

**DOI <https://doi.org/10.30525/978-9934-26-277-7-138>**

**USE OF KPI SYSTEM (KEY PERFORMANCE INDICATOR SYSTEM) IN EFFECTIVE MANAGEMENT OF EMPLOYEES**

**Kuchkorova R.**

*Second-year student of the Business Management Direction  
ISMA Branch of the Higher School  
of Information Systems Management in Fergana  
Fergana, Uzbekistan*

**Rustamov D.**

*Second-year student of the Business Management Direction  
ISMA Branch of the Higher School  
of Information Systems Management in Fergana  
Fergana, Uzbekistan*

Let's look at what area is developing in the age of Information Technology and globalization, no matter how many opportunities they have, there are also problems. We can also see this in the example of enterprises. Considering the level of development in all areas, the development of the same area will not depend only on one thing, no matter what area, in order for that area to reach a mature level, it will need an equally high level of attention and development on all the resources spent on it [1].

How the processes of work of employees are in the oil level, to what extent the work is justified, all this will directly depend on the principles of management. The skill of the manager in achieving results, improving the quality of high performance of enterprises, as well as the high level of the management system, has a great commitment. In effective management, the KPI(Key Performance Indicator system) System is being compromised. KPI is the main indicators that can be used to assess the performance of employees of various departments of the Company [3]. On their basis, employees are promoted to the career ladder or bonuses are paid. Since recent years, almost a lot of foreign companies and several companies of our country have been introducing such a management system as KPI to their enterprises. The more important the amount of wages for workers, the more important the efficiency of work for the company. This system is equally important not only for the administration, managers or office employees of enterprises, but also for working personnel, specialists. The main idea of the KPI meaning is that with the help of this system it will be

aimed at assessing what the main goal of each employee, working group, departments in the organization, Project and company is based on. As a result, the indicators achieved in the company, using numbers, reflect and show a whole of the processes taking place during the work, the results. The most important thing is that for each case it is necessary to develop the correct KPI and enter the required indicators. It is very important that every employee who is accepted into the company, after getting a job, give specific information about this concept (assessment of its performance criteria), explain what exactly it is based on and have complete information in it. The employing company allows a novice employee to clearly, quickly understand what result the employee should achieve through the list of indicators and what results the company expects from him. Through the KPI range, we can immediately find out how much effort it takes to achieve the set goal, a high result, a level. Whether it is determined by the employer how the salary will be, or, on the contrary, the employee's abilities, within the framework of the results achieved, significantly increase the salary to the top. For each position, it is enough to develop the correct KPI and enter the actual indicators. After getting a job in a company, it is very important for an employee who is faced with this concept to immediately understand what exactly the personal KPI (criteria for evaluating his work) belongs to. The list of indicators allows a beginner to quickly understand what exactly the employer wants to get, what result he expects from the employee. In order to achieve high efficiency in enterprises, a points card is also introduced.

Points card system-allows professionals to set specific work goals and achieve transparent bonuses. But in some cases, the measurements specified in the vaa it is somewhat difficult to achieve the specified results, and the transition to such a system can be painful. Working according to the KPI system in large foreign companies, where all the rules are written clearly and in detail, is the perfect option for an employee. He understands how much, why and when he will receive in excess of wages. He has personal duties and deadlines, and the company can regularly monitor his work with the help of an assessment. In a large number of organizations using this system, in addition to monthly reports, the results of the KPI of each employee are taken as the basis for an annual assessment of the effectiveness of the work activities of the company's employees. After studying the annual reports and results, an annual assessment is carried out, and then the promotion of employees of the company by the HR department makes a list of the most promising and most successful specialists who have

achieved the most promising result in order to enroll in the foundation of talents.

• In some foreign companies, goals and indicators are developed by the personnel department, and in some, consultants are involved. In other companies, however, the goals and indicators are set by the head office, while the other controls themselves. By not correctly assessing the performance characteristics of employees, the indicators will be structured. It even happens that heads and employees of assessment units are involved in the most advanced organizations for the development of KPIs. The main indicators of the performance process in the KPI assessment system are considered in these 4 available indicators [5]:

- financial;
- client in the form of:
- process;
- criteria for the development of the company.

Financial indicators – an indicator that assesses the financial activity of an economic entity – the coefficient of financial independence, the coefficient of autonomy, the profitability of own funds, the profitability of assets, the level of internal profitability-IRR, the stock price, the share of net profit that remains at the disposal of the Enterprise, etc. Through these indicators reflect the financial stable or non-working economic status of the enterprise[8].

Customer indicators-on a market scale, individual workers create a company's appearance by dealing with customers. These criteria include customer satisfaction, quality, image performance, new market number, and market share [2].

Process indicators-while include how quickly the processes carried out in the company are carried out at the opportunity( speed), the time of production and marketability of products, the time spent on logistics and delivery of goods, etc.

Development criteria-CPI indicators characterizing the level of development and development of the company (external processes of how much the company develops in the market and internal processes of personnel production) are the productivity of employees, the profit for each employee or the administrative costs incurred for employees, the level of satisfaction of working personnel[6]. It is known that the enterprise should increase the number of workers and employees, increase production efficiency, otherwise the enterprise will turn into a circle of interests intended for holding the day.

**References:**

1. Абдурахмонов Қ. Инсон капитали: “Халқ орзуси, билан кудратли келажак тарбияланмоқда”. *Янги Ўзбекистон ижтимоий-сиёсий газета*. № 71(593), 2022 бет йил 9 апрель.
2. Абалкин Л. И. Экономическая энциклопедия. М. : 1999. С. 271.
3. Ben-Porath. The Production of Human Capital and the Life Cycle of Earnings. N. Y. : – L, 1970. P. 49.
4. Фишер С., Дорнбуш Р., Шмалензи Р. Экономическая теория. М. : Юнити, 2002. С. 21.
5. Нестеров Л., Аширова Г. Национальное богатство и человеческий капитал. *ВЭ*. 2003. № 2.
6. Абдурахмонова Н. Қ. Инсон капиталига сармоя Янги Ўзбекистон тараққиёти кафолати. <https://review.uz/oz/post/inson-kapitaliga-sarmoaya-yangi-ozbekiston-taraqqiyoti-kafolati> (09.08.2022).
7. Абдурахмонова Г. Қ., Рустамов Д. Ж. “Инсон капиталини рақамли иқтисодиёт асосида ривожлантириш йўналишлари” : монография. Beau Bassin : “GlobeEdit” Publisher, 2020. 127 б.
8. <https://glocalthinking.com/en/6-hr-trends-in-the-new-digital-economy/>
9. Yakubovna, I. S. (2020). Ensuring effective use of local budget funds: what is the root cause of the problem? *Архивариус*, (7(52)), 44–47.
10. Rahmonaliyevich, K. D. (2020). Choosing the optimal rule of monetary policy, taking into account changes in the main macroeconomic indicators. *ACADEMICIA: An International Multidisciplinary Research Journal*, 10(12), 1351–1356.