



ANALYSIS OF SOME ASPECTS OF SMALL BUSINESS MANAGEMENT

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ABSTRACT

Small business and private entrepreneurship play an important role in the socio-economic development of all countries in the conditions of globalization taking place in the world today. In the current era of rapid changes, attention is being paid to business and entrepreneurship as one of the decisive, strategically important, priority areas of economic reforms. Because this industry is an industry that can quickly adapt to the demands and changes in the world and regional markets, and can quickly withstand the threats and negative consequences of the global financial and economic crisis. Today, 90% of businesses in developing countries are small and medium-sized enterprises, and they provide the opportunity to create more than 50% of jobs. Formally established small business enterprises account for 40% of the GDP of these countries. The World Bank estimates that by 2030, 600 million jobs will be needed to keep up with the growing population. This requires rapid development and institutional modernization of small business and private entrepreneurship. Therefore, this problem sets the task of expanding the scope of scientific research in this regard, introducing innovative technologies to the field on a large scale.

KEYWORDS

Small business, gross national product, income, profit, entrepreneurship, enterprise, budget.

INTRODUCTION

It is generally accepted that one of the first who became seriously interested in entrepreneurship was A. Smith (1723-1790). In his fundamental work "Research on the Nature and Causes of the Wealth of Nations", he summarized the century-old experience of classical political economy, substantiated the idea of commodity production and exchange as a sphere of human activity developing according to objective laws. It is believed that the well-known English economist, banker and one of the early researchers of capitalist production R. Cantillon (1680-1734) and the French economist J.-B. Say (1760-1832).

THE MAIN RESULTS AND FINDINGS

It was R. Cantillon who introduced the concept of "entrepreneur" into scientific circulation. Considering the peculiar characterization of an entrepreneur given by R. Cantillon, it should be noted that it still meets the main feature of an entrepreneur - a person who acts at his own peril and risk to obtain a variable income, in contrast to a worker and civil servant who receive a constant salary . It is interesting that R. Cantillon considered trade to be the main object of entrepreneurship. Exploring business theory.

Say identified three stages in social production: scientific, entrepreneurial, production. He believed that in the entrepreneurial and industrial spheres, the entrepreneur is the main figure in social production. In our opinion, in all three stages of social production, an

entrepreneurial initiative is inherent, the ability "... at one's own expense and risk ..." to reproduce a product, including at the scientific stage, that gives the entrepreneur the maximum income. Say defined an entrepreneur as an economic agent that combines factors of production, moving "economic resources from an area of low productivity and low income to an area of high productivity and profitability." One of the founders of the Austrian school, F. Wieser, believed that an entrepreneur is an owner of the means of production and an employer, a creditor and a debtor, a landlord and a tenant with simultaneous participation in the management of an enterprise.

The concepts of "business" and "entrepreneurship", "businessman" and "entrepreneur", "capitalist" and "entrepreneur" began to be used as synonyms. The social division of labor at all stages of the development of society contributed to saving labor and increasing its productivity. Considering small business as one of the components of the social division of labor, we note that entrepreneurship in the form of a small business, before the industrial stage of development, is the main activity, if this is translated into the modern language of small business concepts. Small industrial production, trade not in the volumes that we imagine it now, all this was entrepreneurship, small business, small business. Further development of the theory of entrepreneurship contributed to the formation of such

aspects and factors of entrepreneurship as social, ideological, spiritual, ethical, characterological. Representatives, developers of this are German economists and sociologists G. Schmoller, M. Weber, W. Sombart.

We believe that by exploring not only the material component of entrepreneurship, the efforts of researchers contributed to the education among entrepreneurs of a sense of civic duty, responsibility to society, formed the spirit of an entrepreneur, in terms of social responsibility to society.

