

## CRITERIA FOR ASSESSING THE USE OF HUMAN CAPITAL IN SMALL BUSINESS

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A B S T R A C T	K E Y W O R D S
<p>The article deals with the concept of human capital, the history of its emergence, the opinions of world scientists about this theory, and the role of human capital in achieving sustainable economic development in the country.</p> <p>The theory of human capital shows that in production, wages vary depending on the productivity of the worker in the workplace. The efficiency of the work of skilled workers will be more productive, respectively, and wages themselves will be higher. On the other hand, the axiom of human capital theory is that investing in education is only appropriate if it provides high wages.</p>	<p>assessment, investment, human capital, economic stability, social needs, knowledge, skills, human resources.</p>

### INTRODUCTION

In The Message of the President of the Republic of Uzbekistan Sh.Mirziyoev to the Oliy Majlis on the results of socio-economic development of Uzbekistan in 2018 and the most important priorities of the economic program for 2019 modern attitude to human capital and investments in human capital the importance of inclusivity for all aspects of society, as well as the fact that investments made by providing education to 3-22-year-olds will return more than 14 times [1].

The problems of management and planning of human capital occupy an important place in the system of activities for the establishment of economic relations. At each stage of socio-economic development, the mechanism of human capital management directly depends on the concept of economic management adopted by the state, which, in turn, serves as a methodological basis for the development of a model of the economic mechanism.

The main part. Changes in the formation and use of human capital are natural in the conditions of transition to market relations. The solution of economic and social problems in a country is determined by its ability and potential to generate or attract financial resources. In a market economy, the identification and evaluation of human capital is of great importance in the development of adequate mechanisms for managing the economy in the country.

Human capital is a set of knowledge, skills and experience used to meet many personal and social needs of a person. This term was first used by the American economist and sociologist Theodore Schultz and his follower Gary Becker in the 60s of the 20th century. The theory of an economic

approach to human behavior is put forward and the effectiveness of investing in human capital is substantiated. Theodor Schultz was awarded the International Nobel Prize in 1979, and Gary Becker — in 1992 for creating the foundations of the theory of human capital [2].

Economists usually distinguish three factors of production: land, labor and physical capital. Since the 1960s, the focus has been on the quality of work, including the level of knowledge and professional training of the workforce. This is how the concept of human capital was born, which includes knowledge, skills and other characteristics of people bringing personal economic and social benefits. Experience and potential are mainly formed through study and work, but can also be determined by the peasant given by nature. Human capital can be defined as certain human behavior and motivational factors, as well as physical, emotional and mental health associated with it.

Initially, human capital meant investments in education and professional skills that serve to increase a person's labor potential. Over the past 50 years, this concept has expanded significantly. According to the ledgers of the World Bank experts, the consumption of human capital consists of expenditures directed to meeting the needs of the family and the state in food, clothing, housing, healthcare, culture [3].

Human capital is classified as follows:

1. Individual human capital.
2. Human capital of the organization
3. National human capital

Knowledge, skills, potential, as well as human qualities that bring personal, social and economic benefits to a person.

Models of the theory of human capital allow us to theoretically assess the effectiveness of investments in human capital to improve its economic situation in the future. Types of investments can be very different. Direct expenses are presented in the form of books, tuition, scholarships and other fees. Indirect costs are the loss of income that could be earned during training.

Direct investment is a higher salary in the future than an employee without a higher education. Indirect investment is an additional intangible benefit for a qualified employee, such as additional reliable income, opportunities for further promotion, social and social status with relatively high social security. The human capital accumulated during training, as well as the skills acquired in the workplace, are a good opportunity for a potential salary increase or a more prestigious job in the future. The theory of human capital shows that wages in production differ depending on the efficiency of the employee's work. Skilled workers will be more productive and, accordingly, wages will automatically be higher. And the axiom of the theory of human capital is that investing in education is advisable only when a large salary is provided.

Higher education specialists have an income or salary "capitalized income", which is calculated according to the interest rate for the period of study at the educational institution. Thus, we can say that the accumulated salary of a specialist is divided into two parts. The basic salary is a reward for the work of a specialist for the current year. Overtime pay is a reward for the labor spent on training at work in the past years.

"Human capital", built on the basis of knowledge and potential, has the power to comprehensively measure and determine, to show its results more clearly, including the acquisition of knowledge due to human character and natural giftedness.

