



PROBLEMS OF HR MANAGEMENT AND INFORMAL EMPLOYMENT IN MODERN INDUSTRIES

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Abstract

This article discusses human resource management and its prospects, modern HR management practices, as well as employee recruitment and legal administration, staff development and training, and the significance of digital technologies and artificial intelligence in socio-economic life.

Keywords: Human resource management, recruitment, motivation, competencies, remote work, talent management, public and private sectors.

Introduction

In recent years, rapid changes in the economy, intensified competition, technological advancement, and evolving labor market trends have necessitated a fundamental transformation of the human resource management system. Today, the success of any organization depends not only on material resources but, above all, on human capital—that is, skilled, responsible, creative, and self-improving employees. For this reason, human resource management (HR management) is gaining strategic importance across all sectors of the economy.

Human resource management is a systematic activity involving the selection, recruitment, motivation, training, full realization, and retention of employees in order to achieve the overall goals of an organization. Unlike traditional management approaches, modern HR management is based on an individualized approach, data-



driven decision-making, continuous communication with employees, and an understanding of their emotions and needs.

In the modern world, approaches to human resource management have significantly advanced. Artificial intelligence, digital technologies, remote work and training, as well as systems for performance evaluation and employee monitoring, have become essential tools in the daily operations of HR managers. Particularly since 2020, the global pandemic has necessitated the adoption of remote and flexible working systems within the HR field. This shift has further elevated the role and strategic importance of HR managers.

Moreover, modern HR management is not only focused on addressing internal organizational issues but also on adapting to changes in the external labor market, attracting and retaining young, employable talent, and enabling employees to fully realize their potential. From this perspective, human resource management has become an integral part of today's economic development.

The aim of this paper is to explore modern methods of human resource management across various sectors of the economy, assess their effectiveness, analyze practical implementation approaches, and evaluate the development trends of the HR system in Uzbekistan. The paper also discusses advanced international practices and how they can be adapted to the realities of Uzbekistan.

Human Resource Management (HRM) is a systematic activity aimed at fully utilizing the potential of human capital to achieve the goals of an organization. In other words, HR management is a management system focused on working with employees, aligning them with the organization's objectives, motivating and developing them, and deriving maximum benefit from their contributions.

This section elaborates on the fundamental essence of human resource management, its primary directions, and its role in the economy in a comprehensive, extended, and analytical manner.

The scope of HR management goes far beyond the recruitment of employees. It also includes planning their activities, ensuring their professional growth, increasing labor productivity, improving the socio-psychological climate within the organization, and preparing future leaders. HR management is an integral part of a company's strategic framework and plays a decisive role in its long-term development.

Identifying and attracting candidates who are compatible with the organization, possess the necessary knowledge and skills, and are psychologically balanced is one



of the most crucial responsibilities of the HR department. This involves resume analysis, interviews, tests, and competency-based approaches.

Once a new employee is hired, they must be introduced to the organization's internal culture, work procedures, and responsibilities. This process helps the employee adapt more quickly, feel comfortable, and become productive in a shorter period.

Employee satisfaction, retention, and performance are directly linked to motivation. Modern HR managers use both financial and non-financial incentives such as bonuses, awards, career advancement opportunities, and recognition to enhance motivation and engagement.

One of the vital areas of HR management is continuous employee education and the organization of training programs aimed at developing new skills. This not only improves the quality of work but also helps build a talent pool within the organization. Evaluating employee performance allows the organization to identify both strengths and areas for improvement. Modern evaluation systems include KPIs (Key Performance Indicators), 360-degree feedback, and OKRs (Objectives and Key Results). These assessments are used to inform decisions on salary adjustments, promotions, and other incentive mechanisms.

This comprehensive view of HR functions illustrates that human resource management is a strategic, multi-dimensional discipline that contributes directly to organizational success and adaptability in a rapidly evolving economic environment. Modern HR management principles represent a new approach to managing human resources—one that integrates advanced technologies, data-driven decisions, and employee-centric strategies. Today's HR system sets broader goals than merely managing employees; it aims to develop, motivate, retain, and build a competitive workforce that drives organizational sustainability.

Today, the most successful and leading companies view human capital as their most valuable asset. By investing in the knowledge, skills, and potential of employees, they foster not only individual development but also organizational growth. This principle is implemented through continuous learning, training programs, upskilling opportunities, and mentorship initiatives.

