Information Horizons: AMERICAN Journal of Library and Information Science Innovation

Volume 02, Issue 01, 2024 ISSN (E): 2993-2777

The Importance of Human Capitalization for Banking System

Kuchkarov Gaybulla

Proffesor of Karshi State University

Abstract: Human capital is an intangible asset not listed on a company's balance sheet. Human capital is said to include qualities like an employee's experience and skills. Since all labor is not considered equal, employers can improve human capital by investing in the training, education, and benefits of their employees.

Keywords: Capitalization, Control, Motivation, Supervision, Corporation

Introduction. One of the most important factors contributing to the economic growth of a nation is human capital. Various factors, including product and process growth, healthy enterprise niches, financial capital exposure, and economies of scale, have traditionally been the basis of companies' strategic tactics. But financial assets in an entrepreneurial environment such as today no longer offer lasting competitive advantages marked by market fragmentation, increased demand and the rapid speed of technological change. An organization's contribution to human resources will significantly benefit the business and the people employed inside the group. This tends to make workforce development more efficient and keeps the company healthy. In today's business world, human capital is the competitive tool that has been considering by each and every organization. The efficiency in production has been controlled by adopting skilled workforces in the companies. Thus, the banking industries are taking advantage of human capital involvement and investing in them.

Every organization's human capital offers an overview of personal history incorporated into the collective capacity of the company to reveal the optimal approach from its distinct workers. Competence and skills are essential to an organization's future success and security. It is widely recognized that a person's schooling and preparation throughout their working life improves their willingness and capacity to work, solve challenges, and conduct creativity. Shifts in technology, systems, and goods are rapidly facing the global economy. In general, most firms strengthen their workforce training because they feel it will lead to greater productivity and performance. For the research, the hypothetical model links resource-based view theory (RBV) in human capital that broadens the human capital concepts to encompass direct and indirect influences on bank performance. The philosophy of human capital proposes that individuals with more or more human capital perform as they perform tasks. "Human capital" (HC) is a stock of people's skills and capabilities. In particular, human capital comprises the specific insights, talents, cognitive characteristics and capabilities of entrepreneurs. It also includes the accumulated attributes and habits that can influence productivity positively or negatively.

HC is a dynamic resource, crucial for understanding the differences in recognizing and utilizing opportunities. Explored the correlation between Singapore Stock Exchange firms' intellectual resources and financial performance. In this context, as measures of financial success, they used equity, earnings per share, annual return, and value-added intellectual coefficients (VAIC) to calculate intellectual capital. The results of their study indicate that intellectual capital has a positive correlation with the business's future succes. They also concluded that the growth rate of intellectual capital has a positive relation to business success. Since HC is an element of intellectual capital, we believe that human capital influences corporate efficiency. Thus, it can also be said that investment in human capital can influence banking efficiency. Also, Ozkan et al. examined the connection between VAIC and the market value-to-book relationship in the Turkish banking sector. The fallouts of their investigation show that the dependent variable (price-to-book ratio) has significant correlations with the independent variable (VAIC) with its three components (one was HC).

There is a strong relationship between human capital and economic growth, which is why it can help boost the economy. That's because people come with a diverse set of skills and knowledge. This relationship can be measured by how much investment goes into people's education. Some governments recognize that this relationship between human capital and the economy exists, and so they provide higher education at little or no cost. People who participate in the workforce with higher education will often have larger salaries, which means they can spend more.

The idea of human capital can be traced back to the 18th century. Adam Smith referred to the concept in his book An Inquiry into the Nature and Causes of the Wealth of Nations, in which he explored the wealth, knowledge, training, talents, and experiences of a nation. Adams suggested that improving human capital through training and education leads to a more profitable enterprise, which adds to the collective wealth of society. According to Smith, that makes it a win for everyone. In more recent times, the term was used to describe the labor required to produce manufactured goods. But the most modern theory was used by several different economists including Gary Becker and Theodore Schultz, who invented the term in the 1960s to reflect the value of human capacities. Schultz believed human capital was like any other form of capital to improve the quality and level of production. This would require an investment in the education, training, and enhanced benefits of an organization's employees. Human capital refers to the economic value of a worker's abilities and skills. Companies can enhance their human capital through recruitment or training, as well as by implementing management techniques that optimize the productivity of their existing workers. Maintaining and improving the value of human capital is usually the role of a company's HR department.

Human capital consists of the knowledge, skills, and health that people invest in and accumulate throughout their lives, enabling them to realize their potential as productive members of society. Investing in people through nutrition, health care, quality education, jobs and skills helps develop human capital, and this is key to ending extreme poverty and creating more inclusive societies.

