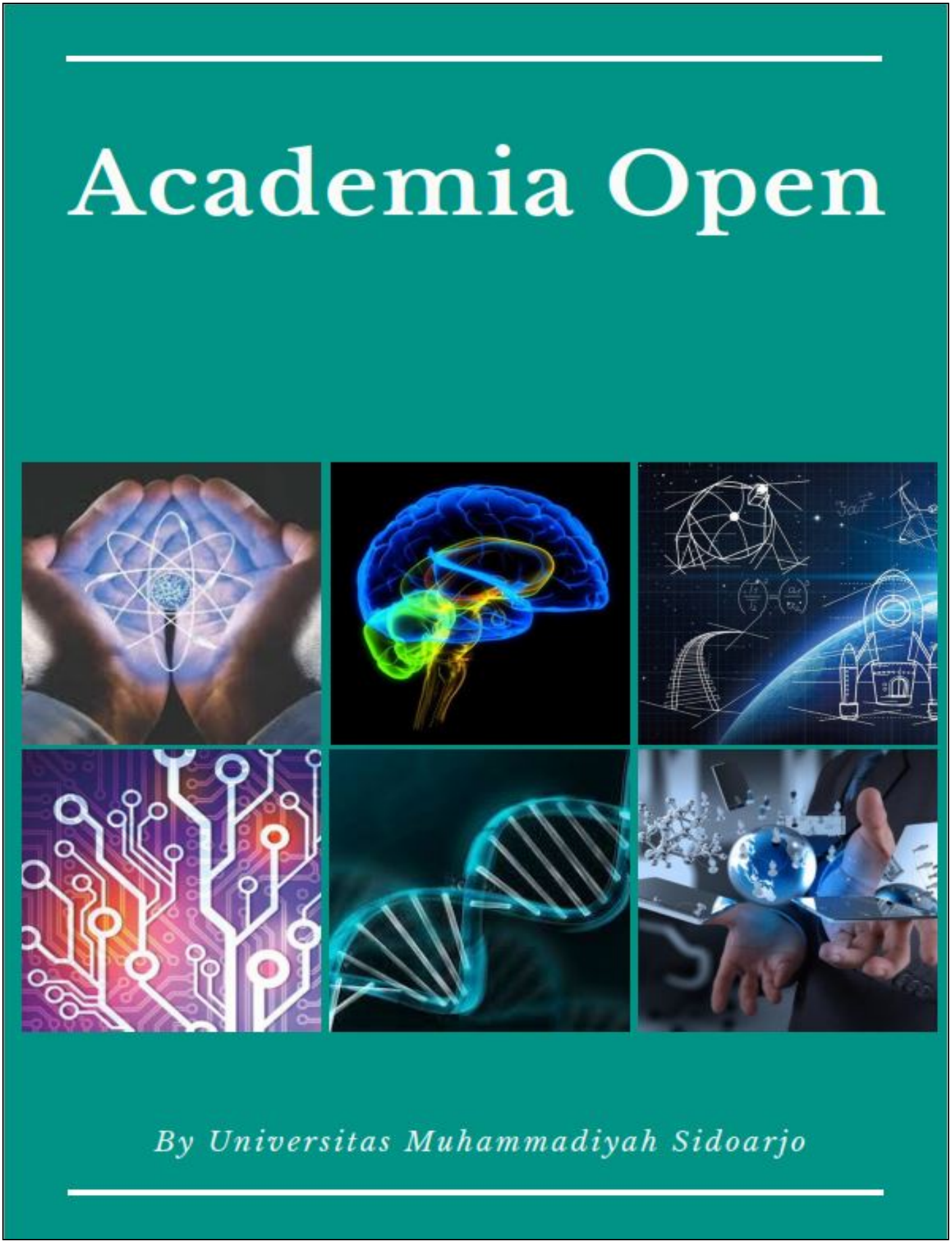
Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)

Table Of Content

Journal Cover 2
Author[s] Statement 3
Editorial Team 4
Article information 5
Check this article update (crossmark) 5
Check this article impact 5
Cite this article 5
Title page 6
Article Title 6
Author information 6
Abstract 6
Article content 7

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)



ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)

Originality Statement

The author[s] declare that this article is their own work and to the best of their knowledge it contains no materials previously published or written by another person, or substantial proportions of material which have been accepted for the published of any other published materials, except where due acknowledgement is made in the article. Any contribution made to the research by others, with whom author[s] have work, is explicitly acknowledged in the article.

