

Criteria and Indicators for Improving the Efficiency of Human Resources Utilization in Service Enterprises

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Annatation: The article discusses the socioeconomic importance of improving labor force efficiency in the services sector, identifying criteria and indicators, and reviewing the main methods for raising labor potential.

KEYWORD: quality of service of enterprises, labor resources, labor potential, criteria, indicators, labor process, labor productivity, labor resources.

Introduction

With the advent of the service economy in industrialized countries in the 1970s, economists began to devote more attention to the study of services and patterns in their development. Approaches of evaluate the success of service activities in the economy have not only evolved, but have also boosted the efficiency of the use of human resources in the service sector.

The service sector's nature and content encompass a variety of aspects and directions of human activity related to the creation of conditions for the development of human capital and the transition to a relatively high level of division of labor, which is associated with ensuring modern quality of life.

Increasing the efficiency of labor resources in the industry is particularly important and socioeconomically significant in this process.

Therefore, the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 includes "accelerated development of the service sector, increasing the role and share of services in GDP, radically changing the structure of services, primarily due to their modern high-tech types" [5] is defined as an urgent task.

Literature review

1. Abdurakhmonov K.X. Labor economics: theory and practice. Textbook. – T.: «FAN», 2019. – p.592.

The demand and supply of labor resources in the labor market, labor resources and their formation,

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the human factor in labor activity, labor potential, human capital, and development are all covered scientifically in addition to the scientific theoretical and practical aspects of labor economics as a science.

2. Pardaev M.K., Abdukarimov B.A. Labor economics and sociology. Textbook. Samarkand. 2002, -p. 21-24.

This article defines the idea of labor market infrastructure, its functional aspects, classification, and interrelationships, and investigates the levels and functions of labor market infrastructure scientifically. The need to apply optimal methodologies to measure the performance of employment service activities is also partially justified in the text.

3. Pardaev M.K. and others. Development of services, services and tourism: problems and their solutions. Textbook. - T.: "Economics and Finance", 2008.-p.133.

The difficulties of service development, services and tourism, the creation and efficiency of labor resources in the service sector, and factors and directions to boost labor productivity in the industry are all covered in this book. In addition, the social, economic, and institutional foundation for the development of the service and tourism industries has been researched thoroughly.

Research Methodology

To improve the efficiency of labor resources in service enterprises, the study used a dialectical and systematic approach to the study of economic systems and relations, comprehensive assessment, comparative and comparative analysis, statistical and dynamic approaches and grouping methods, as well as the classification of criteria and indicators for the effective use of labor resources in the service sector.

Analysis and results

Different perspectives on the socioeconomic nature of service sector activity may currently be found in a variety of economic literature. "Service activity," for example, is defined by G.A. Avanesova as "the interaction of people in the execution of individual, group, and social services." [1]. Some interaction participants desire a monetary gain to meet their numerous demands, while others seek to meet people's needs based on the provision of certain services. The major purpose of such interactions is to fully satisfy people's developing wants, not to create material products. Despite the fact that service activities are centered in items (material goods), they are the direct result of useful labor being consumed during the work process.

Service activity, according to Y.A. Romanovich, is an activity focused at addressing people's needs through the provision of services [2]. It should be highlighted, however, that in the course of providing services, not only individual needs are met, but also the demands of organizations and society.

"Service activity is a sort of activity focused at addressing people's needs through the provision of personalised services," according to M.K. Pardaev and B.A. Abdukarimov. A wide range of groups engage in this type of activity. Individual entrepreneurs and service businesses with varied ownership structures are included. Their labor results in service [4].

If one analyzes the above rates, V.K. Romanovich has given a slightly more comprehensive rate for service activities. According to him, service activity is a type of activity aimed at meeting customers' needs, that is, individuals, social groups and organizations on a service basis. In doing so, the author considers three basic forms of human activity, including various forms of service [3]. These are:

- material processing is carried out by this person by changing nature, society. In this process, service activities include meeting the material needs of people (forecasting, maintenance, trade, medicine, consumer services, catering, etc.);
- intellectual cognitive activity - an activity aimed at satisfying the spiritual needs of a person, rather than material needs, and requires a source of information (educational services, information services);
- activities aimed at enhancing the dignity - this is done through the promotion of human dignity through advertising, expertise, psychodiagnostics, image services, art and decoration activities, services of a religious nature;
- communicative activity - it is carried out through the organization of interaction between individuals, social groups, organizations. Service activities in this area include meetings, exhibitions, dialogues, online dialogues, translation services and more.

