUCTIVITY IN
ACHIEVING ECONOMIC DEVELOPMENT**

Bunyod Murtazaevich Lukmanov*

*Specialist,

Tashkent region Regional Office,

Committee for Combating Monopoly of the Republic of UZBEKISTAN

Email id: zamonovz86@mail.ru

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ABSTRACT

In this article, labor relations in achieving economic development in society, in particular, ways to achieve labor productivity, important factors leading to its development, and the activity of the state in conducting economic policy in this process are theoretically justified.

KEYWORDS: *Economic Development, Labor Productivity, Natural Resources, Labor Process, Product Quantity, Economic Efficiency.*

INTRODUCTION

The quality of economic growth is based on the regular increase in labor efficiency at the level of the national economic system. This indicator is directly involved in the production process and implies giving special importance to quality in organizing the interaction of factors affecting the economic system from the outside. Technical progress – with the use of high technology, labor productivity per workforce increases, and this situation has proven to be practically correct in the experience of developed countries.

Reasonable distribution of the labor factor and effective use, in turn, require the study of its development process based on the analysis of the current state of this field [1]. Also, labor productivity is one of the main means of ensuring the country's economic growth.

For this, first of all, it is necessary to briefly define the concepts of labor productivity.

“Work is a purposeful activity of a person and society to meet their needs. The labor process is always associated with physical and mental consumption. Along with land (natural resources), capital, and entrepreneurship, labor is the main factor of production. Work is a process of self-management and management from the outside (managers, engineers, foremen)” [2], says G.Abdurakhmonova, a scientist in the field.

The concept of labor productivity, all its definitions express a common essence, but differ from each other.

Labor productivity is an indicator of the economic efficiency of the work of employees. It is determined by the amount of the produced product or the amount of services provided in relation to the labor costs, that is, by the product produced at the expense of the unit of labor costs.

“Labor productivity is the unit of output produced by workers per unit of time, the amount of working time spent on production, and the amount of output, that is, the volume of output produced by workers during the unit of time” [3], says J.Tuktabayev.

“Another field scientist Z.Tolametova says, “Labor productivity is an increase in quantity and improvement in quality of products produced during a unit of time” [4].

Labor productivity is the efficiency of labor in the production process. It is measured by the amount of time spent producing a unit of output or the number of products produced per unit of time.

According to the encyclopedic dictionary of I.A. Efron and F.A. Brockhaus, labor productivity (or productivity) is the ratio between the amount of labor spent and the results obtained.

L.E. Basovsky defines labor productivity as the efficiency of the company’s use of human resources and is determined by the number of products produced per unit of work time or labor costs per unit of work performed.

Labor productivity (ingl.) is an indicator of labor activity of employees. It refers to the amount of output produced per unit of time or the productivity of developing a unit of output [5].

Labor productivity is an indicator of the economic efficiency of the work of employees. It is determined by the ratio of the amount of the produced product or the provided services to the labor costs, that is, the product produced at the expense of the unit of labor costs [6].

The term “labor productivity” is widely used in world practice. This term is distinguished by the definition and composition of labor results, which are the basis for calculating these indicators.

The term labor productivity includes only the volume of products (services) created (sold), while the term productivity additionally takes into account the saving or overspending of manufactured labor in labor results.

Three different factors are taken into account when determining labor productivity.

1. Private factors – only the work of workers or specialists in one profession is taken into account.
2. Many different factors – work of different groups of workers is taken into account.
3. Total factors – all labor costs of employees are taken into account [7].

The country’s economic growth and economic stabilization is achieved by increasing labor productivity, and a number of important and leading factors can be distinguished.

Factors that increase labor productivity include:

Material and technical factors are associated with the use of new techniques, advanced technology, raw materials and new types of materials. To solve the tasks of improving production:

- Increasing the level of mechanization of production: mechanization of manual work, introduction of small mechanization tools, gross mechanization of work in sections and workshops;
- Replacement of obsolete equipment with new, more efficient equipment;
- Production automation: installation of automatic machines, automated equipment, use of automated lines and production systems;
- Introduction of new, advanced technologies;
- Achieved by using new types of raw materials, advanced materials and other measures.

The set of material and technical factors and their impact on changing labor productivity are the following indicators, namely:

- Labor is equipped with energy – consumption of energy types per one worker in the industry;
- Supply of labor with electricity – electricity consumption per worker in the industry;
- Level of mechanization and automation – share of workers engaged in mechanized and automated work;
- Equipment of labor – amount of basic production funds per employee;
- Chemicalization of production – can be characterized by indicators such as the use of progressive materials and chemical processes, the increase in the share of chemicalized production processes in the total volume of production.