Conflict of Interest Statement

The author[s] declare that this article was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Copyright Statement

Copyright © Author(s). This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at http://creativecommons.org/licences/by/4.0/legalcode

Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)

EDITORIAL TEAM

Editor in Chief

Mochammad Tanzil Multazam, Universitas Muhammadiyah Sidoarjo, Indonesia

Managing Editor

Bobur Sobirov, Samarkand Institute of Economics and Service, Uzbekistan

Editors

Fika Megawati, Universitas Muhammadiyah Sidoarjo, Indonesia

Mahardika Darmawan Kusuma Wardana, Universitas Muhammadiyah Sidoarjo, Indonesia

Wiwit Wahyu Wijayanti, Universitas Muhammadiyah Sidoarjo, Indonesia

Farkhod Abdurakhmonov, Silk Road International Tourism University, Uzbekistan

Dr. Hindarto, Universitas Muhammadiyah Sidoarjo, Indonesia

Evi Rinata, Universitas Muhammadiyah Sidoarjo, Indonesia

M Faisal Amir, Universitas Muhammadiyah Sidoarjo, Indonesia

Dr. Hana Catur Wahyuni, Universitas Muhammadiyah Sidoarjo, Indonesia

Complete list of editorial team (link)

Complete list of indexing services for this journal (link)

How to submit to this journal (link)

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)

Article information

Check this article update (crossmark)



Check this article impact (*)















Save this article to Mendeley



(*) Time for indexing process is various, depends on indexing database platform

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)

Structured Training and Labor Productivity in Small Businesses in Uzbekistan

Egamberdieva Barnakhon Gulamjanovna, b.egamberdiyeva19@gmail.com, (1)
Andijan Machine building institute, Ph.D. doctoral student, Uzbekistan

(1) Corresponding author

Abstract

General Background: Small businesses are fundamental to economic development, particularly in emerging economies, due to their capacity for job creation and innovation. **Specific Background:** In Uzbekistan, government reforms have increasingly prioritized SME development through policies promoting entrepreneurship and labor enhancement. **Knowledge Gap:** Despite their significance, limited research explores how labor potential—defined by productivity, training, and retention—affects small business growth in this context. **Aims:** This study investigates the relationship between labor potential and economic performance in small businesses, focusing on workforce development strategies and the impact of national policy measures. **Results:** Quantitative and qualitative data from 200 SMEs and 40 interviews revealed a strong correlation ($\rho = 0.82$) between structured training and revenue growth, while low turnover was linked to higher efficiency. Government-supported initiatives, such as the "One Million Entrepreneurs" program, significantly enhanced labor outcomes. **Novelty:** The research uniquely integrates firm-level data with an analysis of policy frameworks in Uzbekistan, offering sector-specific insights and documenting tangible returns on labor investment. **Implications:** Findings underscore the necessity of public-private collaboration in strengthening SME labor potential, providing a replicable model for workforce-driven growth in other developing countries.
HIghlight :

- **Training Boosts Growth**: Structured employee training is linked to 30% higher productivity and 15% revenue growth.
- **Turnover Hurts Performance**: Businesses with low employee turnover saw 20% more revenue growth.
- **Policy Support Matters**: Uzbekistan's government-backed training and tax incentives significantly improved SME productivity.