The classification proposed by V.K Romanovich does not support the inclusion of service activities in any type of activity. These services are interconnected and interdependent in real economic life.

In connection with the above, in our view, service activities are aimed at meeting the material, social and material, educational needs of the population, social groups, enterprises and organizations on the basis of services in various forms and directions. It is an activity that is carried out with the direct or indirect participation of consumers in achieving the end result.

When studying the efficiency of social production in the sectors of the economy, it is important to properly understand and calculate its criteria and indicators.

Today, in order to comprehensively study and understand the social and economic effectiveness of services, it is necessary to develop their own criteria and indicators. However, this does not mean that the criteria and indicators of socio-economic effectiveness are not interrelated. On the contrary, they are inextricably linked and complementary.

If economic efficiency in services is not calculated and measured in terms of quality, it is impossible to work to improve it on a regular basis.

In our view, the main criterion of service activity efficiency is to achieve high efficiency based on the full and quality services to the population through the effective use of material, financial and labor resources at service enterprises.

Performance criteria and indicators in service enterprises, for example in certain sectors of the economy, are divided into criteria of economic and social efficiency. When studying economic efficiency in the field of services, it is important to properly understand and calculate its essence, criteria and indicators. If economic efficiency is not well calculated and measured, it will be impossible to carry out the planned activities to improve it on a regular basis.

The growth of economic efficiency is an objective law of development of any form of production, because the development of society requires an increase in the volume and quality of products and an increase in capital to implement expanded reproduction to reduce production costs. The essence of economic efficiency is the result obtained per unit of resource expended. It is well known that results and costs summarize key aspects of the recycling process the trading enterprise is interested in achieving high efficiency while incurring low transaction costs. This network is a general economic principle of the process of mass production and circulation, which manifests itself as a law that increases the efficiency of activity, which consists of the relationship between the use of resources and its consequences.

In the context of the development of market relations, the effective use of labor resources in service enterprises is also important to implement its social aspects in the process of production and services.

Socio-economic efficiency of labor in service enterprises is a reflection of the balance of social and economic efficiency through labor relations in achieving a high level of satisfaction of consumer needs through low labor costs and high quality of services as a result of multifaceted activities related to the sale of goods and services.

The complexity of the criteria for a comprehensive program for the development of the service sector requires the need for indicators that describe its goals and resources. In our opinion, the service sector in Uzbekistan is developing as well as modern sectors of the economy. Accordingly, all social, economic and other aspects of the economic efficiency of economic entities operating in this area are reflected in the following criteria:

- fully meet the needs of consumers for services tailored to different segments;
- ensuring the popularity of services offered by businesses;
- increase the efficiency of business entities;
- reducing the relative level of spending;
- to achieve high productivity in the field.

These criteria are determined using indicators that reflect the efficiency of service enterprises. In the economic literature, there are different classifications of efficiency indicators: by scale of assessment, by level of resource use, by the importance of indicators, by their role in decision-making, by the degree of generalization, and so on.

Economic efficiency indicators are divided into two groups: specific and generalized indicators.

Private indicators that characterize the economic efficiency of service enterprises include indicators of labor resources, indicators of efficient use of material and financial resources.

In the system of economic efficiency indicators of service enterprises, labor efficiency indicators have a special place. In our opinion, the level and dynamics of labor productivity in service enterprises (natural and value indicators); average wage; the ratio of the growth rate of the volume of services per employee and the rate of remuneration of labor; using a system of performance indicators obtained for one sum of wages, it is possible to have a broad description of the efficiency of the use of labor resources.

The level of labor productivity can be calculated in kind and in value form. Calculated in natural form, the ratio of the volume of goods to the average number of employees is obtained.

$$MV = \frac{T_M}{X_c}$$

Here: T_M – product volume

X_c – (direct) number of employees

The overall increase in labor productivity in service enterprises (ΔMU total) is divided by an increase in the volume of services provided and a decrease in the number of employees, and it is determined by the following formula

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Here: ΔB – Percentage of growth in production at the enterprise in the current period.