A person has the opportunity to acquire skills and knowledge from birth to death. Direct lifelong learning means not only training adults as specialists, but also starting from school age. Human capital is formed by:

Attention to knowledge in the family, that is, learning from a young age;

Formal education and vocational training, kindergarten education, school-age education, vocational education or general compulsory education, higher education, adult education, etc.

Special training at the workplace, as well as information and communication training, advanced training and knowledge gained as a result of research.

In the process of obtaining informal information in the process of work and in the process of living, experience acquired in everyday life.

Human capital is a broad concept. Experience and competence can be general (such as reading, writing and speaking) or advanced knowledge. Most of the knowledge and skills are hidden, not recorded in any documents, this is due to some difficulties, the documents are not approved by the standard or not approved at all. The more closed and uncertain knowledge is, the more difficult it is to exchange skills. Lundvall and Johnson (1994) divided knowledge into four categories:

1. To know what: the pursuit of knowledge through a concrete fact
2. Knowing Why: An approach to knowledge based on the principles and laws of nature, human thinking and community learning.
3. How to find out: rely on experience (more precisely, to do something based on the Farmer)
4. Know who: Exchange ideas with people from any social group.

Human capital is a stock of knowledge, experience and skills that every person possesses. Investments in it are carried out in the form of education, improvement of industrial practice, healthcare, geographical mobility, information search, etc.

Although several indicators can be distinguished in human capital, there are no generally accepted indicators yet. G. Becker includes educational capital (general and special knowledge), health capital, vocational training capital (qualifications, skills, work experience), migration capital, as well as economically important information and motivational desire for economic activity. L. Turov adds respect for political and social stability to human capital [4].

V. Marsinkevich tries to study the influence of concepts that cannot be measured and not verified, such as activity, responsibility, honesty, collectivity and initiative, on human creativity [5].

In any case, the study of human capital through indicators is more qualitative than quantitative. The system for determining its quantitative indicators has not yet been fully developed. The measurement of the above indicators and their components causes a number of problems. It is possible to calculate only the exact costs, but this does not indicate the economic value of these indicators. In addition, the biological indicators given to man by nature (beauty, good health) and intellectual abilities (mathematics, poetry) are the gift of specific ancestors to the next generation.

T. Schultz, G. Becker and their followers revolutionized labor economics and labor sociology. We have made the transition from one-time current indicators to the calculation of indicators covering the entire life of a person (permanent income). They saw "capital" investments in the behavior of agents in the labor market, as well as the recognition of human time as an important economic resource.

The theory of human capital is able to explain the system of distribution of personal income, the dynamics of income depending on the age of a person, the inequality in the price of labor between men

and women, the causes of migration and much more like. Based on this theory, investments in education were equated with investments in economic development.

The human resource management strategy is a functional strategy that completely depends on the development trends and changes in strategic management.

Currently, the main objective of the human resource management strategy is to create a long-term, profit-oriented team, which is characterized by:

The role of highly qualified employees working at all levels will increase.

In the process of globalization, this has had a serious impact on the growth of all kinds of needs, including in the labor market.

In foreign literature, the following areas of human resource management strategy are distinguished[6]:

Reduction of wages paid to labor in the process of production and sale of products;

The integral relationship of the human resource management strategy with the overall strategy of the organization;

The direction of constant investments to increase the professional potential of human resources;

Development of organizational culture;

Implementation of human resource management methods compatible with the mentality of employees;

Continuous improvement of the recruitment strategy and policy;

Individual approach to talented employees.

The human resources management strategy recommends working according to the following algorithm: analysis of the mission, goals, internal and external environment, analysis and selection of alternative options, and therefore analysis of the results of the strategy implementation.

At each stage of the organization's life (birth, growth, maturity, decline, crisis), this algorithm has its own characteristics.

The mission of the organization is to answer the questions of who is the client of the organization, how the organization meets the needs of the client on the basis of a certain system. Defining a mission involves performing a number of tasks.

Human resource management of an organization consists of attracting employees to work, evaluating their abilities, expanding their capabilities and development.

The analysis of the external environment from the point of view of human resources consists in collecting general information about the state of the human resources market not only in Uzbekistan as a whole, but also in a particular region or locality.

