

The Concept of Methods for Measuring and Evaluating Human Capital

F. Kh. Olimov

Senior Lecturer, Department of Sociology, National University of Uzbekistan

ANNOTATION: The article deals with issues related to the concept of human capital, the history of its occurrence, the opinions of world scientists about this theory, and the role of human capital in achieving sustainable economic development in the country.

KEYWORD: labor market, investment in human capital, human resources, labor. organizations, the impact of human capital on education, staff development.

The Address of the President of the Republic of Uzbekistan Sh. Mirziyoyev to the Oliy Majlis on the results of socio-economic development of the country in 2018 and the most important priorities of the economic program for 2019 expressed the view that the investment in education through education will return more than 14 times¹.

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

In the context of the transition to market relations, it is natural to change the formation and use of human capital. The solution of economic and social problems in the country is determined by its ability and potential to develop or attract financial resources from abroad. In a market economy, the identification and assessment of human capital plays an important role in the development of adequate mechanisms of economic governance in the country.

Human capital is a set of knowledge, skills, experiences that are used to meet many personal and social needs of a person. The term was first used by the American economist-sociologist Theodore Schultz and his follower Gary Becker in the 1960s. The theory of an economic approach to human behavior was put forward and the effectiveness of investing in human capital was justified. Theodore Schultz was awarded the International Nobel Prize in 1979 and Gary Becker in 1992 for laying the foundations for the theory of human capital.²

¹ President.uz/en/lists/view/2221 Address of the President of the Republic of Uzbekistan to the Oliy Majlis

² Babosov E.M. Sociology: Encyclopedic Dictionary. From the classics to modernity. Izd. (MFTsP). Minsk. 2009. 480 p. ISBN 978-5-397-00009-3

Economists generally recognize three factors of production: land, labor, and physical capital. Since the 1960s, the main focus has been on the quality of labor, including the level of knowledge and training of the workforce. Thus was born the concept of human capital, which includes the knowledge, skills and other characteristics of people who bring personal economic and social benefits. Experience and potential are formed more in the process of reading and working, but can also be determined by the Farmer given by nature. Some of a person's behaviors and motivating factors, as well as the physical, emotional, and mental health that belong to him, can also be recognized as human capital.

Originally, human capital was understood as an investment in education and professional skills that served to increase a person's work capacity. Over the past 50 years, the essence of this concept has expanded considerably. Recent estimates by World Bank experts include human capital expenditures, including food, clothing, housing, health, and cultural needs of families and the state.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 human capital theory provide an opportunity to theoretically assess the effectiveness of investing in human capital to improve its economic situation in the future. The types of such investments can be very diverse. Direct spending comes in the form of books, tuition fees, scholarships, and miscellaneous payments. Indirect spending is the loss of income that can be earned during the study.

Direct investment is the flow of higher wages than an employee without a higher education in the future. Indirect capital is the additional intangible benefits provided to a qualified employee, such as additional reliable income, future growth opportunities, and a relatively high social and social status. The human capital accumulated during the training, as well as the skills acquired during the work, is a good opportunity to potentially increase your salary in the future or to get a more prestigious job.

The theory of human capital shows that in production, wages vary depending on the productivity of the worker in the workplace. The work efficiency of skilled workers will be more productive and accordingly wages will also be higher by themselves. The axiom of the theory of human capital, on the other hand, is that investing in education is only expedient if it provides a large wage.

Specialists with higher education have an income or salary "capitalized income", which is collected as a percentage of the rate of study at the educational institution. Thus, it can be said that the salary collected by a specialist is divided into two parts. The base salary is a reward for the hard work the specialist has put into this year's work. The extra salary is a reward for the hard work you have spent over the years studying at work.

Built on the basis of knowledge and potential, "human capital" has the power to measure and determine comprehensively, to show its results more vividly, by introducing the acquisition of knowledge, in return for human nature and innate ability.

A person has the ability to acquire skills and knowledge from birth to death. Human capital is formed by:

Focus on knowledge in the family, ie teaching from an early age;

³ Korchagin Yu. A. *Sovremennaya ekonomika Rossii.*- Rostov-na-Donu: Phoenix, 2008. ISBN 978-5-222-14027-7

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

Workplace special education, as well as information communication education, in-service training and knowledge gained through research.

Acquired informal information in the course of work and during life, experience gained in ordinary life.

