

## Ways to Improve Human Potential In the Regions

*Tojiyeva Muhayyo Valiyevna*  
*Independent Researcher of Bukhara,*  
*Engineering Technology Institute*

*Zarmed University teacher*  
[mtojyevam@gmail.com](mailto:mtojyevam@gmail.com)  
[+998999499454](tel:+998999499454)

### **Abstract**

This article presents a discussion on human potential, emphasizing its systemic nature and the importance of capitalizing on the human factor. The theoretical underpinnings of innovative development of personnel potential are also explored. Human potential is examined as a comprehensive indicator of economic efficiency improvement in industrial enterprises. Moreover, the article offers proposals and recommendations for the development of human potential in industrial enterprises, drawing on insights from foreign experiences.

**Key words:** "Human factor", "Human capital", intellectual, spiritual and cultural components, personnel capacity, personnel management, South Korean experience, personnel management.

**Introduction.** In the modern world, the development and further development of high technologies, the introduction of innovative products and technologies in all areas, economic life requires new human resources. In the context of intensive scientific and technical transformations, the training of personnel with a creative approach to their work and creative thinking, capable of making decisions quickly, has become a requirement of the Times. The concept of human capital began to be widely used in the field of science since the second half of the twentieth century. Human capital is the resource that has become the most valuable in the modern world, where science and technology have advanced. Human potential is the knowledge, skills and health that people accumulate throughout their lives, which allows them to realize their potential as useful members of society. Human Resource Management is Personnel Management. In this context, employees are sometimes referred to as human capital. The role of Personnel Management is to manage employees in the workplace in order to achieve the goal set by the organization and strengthen the culture. The role of Personnel Management has specific goals.

- social goals - moral and social needs of the enterprise and its employees
- organizational goals - actions to help ensure the effectiveness of the organization
- functional goals - the guidelines used to ensure that employees work properly within the entire organization are
- personal goals - support the personal goals of each employee[7]

A. Smith believes that "the core capital of the Enterprise includes not only equipment, but also the useful abilities of members of society. But their purchase requires certain costs, and this, in turn, is reflected in the form of fixed capital. The costs spent on the development of personality abilities return with benefit".

U. Petty and A. It can be concluded that Smith "developed the beneficial abilities of a person as the main capital and showed the possibility of earning from it", which serves as the basis for the formation and further development of the theory of human capital.

Modern theory of human capital T. Included by Schulz. The theory of human capital admits human capital as a factor in production at the initial stage of its development.

In his scientific research on "human capital", T. Shuls argues that in order to improve the well-being of the population in "poor" countries, attention should be paid to the quality of the land, not the availability of equipment, but to a system of useful knowledge.

Russian economist V. B. Bazhenova's integral description of human capital as a general approach is of interest to many. He explained to human capital "qualification descriptions in itself, which are required in the labor market, manifested in the labor process; education level, intellectual potential, knowledge, qualifications, production experience, as well as personal descriptions: physiological and social psychological characteristics (health, mental ability, talent, initiative), which are formed by the introduction of formal and informal forms of education, private as well as social investments in health, as well as the accumulation of an individual's abilities is ensured and has the opportunity to bring. This approach is most perfect (complex) for the following reasons: firstly, human capital covers the main components of a person; secondly, the methodology of the idea of a holistic approach to the analysis of the phenomenon under study is carried out in the largest volume; thirdly, in the research work, the general conditions and factors of the formation of human capital are analyzed. In our eyes, such an approach to understanding the category of human capital reflects the interdependence of economic and social components.

Academician Q. X. Abdurahmanov believes that "the importance of human capital is higher than that of Natural Resources, material wealth and tools, human capital is a reserve of knowledge, skills, skills formed as a result of investments, which reflects the physical, mental and psychological qualities and abilities of an individual"[5]. The economist scholar A. V. Vahabov, on the other hand, if the term "capital" "denotes a value that brings value added to its owner, then" human capital", in our opinion, is the human abilities that generate income. Human capabilities form the backbone of human capital" [6]. But, at the same time, the work of the above authors was carried out in different periods, in general, without a deep approach, choosing human capital and human resources as a separate problem. At the moment, the work on the analysis of human resource activities and improving their effectiveness is also taking scientific research with a serious approach to the issue.

