

## THE ROLE OF INNOVATION IN EMPLOYMENT IN THE ECONOMY

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### ABSTRACT

*The article examines the role of innovation in employment in the economy, the processes associated with the intensive dissemination and introduction of innovative technologies in production processes. At the current stage of socio-economic development, the role of transformation processes in the field of employment has been assessed. The objective system of development of innovations in employment in the economy and their impact on the formation of employment are described. Scientific proposals and practical recommendations for improving the employment system by increasing the role of innovation in the economy have been formed.*

**KEYWORDS:** *Innovative Technologies, Labor Market, Intellectual Capital, Human Capital, Industrial Economy, Variable Combination, Innovative Potential, Labor Resource.*

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### INTRODUCTION

In the current situation, the qualitative structural changes associated with the intensive spread and introduction of innovative technologies into production processes are constantly taking place. The development of a knowledge-based economy has to some extent accelerated these changes. These changes will cover all socio-economic institutions in the field of employment and will have a significant impact on the economy as a whole. The transition of the economy to the path of innovative development is characterized by the mass introduction of science-based technologies in all spheres of social life, the development of new forms of labor organization, leading to changes in employment, new trends in the labor market. Among its most important aspects are: dematerialization of means of production in favor of intellectual capital corresponding to the fifth and sixth technological systems; motivation of business entities to move towards human capital development; virtualization of relations in the organization of the production process, which is reflected in the widespread use of remote employment through information networks and others.

The peculiarity of the current state of social development is that innovations in the knowledge economy are based more on the effective application of the flow of knowledge in practice, rather than on variable combinations of resources and applied scientific achievements. If we look at it from this perspective, we will see that labor resources are becoming an important source of innovative growth. They form socio-economic ties that ensure the spread of innovation while possessing knowledge.

## LITERATURE REVIEW

Innovative employment in the economy the introduction of more flexible forms of labor use through the use of non-standard organizational and legal forms of employment occupies a special place in the research of T.Tsixan. He notes the existence of non-standard forms of employment, which in turn leads to the fragmentation of the labor market, changes in the functions and roles of trade unions in social life due to the reduction of the social base for the pooling of labor resources [1]. R.M Sirazetdinov argues that the problem of labor protection and employment acquires a new significance, which imposes other requirements on employment management [2]. In the research of V.P.Kolesova, M.N.Osmova, a new sign of employment, study the effect of participation in social production under the influence of transformation processes on the loss of its demand in the labor market [3]. The development and spread of information and communication technologies through R.Huggins' research justifies the need to create conditions for the emergence of new forms of interaction between employees and employers [4]. In their research, C.Nauwelaers and R.Wintjes explore the possibility that activities based on the creation and dissemination of information will become a key aspect for enterprises in innovative sectors of the economy, thereby ensuring overall balance in the labor market. The development and proliferation of information and communication technologies through Huggins research justifies the need to create conditions for the emergence of new forms of interaction between employees and employers. In their research, C. Nauwelaers and R. Wintjes explore the possibility that activities based on the creation and dissemination of information will become a key aspect for enterprises in innovative sectors of the economy, thereby ensuring overall balance in the labor market [5].

The high importance of information resources in the current situation determines its role as a means of production and purpose. Information labor - the basis for the formation of socially useful activities aimed at the use of intellectual capital of labor resources for the creation and dissemination of information. In our opinion, the modern economy is characterized by a new flexible (innovative) type of labor, which is reflected in the need to constantly update its content and structure through the introduction of new forms and types of employment. Innovative employment is the ability of a person, the company's human resources, network labor resources, the economically active population in the region to quickly adapt to the new needs of the economy due to technological innovations.

## RESEARCH METHODOLOGY

The research used methods of logical abstraction, scientific observation, abstract-logical thinking, systematic analysis, comparative analysis, induction and deduction.