In addition, the following factors affecting the increase in labor productivity should be listed:

1. The level of development of the education system in the country.
2. Improvement of technique.
3. Correct organization of work process and production.
4. Increasing the qualification and professional level of personnel.
5. Correct application of scientific and technical achievements to production.
6. Accelerating the process of modernization of the economy [8].

It should be noted that the manufactured product is the main indicator of labor productivity and is the volume of the product (in natural terms) or its value per unit of time (hour, shift, quarter, year), on average, for one employee. Product produced per hour represents labor productivity during each working hour. Production per day depends on production per hour and the length of the working day. The monthly (annual) level of production is affected by daily production and the average number of days worked by one worker in a month (year) [9]. In general, any manufactured product, no matter what it looks like, determines the level of labor productivity.

Labor productivity is an integral and important indicator of labor efficiency and expresses the level of human labor activity in the form of a product (in time or labor units) in the field of material production. The level of labor productivity is classified on the basis of 2 indicators: first, product production per unit of time; secondly, labor capacity in the manufactured product [10].

The most important thing, according to B. Eichengrin, is the increase of labor productivity. The decrease of this indicator is the main reason for the decline of the country's economy. The experience of countries with a developed market economy leads to the conclusion that only increasing labor productivity will ensure competitiveness in the market.

Funds spent on finding and using existing reserves to increase labor productivity will pay for themselves later by reducing production and non-production costs, increasing profits and successful operations in competitive markets.

According to scientists, due to the growth of this indicator, production costs are reduced by 60% [11], which means that there is an opportunity to expand the market share. "In order to achieve a 3–5-fold increase in labor productivity in the branches of the national economy that ensure competitiveness, it is necessary to increase labor productivity by 13% per year [12].

In addition, other causes of low productivity are:

- Motivational problems in managing and motivating employees due to the low level of training and training of managers;
- Lack of qualified personnel and lack of interest of employers in improving and developing their qualifications;
- Lack of working population (not only lack of skilled labor).

Increasing the expanded reproductive potential of the labor force implies not only the level of education, but also the growth of the population. Low wages have caused the birth rate to fall to a level that does not support the reproduction of the labor force. The task of increasing labor productivity fell on pensioners.

- In obsolete production facilities;
- In the decrease of the activity of internal resources [13].

In addition, based on the studies of S.Usmanov, an expert in the field, he showed that there are the following main problems in increasing labor productivity in the republic:

- Mutual disparity in the national and international methodology for calculating the labor productivity indicator;
- Relatively low share of production based on high and medium-high technologies in the industrial sector;
- The low level of use of additional payment systems based on the employee's labor productivity when paying for work;
- Disproportion of the number of new jobs created in the republic compared to the regular growth of the working population;
- high level of wear and tear of fixed assets in the production industry of the republic;
- That increasing labor productivity and conducting international cooperation in this regard have not been systematically established in the republic [14].

In order to increase labor productivity in enterprises:

- An increase in the volume of the product created during the unit of time without changing its quality;
- An increase in the quality of the product created during the unit of time without changing the volume;
- Reduction of labor costs per unit of produced product;
- Reduction of the share of labor costs in the product cost;
- Reduction of time of production and circulation of goods;
- Manifests itself in the form of an increase in the mass and rate of profit.

It is clear that there can be various combinations of the indicated types of increase in labor productivity. Each of them individually and together indicate that the level of labor productivity and the increase in this productivity are of great importance for the economy of enterprises under the influence of increasing competition in the markets of goods, services and labor.

Increased labor productivity provides development and favorable prospects for enterprises and the entire social production, which ultimately leads to an increase in the standard of living of the population [15].

Today, there is a labor surplus in almost all regions of Uzbekistan, and the supply in the labor market is higher than the demand:

- Therefore, in order for those who want to work to move freely in the labor market and get independent work, the state provides citizens with the type of employment, including the freedom to choose a job in different labor regimes;
- To protect against unlawful refusal of employment and unlawful termination of employment contract;
- free assistance in choosing a suitable job and finding a job;
- To create equal opportunities for everyone to have a profession and a job, work and employment conditions, pay for work, and move up the ranks;
- Free training in a new profession (specialty), training by paying a scholarship in local labor bodies or in other educational institutions with their referral;
- Guarantees payment of compensation in accordance with the law for the material expenses spent on employment in another place [16].

In general, as a result of increasing labor productivity by ensuring institutional development in Uzbekistan: improving the legal framework and eliminating bureaucratic obstacles, creating an infrastructure that supports the transfer and distribution of scientific knowledge and technologies in the modernization of the real sector of the economy; development of the investment flow in the society will give the expected result.

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