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The Mechanism of Assessing Human's Economic Excellence by using "KPI" Tools

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The Mechanism of Assessing Human's Economic Excellence by using "KPI" Tools

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I. Introduction

The concept of "perfect man" has been interpreted differently in different periods. According to N.Komilov, "a unique moral code of a perfect person was developed, and having these qualities was considered as a dream of every person. It is also clear from this that the notions of good morals and the perfect person in the Middle Ages have a relative nature - on the one hand, the concept of an abstract being, which is considered to be the totality of spiritual and spiritual power, intelligence, and good qualities, and on the other hand, a person who aspired to this peak and achieved certain positions was also considered a perfect person" [1]. These and other interpretations have mainly expressed the three-dimensional image of a perfect person: physical, spiritual and mental.

In the conditions of the market economy, the concept of a perfect person is based on the expansion of the "economic excellence" component [2] along with the physically healthy, spiritually mature and intellectual components. The fact is that today it is not enough to be a healthy, polite and intelligent person. He must also have the ability to earn enough money to meet the needs of himself and his family members who are not able to work, and to cover household expenses. Therefore, when evaluating a person economically, it is important to determine his economic excellence.

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It is appropriate to distinguish two abilities that describe the economic excellence of a perfect person: 1. Human ability to work consists of specific and abstract types of physical and mental work, arising in the process of using labor force in practice. A person makes a living by receiving wages as a result of work. 2. Human entrepreneurial ability is a form of realization of the entrepreneurial qualities of each person in active and independent entrepreneurial work, effective use of the connection of production factors, making consistent management decisions, mastering technological and organizational-management innovations, is the economic ability of a person related to assimilation of innovations, risk-taking and provision of profitable work [3].

People with economic excellence is matured in the process of labor and entrepreneurial activity in the business system in the following four stages: formation of human ability as capital; education of a person capable of working as a labor force; creating an entrepreneur with developed entrepreneurial skills; to reach the level of a business person in the status of a company manager.

In the article, the task of developing Key Performance Indicator (KPI) that allows to quantitatively determine these skills with the aim of evaluating the development of human economic excellence and the development of labor and entrepreneurial skills in the economy was set.

II. Analysis of Literature on the Topic

Instrumental skills, interpersonal skills, imaginative skills and systemic skills [4] are of great importance in determining the qualities that describe a person's economic excellence.

Also, the psychological approach to determining economic excellence is worthy of attention, according to which the personal qualities that determine the inclination to entrepreneurial activity and psychological readiness are divided into the following three groups [5]: 1. "Qualities describing the characteristics of the nervous system and thinking" group. 2. "Characteristics of the motivational field" group. 3. "Leadership phenomenon" group.

3 areas of competence ("ideas and opportunities", "resources", "actions") as a tool aimed at increasing the entrepreneurial potential of European

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citizens and organizations in the scientific research conducted by the European Commission on the issue of the structure of competence in the field of entrepreneurship (EntreComp - Entrepreneurship Competence Framework) 15 with basic competencies [6], they play an important role in describing the economic excellence of a person.

The model "Business Excellence" created in cooperation with leading European companies with the support of the European Foundation for Quality Management (EFQM) serves as an effective tool for assessing the entrepreneurial ability in relation to both opportunities (qualities) and results (partial and final). According to Dmitriy Maslov, a member of the expert group of the European Foundation for Quality Management on the revision of the EFQM-2006 model, Aleksandr Shestakov, an expert of the jury for the award of the Government of the Russian Federation for quality, and Derek Midhurst, director of the UK company "D&D Excellence Limited": "The philosophy of Total Quality Management (TQM) As a European interpretation, the concept of EFQM, in turn, is also a practical tool (model) intended to be used for quality improvement" [7]. The EFQM "Business Excellence" model can serve as a methodological basis for evaluating human economic excellence.

The Key Performance Indicators (KPI) approach [8], developed by dividing entrepreneurial skills into hard skills, soft skills, and digital skills, serves as a basis for the scientific justification of the mechanism for evaluating a person's economic excellence by using the KPI tool.