## ANALYSIS AND DISCUSSION OF THE RESULTS

It should be noted that the predominance of certain types of employment in the economy is inextricably linked with the current nature of social production. The introduction of innovations in the field of employment in the pre-industrial economy has a random character associated with certain aspects of the individual economic structure. The Industrial Revolution expanded the possibility of spreading new types of employment within fixed time limits limited by periods of capital renewal. In this case, the change in the form of employment can be seen in the discrete nature of the decline and revival of the economy. However, the spread of the fifth and sixth

technological systems, the introduction of innovations into the system of industrial relations is becoming a continuous process, which is a condition for the competitiveness of products and labor resources. Therefore, in the emerging economy, knowledge participates as a "direct productive force" [6]. According to B. Salikhov, knowledge-based economy is "a specific field of human activity in which the knowledge necessary to solve the cognitive-creative tasks of man is reproduced" [7]. In this regard, V.V.Lokosov noted that the transition from the non-industrial market of "working hands" and the industrial market of "working heads" to the post-industrial market of "dynamic abilities" is taking place [8]. If in the past knowledge was a means of production, now man is involved in this role as a source of such knowledge. So, employment of the population will be an area of realization of its intellectual and innovative potential. This, in turn, highlights the need to create an effective mechanism to manage the employment of the population, encouraging the realization of its potential through the initiative of labor resources innovations. In order to objectively understand the processes of transformation in the field of employment, a general description of the cycles of economic development and their socio-economic consequences of changes in the form of employment (Table 1).

In the current situation, the participation of traditional large enterprises in the formation of the national product, which meet the basic demand for traditional employment, is declining, leading to the emergence of non-standard employment and a reduction in the number and role of "traditional" employees in the economy.

Gender and other social transformations affecting the composition of the labor force are of great importance in the process of developing innovative employment, which is associated with the entry of married women, elderly citizens and students into the labor market. As a result, competition in the supply market in the labor market has increased significantly.

In our opinion, innovative behavior can be considered at the macro level in the framework of the entire employment policy, in which the innovative behavior of labor resources reflects the implementation of a set of measures aimed at creating conditions for labor market entities to achieve greater benefits from labor innovation initiatives. Given the nature of socio-economic trends, it should be noted that there may be a gap between the pace of innovative development, changes in the form of employment and the ability of society to adapt to an innovative economy. For example, the increase in innovative activity and population growth, which is reflected in the growth of labor productivity of business entities, is naturally reflected in the level of wages due to increased competition in the labor market. This forms an independent trend that changes the socio-economic relations established on the basis of the dominance of the middle class in the social structure of developed countries. In our view, the crisis in the labor market can be alleviated through the development of innovative services.

**TABLE 1. CHANGING THE FORM OF EMPLOYMENT, TAKING INTO ACCOUNT THE TECHNICAL AND ECONOMIC CONDITIONS OF INNOVATIVE DEVELOPMENT OF THE ECONOMY \***

<b>Kondratev's long waves</b>	<b>Innovative development</b>	<b>Changes in the form of employment</b>
<b>1.Revival</b>	A new wave of innovation is emerging. At this stage, due to the accumulated potential of previous cycles, there will be a complex restructuring of the economy, the volume of investment in means of production and human capital will increase.	New forms of employment are emerging due to the introduction of innovative technologies in production processes. The socio-economic obsolescence of labor relations has shaped the demand for socio-economic changes in the labor market and the introduction of social innovations.
<b>2.Rise</b>	The formed technological basis of the new system forms the demand for a new format of socio-economic relations. Business entities of advanced sectors of the economy are actively introducing new technologies.	At this stage, the rate of change in the form of employment will be the highest, which is associated with an increase in labor productivity, which increases the need for social and legal adaptation of the newly formed forms of employment. At this stage, the social compromise between labor market participants is legally strengthened.
<b>3.Decline</b>	A law that reduces profitability comes into force, which leads to a reduction in the efficiency of the dominant technological system. There will be a sharp decline in investment in production	There is a devaluation of the resulting socio-economic relations, which is accompanied by inefficiency of production and the growth of hidden unemployment. There will be a decrease in the volume of capital investment in human capital development.
<b>4.Depression</b>	Outdated technologies are not able to ensure socio-economic development. Capital is directed to the formation of structural innovations.	There will be a decline in the welfare of the population and an increase in social tensions, which is also due to an increase in the unemployment rate. As a result of the abolition of the old forms of employment and labor organization, the groundwork will be laid for the emergence of new forms.

\* Source: The table was developed by the author.

The experience of developed countries shows that one of the priorities of economic growth is the effective transition to cost-effective innovative technologies. Because despite the crises in the global financial system and the economies of a number of major countries, prioritizing innovative development has proven to be a key factor in solving many global problems.