ΔY_{Π} – percentage of decrease in the number of employees in enterprises. If the number of employees does not decrease, but increases, the percentage of the number of employees is represented by the inverse sign.

The growth of the volume of production of goods or the volume (number) of services rendered in service enterprises is determined by an indicator of how much of the increase in labor productivity, how much is done by attracting additional resources (labor resources). This indicator is called the intensive factor contribution formula.

$$I_{ок} = \left(1 - \frac{Y_{uc}}{Y_{mm}}\right) \times 100\%$$

Here: $I_{ок}$ = intensive factor contribution;

Y_{uc} = additional increase in the number of workers;

Y_{tm} = additional growth of commodity volume;

For in-depth and comprehensive analysis of the effectiveness of the activities of service enterprises, in addition to specific indicators of efficiency, generalized indicators are also used. Generalized indicators in the literature include: profitability, relative level of costs, fund efficiency, fund efficiency of all resources spent, and other indicators.

In our opinion, social efficiency in service enterprises is a set of measures related to ensuring the social development of employees in the process of production or service.

In general, the achievement of the social goal of a society, which aims at the comprehensive and harmonious development of man, is a criterion of social effectiveness. There are different views on this concept. At the current stage of development of society, the criterion of social effectiveness is a tool that promotes the development of a harmoniously developed person. Social effectiveness has not one, but several criteria. Its first criterion is the level of satisfaction of the needs of the people and the improvement of the social structure of society, while the second criterion is the reduction of consumption processes that indirectly affect the growth of production efficiency.

The second criterion of social efficiency in the sectors and industries of the economy is the reduction of consumption costs, which indirectly affects the growth of social production efficiency.

In the service system, social efficiency cannot be measured by a single criterion, because the criteria and indicators of social efficiency of the sector are not the same. If a criterion of social efficiency expresses its content and function, its indicators serve as a tool for measuring and evaluating efficiency.

In our opinion, static indicators of social efficiency can be studied in the following group:

1. Statistical indicators characterizing the satisfaction of consumer demand;
2. Indicators characterizing the reduction of service time;

3. Statistical indicators characterizing the improvement of working conditions and the nature of work.

The indicators that characterize the satisfaction of customer demand, in our opinion, include the following:

- the volume of services per capita of the population served;
- the amount of gross services per capita of the population served;
- growth rate of services provided;
- indicators characterizing the reduction of service time;
- coefficient of reduction of time of consumers' stay in service enterprises;
- the time it takes to serve the customer;
- the time spent for a customer to return to the service facility. This figure indicates a decline in social effectiveness;
- the time spent on average one person who needs to be serviced once;
- Indicators describing working conditions and the nature of work:
- automation of labor processes (the degree of application of new techniques and technologies);
- to meet the level of modern requirements for the buildings and structures of service enterprises;
- the degree of use of advanced labor organization methods in service;
- the degree of sophistication of the technology, equipment and mechanisms used in the enterprise;
- qualifications, education, high level of specialization of employees engaged in the service sector;
- the level of organization of training, retraining and advanced training required for the industry;

If one of the above indicators is used alone, it does not reflect overall performance. Because each indicator characterizes only a small area of social effectiveness. When these indicators are used together, it is possible to fully assess the social effectiveness of service enterprises.

Conclusion/Recommendations

Today, competition between traditional and modern service organizations is growing. This is due to an increase in the number of individuals engaged in the provision of paid services. At the same time, the intensification of competition between service entities requires increasing the efficiency of the use of labor resources in this area and the organization of employee labor on a scientific basis.

In the process of economic modernization, the main emphasis should be placed on the effective use of the labor potential of society, labor resources at the meso- and microlevel.

In our opinion, the following measures are necessary for the effective use of labor resources at service enterprises:

- ensuring the balance of jobs in terms of quantity and quality with available labor resources;
- creation of effective ways to increase the volume of production or services based on the participation of labor resources in labor activity;
- improving the conditions and forms of employment;
- improving the quality of labor resources;

- improving the professional level of labor resources.

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