III. Research Methodology

In the study, using the method of systematic analysis, human economic excellence was divided into two levels - labor and entrepreneurial skills. Key Performance Indicators (KPIs) describing 7 main and 40 sub-criteria for evaluating human economic excellence was developed using the method of logical analysis. Using the grouping method, the achieved state of a person's economic excellence was divided into high, moderate, medium and low level of economic excellence. By using the comparative method, based on the comparison of real and standard levels of economic ability, 4 quality authorities of a person: "skilled", "mature", "competent" and "unskilled" were recommended.

IV. Analysis and Results

In order to evaluate the economic excellence of a person, we recommend that the calculation of the "Multiplier of the economic excellence of a person" be carried out in the following five steps (Figure 1):

The first stage. Forming a standard determinant of a person's economic excellence. We recommend the phrase "economic excellence" as a benchmark for a person's level of economic perfection. In this case, we understand "economic excellence" as a set of economic skills that allow a person to skillfully perform labor and business activities.

Economic skills depend on the economic roles performed by a person. A person shows his abilities and potential in the economic sphere in the process of performing various economic roles.

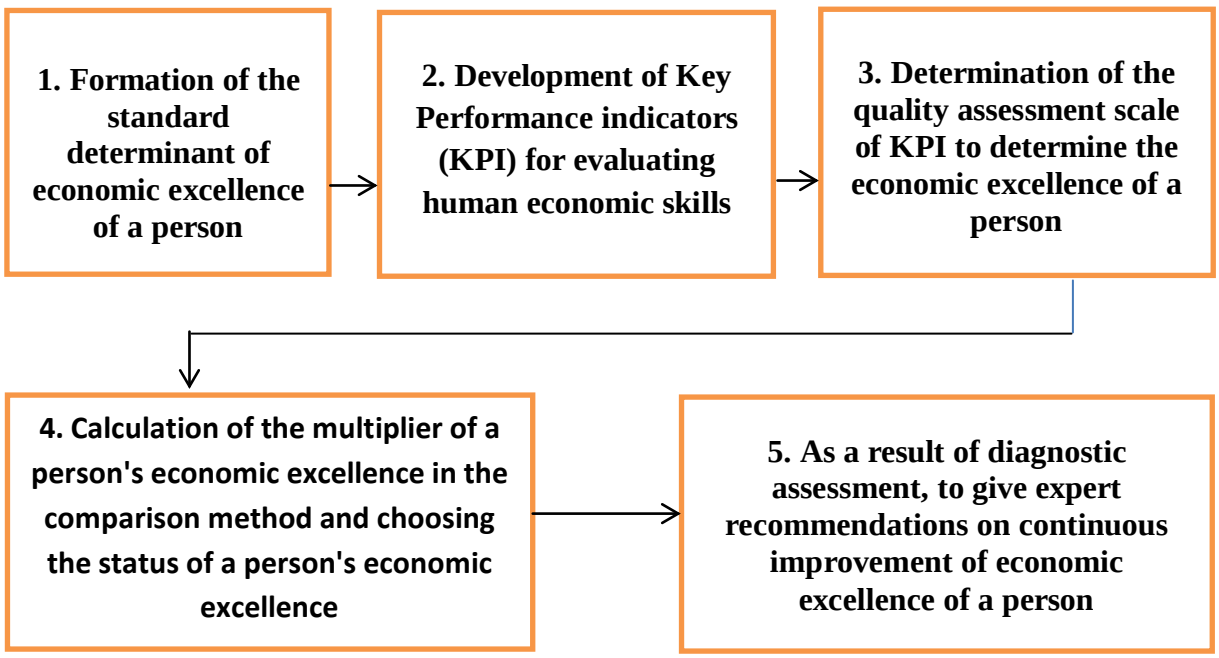


Figure 1: Stages of Assessing the Economic Excellence of A Person

[1] Author's work

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"Economic role, - according to A.P. Vyatkin, - is considered as a unit of measurement of economic behavior, and it is defined as "functions, instructions and guidelines and behavior that an individual is obliged to perform in order to satisfy his consumer and economic needs in various economic structures reaction complex" [9, 75]. Russian psychologist A.D. Karnyshev connects special economic excellence with economic roles. He distinguishes the following six economic roles of man [9,77; 10]:

1. *Consumer* (consumer of the benefits created in society for living).
2. *client*(purchaser of goods and services for the purpose of consumption and use).
3. *Producer* (producer of benefits needed for himself and others).
4. *Entrepreneur* (a person who uses his own funds to produce goods and provide services and realizes entrepreneurial skills).
5. *Vendor* (seller of goods and services created by him and produced by others).
6. *Payer* (payer of tax, duty, utility and other fees determined by the state and competent authorities).

It should be noted that among the above-mentioned human economic roles, there is one more important economic activity characteristic of people, which was identified by A.D. Karnyshev was not taken into account. This, in our opinion, is the economic benefit of man. In this case, by "economic usefulness of a person" we mean the ability of a person to satisfy his needs at the expense of the income he receives as a result of the realization of his work and entrepreneurial abilities for the benefit of society.

Based on these opinions, we came to the conclusion that "economic excellence" as a standard determinant of a person's level of economic perfection is manifested in a harmonious unity of the following seven qualities (Fig. 2).

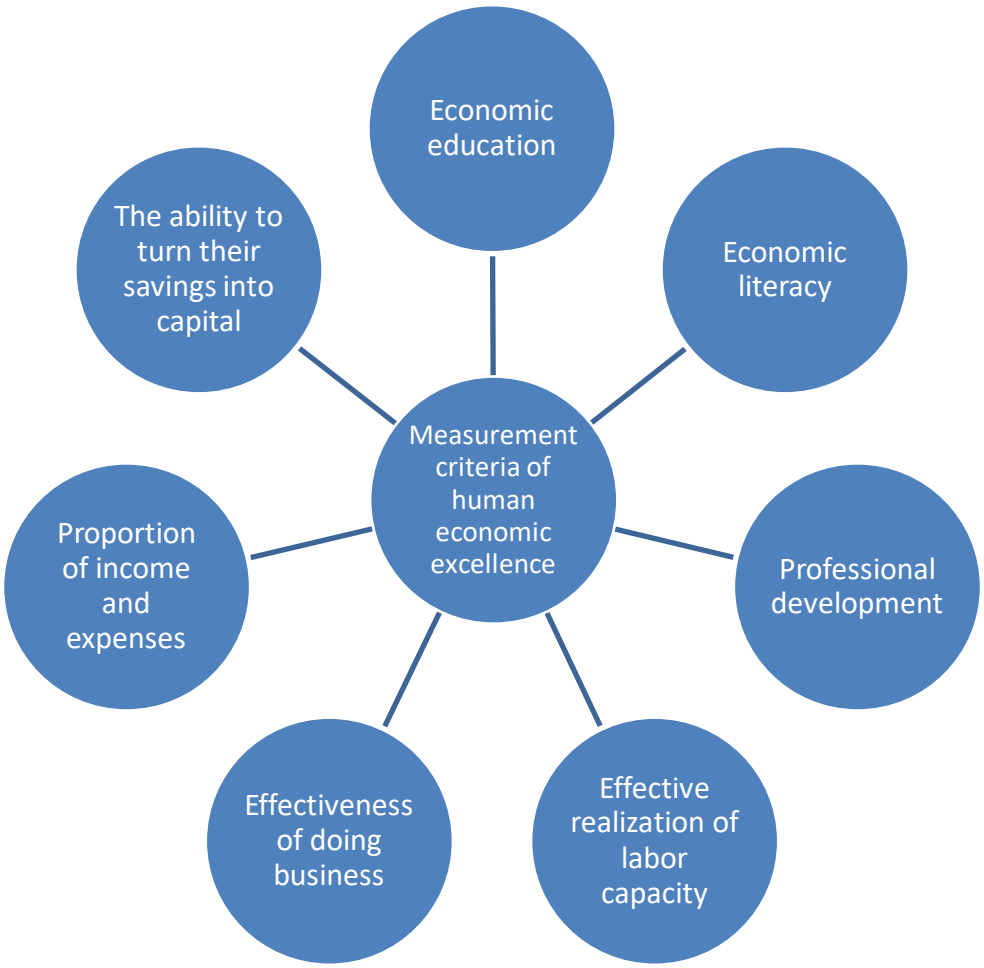


Figure 2: Qualities Describing the Economic Excellence of a Person[2]