As noted in the World Development Report (WDR) 2019: The Changing Nature of Work, the frontier for skills is moving rapidly, bringing both opportunities and risks. There is mounting evidence that unless they strengthen their human capital, countries cannot achieve sustained, inclusive economic growth, will not have a workforce prepared for the more highly skilled jobs of the future, and will not compete effectively in the global economy. The cost of inaction on human capital development is going up. Finance Ministers who have been meeting to discuss human capital at recent Spring and Annual Meetings of the World Bank Group have emphasized the importance of human capital to the jobs and economic transformation agenda in countries at all stages of development.

The first edition of the Human Capital Index (HCI), published by the World Bank Group in October 2018 and updated in 2020, shows that nearly 60% of children born today will be, at best, only half as productive as they could be with complete education and full health (as defined by the index, see question. This reflects a serious human capital crisis, with strong implications for economic growth and the world's collective ability to end extreme poverty by 2030.

Gaps in human capital are at risk of widening amid rapid global changes in technology, demography, fragility, and climate. Conflict events and pandemics can have a devastating effect on human capital through loss of life, livelihood, nutrition, and the interruption of essential health and education services. Such impacts will likely reverberate throughout many individuals' lifespan limiting their productivity. Yet investment in people is often neglected. This is despite many examples of rapid national transformation of human capital—including Singapore, the Republic of Korea, and Ireland—and specific successes in some of the world's poorest countries.

Experts have reviewed a lot of articles on HRM and identified a few major features of HRM.

1. HRM is an art and a science.
2. HRM is pervasive.
3. HRM is a process.
4. HRM is a continuous process.
5. HRM is a service function.
6. HRM must be regulation-friendly.
7. HRM is Interdisciplinary and fast-changing.
8. HRM is Focused on results.
9. HRM is People-centered.
10. Human Relations Philosophy.
11. HRM is an Integrated Concept.
12. HRM Develops Team Spirit.

HRM is not a profit center. It serves all other functional departments. But the basic responsibility always lies with the line managers. HRM is a staff function – a facilitator. The HR Manager has line authority only within his own department but has staff authority as far as other departments are concerned. HRM is performance-oriented. It has its focus on results rather than on rules. It encourages people to give their 100%. It tries to secure the best from people by winning wholehearted cooperation.

HRM is a philosophy, and the basic assumption is that employees are human beings and not a factor of production like land, labor, or capital. HRM recognizes individuality and individual differences. HRM in its scope includes the personnel aspect, welfare aspect, and industrial relations aspect in itself. It is also integrated as it concerns not only acquisition but also development, utilization, and maintenance. HRM tries to develop the team spirit of the full organization. Team spirit helps the staff to work together in achieving the objectives of the organization. Nowadays, more importance is given to teamwork and not to individuals.

Human resources specialists are usually charged with determining employee satisfaction — often an ambiguous measurement at best. With carefully designed employee surveys, focus groups, and an exit interview strategy, human resources determines what underlies employee dissatisfaction and addresses those issues to motivate employees. Human resources develop performance management systems. Without a human resources staff person to construct a plan that measures performance, employees can wind in jobs that aren't suitable for their skills and expertise.

Additionally, employees whose performance falls below the employer's expectations can continue on the payroll, thereby creating Masted money on low-performing employees.

Through succession planning, the company identifies employees with the promise and requisite capabilities to eventually transition into leadership roles. This is an important function as it can guarantee the organization's stability and future success.

Employers of choice are the companies that receive recognition for the way they treat employees; they are the companies for whom people want to work. Becoming an employer of choice means human resources balance recruiting the most qualified applicants, selecting the most suitable candidates, and retaining the most talented employees. Without a proper setup for HRM, any organization is bound to suffer from serious problems while managing its regular activities. For this reason, today, companies must put a lot of effort and energy into setting up a strong and effective HRM.

Human Resources Planning is the process of assessing the organization's human resources needs in the light of organizational goals and making plans to ensure that a competent, stable workforce is employed. The planning process includes analyzing skill levels among employees and in the external labor market of current and expected job openings, plans for expanding or reducing staff throughout the organization, and the external legal environment. The planning process is closely related to the staffing process and depends on the organization's overall strategic plans.

It specifies the task to be performed by individuals and groups within the organization and establishes the rules, schedules, and working conditions under which people perform those tasks. Through careful design or circumstance or both evens converge to create jobs to which people are assigned and conditions surrounding those jobs. Some of the systems used to help manage job design include time and motion study and work simplification, aiming to do jobs easy to learn and workers more efficiently. Other job design systems, such as job enrichment, involve restructuring jobs to make them more interesting and challenging. Periodic discussions within a work tern about the allocation of tasks can be considered a job design system.