Keywords : Small Businesses, Labor Potential, Productivity, Training Programs, Uzbekistan

Published date: 2025-05-31 00:00:00

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

Academia Open
Vol 10 No 1 (2025): June
DOI: 10.21070/acopen.10.2025.11227 . Article type: (Business and Economics)

Introduction

Small businesses serve as the foundation of many economies, contributing to employment and innovation at a localized level. They represent a substantial share of global GDP, particularly in emerging markets [1]. The labor potential of small businesses-the- the ability of their workforce to maximize productivity and innovation-is pivotal for their growth and the broader economic impact they generate [2]. This paper investigates the interplay between labor potential and economic performance in small enterprises, identifying critical factors and barriers, while proposing actionable strategies for improvement. Small businesses account for a significant portion of global economic activity. According to recent statistics, they contribute nearly 50% of the GDP in developed economies and up to 70% in developing countries [3]. Despite their critical role, small businesses face challenges in optimizing their labor potential due to constraints like limited resources, high employee turnover, and insufficient access to training programs. This research aims to understand how these factors influence economic growth and propose ways to address them effectively [4].

Materials and Methods

This study employed a comprehensive mixed-methods approach to explore the labor potential of small businesses and its effects on economic growth. The methodology included:

1. Quantitative Data Collection: A survey was conducted across 200 small businesses in various industries, including manufacturing, retail, and services. Metrics such as labor productivity, training hours, revenue growth, and employee turnover rates were analyzed.

2. Qualitative Interviews: Semi-structured interviews with 40 small business owners and managers provided insights into labor management practices, challenges, and successful strategies.

3. Case Studies: In-depth analyses of five small businesses that demonstrated exceptional growth through effective labor utilization.

4. Data Analysis Tools: Statistical software was used to identify correlations and trends, while thematic analysis was applied to qualitative data to extract recurring themes and insights.

5. Policy Context in Uzbekistan: The study also examined Uzbekistan's small business policies, including government support programs such as tax incentives, training grants, and financial subsidies. Uzbekistan has implemented several initiatives aimed at strengthening small businesses, which constitute a significant portion of the national economy. Data from government reports, policy documents, and interviews with local business stakeholders were integrated to contextualize the findings.

Relevance to Uzbekistan

Uzbekistan has prioritized small business development as a cornerstone of its economic reforms. Policies such as the "Strategy for Action" emphasize enhancing entrepreneurial activities, creating favorable tax regimes, and supporting workforce development. Training programs, often co-funded by the government, were found to be particularly impactful in bridging skill gaps and improving labor productivity. The inclusion of these elements provides a nuanced understanding of how local policies influence labor potential and economic outcomes.

Results

Labor Productivity and Revenue Growth: The study found a strong positive correlation ($\rho = 0.82$) between labor productivity and revenue growth. Small businesses with structured training programs reported a 30% higher productivity rate than those without [5]. Employee Training: Businesses allocating at least 5% of their annual budget to employee development observed an average revenue increase of 15%, compared to a 7% increase for those with minimal training investments [6]. Turnover Rates: High employee turnover negatively impacted labor potential and economic performance. Companies with a turnover rate below 10% recorded 20% higher revenue growth than their counterparts.

Case Study Highlights

Case A: A retail business that prioritized employee engagement and skill development saw a 40% increase in productivity.

Case B: A manufacturing firm implementing cross-functional training reduced production downtime by 25%.

Sector-Specific Insights: The service industry benefited the most from investments in customer service training,

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

while manufacturing showed significant gains from technical skill enhancement [7].

Uzbekistan-Specific Findings: Businesses in Uzbekistan that utilized government-backed training grants and tax incentives experienced measurable improvements in productivity. The "One Million Entrepreneurs" initiative, aimed at empowering small business owners through training and mentorship, was cited as a key enabler for workforce development in the region [8].

Discussion

The findings emphasize the critical role of labor potential in determining the economic success of small businesses. Training and development emerged as the most impactful factor, highlighting the need for small enterprises to prioritize workforce development despite budget constraints [9].

Key Challenges

Resource Limitations: Many small businesses struggle to allocate funds for training due to tight budgets.

High Turnover Rates: Employee retention remains a challenge, exacerbating skill gaps and reducing productivity.

Access to Training: Limited access to affordable and relevant training programs restricts skill development.

Proposed Solutions

1. Subsidies and Incentives: Governments and business support organizations should offer subsidies for employee training programs.

2. Collaborative Platforms: Establishing partnerships with educational institutions and training providers can help small businesses access cost-effective resources.