[2] Source: author's work

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The second stage: Development of Key Performance indicators (KPI) for evaluating human economic excellence. KPI (Key Performance Indicators) - "these are quantitative indicators of activity, especially effectiveness and efficiency, which help to measure the level of achievement of goals or the optimality of the process" [11]. In our opinion, the algorithm for the development of key performance indicators (KPIs) describing the economic skills of a person can consist of the following processes:

1. Entering the qualities describing the economic skills of a person into the KPI system using *Latin letters*:

- KPI(**E**) - Economic education is the main criterion;
- KPI(**K**) - Economic knowledge is the main criterion;
- KPI(**P**) - Professional skills are the main criteria.
- KPI(**L**) - The main criterion is the effective realization of labor capacity.
- KPI(**B**) -The main criterion for the effectiveness of doing business.
- KPI(**I**) -The main criterion is the ratio of income and expenses.
- KPI(**S**) -Investment skill is the main criterion.

2. Expressing the sub-criteria describing the main criteria for evaluating a person's economic skills to the KPI system by means of numbers:

– KPI(E) - Economic education: KPI (**E1**). Hard work; KPI (E2). Economy; KPI(E3). Live by calculation; KPI(E4). The ability to conduct economic affairs; KPI(E5). The ability to control one's ego. KPI(E6). Figurative description of money; KPI(E7). Preservation of property.

– KPI(K) - Economic literacy: KPI(**K1**). Knowing the calculations of all utility bills and ensuring timely payment; KPI(K2). To know the income from the salary and the net income; KPI(K3). The level of imagination about the prices of daily consumer goods and services; KPI(K4). Ability to create and maintain a family budget; KPI (K5). The skill of conducting price negotiations and buying experience when buying things from the market and stores; KPI(K6). Knowledge of taxes and their social importance; KPI(K7). Knowing the reasons for frequent changes in the prices of goods and services in the market economy.

– KPI(P) - Professional skills: KPI(**P1**). High career and professional skills in the position; KPI(P2). The career and professional skills in the position are average; KPI(P3). The career and professional skills in the position are low.

– KPI(L) - Effective realization of labor capacity: KPI(**L1**). There is no income from work, the income is only from entrepreneurship or other financial sources; KPI(L2). As a hired or independent worker, he earns little, just enough to cover his expenses; KPI(L3). The average income he receives as a hired or self-employed worker is enough to fully cover his expenses and partially cover his family's expenses; KPI(L4). The income he receives as a hired or independent worker is not bad, enough to cover his and his family's expenses; KPI(L5). The income from both hired labor and self-employment is high, fully sufficient to cover the expenses of himself and his family; KPI(L6). His income from wage labor and self-employment is high, more than covering his and his family's expenses.

– KPI(B) - Effectiveness of doing business activities: KPI(**B1**). There is no income from entrepreneurship, the income is only from hired labor or self-employment; KPI(B2). Entrepreneurial income is up to 25% more than the income from labor (the sum of wage and self-employment); KPI(B3). Entrepreneurial income is 26% to 50% more than the income from work; KPI(B4). Entrepreneurial income is 51% to 75% more than the income from labor; KPI(B5). Entrepreneurial income is 76% to 100% more than the income from work; KPI(B6). Business income is more than 100% of income from labor.

– KPI(I) - Proportion of income and expenses: KPI(**I1**). Consumers do not save all of their monthly (annual) income by spending it on expenses; KPI(I2). Spends 99% to 95% of monthly (annual) income and saves 1% to 5%; KPI(I3). Spends 94% to 90% of my monthly (annual) income and saves 6% to 10%; KPI(I4). Spends 89% to 85% of my monthly (annual) income and saves 11% to 15%; KPI(I5). . According to the "80/20" golden rule of wealth, 80% or less of monthly (annual) income is spent on consumer spending and 20% or more is saved.

– KPI(S) - Investment skills: KPI (**S1**). Does not have a fund or keeps the funds at home and does not receive income from them; KPI(S2). By using (investing in) their savings, they receive additional profit of up to 25% of their total income per month (year); KPI(S3). Using their savings, they receive additional profit from 26% to 50% of their total income per month (year); KPI(S4). Using their savings, they receive additional benefits from 51% to 75% of their total monthly (annual) income; KPI(S5). Using their savings, they receive additional benefits from 76% to 99% of their total income per month (year); KPI(S6). Using their savings, they receive additional profit of 100% of their total income per month (year) and more.