Changes in the external environment (political and economic factors, international relations, scientific and technological progress) have had a significant impact on personnel management policy, that is, they lead to changes in the price of labor and its migration. The global economic crisis has shown that economic growth indicators in countries such as Western Europe, the United States and Japan, which have expensive labor, tend to decline. In this case, only the rational use of labor will save countries from entering the crisis street. For several years, Uzbekistan's GDP has been recording a high figure of 8%, which is the third largest indicator in the world (after China and Qatar).

The implementation of personnel policy is carried out on the basis of certain laws. This is reflected in the table below:

Direction of personnel policy	Content
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Organizational structure and personnel	<ul style="list-style-type: none"> <li>• The introduction of a new position combining several professions (for example, an accountant for working with documents of the personnel department or a recruitment secretary).</li> <li>• Transfer to the partial booking system of some employees</li> <li>• Awarding of individual (home) work</li> <li>• Dismissal of inefficient employees</li> <li>• Selection of promising employees based on individual remuneration</li> </ul>
Motivation system	<ul style="list-style-type: none"> <li>• Reduction of the monthly wage system (official salary) and increase in the amount of variable units (bonus)</li> <li>• Reduction or cancellation of the social package and additional social money</li> <li>• Ensure strict compliance with labor laws</li> <li>• Assignment to stimulate the work of employees directly to junior managers (distribution of funds of the fund by determining the effectiveness of the work of employees by organizing the fund of the head)</li> </ul>
Staff selection	<ul style="list-style-type: none"> <li>• refusal of the services of various agencies</li> <li>• assigning the selection of employees and their hiring directly to junior managers</li> </ul>
Professional development	<ul style="list-style-type: none"> <li>• abandon the external form of education, switch to a distance education system</li> <li>• restoration of the work of managers conducting educational events with their employees (exchange of experience, mentoring)</li> </ul>
Internal contacts	<ul style="list-style-type: none"> <li>• development of an internal system of work with the population: organization of internal press, Internet communications, work on the bulletin board, organization of regular meetings of the head with the workforce</li> </ul>

The success of the strategy cannot be realized without a team with a special quality created by leaders. The qualitative and quantitative significance of the team may have different manifestations at different stages of the organization's activities, but the goals and principles will be unchanged. A team is a team organized in such a way that each of its members performs clearly defined tasks that do not overlap with others, performs their tasks with high spirits and helps their partners if they need help.

Since the development and economic well-being of the country directly depends on the specialists living in it, it can be called a priority concern of the state to ensure the improvement of the abilities of citizens (intellectual, physical and spiritual). This task is being solved within the framework of achieving the goal of human capital development, which will inevitably lead to an increase in the potential of the whole society, as well as an increase in the resources of the whole country. The high potential of society depends on the dynamics of economic growth. Therefore, the development of human capital is one of the main tasks of our time. What is needed to solve it?

First of all, it is necessary to create the most favorable environment, which in practice cannot be achieved without improving living conditions for the development of the abilities of each member of society, an employee of the enterprise.

Secondly, it is necessary to increase the competitiveness not only of human capital, but also of the sectors of the economy that provide it socially.

Sociologists, economists and psychologists are experts working on solving the problem of improving human resources. Their tasks include the development of human capital development issues at three levels:

- personality development (at the micro level);
- development of the whole country (macro level);
- development of enterprises, commercial companies (meso-level).

At the state level, human capital is accumulated by the efforts of all members of society, it is national wealth and property. A unique similar resource is formed in each region, which is then aggregated throughout the country.

To ensure the development of human capital at the regional level, it is necessary to improve the economic activity of economic entities in a certain region. Then, based on the results of the work of each enterprise in the region, the personnel reserve is generalized. The accumulated human capital ultimately determines the level of socio-economic development of the region.

Adding the number of workers is not enough to measure human capital. It is necessary to calculate all your abilities, knowledge, and the amount of information available. After all, it is this potential that activates production to one degree or another and determines the level of efficiency of the company.

The development of human capital, like any other asset, requires investment. Investments aimed at the development of human capital are concrete actions carried out to increase labor productivity with one goal. We can associate such events with:

- organization of therapeutic and preventive measures;
  - expenses related to education;
  - organization of professional training in the workplace;
  - the cost of finding a job, collecting information about prices and wages;
- expenses related to migration, as well as the birth and upbringing of children.