Staffing is the process that results in the continuous assignment of workers to all positions in the organization. This broad process includes the following activities. Attracting qualified people to the organization, selecting from among candidates; bringing new people from aboard, assigning and maintaining them to their jobs; reassigning employees through transfer, promotion, or demotion and ultimately managing employees' operation through resignation and discharge or retirement.

References:

1. Эрназарова, Г. Х. (2020). ЗАМОНАВИЙ ЎЗБЕК ШЕЪРИЯТИНИНГ МЕДИАТИВ ТАРИХИЙ АСОСЛАРИ. *МЕЖДУНАРОДНЫЙ ЖУРНАЛ ИСКУССТВО СЛОВА*, *3*(6).
2. ЭРНАЗАРОВА, Г. Ҳ. (2020). MEDITATIVE PECULIARITIES IN THE POETRY OF YULDASH ESHBEK. *Иностранные языки в Узбекистане*, (4), 246-254.
3. Feruza, R. Psychodiagnostics Of The Study Of Teenager's Tendence To Deviation (Functional Approach).
4. Feruza, R. (2023). SOCIAL-PSYCHOLOGICAL FACTORS OF PREVENTING ADOLESCENT BEHAVIOR. *Open Access Repository*, *4*(2), 4-10.
5. Gulbakhor, E. (2023). Possibilities of increasing the standard of living of the population of the regions in socio-economic development. *Best Journal of Innovation in Science, Research and Development*, *2*(9), 412-416.
6. Gulbakhor, E., & Golib, Z. (2023). FUNDAMENTALS OF HUMAN CAPITAL DEVELOPMENT IN UZBEKISTAN. *Best Journal of Innovation in Science, Research and Development*, *2*(9), 417-422.
7. Khamidovich, T. S., Ikramovich, R. Z., Rashidovich, M. N., & Mirjamilovich, I. A. (2021). Specific Features And Development Trends Of The Activities Of The Infrastructure Of The Insurance Market Of Uzbekistan. *Journal of Contemporary Issues in Business and Government*, *27*(1), 1545-1550.
8. Ikramovich, R. Z., & Mirjalilovich, I. A. (2021, June). THE IMPORTANCE OF TAX POLICY IN THE FORMATION OF BUDGET REVENUES. In *" ONLINE-CONFERENCES" PLATFORM* (pp. 122-124).
9. Amanullayeva, K. M., & Shuhratova, V. J. Attention to the State Language in the Educational Process. *IJRASET, ISSN*, 2321-9653.
10. Amanullayeva, K. M., Kizi, S. V. J., Botirovna, M. V., & Khudoyberdieva, Z. S. Expressing Uzbek neologisms in Japanese and Korean languages and using them in literary works as a concept.
11. Gulomxasanov, E., Amirova, F. S. Q., & Amirov, A. S. O. G. L. (2021). IQTISODIYOTNI RIVOJLANTIRISHDA ICHKI TURIZIMNING ORNI VA AHAMIYATI. *Scientific progress*, *2*(6), 171-174.

12. Tukhliev, I. S., & Khayitbaev, R. (2014). Fundamentals of tourism. *Textbook-T: Science and Technology*.
13. Djuraev, B. (2015). CLASSROOM ORGANIZATION AND EFFICIENCY OF JURISTIC KNOWLEDGE MASTERING BY PROFESSIONAL COLLEGE STUDENTS. *European Journal of Research and Reflection in Educational Sciences Vol*, *3*(2).
14. Bakhrom, J. THE INFLUENCE OF THE CHARACTERISTICS OF THE NERVOUS SYSTEM ON THE PROCESS OF LEGAL LITERACY. *ВЕСТНИК ИНТЕГРАТИВНОЙ ПСИХОЛОГИИ*, 66.
15. Djuraev, B. (2016, February). ОБЩАЯ ПСИХОЛОГИЯ И ПСИХОЛОГИЯ ЛИЧНОСТИ УЧЕБНАЯ МОТИВАЦИЯ УСВОЕНИЯ ЮРИДИЧЕСКИХ ЗНАНИЙ В КОЛЛЕДЖАХ Бахром Джураев. In *Контактная информация организационного комитета конференции* (p. 16).
16. Sadibekova, B., Saidakhmedova, N., Makhmudova, A., Abdukhamidov, S., & Mukhamadiev, A. (2021). To determine the role and importance of marketing research in the development of tourist routes. *Middle European Scientific Bulletin*, *8*.
17. Maftuna, N. (2023). The role and importance of marketing sphere in tourism indusrty. *Best Journal of Innovation in Science, Research and Development*, *2*(12), 662-666.
18. Ibragimov, K., & Marques, J. (2022). Outbound tourism demand in Central Asia: A gravity model applied approach.