3. Employee Engagement: Creating a positive work culture and providing career development opportunities can improve retention [10].

The inclusion of Uzbekistan-specific policies underscores how tailored government interventions can help overcome these barriers [11]. Programs such as microfinance support and skill development initiatives have proven effective in enhancing the labor potential of small businesses [12] ,[13]. For example, the "Startup Support Program" provides both financial and advisory services, enabling entrepreneurs to invest in workforce development and technology upgrades [14]. The study underscores the need for a holistic approach to enhance labor potential, combining internal strategies with external support from policymakers and industry stakeholders. In Uzbekistan, the synergy between private initiatives and public policies has begun to transform the small business landscape, providing a model for other developing economies [15].

Conclusion

The labor potential of small businesses is a pivotal factor in driving economic growth. By investing in workforce development, fostering innovation, and implementing effective labor management practices, small businesses can achieve significant productivity gains and contribute more substantially to the economy. Policymakers must play an active role in supporting these enterprises by addressing the barriers they face and facilitating access to resources. In Uzbekistan, government policies such as tax exemptions for small businesses, financial subsidies for training programs, and mentorship initiatives have significantly bolstered the labor potential of small enterprises. Programs like "One Million Entrepreneurs" and targeted sectoral training grants have demonstrated measurable success in improving productivity and fostering economic growth. These initiatives highlight the importance of creating an ecosystem where small businesses can thrive, both through internal enhancements and external support. Future research should focus on longitudinal studies to understand the long-term impacts of labor potential enhancement and explore sector-specific strategies for improvement. Moreover, the effectiveness of Uzbekistan's policies can be a benchmark for other developing countries looking to replicate similar success in their small business sectors.

References

1. J. Smith, "Workforce Development in Small Enterprises," Journal of Economic Growth, vol. 25, no. 3, pp. 345–360, 2020.
2. R. Lee and M. Johnson, "The Role of Training in Labor Productivity," Small Business Economics, vol. 30, no. 2, pp. 213–227, 2019.
3. World Bank, Small Business and Economic Growth: A Global Perspective, Washington, DC, USA: World Bank, 2021.

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).

4. T. Brown, "Employee Engagement and Retention Strategies," Harvard Business Review, vol. 96, no. 7, pp. 45–52, 2018.
5. OECD, Supporting SMEs Through Workforce Development, Paris, France: Organisation for Economic Co-operation and Development, 2020.
6. B. Egamberdieva, "How to Assess the Economical Potential of Small Businesses and Private Enterprises in Uzbekistan," Innovations in Technology and Science Education, vol. 2, no. 9, 2023.
7. Asian Development Bank, Uzbekistan Country Diagnostics, Manila, Philippines: ADB, 2022.
8. Ministry of Employment and Labor Relations of Uzbekistan, Annual Report on Workforce Development, Tashkent, Uzbekistan, 2021.
9. International Labour Organization, Skills for Employment Policy Brief: Uzbekistan, Geneva, Switzerland: ILO, 2020.
10. S. Johnson, "Linking Skills Development with SME Growth," Economic Policy Journal, vol. 18, no. 1, pp. 122–138, 2017.
11. U. Rahmonov, "Labor Mobility and Small Business Expansion in Central Asia," Central Asian Economic Review, vol. 5, no. 2, pp. 98–112, 2019.
12. United Nations Development Programme (UNDP) Uzbekistan, Entrepreneurship Development Program Outcomes, Tashkent, Uzbekistan: UNDP, 2020.
13. H. Wilson, "Microfinance and Labor Productivity in SMEs," Global Development Review, vol. 11, no. 4, pp. 211–225, 2021.
14. A. Karimov, "Challenges of Human Capital in Emerging Economies," Uzbekistan Economic Review, vol. 8, no. 3, pp. 33–45, 2022.
15. R. Tursunova, "Analyzing Labor Incentives in Small Enterprises," Business Strategy and Development, vol. 4, no. 5, pp. 305–319, 2021.

ISSN 2714-7444 (online), https://acopen.umsida.ac.id, published by Universitas Muhammadiyah Sidoarjo
Copyright © Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY).