



## **POSSIBILITIES OF IMPROVING THE SYSTEM AND CONCEPT OF HUMAN CAPITAL DEVELOPMENT IN THE ENTERPRISE**

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<b>ABSTRACT</b>	<b>KEYWORDS</b>
In this article, the system of human capital development has its own socio-economic orientation. In addition to the sum of the participants and their interactions, the human capital development system includes the environment, certain integration mechanisms that develop the interaction of the participants, and the adaptation mechanism that serves as the basis for the system's stability and self-development.	Economic subjects, development of human capital, educational field, income dynamics, vocational training, professional skills.

### **Introduction**

At the same time that the competition is intensifying in the economy of all the countries of the world, the sphere of influence of human capital, which includes various characteristics, is expanding. Human capital development requires a certain amount of investment. "If you invest \$1 in a child's education, it will bring you up to \$5 a lifetime. An additional year of education increases the average lifetime income by 9% and in some cases up to 15%. Today, creating conditions for the development of human capital in the world and treating this capital as a priority in investments remain increasingly relevant. In the conditions of the rapid development of the digital economy and artificial intelligence in the world, research aimed at studying human capital from all sides in order to improve the theoretical and methodological foundations of human capital, bring out its potential and satisfy the needs that will arise in the future is currently the main going out to the place. Creating jobs based on human capital in human capital research, creating more opportunities related to human capital in the daily activities of the enterprise, developing human capital mechanisms in a new way in a changing and unstable situation, and their application in real life is in the main place.

Various initiatives, for example, bringing the quality of human capital to a new form, bringing digitalization to the system level in enterprises, taking an innovative approach to human capital and thereby achieving long-term profitable results, are being implemented in our country. Also, the level of human capital utilization is improving in textile and light industrial enterprises. "Among the industries, the textile industry is the one that creates the most jobs and employs the most people. In 2023, the production of textile and sewing-knitting products will reach 94 trillion soums and has increased 4.2 times in the last 7 years. In 2023, exports in the sector will reach 3.1 billion dollars. Today, more than 6,000 enterprises in the textile industry provide permanent employment to 570,000

people. As in all industries, it is desirable to further deepen the necessary scientific research in order to establish the correct use of human capital in textile industry enterprises.

## **Research purpose:**

This research work has been done in the form of IMRAD model. Research work contains the following chapters.

Abstract;

Key words;

Introduction;

Research purpose;

Literature review;

Methodology;

Results and discussion;

Conclusion and recommendations.

## **Literature Review**

The transformation of human capital development includes several indicators of the use of human capital, for example, the readiness of workers for their profession, their ability to acquire up-to-date skills over time, and their health through errors that may occur in the work process. It includes such things as the full understanding of the possibility of damage, and it is the result that shows the volume and quality of production in the country's enterprises. Especially in the conditions of digital transformation, opportunities for productivity in enterprises, the formation, development and improvement of the system of effective use of human capital have always been in the focus of economic sciences.

Famous figures of economics: A. Smith, M. Friedman, D. Ricardo, T. Schulz, T. Fisher, G. Becker, L. Walras and other scientists, the theoretical foundations of human capital, its use and development are expressed in the works.

Turning to the concept of human capital development, which is very popular in modern socio-economic research, is related to the search for new scientific bases that allow understanding the development laws of economic activity.

The existing rules of neoclassical economics, which are based on the study of the state of market equilibrium, are not always able to adequately study the dynamics of socio-economic systems, structures, and scientific and production cycles due to the peculiarities of scientific and technical development, changes in technological progress.

The shift of the center of gravity from economic entities to systems makes it necessary to revise many approaches and directions of economic theory. It is the systematic approach that makes it possible to create a single research space for the entire set of socio-economic phenomena.

allows us to see it in terms of relationships and dependencies between components. The activity in the process of formation and development of human capital of the enterprise is considered as a part of a wider picture<sup>1</sup>.

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<sup>1</sup> Fleck, Michael B ; Ugnich, Ekaterina A. The enterprise human capital development in improving the training system. St. Petersburg Tom 13, Izd. 1, (2020): 114.

It is known that the human capital development system is increasingly used to study open systems with a large number of heterogeneous actors with different relationships <sup>2</sup>. This concept, widely used in biology, also allows to describe the evolution of interaction between system subjects and their relationship with the environment in which they operate in other fields of knowledge <sup>3</sup>.

The human capital development system is a special socio-economic ecosystem. To date, there is no universally accepted concept of socio-economic ecosystems. In our opinion, a more comprehensive definition is G.B. Kleiner: " Socio-economic ecosystem is independent economic, social or organizational subjects and their groups that interact with each other and have a set of products (results) capable of independent activity (population) , material, information, energy and other resources. socio-economic object whose development is territorially localized over a significant period of time due to the circulation of resources. <sup>4</sup>At the same time, special attention is paid to the simultaneous implementation of cooperation and competition processes.

From the scientists of the CIS countries on issues of human capital development: L.V. Brick, Yu.G. Odegov, V.V. Papyan, A.I. Dobrynin, Yu.M. Nikiforova et al.'s researches are emphasized.

To research the problems of human capital, its formation and development in Uzbekistan: K.Kh. Abdurahmonov, B.Kh. Umurzakov, N.K. Zokirova, N.Kh. Rakhimova, Z.Ya. Khudoyberdiev, G.Q. Abdurahmonova, N.U. Arabov, D.A. Nasimov, Sh.D. Kudbiev and other scientists made great contributions.

It is worth noting that approaches to global problems of transformation of human capital development have been widely studied among Uzbek scientists only in the researches of Academician K.H. Abdurahmanov.

F.Sunha, J.Heskman, L.Lochner, D.Masterov, R.Ahmad, N.Angrist, S.Dzhankov, P.Goldberg on important labor efficiency indicators and their selection and evaluation in the conditions of economic growth , scientists such as P. Stevens, M. Ueale, B. Bosworth, S. Collins conducted systematic research.

Human capital, which is considered one of the ultimate goals of socio-economic reforms and is considered an element that serves to increase labor income of the population, should be considered from several factors.

## Methodology

The system of human capital development should not be combined with the field of education or professional training. If the " field " of human capital development of the enterprise includes several unrelated organizations, then human capital development is an already defined organizational structure based on the relations of the participants in the process of operation .

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<sup>2</sup>Jarvi K., Almpapoulou A., Ritala P. Organization of knowledge ecosystem: prefigurative and partial forms // Research Policy. 2018. No. 47(8). P. 1523–1537.

<sup>3</sup>Moore JF Predators and prey: a new ecology of competition. Harvard Business Review, 1993, May-June, P. 75–86

<sup>4</sup>Kleiner G.B. Ekosistema predpriyatiya v svete sistemnoy ekonomicheskoy teorii // Strategic planning and enterprise development: materials of the XIX All-Russian Symposium, Moscow, April 10-11. 2018 M.: TsEMI RAN, 2018. S. 88–97. ; Kleiner G.B. Economic ecosystem: shag and budushchee // Ekonomicheskoe vozrozhdenie Rossii. 2019. No. 1 (59). S. 40–45.

human capital development includes <sup>5</sup>the environment, certain integration mechanisms that develop the interaction of participants, and the adaptation mechanism that serves as a basis for stability and self-development .

The human capital development system began to exist as an educational field. Its creation was related to the need for engineering personnel with modern knowledge and skills, able to master new technologies, materials, modern technological and testing equipment. Against the background of aging and the natural departure of the most qualified personnel from production, the problem of forming a corps of engineers with the necessary qualifications has increased.

In terms of the main features of the human capital development system , the following can be described: target direction; product (performance result); diversity of participants and their interaction; the state of the environment and relations with it; self-organization processes and dynamics of development.

Presentation of the main features of the human capital development system allows to determine its specific features, shortcomings and prospects for development . The goal of any human capital development system is to ensure that the dynamics of its income increases and the activity continues efficiently by using human resources.

The human capital development system is to continuously provide the enterprise with the necessary aviation personnel, from laborer to highly qualified engineer.

If the product (result) in the biological ecosystem is biomass, then in the human capital development system it is human capital. As mentioned above, human capital in the most general sense is knowledge, abilities, skills, professional skills, work experience, motivation, work potential, as a result of which a person can earn.

Human capital is the most important resource for the enterprise, because it plays a leading role compared to physical capital: it is human capital that drives it and, most importantly, creates innovation by creating new elements of physical capital.

The need to reproduce the human capital of the enterprise, including its formation and development, is carried out by the so-called participants of the professional and educational ecosystem.

Analyzed human capital development system, among all its participants, can be distinguished into secondary general, secondary professional, higher and additional professional educational institutions, including enterprise divisions.

Human capital development system, similar to the biological one, can indicate the following levels (in accordance with the purposeful determination of the activity):

1. Secondary general educational institutions form the basis, provide applicants with the next links of the system of human capital development ;
2. Secondary vocational education institutions train qualified workers and employees who can continue training at a higher educational institution, as well as at a higher educational institution.

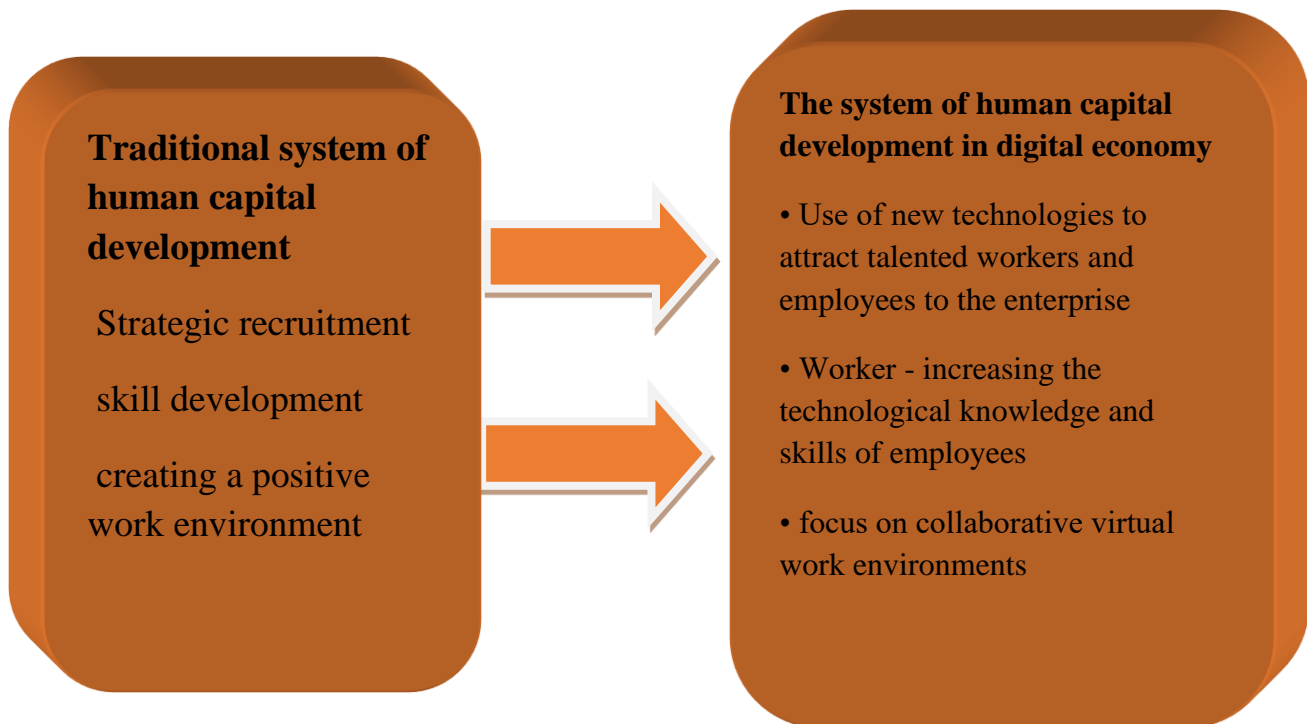
These institutions provide the enterprise with highly qualified specialists. A single educational platform of HEIs and the enterprise has been established, which forms the basis of the enterprise's employees with specialized knowledge.

The first two levels form human capital according to the needs of the enterprise.

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<sup>5</sup>Babkin A.V. Integrirovannye promyshlennye struktury kak ekonomicheskiy sub'ekt rynka: suschnost, principy, klassifikatsiya // Vestnik Astrakhanskogo gosudarstvennogo tekhnicheskogo universiteta. Series: Economics. 2014. No. 4. S. 7–23.

" consumes " specialists trained by secondary vocational and higher educational institutions, as well as additional vocational education structures that ensure the improvement of the skills of the enterprise's employees based on the requirements of the rapidly changing environment , forms new powers in accordance with the legislation . Thus, the third level ensures the development of the enterprise's human capital not only as a result of training in advanced training courses, but also as a result of the interaction of the enterprise's employees in the process of work, by enriching the human capital with professional skills that help to increase its efficiency.

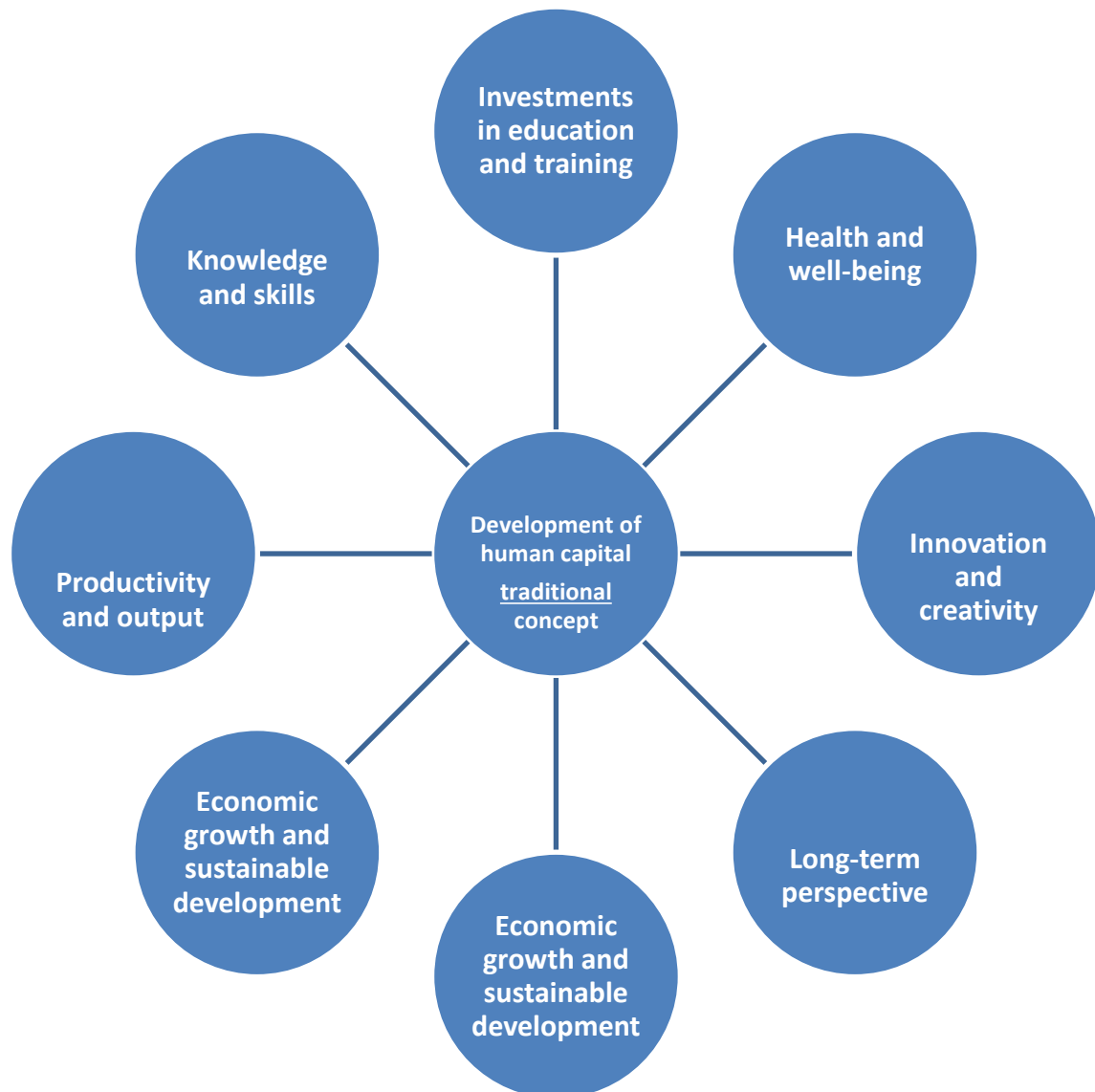


**Figure 1. Human capital development systems**

It should be noted that within the human capital development system, the efforts of the participants are combined and create synergistic effects that can be manifested in the qualitative growth of human capital through the acquisition of skills, professional competences, experience, expansion of professional and professional potential, communication skills. The effectiveness of the interaction of the participants of the human capital development system, its self-management depends on the level of the culture of mutual cooperation.

Any human capital development system is the environment in which it operates. The environment for the operation of this system will be, for example, the socio-economic status of the region, the level of industrial development and the educational system.

The human capital development system i may be subject to external disturbances that may change its operating conditions. This disturbing effect is a phenomenon component of the conditions for the operation of the system.



**Figure 2. Traditional concept of human capital development**

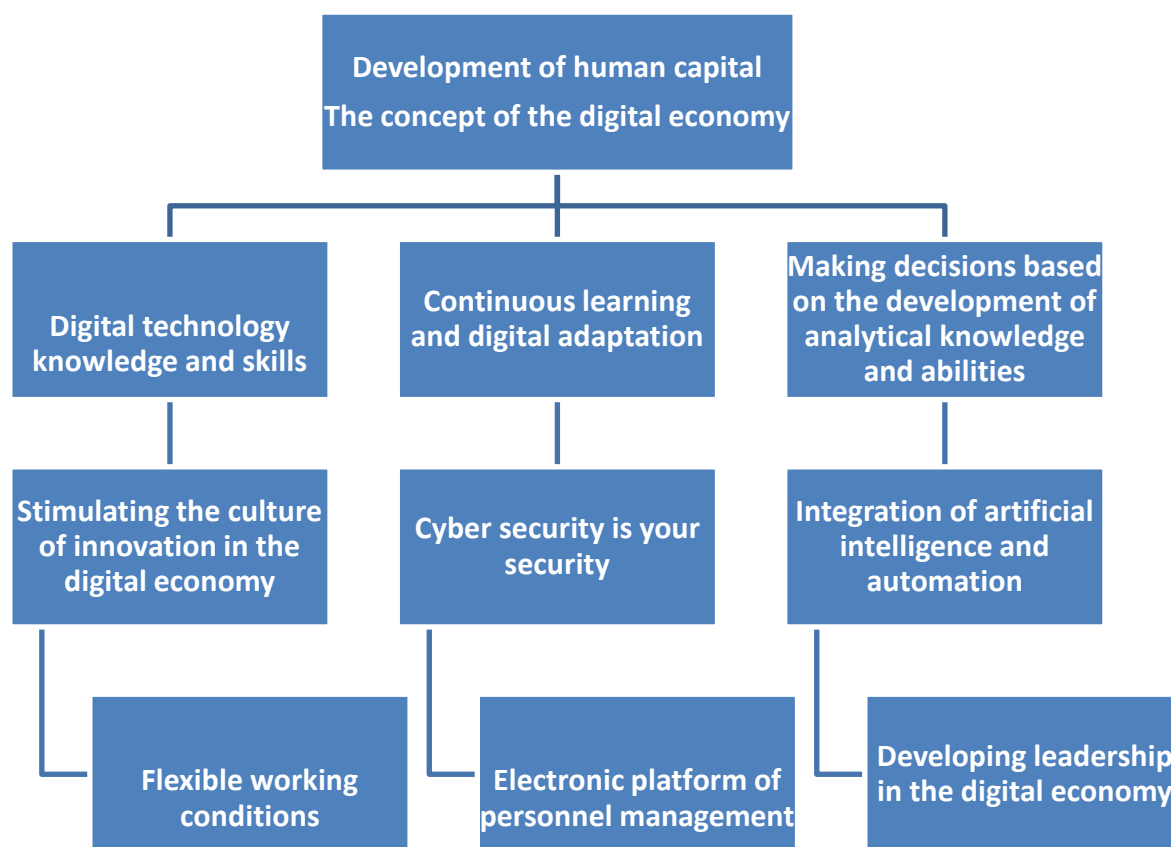
The human capital development system, it is necessary to take into account the process of its self-development. The process of self-development of society can be described on the basis of market laws in the socio-economic system.

Based on the above, it is necessary to improve the mechanisms of transfer of professional knowledge at the current stage of development of the human capital development system.

Human capital development system can be achieved only if three mandatory components are closely connected in it:

- specific requirements imposed by the enterprise on the knowledge and skills of specialists;
- adequacy of knowledge and skills formed in secondary general, secondary vocational education institutions and higher educational institutions;
- effective approaches to education that meet the requirements of post-industrial society.





**Figure 3. Development of human capital concept in the context of the digital economy**

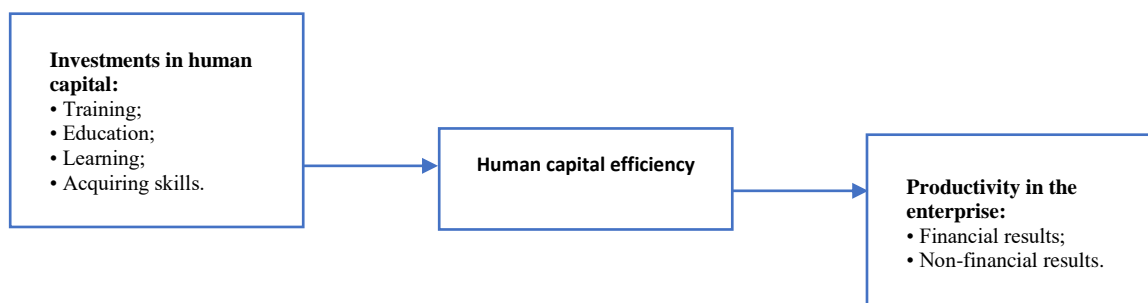
At the same time, if the requirements for knowledge and skills of employees are determined by the enterprise, based on these requirements, their efficiency should be ensured by educational institutions. The development of effective methods of education is the result of mutual cooperation between enterprises and educational institutions. In general, the result of the functioning of the human capital development system depends on the dynamics of complex relations between its participants in the socio-economic environment during the formation of human capital.

The process of self-development of the human capital development system is based on the complexity of its structure and the strengthening of adaptation to changing external conditions based on constant updates.