While traditional systems prioritized organizational needs, the modern approach places employees' needs, emotions, motivation, and psychological well-being at the forefront. HR professionals strive to work with each employee individually, listen to their concerns, and build a trustworthy and supportive work environment.



In the era of high technology and digital transformation, making HR decisions based on statistical analysis, data systems, and artificial intelligence has become a priority. Tools for digital analysis help track employee performance, absenteeism, motivation levels, and other factors, enabling HR to implement targeted and effective interventions.

Modern HR systems reject the one-size-fits-all model and adopt an individualized approach tailored to each employee's age, experience, work style, and personal needs. This includes offering flexible work arrangements, customized bonus systems, and personalized career development paths.

Following the COVID-19 pandemic, modern HR systems have widely adopted remote and hybrid work models. These approaches require new mechanisms for maintaining communication, performance evaluation, and workforce management regardless of physical location. This principle relies on modern technology, remote communication tools, and cloud-based services.

In the 21st century, the human resource management system has undergone a fundamental transformation under the influence of technological revolutions. Digital technologies and artificial intelligence (AI) have deeply penetrated the field of HR management, turning it into a faster, more accurate, transparent, and efficient system. This process is known as "digital HR management" (Digital HRM) and enables automation of workplace processes, optimization of HR-related decisions, and analysis of the employee lifecycle (from recruitment to retirement).

1. The Role of Digital Technologies in HR Systems

Today's HR managers use the following digital tools in their daily operations:

ATS (Applicant Tracking Systems) – a system for selecting and screening candidates; it allows for the automatic analysis of resumes and matching them to relevant positions.

HCM (Human Capital Management) platforms – used to store, update, and analyze all data related to employees.

LMS (Learning Management Systems) – enables the organization of training and professional development programs online.

HR Analytics – analyzes large volumes of data to assess employee performance, absenteeism, and work trends.

These technologies reduce human error, automate processes, and enable faster decision-making.



2. The Impact of Artificial Intelligence on HR Management

Artificial intelligence (AI) is actively used in HR in the following areas:

AI in recruitment processes: AI-powered algorithms can scan thousands of resumes within minutes and recommend the most suitable candidates to employers.

Chatbots: AI-powered bots perform functions such as providing employees with information, answering frequently asked questions, and conducting pre-interview conversations.

Employee status analysis: AI can predict risks of employee turnover, levels of job satisfaction, and psychological well-being in advance.

Personalized training: AI automatically recommends and manages training materials tailored to the needs of each individual employee.

Through these approaches, HR management not only fully utilizes human potential but also anticipates employee needs and contributes to their retention.

3. Challenges of Digital Transformation and Preventive Measures

Although digitalization and AI bring significant benefits to the HR system, they are also associated with certain challenges:

Privacy and data security: Data collected about employees must remain confidential. If digital systems are compromised, sensitive information may leak.

Loss of human touch: Excessive automation in HR processes can weaken interpersonal relationships.

Adaptation to technology: Not every organization or employee may be ready for these changes, which can lead to resistance and negative outcomes.

Therefore, when implementing HR technologies, a gradual and cautious approach should be taken. Training sessions should be conducted for employees, and ethical and legal considerations must be taken into account.

The introduction of digital technologies and artificial intelligence (AI) into the field of HR management has ushered in a new era in human resource management. This transformation has not only increased work efficiency but also fundamentally changed the approach toward employees. In the future, this process will deepen even further, and having a digital HR strategy will become a key competitive factor for every organization.

Modern HR management theory is closely tied to practical application. Leading companies around the world implement HR policies at a strategic level, which impacts not only productivity but also employee satisfaction, innovation potential,



and employer branding. Below are successful HR practices of prominent companies from various sectors.

1. Google (Alphabet Inc.): A Model of Innovative HR Approaches

Google is one of the most well-known and advanced examples of modern HR management. The company treats employee management as a strategic priority and operates through a department known as “People Operations.” Its key HR approaches include:

Data-driven decisions (People Analytics): Every HR decision is based on statistical analysis, such as measuring the effectiveness of interviews or predicting employee turnover risk.

Creating a flexible work environment: Google’s offices are designed as open, comfortable, and creative spaces, which boosts employee engagement.

The 20% time rule: Every employee may spend 20% of their time working on innovative projects of personal interest.

Focus on employee well-being: Health programs, free meals, relaxation areas, and sports facilities are available.

These practices have made Google one of the best employers and enabled it to attract top talent.