Analyzing the process of development of entrepreneurship both in theoretical and practical terms, its role in shaping the social division of labor at various stages of social development, we will single out several of its stages. The first stage in the development of entrepreneurship, the formation of its essence, is reduced to risk Cantillon in his writings put forward the provision on risk as the main characteristic of entrepreneurship. He argued that an entrepreneur is, first of all, any individual who has foresight and is willing to take risks, looking to the future, whose actions are characterized not only by the hope of gaining income, but also by the willingness to lose.

The followers of this theory were representatives of the German classical school of the 19th century, I. Tyunen and G. Mangold, as well as the American economist F. Knight. At the second stage of understanding entrepreneurship, the main attention was paid to the personality of the entrepreneur. The

above-mentioned V. Sombart, as well as J. Pilevsky, study the entrepreneur and entrepreneurship in a historical perspective, focusing on the advantages of a particular social system where people with entrepreneurial abilities operate. This stage is associated with the name of J. Schumpeter, who believed that “economic development is based on a specific function of the entrepreneur, which manifests itself every time in the desire to use a “new combination” of production factors, which results in innovation, innovation. If instead of the number of factors, we change the very form of the function, then we get an innovation.” The interpretation of entrepreneurship as innovation, and the entrepreneur as a person who is the driving force behind progressive changes in the economy, corresponded to the stage of the development of scientific and technological revolution. The emergence of a multifunctional business model that emerged from the second half of the 20th century characterizes the third stage in the development of entrepreneurship.

The theoretical studies of J. Schumpeter, representatives of the New Austrian school L. Mises and F. Hayek present entrepreneurship at this stage as a process of developing an idea. I. Kirtsner built the theory of entrepreneurship as a process of transition from one equilibrium state of "arbitrage" transactions to another. From the point of view of J. Schumpeter, "... the specific role of entrepreneurs is to overcome the inertia of the economic system and the desire of

economic entities to act in accordance with established practices".

The economic system itself has, according to Schumpeter, a colossal economic potential. Any innovation in the economic sphere is associated with a certain risk, which most economic entities seek to avoid. As a result, they tend to act traditionally rather than innovatively, even to the detriment of their own benefit.

Since such inertia is a property of the socio-economic environment, business entities are often not inclined to innovate, not because of their own inadequacy, but quite the opposite, because of the rational nature of their actions. "The best from an economic point of view and technically perfect combinations (of productive forces), - writes J. Schumpeter, - although with inevitability, but still very often do not coincide, moreover, due to the adaptation of the economy to correctly recognized conditions, and not simply due to the absence knowledge or inertia. At the same time, J. Schumpeter points out that the greatest profits or losses are obtained as a result of spontaneous, unpredictable changes in the external environment. With the transition to the industrial stage of production, the branches of material production become the priority area for the application of entrepreneurship.

The entrepreneurial function ceases to be the monopoly of the owner, and the content side of entrepreneurship is considered in the combination of

factors of production in order to use them most efficiently. To produce in the concept of J. Schumpeter means "to combine the things and forces available in our field." The theoretical basis for the study of the phenomenon of entrepreneurship, which was developed by J. Schumpeter, is determined by two factors: - he presented a detailed conceptual scheme for the analysis of entrepreneurship as an independent phenomenon, not directly reducible to the phenomenon of capitalist production; - gave a detailed justification for the positive role of entrepreneurs in the economic system, thereby laying the foundation for the development of constructive theories of entrepreneurship. The fourth stage refers to the modern era.

The post-industrial stage of the development of society, with its characteristic growth of innovation and the socialization of production, has established other priorities for management. Not the rationalization of the use of resources, but the rationalization of the very form of management and the method of management becomes a key link in economic activity. The key role is played not by adaptation to changing conditions, but by the ability to transform the economic conditions themselves in accordance with the trends in the development of social needs and production. Therefore, in the post-industrial economy, innovation activity becomes the defining feature of entrepreneurship, and it itself begins to play a fundamental role in social production.

If entrepreneurship is called a certain type of economic activity, then one cannot do without such categories as cooperation and division of labor, independence in decision-making, the use of hired labor, close connection with the market, freedom of choice of actions and a number of other features that determine any type of economic activity.

