



THE ROLE OF OUTSOURCING SERVICES IN THE DIGITAL ECONOMY IN UZBEKISTAN

**Saatova Lolakhon Ergashevna,
Rayimov Azamjon Ruzievich**

¹Ph.D. in Economical Sciences, Associate Professor of general technical sciences department at The Higher Military Aviation School The Republic Of Uzbekistan. E-mail: lola.saatova@mail.ru, Phone:+998905189198

²Researcher at The Higher Military Aviation School The Republic Of Uzbekistan

Article history:	Abstract:
Received: 4 th June 2023 Accepted: 6 th July 2023 Published: 8 th August 2023	In this paper the role of outsourcing services in the digital economy in Uzbekistan is discussed. Moreover, reviews on the type of service provided by the outsourcing company, its advantages, and disadvantages, there is a high demand for several services in addition to the outsourcing service are given.

Keywords: Employee, freelance, outsourcing, outstaffing resource.

INTRODUCTION

In the first half of 2020, the market for hiring permanent employees in near foreign countries almost halved. This is because we can see that foreign companies stop hiring and increasingly turn to outsourcers.

Outsourcing means transferring non-core functions of the company to a third party. For example, it is not always profitable and convenient for some firms to keep seasonal workers or their own security service on staff. Then they turn to private security companies or cleaning companies - they save their money and time in selecting, training and registering employees, while closing the task that needs to be done.

Outsourcing (outer-source-using) - external source - use of resources - it is said that the company gives certain business processes or production functions to another company with the relevant specialization for service under the contract. Unlike service and support, which is one-time, episodic, random in nature and limited to start and end, it is usually outsourced for the purpose of continuous support and support of individual systems and infrastructure on the basis of a long-term contract (for a period of not less than 1 year). Business process availability is what differentiates outsourcing from other service delivery and customer support services.

Outsourcing in its modern form originated in the 1930s in the United States during the rivalry between Ford and General Motors. General Motors CEO Alfred Sloan took over when the company was on the verge of collapse. He developed an outsourcing system, and this system - a narrow-profile production and management system - was transferred to specialized firms. Thus, Sloan was able not only to restore his company, but also to significantly surpass his rival.

The idea of outsourcing began to enter the Russian state in the first half of 2020. For example, even in the USSR there were kitchen trusts - associations of individual companies that provided food at Soviet enterprises. Outsourcing in Russia took on modern forms only in the 1990s, when the market economy appeared, the first buds of outsourcing began to develop.

Freelance is said to engage a private independent specialist without registering as an employee of the company. Outstaffing is almost the same, only freelancers are hired from the main organization.

MAIN PART

Differences between these forms of labor relations differ in the amount of work, the time of cooperation and the distribution of responsibility. Freelancers are hired to solve a specific problem once. For example, a company may hire a designer to draw a certain number of drawings for a particular project. With such specialists, they provide services on the basis of a contract, provision of services or the order of the author.

The boundaries between outsourcing and outstaffing are not so clear. In both cases, this is a long-term relationship. Only in the first case, the employing company pays for a limited amount of work and concludes a service contract. It doesn't matter to the customer who and where he deals with tasks, the main thing is that they are completed efficiently and on time. For example, an outsourcer may provide accounting services to a firm on an ongoing basis. As long as everything is working properly, he doesn't care who does it, where and how.

During outstaffing, companies enter into a staffing agreement. In this case, the client pays for specific specialists for a specific job. Thus, an outstaffer who stands at the cash register in the



employer's store allows you to find a salesperson. Here, it is important not how many customers the employee serves, but how many hours and days a week he is busy with work.

Outsourcing helps you save money, get highly qualified personnel, and solve the usual problems that arise when hiring employees in-house. At the same time, outsourcing has its advantages and disadvantages of a number of labor relations. They are listed below,

- **Reducing manufacturing costs.** The recruiting company does not need to pay for outsourcing training of employees, purchase equipment and software, support motivation, spend money on bonuses and bonuses;
- **Release from social obligations.** The outsourcer company pays for sick days and vacations of the employees themselves and transfers deductions to the tax, pension fund and health insurance fund;
- **Independence in situations.** As part of the concluded contract, the outsourcer undertakes to provide services on time. If the independent employees of the company leave work, become ill, go on maternity leave or go on vacation, the work will be completed on time;
- **Improving the quality of non-core services.** The customer gets access to the intellectual capital of an experienced highly specialized organization and experts who know their business;
- **Focusing on the company's core business.** The cost of resources required to manage non-core processes for the company is reduced and additional time and effort of the HR team is freed.

Among the advantages listed above, outsourcing has its own set of disadvantages. Working with outsourcers has certain risks, but most of them can be predicted in advance and provided with appropriate terms in the contract. They are listed in tune:

- **To be addicted.** In the absence of competition, the outsourcer may reduce the quality of services and there will be no one to replace him. A similar situation occurred in remote areas of Bashkortostan, where social institutions outsourced food supply to contractors.
- **Dishonesty.** You should carefully study the company you are hiring. Unscrupulous

companies can delay the payment of their employees and violate the terms of the contract, which creates problems. In the contract, it would be wise to specify specific penalties for violating deadlines and reducing the quality of services.

- **Disclosure of Confidential Information.** Distribution of information of millions of citizens of the country to a company providing consulting services to one market. Non-disclosure and breach liability clauses in the contract help protect against this.

Currently, outsourcing services and especially outsourcing of accounting and legal consulting services are widely used abroad rather than staffing. For example, in Belarus - 30%, in Europe - 86%, in the USA - 92%, and the highest indicator is in Israel, which is 96% [2].

For medium and small enterprises, outsourcing accounting services is the most optimal way to maintain accounts. In this case, the enterprise will have the opportunity to receive highly qualified, responsible advice not only in the field of accounting, but also in personnel, legal and tax matters [4].

Outsourcing (accounting, legal consulting, IT services) in HEIs and faculties specialized in the field of economics, law and information technology, as well as many other services for medium and small enterprises that are in high demand in the market, can increase their income to a certain extent [5]. The result of a survey of 120 small business entities in Tashkent showed that, in addition to the above outsourcing service, there is a high demand for the following services in small business entities:

- Accounting recovery;
- Tax accounting;
- Keeping personnel records;
- Providing tax and other legal advice to business entities;
- Providing legal and practical advice on the organization of a business entity;
- Assisting in state registration of business entities online (via the website <https://fo.birdarcha.uz/> , through the business entity registration module of the YAIDXP portal);
- Assistance in creating a "Business Plan" for obtaining a loan;
- Assisting in petitioning state administration bodies and courts (writing letters and lawsuits).;



- Providing legal advice and assistance in the procedure for liquidation of business entities;
- IT technology services (creating a site, its continuous development, highlighting the institution's activities on social networks);

According to the statistics provided in the "Registration module of business entities of the YAIDXP portal", since the introduction of the registration of business entities through the "State Services Center", a total of 671,916 registered individual entrepreneurs and legal entities, 82,515 or 12.3% are online registered in the mode [3]. The fact that this indicator is at a low level shows that entrepreneurs are facing various types of misunderstandings when registering through this system. This creates a demand for a registration assistance service through the system.

In addition, other services that are in high demand in the market, in particular, audit and evaluation services that require a license, can also be performed.

CONCLUSION

In conclusion, it can be said that the type of service provided by the outsourcing company, its advantages, and disadvantages, there is a high demand for several services in addition to the outsourcing service, and it is necessary to increase such services in our independent country as much as possible. By increasing these services, it will be possible to alleviate the problems of the population.

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