➤ Human capital is a comprehensive concept. Experience and competence can be general (e.g. reading, writing and speaking) or a high level of knowledge. Most of the knowledge and skills will be in a closed state that is not recorded in any document. This is due to the fact that the documents have not been standardized or not approved at all due to some difficulty. The more closed and ambiguous the knowledge gained, the more difficult it will be to exchange skills. Lundvall and Johnson (1994) classified knowledge into four categories:

1. What to know: the pursuit of knowledge through concrete facts
2. Knowing why: approach to knowledge based on principles and laws of nature, human thinking and learning as a community.
3. How to know: based on experience (more precisely, depending on the farmer)
4. Know who: Exchange ideas with people who belong to any group according to their social ability.
5. Apart from physical capital, human capital is formed in people.

➤ Human capital grows through increased skills in the work process, through formal and informal knowledge, but human capital that does not work on itself loses its value on its own. Some skills are reflected in human capital as they decrease with age. The key to knowledge and the structure of personal potential in relation to human capital is as follows:

1. Behavioral ability

Understanding the language

Know how to talk

Reading

Writing

Count

2. Personal inner ability

3. Motivation

"Learning to learn"

4. Interpersonal skills

Team work

Leadership

5. Closed knowledge

Know how to solve problems

Physical quality and skill.

Human capital is a reserve of knowledge, experience and skills available to every human being. Investments in it will be made in the form of education, increasing production practices, health, geographical mobility, information retrieval.

While it is possible to single out a number of indicators in human capital, there are not yet indicators that all accept the same separately. G. These indicators include educational capital (general and special knowledge), health capital, vocational training capital (qualifications, skills, work experience), migration capital, as well as economically important information and motivation for economic activity. L. Turou also adds respect for political and social stability to human capital.⁴

V. Martsinkevich seeks to examine the impact of non-measurable and non-verifiable concepts on human creativity, such as activism, responsibility, honesty, and collectivism.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 indicators listed above pose a number of problems for measuring their components. It is only possible to calculate the actual costs incurred, but this does not reflect 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 unique gifts of ancestors to future generations.

T.Shults, G.Becker and their followers brought revolutions in labor economics and labor sociology. They made the transition from one-time current indicators to the calculation of indicators that cover the entire life of a person (permanent income). The behavior of agents in the labor market has led to a view of “capital” investment, as well as the recognition that human time is an important economic resource.

The theory of human capital has the ability to explain the system of distribution of personal income, the dynamics of the dependence of income on human age, inequalities in the cost of labor for men and women, the causes of migration and much more. Based on this theory, investment in education has been equated with investment in economic development.

A human resource management strategy is a functional strategy that is fully dependent on the development and changing trends of strategic management.

Today, the main task of human resource management strategy is to create a long-term, high-income team, characterized by:

1. The role of highly qualified staff working at all levels is growing.
2. The process of globalization has had a significant impact on the growth of demand in all areas, including the labor market.

The following areas of human resource management strategy are highlighted in foreign literature⁶:

1. Decrease in wages in the process of production and sale of products;
2. The human resource management strategy is inextricably linked with the overall strategy of the organization;
3. Permanent investment to increase the professional capacity of human resources;
4. Development of organizational culture;

⁴ Mayburov I.A. Effectiveness of investing in human capital in the US and Russia. World economy and international relations. 2004, N 4, p. 4.

⁵ Martsinkevich V.I., Soboleva I.V. Human economy. M., 1995, p. 14.

⁶ Galkina T.P. Sociology of management: from group to team. Manual. -M.: Finance and Statistics, 2004.

5. Introduction of human resource management methods in line with the mentality of employees;
6. Continuous strengthening of staff selection strategies and policies;
7. Individual approach to talented employees.

The human resource management strategy recommends operating through the following algorithm: mission, goal, internal and external environment analysis, analysis and selection of alternatives in the implementation of the strategy and therefore to establish the analysis of the results.

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

The mission of the organization is to answer questions about who the customer of the organization will be and how the organization will meet the needs of the customer based on a specific system. Defining a mission involves a number of tasks.

The organization consists of recruiting, assessing, supporting and developing human resource management staff.

The analysis of the external environment in terms of human resources consists not only of the whole of Uzbekistan, but also of the collection of general information about the state of the human resources market in a particular region or settlement.