**Research methodology.** As a result of the scientific research carried out, new directions for ensuring the development of human potential in the regions in the conditions of increasing human potential in the economy, the transition to a digital economy, and ways to increase their effectiveness are presented. The research process used a systematic approach, abstract logical reasoning, comparison, factor analysis, and comparative analysis.

**Results.** According to many economist scholars, the term "human potential" has entered the sciences of economics through the work "Investment in Human Capital" by American economist Theodore Schulz [3].

He proved that human capital has the necessary properties of the nature of production and is able to accumulate and multiply it. T. Schulz estimates that out of the total product produced in society, 3/4 of its total value, rather than 1/4, is used to raise human capital from 20th-century reproducibility theories.[2]

To what extent human resources are currently evaluated at different stages of Economic Development:

<b>Category</b>	<b>period</b>	<b>Concept of the economic subject</b>	<b>Reasons for implementation</b>
<b>Labor force</b>	XIX century - the present period	A person is a possessor of abilities and qualities that can be effectively used in the work process	The need to consider the individual factor in production
<b>Labor resources</b>	The XXs of the XXth century - the current period	A person is an inactive object of external management, as a plan-calculation unit	The process of reproduction of labor force in the conditions of centralized management of the economy
<b>Labor potential</b>	The 70-80s of the 20th century - the current period	Man as a subject with his own needs and interests in the field of work	The need to activate the capabilities of the individual factor and use them effectively
<b>The human factor</b>	The end of the 80s - the beginning of the 90s of the XXth century - the present period	Man is the main driving force of social production, a means of increasing its efficiency	Social and political conditions, the need to increase the effectiveness of the personal factor
<b>Human capital</b>	The beginning of the 90s of the XXth century - the current period	A person is the object of the most effective investment of capital, which serves the purpose of increasing knowledge and skills, and aiming to achieve the highest efficiency in the future.	Recognition of human potential and the economic nature of human investments

**Source: Abdurakhmonova N.Q. Investment in human capital development of New Uzbekistan .Review.uz electron magazine.**

Views on human capital are radically expanding, which is seen as a valuable share as well as an influx of income. Because human capital is closely related to economic development. This was scientifically substantiated by the world famous Indian scientist, Nobel laureate in economics (1998) Amartia Sen. In his opinion, the development process is not just an increase in material or economic well-being, but an extension of the capabilities of the individual, which implies a high degree of freedom of choice to each member of society. The Labor potential of an employee is, on the one hand, a set of physical and moral capabilities aimed at achieving certain results on certain conditions in production activities, on the other hand, improvement in the labor process, new tasks arising from changes in production, opportunities for solving issues. Let's consider South Korea, which has its own experience in Personnel Management. So why exactly South Korea? The answer to this is simple. First, the economy of South Korea is an extremely developed and world-recognized country with high achievements, and according to statistics, the economy of South Korea belongs to the powerful twenty countries around the world. Being a developed country with a strong economy, many opportunities have been created to manage human resources. Secondly, the education system meets international quality and standards. Education is provided by highly qualified and experienced teachers at South Korean universities and colleges.

It is no secret that the economic changes that have occurred in the Republic of Korea have risen from the backward and impoverished war-ravaged economy of the 1950s to the ranks of the Korean organization since the end of the Korean War.