All investments aimed at the development of human capital by specialists are usually divided into:

- investments in education (special or vocational training, retraining in the workplace, self-education);
- investments aimed at health care activities, including disease prevention, organization of special nutrition, improvement of living and working conditions, as well as improving the quality of medical care;
- investments in moving workers to places with better working conditions.

Investments in education can be divided into formal and informal. The first type includes various educational services offered by the state or organizations with the issuance of final documents confirming the receipt of education. This includes secondary school education, special education, higher education, including second higher education, postgraduate studies, doctoral studies, industrial training, as well as advanced training courses.

Informal is an education that does not have supporting documents, but is able to enrich a person with knowledge and increase human capital. This is an independent study of literature, any science, sports and art.

Health-related costs are equally important for productivity. By reducing the number of illnesses and deaths, we increase the duration of the working period, the duration of human labor. Thus, we are expanding the influence of human capital.

Each of us understands that health can be improved to a certain extent, but to a large extent its quality depends on hereditary characteristics. Investing in health throughout life is important both for the

individual and for society as a whole. Human health is an asset that can wear out. Investing in health can slow down the aging and decay process.

The features of investments in the development of human capital are as follows:

The life of the owner directly depends on their effectiveness. The more investments, the longer a person's life expectancy. And the earlier the investment is made, the faster the return will be visible.

The ability to multiply and accumulate, despite the gradual tendency to moral and physical obsolescence.

Human capital becomes more profitable as it accumulates, but the marginal rate of return is still limited to the end of working age. As soon as a person retires or becomes unemployed for other reasons, the efficiency of his human capital decreases sharply.

Not every investment aimed at improving human well-being can be recognized as an investment in the development of human capital. For example, if expenses are related to criminal and illegal activities, they are difficult to associate with investments in human capital development because of their social harm and even danger.

The nature of investments is determined by the peculiarities of culture, nationality and historical development of the society in which they are carried out.

If we compare investments in the development of human capital with other types of investments, it becomes clear that the first one is more profitable both for the carriers of capital themselves and for society as a whole [7].

Possible sources of investment activity can be:

- state;
- state and non-state foundations, public organizations;
- regional associations;
- organizations, legal entities;
- individual entrepreneurs;
- national higher organizations and foundations;
- educational institutions, etc.

Among all sources, the most important role is played by the state.

But don't ignore the importance of individual companies, organizations, entrepreneurs. Employers have all the opportunities and conditions for the implementation of training and advanced training of personnel. In addition, organizations have a knowledge base that allows them to have an accurate picture of the most promising investments in education and training. An important factor in business investment is the net return on investment. As soon as there is no profit, the financing stops. After all, why all this investment in HR? Strengthening the competitiveness of the company. Therefore, the employer strives to use working time and human capital in general in the most reasonable way.

Since the definition of the ultimate goal of socio-economic transformations serves as the starting point of the strategy of economic reforms, the essence of the following strategic goals in the field of economic reforms in Uzbekistan is revealed:

1. The gradual formation of a socially oriented market economy, the creation of a powerful and steadily developing economic system that multiplies national wealth and provides the necessary conditions for people's life and activities.
2. Ensuring the protection of private property by the state, which is the basis for creating a multi-level economy, ending the deprivation of property, developing initiative and perseverance by all measures.

3. Granting broad economic freedoms to enterprises and citizens, the rejection of direct state interference in their economic activities, the elimination of administrative and command methods of economic management, the widespread use of economic factors and incentives.
4. Carrying out deep structural transformations in the economy, ensuring the effective use of material, natural and labor resources, the production of competitive products, entry into the world economic system.
5. To form people's new economic thinking, to change their worldview, to enable each person to independently determine the scope and forms of spending their labor" [8].

From this point of view, Uzbekistan is among the few countries in the world that have a strong social policy and at the same time are working on ways to improve the welfare of the population. An important direction of the country's social policy remains the creation of decent living conditions for the population, the transformation of measures to ensure employment of the population into a beneficial cause for everyone. In addition, the household sector is becoming a reliable source of employment and an increase in family income. At the same time, this effective form of employment acquires an important social significance for attracting women, especially those with many children, disabled people in need of assistance, and other persons with limited working capacity to work.

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