The following can be distinguished as the main features of the human capital development system:

- the purpose of the system is to continuously provide the enterprise with personnel;
- system product (result) - human capital;
- system participants, they can be represented by the following groups: secondary general educational institutions, higher educational institutions, secondary special and higher educational institutions, the enterprise and its structural units;
- system of environmental activity - the state of the social economy of the region, growth in the field of education ;
- the process of self-development of the system, which can be manifested in strengthening the integration of educational institutions with each other and with the enterprise itself, improving teaching methods and approaches, etc.

The model that shows the relationship between human capital and enterprise activity includes several elements. Investment in human capital includes training, education, knowledge and skills that increase the effectiveness of human capital.



**Figure 4. The concept of human capital development in the enterprise**

The research shows that human capital leads to higher efficiency of the enterprise. Business activity can be viewed from two different perspectives; financial results and non-financial results. Financial outcomes include productivity, market share, and profitability, while non-financial outcomes include customer satisfaction, innovation, process improvement, and skill development (Figure 4).

In general, the mechanism of the system and concept of turning human resources into human capital in enterprise activity is beneficial to both the employer and the employee.

### **Conclusion and Recommendations**

Human capital is not only knowledge, skills and abilities (skills), but also knowledge, skills and abilities that are used or will be used in the future to generate income for the enterprise. At the same time, it should be noted that there is no direct relationship between investments in education and the profitability of these investments, because the general cultural characteristics of the enterprise, economic and organizational culture, as well as the characteristics of the employee. or plays an important role in a person's ability to effectively use the knowledge gained in the course of enterprise activity. The investment approach to elements of intellectual capital requires an assessment of the effectiveness of investments in the development of these types of capital, based on a comparison of the value of investments and the income from them. Accordingly, if it is very easy to calculate the amount of investment in a certain type of capital in an enterprise, then problems arise in determining the contribution of each element of intellectual capital to the growth of the enterprise's value.

Our proposals and recommendations, developed on the basis of research on the directions of transformation of human capital development in the digital economy in Uzbekistan:

**First**, currently, among the researchers conducting research on the subject of human capital in our country, the terms of human factor, investment for human and human capital are mixed. But these terms actually have their own subtleties of meaning, their own places of use. In research on the topic, each of the terms should be used accurately in its place, and it is advisable to continue using the term human capital in the sense of "human capital". Human capital, its formation, transformation of human capital, its necessity, its necessity for the development of enterprises and society, as well as its socio-economic essence were studied during this research work.



**Second**, the topic of transformation of human capital development considered in our research, problems related to its formation is one of the most relevant topics for the countries that have transformed into the modern industrialized type of innovation. In addition, every person should not be indifferent to the reforms based on the development of the education and healthcare system, which is the main infrastructure of human capital in our country, in search of solutions to the problems of human capital development. Taking this into account, the theoretical foundations and innovative approaches to the transformation of human capital development were researched.

**Third**, in the transformation of the innovative development of human capital, the impact of the group of investments for education, skills and experience and the group of investments for health on labor productivity and the level of enterprise profitability is based on the consideration of their direct and indirect influencing factors. was justified from the point of view.

**Fourth**, the effect of the transformation of human capital development on the practical labor activity of the enterprise depends on the training of employees, increasing the level of knowledge, professional qualifications, practical skills, and the development of work experience, based on the results of the social survey organized during the research work with the SEM model. As a result of the analysis, it was determined.

**Fifth**, employment of knowledgeable and potential human resources - specialists who are the most active and valuable part of human capital, formed as a logical end of the successful educational reforms implemented in the country, modern work that matches their knowledge, level and skills. It is expedient to pay great attention to the creation of these types.

In short, the human capital development model includes a set of norms, coordination points, elements that provide a legal aspect, this model is about the reproduction and accumulation of human capital based on the indicators achieved in the region. is formed by quantitative and qualitative evaluation of program activities

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