The emergence of new global players in the global scientific and technological space is increasingly influencing innovation processes, strengthening the role of international technology exchange, transnational companies, employees. In this context, the economies of developed countries are divided into separate groups with the following characteristics:

- 1) acquisition of knowledge based on scientific research, creation of new technologies and focus on their application in practice;
- 2) accelerating the creation of an information infrastructure that will ensure the dissemination of scientific and technological progress;
- 3) development of innovative processes and increase of production competitiveness on the basis of new energy-saving technologies;
- 4) to establish a process of regular acquisition of new knowledge, and so on.

Based on the above, it is recommended that the innovation policy and strategy ensure the implementation of the following measures: Creation of scientific and technological innovation on the basis of well-founded scientific research. It is necessary to ensure the functioning of all institutions that ensure the continuity of education and research.

Development of policies and institutions in the field of creation and development of innovations. In order to maintain the relevance of the policy pursued in this area, the implemented strategy should be monitored, evaluated and studied. Within the framework of these strategies, the broad participation of enterprises, universities, research institutes, government and civil society organizations in the country will benefit innovation processes with a clearly defined goal. Governance and financing on the basis of independent and democratic conditions can develop the activities of organizations operating in this area. This will not only increase the efficiency of financial resources, but also increase the confidence of these organizations, as a result of which they will develop on the basis of cooperation and increase their competitiveness. Expand existing links between manufacturers and research centers and create new ones. The globalization of scientific research activities may limit the use of national ideas, so it is necessary to ensure the balance of national and foreign scientific ideas. Increased competition in manufacturing and growing demand in the service sector are increasingly attracting manufacturers to the service sector. This trend is especially noticeable in the changing form of economic models of companies. The trend in the IT product market is that many manufacturing companies are shifting their production to the forced provision of additional services to the main product. As a result, they are able to increase the volume of additional products and meet the demand for individualization of services by maintaining long-term interaction with the customer, who at the same time becomes a customer. In this regard, the current trend of IT network development, including the production of microelectronics and the provision of innovative services in Taiwan, which is a world leader in the field of microelectronics, is of great interest. In recent years, Oracle, IBM, Microsoft and SAP have spent a total of more than \$ 15 billion to purchase software from organizations specializing in data management and analysis. The network is

valued at more than \$ 100 billion and is growing at a rate of at least 10 percent a year, which is twice as fast as software for business as a whole. According to the statistical database, the level of open cloud infrastructure spending for the development of services and software hardware in 2016 amounted to \$ 38 billion worldwide.

The development of innovative industries will lead to a decrease in the demand for labor resources in the field of material production and an increase in the demand for them in the field of information services and professional services. This will affect the emergence and spread of new organizational forms of economic activity associated with the introduction of flexible production, the spread of small innovative enterprises in the network, the modernization of modern management models through the introduction of innovative management.

## CONCLUSIONS AND SUGGESTIONS

The use of means of communication in economic practice allows the employer to organize a variety of work based on the distance of the employee from the main infrastructure of the enterprise. The emerging virtual environment associated with the provision of services allows labor resources to do their work through the global network of the Internet. The results of the analysis showed that non-standard employment can affect innovative behavior, which is associated with the reorientation of employee interests to short-term goals, loss of relationships within the organization and decreased employee confidence in the employer.

In short, innovative employment implies the introduction of more flexible forms of labor use through the use of non-standard organizational and legal forms of employment. The existence of non-standard forms of employment, in turn, leads to the fragmentation of the labor market, changes in the functions and roles of trade unions in social life due to the reduction of the social base for the pooling of labor resources. In this regard, it is advisable to organize the requirements of labor protection and employment in relation to employment management as follows:

- Study of the new-innovative state of employment relations under the influence of scientific and technical progress;
- Ensuring that labor resources participate in the role of the owner of knowledge. In turn, innovative employment is the formation of a system of social relations aimed at attracting labor resources to science-based production processes, developing their innovative potential and encouraging innovative behavior.
- Formation of a system that is flexible to the emerging relationships between the subjects of labor resources, while increasing the innovative potential of labor resources. To make effective and non-standard decisions independently in this regard and to ensure their adaptability to the rapidly changing technical and economic environment, etc.

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