According to V.I.Dal, entrepreneurship is the ability, readiness, “to start, decide to do something, start doing something significant.” Profit should be a necessary condition for entrepreneurship, but not its main goal. Entrepreneurship owes its appearance in the social division of labor to small business, small business, small business, which contributes to the development and spread of entrepreneurship - the locomotive of a market economy. “Modern worldview of the entrepreneur comes from the usefulness of the recognition of business, the fundamental component of which is an exchange, a transaction, an act of sale”.

The socio-economic life of the region is impossible without the participation of entrepreneurship, including small businesses. The role of small business in the region is characterized by many functions, over time, the value of certain functions may change. So in the political aspect, the functions of small business can be represented as: the formation of political views, become the object of various political forces in their struggle, can have a decisive influence, especially in the context of an economic downturn; a decrease in social differentiation with the growth of those employed in

small businesses, the growth of the "middle class". "Organization management structure", or "organizational management structure" is one of the key concepts of management, closely related to the goals, functions, management process, the work of managers and the distribution of powers between them. Within the framework of this structure, the entire management process takes place (the movement of information flows and the adoption of managerial decisions), in which managers of all levels, categories and professional specializations participate. Hence the attention that leaders of organizations should pay to the principles and methods of building management structures, the choice of their types and types, the study of trends in change and assessment of compliance with the tasks of organizations. Known definitions of organizational structures can be roughly divided into three groups. The first group includes definitions that interpret the organizational structure as an ordered, fixed relationship and interconnection of elements and divisions of the organization. V. Andreev considers the organizational structure as an ordered set of bodies that manage production activities.

L. Evenko, in turn, when considering the organizational structure, focuses on the aspect of the relationship of the organization's divisions, defining the organizational structure as "a set of connections and relations between the divisions of the organization that arise in the process of management".

S. Valuev combines the above two points of view, arguing that the organizational structure is the composition and relationship of structural management links. B. Milner focuses on the need to fix (formalize) the relationship between departments and employees of the organization when building an organizational structure. The definitions related to the second group reveal the concept of the organizational structure through the tasks it solves.

The definitions of Y. Varyas and T. Kono say that the organizational structure is characterized by the distribution of management goals and tasks between departments and employees in the administrative apparatus at all levels. I. Mazur, V. Shapiro note that the organizational structure, in addition to the distribution of goals and objectives, regulates the composition, size, location, responsibility and subordination hierarchy. The definitions related to the third group emphasize the need to design an organizational structure based on the organization's goals and objectives. M. Mascon, F. Hedouri consider the organizational structure of an organization as a logical relationship between management levels and functional areas, built in such a form that allows you to most effectively achieve the goals of the organization. T. Saaty and K. Kerne concretize: when building an organizational structure, it is necessary to proceed from the most common goal, and then move on to certain functions of its parts, to the information flows necessary to perform functions, and to the structure

that limits and directs these flows. It seems appropriate to integrate these approaches in a generalized definition. Then, the organizational structure is understood as an ordered, mutual arrangement and interconnection of the elements and divisions of the organization, regulating their composition, placement, activity profile, responsibility, hierarchy of subordination and allowing the most effective achievement of the organization's goals. Consider the main types of organizational structures and their classification. Many existing types of organizational structures are proposed to be combined into two subgroups according to the following features: structural characteristics and behavioral type of organizational management structures. Organizational structures can be classified according to the following structural characteristics. Complexity refers to the degree of differentiation within an organization. It includes: the number of levels of the organization's hierarchy (vertical differentiation). This indicator depends on the range of control, which means the size of the team that is subordinate to one leader. Reducing the number of persons reporting to one leader (ie, narrowing the range of control) generates a management structure that is a "high" organizational structure, which is characterized by a large number of levels in relation to the number of employees. If an organization has a large scope of control, it takes the form of a "flat" structure, characterized by simpler communications

and less formal relationships between managers and subordinates. Level of specialization or division of labor (horizontal differentiation). With a large horizontal differentiation, significant disagreements arise between separate departments and divisions, which complicates the communication process between members of the organization and complicates the task of coordination. Features of management in small business due to the fact that the relationship between the leader and subordinates are direct and open. In a small team, the manager is expected to be exceptionally ready to ensure effective performance.