Changes in the external environment (political and economic factors, international relations, scientific and technological progress) have had a very significant impact on personnel management policy, i.e. leading to changes in labor prices and its migration. The global economic crisis has shown that in countries with expensive labor force, such as Western Europe, the United States, Japan, economic growth has shown a downward trend. In this case, only the rational use of labor will save countries from falling into a crisis. For several years, Uzbekistan's GDP has been 8% higher, the third highest in the world (after China and Qatar).

The implementation of personnel policy is based on certain laws. The following table shows this:

The direction of personnel policy	Content of events
Organizational structure and staff	The introduction of a new position that combines several professions (for example, an accountant working with personnel department documents or a secretary in charge of personnel selection) <ul style="list-style-type: none"> • Switching to a part-time employment system for some employees <ul style="list-style-type: none"> • Rewarding individual (home) work • Dismissal of inefficient employees • Recruitment of high-potential employees on an individual basis
Motivation system	<ul style="list-style-type: none"> • Reduction in the salary system (salary) and increase in the amount of variable units (bonuses) reduction or abolition of social package and additional money of a social nature <ul style="list-style-type: none"> • Ensuring strict adherence to labor laws • Employment incentives directly to junior managers (distribution of funds through the establishment of a managerial fund to determine the effectiveness of staff)
Staff selection	<ul style="list-style-type: none"> • Refusal of services of various agencies • Direct selection and recruitment of staff to junior managers

Professional development	<ul style="list-style-type: none"> • Abandon external training, transition to distance learning • resumption of educational work of managers with their employees (exchange of experience, coaching)
Internal relations	<ul style="list-style-type: none"> • Development of the internal system of public relations: internal press, Internet communication, bulletin board, regular meetings between the manager and the staff

The success of the strategy cannot be achieved without a team of special qualities formed by the leaders. The qualitative and quantitative value of a team may look different at different stages of an organization’s operations, but the goals and principles will remain the same. A team is a team that is made up of enterprising, highly talented people, each of whom is clearly defined and does not intersect with others.

There are the following signs of teamwork:

1. The group operates as a holistic system, not disturbing each other too much during operation;
2. All members of the team work conscientiously and do not leave the job even when the opportunity arises;
3. Despite the performance of individual tasks, they aim to achieve a common goal;
4. Team members use available resources and equipment wisely to achieve the goal;
5. Team members share their thoughts, knowledge, information with their partners without hiding and help each other if necessary. They communicate openly.

A real team must have the following characteristics: 1) a leader who has authority among the team members; 2) human resources that clearly know their role; 3) proper selection and placement of staff; 4) social roles needed in the community; 5) The leader's systematic support of the team.

The effectiveness of a team depends on the proper selection of its members. The team members to be formed should play the following roles:

1. Chairman (leader) - manages the work of the group, directs its activities, understands the needs of others, has a clear purpose.
2. An organizer is an entrepreneur who takes on his responsibilities in the absence of a leader, wants and strives to achieve a goal.
3. The mental center is a source of original ideas, the smartest member of the team, short-sighted, unbearable to criticism.
4. Judge - analyzes the idea and can see its weaknesses, smart.
5. External information carrier - brings new connections, ideas, very enterprising risk taker.
6. Worker - makes schedules, plans, practical organizer of team activities, methodologist.
7. Team Coordinator - Unites the team, supports others, gets into all the work, likes it.
8. Determinator - checks everything, "crushes" everyone with the check, without which the team can not complete the work on time.

In team building, team members need to be able to listen to others, be willing to help them, be like-minded, think clearly and deeply, be open, and so on. requires the presence of such qualities as. Arguing over something trivial, judging other people’s ideas as wrong or bad, always striving to be first, the need to win, the presence of traits such as boredom, frustration can all be recognized as situations that hold back team work.

It is not always possible to form a gypsum team from existing employees. To do this, the following conditions must be met:

1. Employees should be specialists and perform their work at the "expert" level;
2. The experience and abilities of the people working in the team should be higher than the experience and abilities of any person working separately;
3. Be able to influence the decision-making process on the task at hand. This leads to an increase in their interest in the overall work.

Fulfillment of the tasks listed above will create a favorable psychological environment, which is important for the existence of the "team".

We have considered one of the methods of rational human resource management above. To date, a number of other important aspects of human resource management have not yet been fully explored.

In the concept of human resource management there is a specific person, which is an important element of the economic mechanism of the enterprise, based on the socio-economic system of the enterprise, the organization.