3. Create a special test to determine the level of development of people's economic skills based on the main and sub-criteria of evaluating human economic skills.

The Third Stage: Determination of the quality status assessment scale of Key Performance Indicators (KPI) to determine the economic skills of a person. In the diagnostic process, it is recommended to evaluate the

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economic skills of people with a 100-point system according to KPI. In this case, the points are distributed in each main criteria section as follows:

- For economic education - 15 points.
- For economic knowledge – 15 points.
- For professional skills - 14 points.
- For effective realization of working capacity – 14 points.
- For the effectiveness of doing business – 14 points.
- For the ratio of income and expenses - 14 points.
- For investment skills - 14 points.

The assessment points divided by the main criteria are distributed proportionally in the sub-criteria section, depending on the number of important skill indicators and their quality level.

The Fourth Stage: Calculating the multiplier of a person's economic exellence in the comparative method and choosing the status of a person's economic excellence. It is recommended to calculate the multiplier of the person's economic excellence by the following formula, in exchange for comparing the total points collected by the expert method in the KPI system of the person being studied for his economic excellence with the benchmark score:

$$Hee = \frac{KPI(E) + KPI(K) + KPI(P) + KPI(L) + KPI(B) + KPI(I) + KPI(S)}{Eee},$$

Here:

Hee is a multiplier of the economic skill of a person (this indicator is measured in the range of 0.0 to 1.0 in the coefficient scale);

KPI(E), KPI(K), KPI(P), KPI(L), KPI(B), KPI(I), KPI(S) are the values of 7 main criteria for evaluating a person's economic skills (these criteria are the result of diagnosis of KPI determined during the quality assessment process);

Eee is a benchmark indicator of a person's economic excellence (Eee is quantified by equating to a total of 100 points the best state of key skill indicators (KPIs) describing 7 main and 40 sub-criteria).

Based on the coefficient of the multiplier of economic excellence of a person (Hee), it is selected that his state of economic skill corresponds to one of the following four quality levels and corresponding skill status:

1. From 0.0 to 0.49 - "Man with no economic excellence" based on a low level of economic excellence.
2. From 0.50 to 0.69 - "Man with economic potential" who is determined in his economic excellence at a moderate level.
3. From 0.79 to 0.85 - "Economically mature person" who has achieved a moderate level of economic excellence;
4. From 0.86 to 1.0 - "Economically skilled person" who has achieved a high level of economic excellence.

The fifth stage: As a result of diagnostic assessment, providing expert recommendations on continuous improvement of economic excellence of a person. A "Roadmap" will be drawn up for improving the economic skills of people based on the coefficient of the multiplier of the economic skill of a person. Based on the results of the diagnosis of the economic skills of a person, measures related to the promotion of people with economic potential to the status of people with economic potential and from maturity to the level of economic maturity, and from maturity to the status of people with economic excellence are developed.

In order to practically calculate the multiplier of the economic excellence of a person, we conducted a diagnosis of the economic skill of 500 people employed in the Bukhara region of the Republic of Uzbekistan. In this, the diagnostic study was carried out in 4 stages (Fig. 3).