The organization for Economic Co-operation and Development (OECD) has since the mid-1980s added

Korean firms as an important focus for foreign direct investment. Beginning in 1962, the Korean government began its economic development. According to the plans, Korean firms have made several modifications to their personnel management systems.[7]

There are several types of human resource management professions in South Korea:

- director of Human Resource Management (head of personnel department): head of Personnel Department. They control the relationships that the company makes to employees. They exercise control over all the terms stated in the contract.
- Recruitment officer: the clerk is responsible for recruitment, dismissal and assignment of duties. This position is very important, and any business needs such a profession.
- Analyst: regularly work in research institutes or research laboratories. They should always find the best solutions for business to solve human resources and employment problems.
- Training of specialists: it is to train employees to specialise, as well as to help contribute to the understanding of the work.

Let's look at the experience of Personnel Management using the example of popular companies in South Korea: Large Korean companies, such as Samsung and Hyundai, carry out qualification activities by sending them to foreign branches in order to encourage employees.

Samsung tries to develop global managers at three different levels of the organizational hierarchy, namely the upper, middle and lower levels. For example, the global expert program is designed for top managers, which reflects ways to develop the ability to assess common business opportunities and threats in a particular country or region to solve problems related to globalization, including competitive strategy and personnel management practices.

In the context of the transition of our country to market relations, the importance of individual qualitative descriptions of Labor potential changes with the passage of time, for example, the importance of the level of education among the descriptions of Labor potential.

The educational system determines technological development, since the costs incurred in education grow the reserve of human capital, ensure the development of a person and, as a result, provide an opportunity to achieve a certain level of advantages in the field of new intensive technologies by increasing the ability of the economy to develop new ideas.

**Discussion.** President of our country Shavkat Mirziyoyev said in a speech at the 78th Session of the UN General Assembly that “the policy of establishing a new Uzbekistan is firmly underway. Our country is carrying out fundamental reforms aimed at strengthening the principles of democracy and justice on the basis of the noble idea of “for the sake of human dignity and interests.”

The modernization of the national economy in the Republic of Uzbekistan depends, first of all, on the productive use of human resources. The study of the human factor reveals its content and essence in the way of resources, both qualitatively and quantitatively.

Raising the economy of our country, as well as solving a number of socio-economic tasks ahead of us, requires the effective use of human resources.

The most important function of human potential is the beginning of long - term needs that determine the stimulation and direction of economic development. The areas of realization of human potential simultaneously function as areas of production of Labor potential.

If we analyze the composition of Labor resources of the Republic of Uzbekistan according to the Bukhara region, then the results can be seen as follows.

#### **Structure of labor resources thill (thousand people)**

Indicators	2020 year	2021 year	2022 year	In 2021 compared to 2020, +, -	In 2022 compared to 2020, +, -
Labor resources	1067,1	1072,3	1073,4	5,2	6,3
relative to the permanent population, in percent	54,4	54,2	53,4	-0,2	-1
including:					
able-bodied population of working age	1064,4	1068,6	1070,2	4,2	5,8
relative to the permanent population, in percent	55,3	54,1	53,1	-1,2	-2,2
in relation to labor resources, in percent	99,7	99,7	99,7	-	-

Source: stat.uz

Table 1 data shows that the composition of labor resources by region and the working population of working age in 2021 has changed in a positive way compared to previous years.

**Average monthly nominal calculated by Bukhara region salary analysis**

(except agriculture and small businesses)  
(thousand sums)

Cities and districts	2020 year	2021 year	In relation to the average monthly salary in the region, percentage	
			2020 year	2021 year
<b>Bukhara region</b>	<b>2 439,0</b>	<b>2 849,5</b>	<b>x</b>	<b>x</b>
Bukhara	2 578,6	3 136,0	105,7	110,1
Kogon	3 209,6	4 289,6	131,6	150,5
Bukhara	2 105,5	2 516,5	86,3	88,3
Wobkent	1 736,6	1 895,7	71,2	66,5
Jondor	1 947,1	2 291,1	79,8	80,4
Kogon	2 506,4	2 520,2	102,8	88,4
Olot	1 941,7	2 339,1	79,6	82,1
Peshko	1 836,7	1 899,2	75,3	66,7
Romitan	2 372,3	2 547,6	97,3	89,4
Shofirkon	1 984,3	2 127,8	81,4	74,7
Karakol	2 232,4	2 122,0	91,5	74,5
Qorovulbozor	3 675,6	4 260,8	150,7	149,5
Gijduvan	1 959,8	2 267,6	80,4	79,6

Source: stat.uz

Table 2 data shows that the average monthly wage rate is seen by the regions of the region, the highest is 4289.6 thousand soums in Kagan compared to the average monthly wage in the region (150.5 percent), 4260.7 thousand soums in Karovulbazar district (149.5 percent), 3 136.0 thousand soums in Bukhara (110.1 percent), 1895.7 thousand soums in Vobkent district (66.5 percent), Peshko' district 1,899.2,000 (66.6 percent), while 2,122. 0,000 (74.5 percent) in Karakol district are getting a small amount compared to other regions. The lowest average monthly wage rates were observed in Vobkent (1895.7 thousand soums) and Peshko' (1899.2 thousand soums) districts. The average monthly nominal wage rates in these districts were correspondingly low compared to the average monthly wage in the province. Innovation in today's globalization process is one of the most important strategic resources of any country. The successful solution of socio-economic problems, the introduction of new industrial and financial technologies, the development

of innovative-investment infrastructure, the development of intellectual potential, the production of export products, import substitution, the accumulation of foreign exchange reserves are associated to some extent with innovative activities.

Indeed, without the development of human capital, it is impossible to achieve innovative progress. According to well-known economists, negligence in investing in human capital can dramatically reduce the competitiveness of a country. For the country to progress economically, it is required to educate talented people.

Over the years, material and Natural Resources, Industrial and agrarian sectors of the economy, Gold, foreign exchange reserves, etc. become a constantly decreasing part of national wealth. According to some experts, they cannot match even 10% of the national wealth of developed countries by 2030. In other words, the intellectual-spiritual factor is the decisive condition for national wealth, which determines the most important indicator of the power of the state and the level of development of society.

**Conclusions and suggestions.** The need to develop human potential is due to the fact that through its development it can be transformed into strong human capital, which, in turn, serves as the driving force of the prosperity of the country. Therefore, it is necessary to carry out effective and large-scale work on this subject, with great attention to issues and problems related to the development of human potential.

Today, talented young people, young families, specialists from various fields are supported by our state in every possible way, through which not only the individual, but also the whole country makes a worthy contribution to raising human potential.

Capacity is a set of all the possibilities, tools that exist in any area, network. Human potential is the ability of a person to increase his inner capabilities, first of all, the ability to develop. The potential of an individual is the ability to live a rich inner life and effectively interact with the environment, to be productive, to influence effectively, to grow and develop successfully.

We can introduce the experience of South Korea, which has entered the rating of twenty of the developed countries with a high economy in increasing the Labor potential of employees. Being a developed country with a strong economy, many opportunities have been created to manage human resources. Secondly, the education system meets international quality and standards.

Based on the above points, we recommend the following proposals to raise the Republic of Uzbekistan among developed countries and develop human potential:

1. Having studied the essence of the concept of human potential at the enterprise, it is necessary to take into account the currently unrealized capabilities of the employees of the enterprise and draw up a plan to use them in the future;
2. In order for the issue of personnel supply of the enterprise to be successful, it is necessary to have a professionally ready, conscientious, high morality and morale to perform all the operations of the enterprise, talented employees who meet modern requirements.
3. In order to develop human potential at the enterprise, it will be necessary to regularly improve the professional skills of personnel, ensure their professional (qualification and position) Development, and establish the effective use of human resources experience and abilities;
4. by sending employees to foreign enterprises, it will be necessary to stimulate and improve their skills; to establish a regular incentive (motivation)for the work of employees of the enterprise according to their quality and results;
5. The management of the enterprise will have to pay close attention to issues related to the socio-economic and legal protection of personnel
6. Like Samsung, hiring foreign employees by training them in exchange for providing grants.

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