2. Microsoft: Integrating Digital Transformation with Human Potential

Microsoft's HR policy is built around employee development, leadership, and technological approaches. The company emphasizes:

AI-assisted employee management: AI is used to assess employee productivity and identify skill gaps.

Flexible work modes: Hybrid and remote work options are integral parts of Microsoft’s HR policy.

“Growth Mindset” philosophy: Employees are encouraged to pursue continuous learning, grow from mistakes, and expand their potential.

Through its HR strategy, Microsoft has successfully aligned human factors with corporate innovation.

3. Toyota: HR System Based on Kaizen and Sustainable Development

Toyota’s HR management is built on the philosophy of “Kaizen” — continuous improvement. Its HR system is characterized by:

Process standardization: Every job has a standard procedure, ensuring stability for employees.



Ongoing employee training: Mentorship programs, internal training, and on-the-job learning are widely practiced.

Collective responsibility and participation: Every employee is encouraged to make suggestions for improvement and is rewarded for it.

Toyota's HR policy focuses on discipline, integrity, and continuous growth among its employees.

4. UzAuto Motors (Uzbekistan): A Blend of Local Approaches and Global Practices

UzAuto Motors, the largest automotive company in Uzbekistan, is also incorporating modern elements into its HR system. Its key approaches include:

Working with young talent: The company organizes "Career Days," internship programs, and partners with higher education institutions to engage with young specialists.

Internal promotion system: Employees have opportunities to be promoted based on their qualifications and performance.

Internal corporate culture: Cultural and sports events are organized to foster corporate spirit among employees.

These approaches are helping UzAuto Motors become a leader in the national HR system.

Practical experience demonstrates that modern HR management is no longer limited to recruiting employees or processing payroll. Rather, it constitutes a critical strategic function that shapes corporate culture, attracts talent, enhances motivation, and ensures sustainable development in a competitive market environment. The advanced HR approaches employed by leading corporations serve as exemplary models for other organizations as well.

Certainly, Ozodbek! Below is Section IV – "Development and Prospects of HR Management in the Context of Uzbekistan" presented in an in-depth and scholarly manner. This section analyzes the current human resource management system in our country, the existing challenges, and future development directions.

IV. Development and Prospects of HR Management in the Context of Uzbekistan

As Uzbekistan continues on the path of consistent economic liberalization, its human resource management (HRM) system is also entering a new stage of evolution. Preparing competitive professionals, increasing labor productivity, and creating opportunities for employee professional development have become urgent priorities.



Therefore, implementing modern HR management approaches within the national context of Uzbekistan is gaining increasing importance.

Conclusions

Human Resource Management (HRM) is an integral part of the modern economy, and the success of any organization or enterprise is directly linked to the effective functioning of this system. In the 21st century, globalization, technological advancement, digital transformation, and post-pandemic changes in the labor market have posed entirely new challenges for HR management. Specifically, identifying, developing, investing in, and maximizing employee potential has become almost impossible without modern approaches.

Based on the information presented in this report, the following key conclusions can be drawn:

The role of HR management is increasing: Regardless of the industry, company size, or region, all organizations require a professional and systematic approach to managing human resources. Today, HR is no longer limited to hiring or firing but has become a central part of corporate strategy.

Modern technologies are elevating HR to a new level: Digitalization, artificial intelligence, analytics, and cloud platforms automate HR processes and enhance employee productivity. Especially in the post-pandemic era, remote work and online training have become integral components of HR activities.

HR management system in Uzbekistan is at the formative stage: Many local organizations are only beginning to implement systematic HR practices. The government's focus, foreign experience, and reforms in the education system are stimulating the rapid development of HR management in the country.

Developing human capital is a crucial factor: The success of an organization primarily depends on its human capital. Long-term success is difficult without qualified, motivated, proactive, and loyal employees. Therefore, companies need to pay special attention to modern approaches such as talent management, flexible work environments, continuous training, and psychological well-being.

The future lies in the hands of HR managers: As in all fields, HR undergoes continuous changes. Modern HR managers must master not only classical management methods but also digital tools, human psychology, analytical thinking, and strategic planning.



In conclusion, human resource management is not only the most important management function within an organization but also a strategic direction that ensures the competitiveness of the entire economy. Although this system is still developing in the context of Uzbekistan, the existing potential and aspirations for progress lay a solid foundation for the formation of an advanced HR management system in our country.

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