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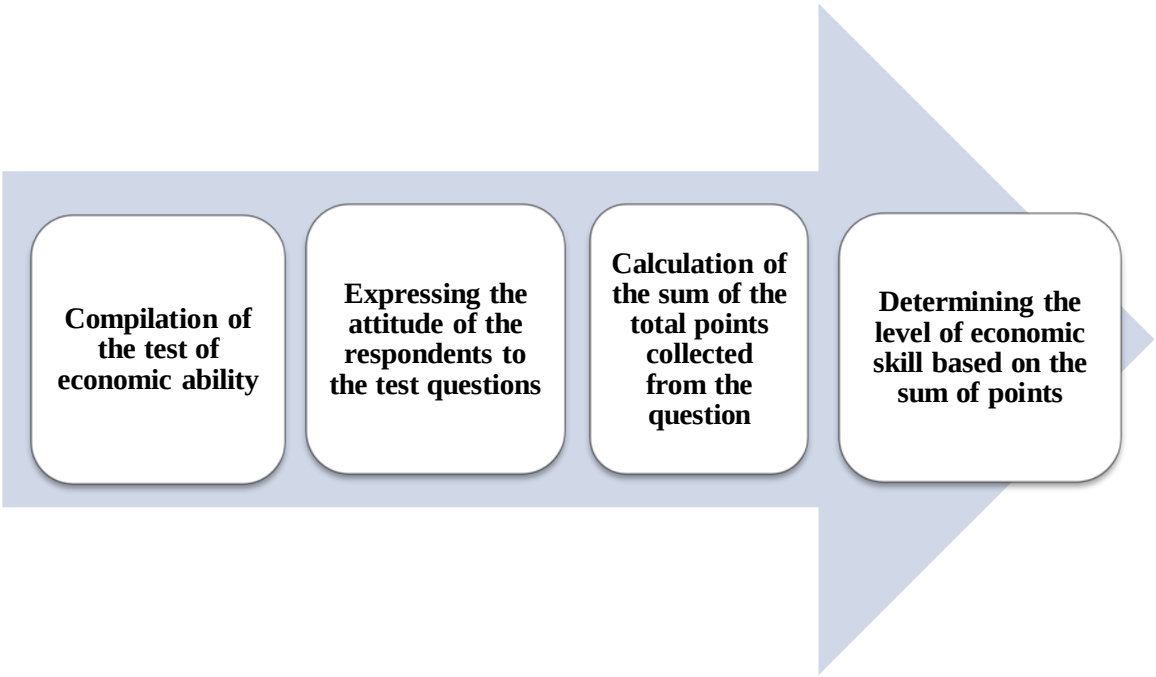


Figure 3: Stages of Diagnosing Human Economic Excellence

In order to diagnose a person's economic skills, we developed the "test of economic ability" and calculated the economic skills of respondents by expert method (on a 100-point scale) using it (Table 4).

Table 1: Results of Economic Skills Assessment of 500 Respondents[3]

N	Multiplier value of human economic excellence (Hee).	The level of economic excellence of a person	Human economy Excellence status	Number of respondents	Theirs percentage, %
1	From 0.0 to 0.49	Low	"A person without economic excellence"	65	13,0
2	From 0.50 to 0.69	Medium	"A person with economic potential"	372	74,4
3	From 0.70 to 0.85	In moderation	"Economicmatureperson"	53	11,6
4	From 0.86 to 1.0	High	"A person with economic skills"	5	1,0
Total:				100	100%

The results of the research show that there are very few people with "high" level of economic excellence, only 5 people, and 1.0% of the respondents have the status of "Economically skilled person". 53 of the respondents have developed their economic excellence at the "standard" level, and 11.6 percent have the status of "Economically mature person". The largest number of respondents - 372 people - had their economic skills at the "medium" level, and the share of those with the status of "Economic potential person" made 74.4%. Finally, there are 65 people with "low" level of economic skills, and 13.0 percent of the respondents belong to the category of employed people with the status of "Person without economic excellence".

[3] Source: based on the author's "Economic Aptitude Test" survey.

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V. Summary

Based on the research results, we came to the following conclusions:

1. In the conditions of the market economy, along with the traditional three-dimensional qualities of a perfect person, we recommend taking into account and evaluating his "economic excellence" as a fourth-dimensional criterion describing his economic aspect.
2. "Human economic excellence" is understood as a set of economic skills that enable a person to skillfully perform labor and business activities.
3. Calculation of the "multiplier of human economic excellence" to form the standard determinant of economic excellence; development of key performance indicators (KPIs); determining the rating scale; calculating the multiplier in the comparison method and choosing the status of the person's economic skill; as a result of diagnostic evaluation, it is carried out in stages such as providing expert recommendations on continuous improvement of economic excellence.
4. "Key performance indicators" (KPI) will be developed, which will allow to evaluate the labor and entrepreneurial ability of people by expressing the main criteria of human economic skills through Latin letters and sub-criteria through numbers into the KPI system.
5. By means of 40 key performance indicators (KPIs) developed on the basis of 7 main criteria, determination of the "high", "moderate", "medium" and "low" levels of the real achievement of human economic skills and the "skilled" of employed people, gives the opportunity to determine the quality status of "mature", "competent" and "unskilled".

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