Small business public administration methods can be grouped as direct and indirect. The first ones consist in the direct management of small businesses through budget financing, the provision of free information services, etc. Such actions on the part of the state also have a downside: they can contribute to the emergence of a dependent mood among small businesses, lead them to unequal competitive opportunities. Indirect methods are manifested in concessional lending, the development of infrastructure for small businesses. Methods of administrative-legal management are based on laws, as well as on the strength and authority of power. At the federal, regional and municipal levels, these methods are manifested in the form of laws, programs, concepts for the development of small businesses and for their control.

Economic methods of small business management are associated with the cost of monetary and material resources. However, the practice of recent years shows that insignificant funds are allocated to the budget for these purposes (approximately from 10 to 50 rubles per small enterprise per year). It is more expedient, in the opinion of the author of the dissertation, to direct such meager sums to the development of infrastructure, financing of exhibition activities, etc. Methods of social management consists, in particular, in the popularization of small business as an important sector of the economy and social life of the country. It is known that a significant part of the population has a negative attitude towards business in general, and small business in particular. The reason for this phenomenon is that a large number of people have unsuccessfully tried to go into business. There are also such citizens who identify entrepreneurship with predatory speculation, the desire for profit. The negative attitude towards small business is supported and even reinforced by the media.

Journalists focused on the negative aspects of this activity and give insufficient attention to the positive role of small business in the socio-economic life of society. Organizational management methods consist in the fact that authorities and public organizations assist small businesses in promoting goods to the domestic and foreign markets, covering conferences, exhibitions, and round tables in the media. The problems of personnel training should also be

attributed to the organizational methods of managing small businesses.

There has long been an overproduction of accountants, economists, and other general specialists in the country. At the same time, they are not enough to work in small businesses. Methods of material and technical management consist in providing small business entrepreneurs with premises on lease, transport on lease, computer equipment on preferential terms and the repair of these funds.

A holistic system of public administration infrastructure for small business with a shift in the center of gravity to the regional and municipal levels should contain business incubators, small business support funds, leasing companies, innovation and technology centers, technology parks, training and business centers, and other organizations representing the integration of the state, finance, science and production, created on a parity basis of the federal, regional and municipal budgets. These requirements, in our opinion, are met by the scheme proposed by N.G. Agurbash.

The production of more profitable market goods inherent in large companies, to the detriment of the less profitable production of goods, small businesses are able to fill this market niche. According to the social status, small business in the region should play a leading role.

The social functions of small business in the region, with its sufficient development, in our opinion, can play

a decisive role. Among them are the following: first of all, the formation of a wide layer of small proprietors, the middle class as a guarantor of political stability in the region and the main driving force of a market economy, as the experience of all democratic countries shows; the ability of small businesses to create jobs at a faster pace, which will certainly contribute to the growth of employment and the reduction of social tension; Small businesses in competition, sometimes not equal to large businesses, take greater risks by introducing organizational, technical and technological innovations, which contributes to a more accelerated introduction of scientific achievements into production.

CONCLUSION

Exploring the process of formation and development of small business in the Vladimir region, we note that small business plays a certain role in the economic development of the region. From the point of view of the social division of labor, small business enterprises in the region occupy a rather modest place in terms of their share in the gross regional product and in the sectors of the economy.

Features of management in small business due to the fact that the relationship between the leader and subordinates are direct and open. In a small team, the manager is expected to be exceptionally ready to ensure effective performance. All this determines the high requirements for the personality of a small business manager: he must be highly professional,

have great flexibility in work, be able to anticipate events and adapt the activities of the enterprise to changing conditions, form and develop effective directions for the work of the company.

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